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SEVENTY-SECOND CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, JUNE 1, 1932

Rev. Frederick Brown Harris, D. D., minister of Foundry Methodist Episcopal Church of the city of Washington, offered the following prayer:

Our Father God, with the din of clamorous and clamant voices in our ears, we would hush earth's noises and wait in this quiet moment for the still, small voice of the Eternal Spirit, lest we forget whose servants we are. Amid the tumult and shouting of troubled days we would lift our eyes to the eternal verities. In our bewildering doubt and darkness lift upon us the light of Thy countenance, Thou God who hast been our help in ages past, Thou who art our hope for years to come. Breathe through the heats of our desire Thy coolness and Thy balm. In discordant and disordered days may our ordered lives confess the beauty of Thy peace.

We pray for new insights and for larger sympathies. Recognition of our oneness in Thee makes vivid our realization of the oneness of humanity across all separating barriers of border or breed or birth. Lift the levels of our thinking and living above the fog of blinding prejudice and selfish seeking.

As we look to Thee now in this national shrine of each patriot's devotion, inspire these servants of Thine and of the people to face the vast needs of the present and of the future with dauntless courage and that brotherly compassion for the baffled and discouraged multitudes which moved the heart of that Lord and Master of us all. We ask it in His name. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar days of Monday, May 30, and Tuesday, May 31, 1932, when, on request of Mr. Fess and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Robinson, Ind.
Austin	Couzens	Jones	Schall
Bailey	Cutting	Kean	Sheppard
Bankhead	Dale	Kendrick	Shipstead
Barbour	Dickinson	Keyes	Shortridge
Barkley	Dill	King	Smith
Bingham	Fess	La Follette	Smoot
Black	Fletcher	Logan	Steiwer
Blaine	Frazier	McGill	Stephens
Borah	George	McKellar	Thomas, Idaho
Bratton	Glass	McNary	Thomas, Okla.
Broussard	Glenn	Metcalf	Townsend
Bulkley	Goldsborough	Moses	Trammell
Bulow	Gore	Neely	Tydings
Byrnes	Hale	Norbeck	Vandenberg
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hayden	Patterson	Walsh, Mont.
Connally	Hebert	Pittman	Watson
Coolidge	Howell	Reed	Wheeler
Copeland	Hull	Robinson, Ark.	White

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of Howard O. Haggberg, of Isle, Minn., praying for the passage of legislation providing for the issuance of additional currency and the payment of World War veterans' adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Square Table Club, of New York City, N. Y., favoring the repeal of the eighteenth amendment of the Constitution and the return to the States of the regulation and control of intoxicating liquors, which was referred to the Committee on the Judiciary.

He also laid before the Senate letters from H. J. Ryan, of Nashville, Tenn., submitting certain recommendations for legislation, which were ordered to lie on the table.

Mr. DILL presented petitions numerously signed by sundry citizens, being unemployed veterans and members of the Spokane County (Wash.) Unemployed League, praying "that ample provision be made by the constituted authorities, county, State, and Federal, for food, clothing, shelter, heat, light, and water, for ourselves and fellow citizens," etc., which were ordered to lie on the table.

Mr. BYRNES presented a petition of sundry citizens of Greenville and Woodruff, S. C., praying for the passage of legislation to eliminate all expenditures for veterans' disabilities not connected with war service, which was ordered to lie on the table.

Mr. BARBOUR presented a resolution adopted by Rotary Club No. 1217, of Somerville, N. J., favoring the adoption of a general sales tax, a 10 per cent reduction in Federal salaries, and protesting against the passage of legislation to provide for the cash payment of World War veterans' adjusted-compensation certificates (bonus), which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Square Table Club, of New York City, N. Y., favoring the repeal of the eighteenth amendment of the Constitution and the return to the States of the regulation and control of intoxicating liquors, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the National Association of Leather Glove and Mitten Manufacturers of Gloversville, N. Y., favoring retrenchment in governmental expenditures, which was ordered to lie on the table.

He also presented a resolution adopted by the Syracuse N. Y.) Branch of the National Woman's Party, favoring the adoption of a reservation to the World Court protocols providing that the code of law to be administered by the World Court shall not contain inequalities based on sex, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of Buffalo, N. Y., remonstrating against discrimination in taxation against the automotive industry and favoring the adoption of a general sales tax in lieu of such taxation, which was ordered to lie on the table.

Mr. WALSH of Massachusetts presented petitions of sundry citizens of the State of Massachusetts praying for the passage of House bill 9891, providing a pension system for railroad employees, which were referred to the Committee on Interstate Commerce.

He also presented papers in the nature of petitions from 110 citizens of the State of Massachusetts, praying for the modification of the Volstead Act and the repeal of the eighteenth amendment of the Constitution, which were referred to the Committee on the Judiciary.

He also presented papers in the nature of petitions from 125 citizens of the State of Massachusetts, praying for retrenchment in governmental expenditures, particularly in payments and pensions to veterans not disabled in time of war, and also the balancing of the Budget, which were ordered to lie on the table.

He also presented papers in the nature of petitions from 150 citizens of the State of Massachusetts, praying for the balancing of the Budget, the defeat of cash bonus proposals, and the stopping of "all raids on the Treasury," retrenchment in governmental expenditures, amendment of the Volstead Act, and the taxing of light wine and beer, etc., which were ordered to lie on the table.

REPEAL OF THE EIGHTEENTH AMENDMENT

Mr. WALSH of Massachusetts. Mr. President, I present a petition in the form of resolutions of members of the Worcester Women's Democratic Club, of Worcester, Mass., favoring the repeal of the eighteenth amendment of the Constitution, which I ask may be printed in the RECORD without all the signatures and appropriately referred.

There being no objection, the petition was referred to the Committee on the Judiciary and ordered to be printed in the RECORD without all the signatures, as follows:

Resolved, That we, the members of the Worcester Women's Democratic Club assembled in session this the 28th day of May wish to go on record as being in favor of the eighteenth amend-ment being repealed, as we believe that this was never constitutional.

Resolved, That if the eighteenth amendment is retained, some ystem should be inaugurated that would compel those desiring

the enforcement share the necessary expense of same.

Resolved, That we present the above sentiments to our United States Senator, David I. Walsh, to have him give this immediate attention.

GLADYS I. HENNESSY (and others).

MANUFACTURERS' EXCISE TAX

Mr. WALSH of Massachusetts. Mr. President, some days ago I received a letter from the Governor of the Commonwealth of Massachusetts asking that there be incorporated in the revenue bill a provision expressly exempting States and subdivisions of States from payment of the tax on the sales of articles covered in the special section of the revenue bill imposing certain excise taxes. The opinion of the experts and of the committee was that such a provision was not necessary. In connection with the explanation I have made, I ask that the letter to which I have referred may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

THE COMMONWEALTH OF MASSACHUSETTS, EXECUTIVE DEPARTMENT, Statehouse, Boston, May 9, 1932.

Hon. David I. Walsh,

United States Senate, Washington, D. C.

Dear Senator Walsh: If the Federal revenue bill is to provide excises or taxes on various commodities ranging as to articles from automobiles and lubricating oils to checks and telegrams, the Commonwealth and its subdivisions will be vitally affected.

For that reason I am writing to call your attention to the fact that it would be of great assistance to Massachusetts and its subdivisions to have written into the revenue bill a provision expressly exempting governmental activities from the Federal charge, instead of being obligated, as at present, to establish the fact, in asking for refunds, that the tax was exacted on a transaction purely in the exercise of a governmental function.

The original revenue proposal (H. R. 10236) as reported by the Committee on Ways and Means to the House March 7, 1932, carried a provision under the title of manufacturers' excise tax providing for exemption from the excise as to governments. This

ried a provision under the title of manufacturers' excise tax providing for exemption from the excise as to governments. This appears at page 239, at lines 13-15, inclusive. Under this provision the following would not be subject to the tax:

"(5) Sales to a State or political subdivision thereof, or any agency thereof by articles for use solely in the exercises of a governmental function."

I believe Commissioner Long has alreedy talked this matter over

I believe Commissioner Long has already talked this matter over with you at length. I am, therefore, not going into greater details other than to back him up by saying that there will be permanent and material benefit to the Commonwealth by including some such provision as that quoted above in whatever revenue bill is enacted by Congress.

Sincerely yours,

JOSEPH W. ELY.

REPORT OF THE COMMITTEE ON BANKING AND CURRENCY

Mr. GLASS. Mr. President, I am directed by the Committee on Banking and Currency to report back with amendments the bill (H. R. 11499) for restoring and maintaining the purchasing power of the dollar, which is known as the Goldsborough bill.

The VICE PRESIDENT. The bill will be placed on the calendar.

THE WORLD COURT (REPT. NO. 758)

Mr. WALSH of Montana. Mr. President, on behalf of the senior Senator from Ohio [Mr. Fess] and myself and by direction of the Committee on Foreign Relations, I submit from that committee a report on the protocols concerning adherence of the United States to the Permanent Court of International Justice. In all reasonable probability there will be a considerable demand for copies of the report. I inquire of the chairman of the Committee on Printing [Mr. SHIPSTEAD] whether some additional copies might be printed.

Mr. WALSH of Massachusetts. Mr. President, the Senator from Minnesota [Mr. Shipstead] is not in the Chamber at the moment, but I am a member of the Committee on Printing and I am sure there will be no difficulty in having that done.

Mr. FESS. Mr. President-

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I yield.

Mr. FESS. In order to get a sufficient number I would suggest that the report be made a public document. I think that will give us a sufficient number. I ask unanimous consent that that be done.

The VICE PRESIDENT. The report can be printed in the usual manner.

Mr. JOHNSON. Mr. President, may I inquire what the report is? Is it the report on the World Court?

Mr. WALSH of Montana. Yes.

Mr. JOHNSON. Let us take it up. It is 15 minutes after 12 now.

Mr. REED. Mr. President, will the Senator from Montana yield for a question?

Mr. WALSH of Montana. Certainly.

Mr. REED. May I ask the Senator what his intentions are with regard to fixing a date for taking up the matter? Mr. WALSH of Montana. I should like very much to agree upon a date at the next ensuing session of Congress.

Mr. REED. It seems to me that would be reasonable, but I am informed that we evidently can not get an agreement. So I suppose it will be necessary to move to make the matter a special order. That can be done only in executive session.

Mr. WALSH of Montana. We shall take it up later. The VICE PRESIDENT. The report will be printed as a Senate report.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST:

A bill (S. 4791) to amend the United States mining laws applicable to the city of Prescott municipal watershed in the Prescott National Forest within the State of Arizona; to the Committee on Public Lands and Surveys.

By Mr. LEWIS:

A bill (S. 4792) granting an increase of pension to Amanda J. Lane; to the Committee on Pensions.

By Mr. GORE:

A joint resolution (S. J. Res. 168) to authorize the appointment of a nonpartisan commission to collate information and to consider and recommend legislation to meet the problems presented by agriculture, labor, and capital, to revive trade, and promote the general welfare; to the Committee on Banking and Currency.

SECOND READING AND REFERENCE OF A BILL

The bill (S. 4632) to authorize the Reconstruction Finance Corporation to make loans to States and municipalities was read the second time by its title and referred to the Committee on Banking and Currency.

INVESTIGATION OF CAMPAIGN EXPENDITURES, 1932

THOMAS of Oklahoma submitted an amendment intended to be proposed by him to the resolution (S. Res. 174) for an investigation of campaign expenditures of presidential, vice presidential, and senatorial candidates in 1932 (submitted by Mr. Dickinson on March 1, 1932), which was ordered to lie on the table and to be printed.

AMENDMENTS TO LEGISLATIVE APPROPRIATION BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 58, insert, beginning at line 5:
"(b) This section shall not apply to any person retired for injuries received in battle."

On page 106, line 14, strike out the period after the figures "1928" and insert a comma and "within six months from date of approval of this act."

Mr. REED submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 57, line 23, strike out "\$3,000" and the balance of that line, and strike out lines 24 and 25, and strike out, on page 58, line 1, down to and including the word "elect."

In lieu thereof insert "the rate of pay which such person was receiving as such commissioned officer immediately before retire-

ment

Mr. SHORTRIDGE submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 56, line 24, strike out the following: "For night work."

Mr. LEWIS submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 56, line 24, to strike out the words "for night work."

Mr. MOSES submitted amendments intended to be proposed by him to House bill 11267, the legislative appropriation bill, which were ordered to lie on the table and to be printed, as follows:

On page 59, line 11, after the word "citizens," strike out the period, insert a comma, and add the following: "Or to officers and employees of the Foreign Services of the United States whose official station is in foreign countries," so that the proviso will read as follows:

Provided, That nothing herein shall apply to civilian officers and employees of the Panama Canal located on the Isthmus and who are American citizens, or to officers and employees of the Foreign Services of the United States whose official station is in foreign

countries."
On page 66, line 5, after the word "cost," strike out the re-On page 66, line 5, after the word "cost," strike out the remainder of the section and insert the following: "thereof as determined by the Public Printer plus 50 per cent: Provided, That a discount of not to exceed 25 per cent may be allowed to authorized book dealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The surplus receipts from such sales shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by book dealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective de-Superintendent of Documents and the head of the respective de-partment or establishment of the Government. The selling price of publications as provided for herein shall be in lieu of that pre-scribed in the public resolution approved May 11, 1922 (U. S. C., title 44, secs. 72 and 220), and section 42 of the act of January 12, 1895 (U. S. C., title 44, sec. 114)."

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Collier, Mr. Crisp, Mr. Rainey, Mr. Hawley, and Mr. TREADWAY were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills:

H. R. 1029. An act for the relief of Basil N. Henry; and H. R. 4868. An act for the relief of George E. Casey.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 26) to establish a commission to be known as the United States Roanoke Colony Commission to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C., in which it requested the concurrence of the Senate.

SENATORS FROM MINNESOTA

Mr. SCHALL. Mr. President, I ask unanimous consent that a clipping from the Minneapolis Tribune entitled "In Defense of Our Senators" may be inserted in the RECORD.

There being no objection, the clipping was ordered to be printed in the RECORD, as follows:

IN DEFENSE OF OUR SENATORS

To the EDITOR OF THE TRIBUNE:

In reply to David E. Hasey's wild and woolly warbling about the Farmer-Labor Party being of no value, and his claim that Hon. Henrik Shipstead did not accomplish anything, I must say that it is my opinion that men of Mr. Hasey's stamp are the reason that Hon. Henrik Shipstead can not accomplish the great and good deeds but he proposed in the state of the deeds that he proposes. I would judge by Mr. Hasey's warbling that he does not read the Congressional Record.

If he does read it I would refer him to Shipstead's speeches made on December 22, 1931, February 6, 1932, March 7, 1932. I would also call his attention to a speech made by Hon. Tom Schall on March 16, 1932—a masterpiece. I suppose Mr. Hasey is well posted on Abraham Lincoln's speeches and Theodore Roosevelt's advice.

If he can show me where Lincoln or Roosevelt have showed any more wisdom than Schall and Shipstead I will be pleased to be shown, providing he does not make such foolish and rank mistakes as he has made in his write-up of May 25, 1932.

I will be glad to send Mr. Hasey a few of my Congressional Records if he will read them.

am and have been a Republican for 50 years, but not a hide-I am and have been a Republican for 50 years, but not a hidebound Republican that can not support a man that believes it is his duty to preserve our Constitution, our flag, and our people regardless of his political party. People with real blood in their arteries support men for office and for leadership who believe in our representative form of government. I could cast my vote for a Democrat conscientiously if he was for the best interests of our country, but not the Joe Robinson or Al Smith or Raskob brand. There is not a State in the Union that has better Senators than our State of Minnesota, regardless of whether Mr. Hasey or anybody dislikes them because of their politics.

Best wishes to Mr. Hasey from a Bull Moose Republican.

J. J. Maier, Graceville, Minn.

STUDY OF WAGE LOSSES OF FEDERAL EMPLOYEES

Mr. COSTIGAN. Mr. President, the so-called economy bill is about to be presented to the Senate. The bill referred to is expected seriously to affect the living standards and conditions of members of the National Federation of Federal Employees, an important association of workers, many of whom are friends and neighbors of ours, who have given long years of faithful service to the Government. Under direction of Mr. Luther C. Steward, president, and Miss Gertrude McNally, secretary, an exhaustive study has just been completed by that federation indicating estimated wage losses of such employees experienced since 1913, on the basis of the decline in the purchasing power of the dollar and changes in the cost of living. I ask unanimous consent to have printed in the RECORD at this point, as part of my remarks, this important and suggestive study to which I have referred.

There being no objection, the study was ordered to lie on the table and to be printed in the RECORD, as follows:

PREFATORY STATEMENT

The following study, made for the national federation by its actuarial expert, Vice President Ulrey J. Billier, and considered the most complete and accurate of its kind ever attempted, is offered by the Government workers' organization as incontrovertible evidence that wage cuts now would have the effect of sharply accentuating a wage deflation trend which actually has been going on for nearly two decades.

Briefly, the national federation's study shows in a series of tables that, in all salary groups, workers have sustained continuing losses in "real wages" ever since 1913, the year used as a basis of comparison. This pre-war year is universally utilized by statisticians for comparative purposes.

For example, taking a \$900 a year clerk, it is revealed that with the advance of the Government's own Index Number for the Cost of Living from 100 in 1913 to 172.5 in 1924, the index value of the \$900 salary was \$1,553, while the actual salary was but \$1,028, making the average salary "lag" \$390, and the \$900 clerk's "real wage"

a scant \$674.

Now, using this same clerk as an illustration after the enactment of the classification act, the federation's study shows that the index value of the \$900 salary from 1925 to 1931 averaged \$1,510, while the actual salary received was \$1,191. Here the salary lag was \$319, with the real wage only \$713. It is especially noteworthy that while the peak of the index number of the cost of living was reached in 1925, when it was 177.9, by 1931 it had fallen to only 145.8, still far above the 1913 mark of 100.

Furthermore, the study shows that for each \$900 clerk the salary lag, a definite actual loss to the individual, was \$6,518 from 1914 to 1931.

to 1931.

"Analysis of our tables will show," the national federation points out, "that the real wage of this \$900 clerk dropped to \$510 in 1919; that for 3 years it was below that of a laborer in 1913; and that the average annual real wage for the whole period of 18 years was below that paid to a junior messenger (\$720) in 1913

(\$720) in 1913.

"Moreover, what happened to this \$900 salary in loss of purchasing power also happened to every other statutory salary paid by the Government during this period. The salary lag, or loss in real wages, of all the employees in the Government service during these 18 years is so vast a sum that it is seemingly unbelievable, and one hesitates even to estimate the amount."

To afford a more comprehensive picture of what has occurred to all Federal wages, and to indicate the scope of the federation's survey, the organization has made public the facts with respect to the relatively limited number of \$5,000 salaries.

It is shown that the average index value of that salary was \$7,875 from 1914 to 1924, with the salary actually received standing unchanged at \$5,000. The real wage was \$3,345, with the salary lag averaging the surprisingly large sum of \$2,875. For the 11 years from 1914 to 1924, the total salary, at \$5,000, was \$55,000. The total real wage received was \$36,800, and the total loss in real wage \$18,200. wage \$18,200.

wage \$18,200.

Analyses duplicating that made for the \$900 salary from 1913 to 1924 have been made by the national federation for the following wage groups: \$1,000, \$1,200, \$1,400, \$1,600, \$1,800, \$2,000, \$2,350, \$2,500, \$3,600, \$5,000.

Commenting upon the facts developed, Luther C. Steward, president of the National Federation of Federal Employees, has said: "For perhaps the first time in the entire history of the Government, we now have accurate statistical data showing the cost of living for given years, the number of dollars paid to Federal workers, the amount of goods those dollars could buy, which means 'real wages,' and then a recapitulation of the losses sustained by virtue of declining purchasing power and markedly rising living costs.

rising living costs.

"These data which we now have in hand prove conclusively that in addition to receiving salaries which are low, Government workers have had the further handicap of the above-mentioned economic factors. While wages in private industry and business have risen sharply in line with the reduced value of the dollar and the enhanced cost of living, the advances in Federal salaries have been commensurate in no way with changed conditions.

"These data are especially valuable at this time when proposals have been made to cut Federal salaries. The facts we have developed point clearly to the inevitable effect of such a step, and in themselves should show the way to the only just, equitable, and humane congressional solution." rising living costs

WAGES AND THE COST OF LIVING: A STUDY OF WHAT HAPPENED TO THE SALARY OF A \$900 CLERK FROM 1913 TO 1931

SALARY OF A \$900 CLERK FROM 1913 TO 1931

Seemingly only a few people have a clear conception of the fluctuating value of the dollar, as they appear to think that the dollar is an accurate measure of value, as the yardstick is of length, or the pound is of weight; but this is not the case, for the dollar is like rubber—it stretches and shrinks in value or in purchasing power. What follows is a story of the pay envelope of a \$900 clerical employee of the Government working in the District of Columbia from 1913 to 1931.

Brief definitions of the terms used in the article appear to be necessary, and are as follows:

Nominal wages v. real wages: A nominal wage is measured

necessary, and are as follows:

Nominal wages v. real wages: A nominal wage is measured by the number of dollars the wage contains, but the real wage is measured by the purchasing power of the dollars in the nominal wage. The relationship existing between the nominal and the real wage, at different times, can best be ascertained by using the Government's index number, which shows the variations in the purchasing power of the dollar, as applied to the cost of living,

purchasing power of the dollar, as applied to the cost of living, year by year, since 1913.

The Government's index number: The Government's index number, compiled by the Department of Labor to show the variations in the cost of living, year by year, clearly gives the fluctuations in the purchasing power of the nominal wage and enables one to determine the real wage.

The index number for the cost of living is based on the cost of the six items, properly weighted, which constitute the principal purchases necessary for the support of a worker and his family. These items are as follows: Food, clothing, rent of dwelling, fuel and light, house-furnishing goods, and miscellaneous.

Basic number used: The Government's index number starts with the year 1913 and assumes that the cost of living for that year, measured by the prices paid for the six items mentioned above, is

a normal cost or standard, so the index number of 100 is given for the year 1913. Increases in the cost of living in later years are added to the base number of 100. For example, the index number for 1927 is 172. This indicates that the same items costing \$1 in 1913 cost \$1.72 in 1927.

Purchasing power of the dollar: The term "purchasing power of the dollar" is used to measure the difference in the purchasing units in \$1 in the different years since 1913 when compared with the purchasing units in the dollar in 1913. For example, in 1927 the index number was 172, which indicates that the dollar in 1927 was worth only 58 cents when compared with the dollar in 1913. If one will think of the dollars in 1913 as "big dollars," containing 100 cents, and the dollars received since that year as "little dollars," varying in value from 97 cents (1914) to 50 cents (1919 and 1920), the idea will be plain.

Statutory salaries: In 1913 the salaries of employees in the cleri-Statutory salaries: In 1913 the salaries of employees in the clerical, administrative, and fiscal service of the Government working in the District of Columbia were fixed by law, and were, as a rule, \$900, \$1,000, \$1,200, \$1,400, \$1,600, \$1,800, and \$2,000. There were higher salaries, but they were largely paid to administrative officials and to the professional service. There were then two grades of messengers, one receiving \$720 and the other \$840. The pay of laborers varied somewhat, but there was one class that received \$600 a year.

\$600 a year.

Index value: The term "index value" appearing in the table which follows is used to denote what the equivalent salary for the year should have been to equal the salary in purchasing power in 1913. To illustrate: A statutory salary of \$1,000 in 1913 had the same purchasing power that a salary of \$2,004 had in 1920, as the index number for the latter year is shown as 2004.

Salary lag: This term denotes the salary loss due to the excess of the cost of living for the year under consideration over the cost of living in 1913, when the salaries for both years were the same amount; for example, an employee who had a salary of \$1,000 in 1913 and the same salary in 1920 had a "salary lag" in 1920 of \$1,004 (more "lag" than salary), as the index cost of living showed 200.4 for 1920, and whatever salary the employee received less than \$2,004 was a salary loss, or a "salary lag."

As the cost of living mounts wages increase, but much slower than the cost of living; always there is this salary lag.

During the World War all workers' salaries lagged behind the cost of living, and obviously the employers reaped the benefit, Uncle Sam included.

Uncle Sam included.

Uncle Sam included.

Actual salary: By actual salary is meant the statutory salary plus the bonus. The first bonus became effective on July 1, 1917, and the increase amounted to 10 per cent of the salary up to \$1,200 and 5 per cent of the salary from \$1,200 to \$1,800, both inclusive. The second bonus became effective July 1, 1918, and the amount was \$120. The third bonus became effective July 1, 1919. The amount was \$240. The bonus of \$240 was continued until July 1, 1924, when the reclassification act took effect.

In 1913 the minimum salary paid a full-time clerical worker in the District of Columbia was \$900 in some departments and \$1,000 in others. The table which follows will show what happened to the salary of a \$900 clerk from 1913 to 1931.

Column 1 shows the year.

Column 1 shows the year.

Column 2 gives the index number; that is, the cost of living for the year compared with the same cost in 1913.

Column 3 shows the salary necessary to equal the salary of 1913

in purchasing power.

Column 4 gives the actual salary received by this \$900 clerk

during the year.

Column 5 shows the salary lag, or loss in pay for the year.

Column 6 shows the value of the dollar or its purchasing power for the year.

Column 7 shows the real wage for each year when compared with the purchasing power of the dollar in 1913.

Nors.—Fractional parts of the dollar when less than one-half have been disregarded, and if one-half or more have been treated as a dollar; fractional parts of the cent have been treated in the same way.

Table I.—Showing what happened in the pay envelope of a \$900 clerk from 1913 to 1924; also what should have happened but did not happen

1	2	3	4	5	6	7
Year	Index number for cost of living	Index value of \$900 salary	Actual salary received	Salary lag or loss	Value of	Real wage
1913	100.0	\$900.00	\$900.00		\$1.00	\$900.00
1914	103, 0	927.00	900,00	\$27,00	. 97	873, 00
1915	105, 1	946, 00	900.00	46,00	. 95	855, 00
1916	118.3	1, 065, 00	900.00	165, 00	. 85	765, 00
1917	142.4	1, 282, 00	900.00	382.00	.70	630.00
1918	174. 4	1, 570, 00	990.00	580.00	. 57	564, 00
1919	199. 4	1, 795. 00	1, 020, 00	775.00	. 50	510, 00
1920	200.4	1, 804. 00	1, 140. 00	664.00	.50	570.00
1921	174. 3	1, 569. 00	1, 140. 00	429.00	. 57	650, 00
1922	169. 5	1, 526, 00	1, 140. 00	386.00	. 59	673, 00
1923	173. 2	1, 559. 00	1, 140. 00	419.00	. 58	661, 00
1924	172.5	1, 553. 00	1, 140. 00	413. 00	. 58	661.00
Total		15, 596, 00	11, 310. 00	4, 286, 00		7, 412, 00
Average		1, 418, 00	1, 028. 00	390.00		674.00

259

Owing to the increase in the cost of living from 1913 to 1924, inclusive, this \$900 clerk, to keep even with the additional cost, should have received each year the amount given in column 3 for the year; but he did not get it, he only received the amount given in column 4 for the year. His total salary lag, or loss, for the 11 years was \$4,286, or an average annual lag, or loss, of \$390.

If this employee had received a salary of \$900 a year during this 11-year period, his total salary would have been \$9,900; and if the purchasing power of the dollar had remained constant, his real wage would also have been \$9,900. However, owing to the fluctuation in the purchasing power of the dollar, his real wage for this period of 11 years, measured in 1913 dollars, was only \$7,412, or an average annual salary of only \$674. His pay was thus reduced below that of a junior messenger, \$720, and for three years was below that of a laborer in 1913. His actual salary loss during this period of 11 years was \$2,488, or an average annual loss of \$226, and these were "big dollars," not "little dollars."

AFTER RECLASSIFICATION

The classification act, which became effective July 1, 1924, abolished the statutory salary of this \$900 clerk; but his position was not lost, it was simply transferred to grade 1, clerical, administrative, and fiscal service, and the salary, \$1,140, became the entrance salary of the grade. This salary remained the minimum wage for clerical workers until July 1, 1928, when the Welch Act became effective, and the minimum salary of a clerical worker was raised to \$1,260, and this salary is merely the old statutory salary of \$1,000, plus the bonus of \$240, plus \$20.

Table II.—Showing what happened in the pay envelope of a \$900 clerk from 1925 to 1931; also what should have happened but did not happen

Year	Index number for cost of living	Index value of \$900 salary	Salary received	Salary lag or loss	Value of	Real wage
1925	177. 9 175. 6 172. 0 171. 3 171. 4 160. 7 145. 8	\$1, 601. 00 1, 580. 00 1, 548. 00 1, 542. 00 1, 543. 00 1, 446. 00 1, 312. 00	\$1, 140. 00 1, 140. 00 1, 140. 00 1, 140. 00 1, 140. 00 1, 260. 00 1, 260. 00 1, 260. 00	\$471.00 440.00 408.00 402.00 283.00 186.00 52.00	\$0. 56 - 57 - 58 - 58 - 58 - 62 - 69	\$638, 00 650, 00 661, 00 661, 00 731, 00 781, 00 869, 00
Total			8, 340. 00 1, 191. 00	2, 232. 00 319. 00		4, 991. 00 713. 00
Total salary lag, 1 Total salary lag, 1 Total salary	925 to 1	.931 14 to 193	31			\$4, 286 2, 232 6, 518 362
Average annual sa Total real wage, 1	lary lag	924			=	7, 412
Total real wage, 1 Total real v Average annual re	vage, 19	14 to 193	31			4, 991 12, 403 689
Total salary for 11 Total real wage r	B years,	at \$900	a year			16, 200 12, 403
Total loss in						3, 797 211

COMMENT

A study of the tables, given above, will show that the real wage of this \$900 clerk dropped to \$510 in 1919; that for three years it was below that of a laborer in 1913; and that the average annual real wage for the whole period of 18 years was below that paid to a junior messenger (\$720) in 1913.

Moreover, what happened to this \$900 salary, in loss of purchasing newers also harmoned to every other statutory salary paid.

chasing power, also happened to this \$900 satary, in loss of purchasing power, also happened to every other statutory salary paid by the Government during this period. The salary lag, or loss in real wages, of all the employees in the Government service during these 18 years is so vast a sum that it is seemingly unbelievable, and one hesitates to even estimate the amount.

Table showing the Government index number for the cost of living from 1913 to 1931, inclusive; also the purchasing power of \$1 during each year compared with the purchasing power of

Year	Index num- ber for cost of living	Purchasing power of \$1 compared with 1913
1913	100. 0	\$1.00
1914	103. 0	.97
1915	105. 1	.95
1916. 1917. 1918. 1919.	118.3 142.4 174.4 199.4	.85 .70 .57
1920	200. 4	.50
1921	174. 3	.57
1922	169. 5	.59

Table showing the Government index number for the cost of living from 1913 to 1931, inclusive; also the purchasing power of \$1 during each year compared with the purchasing power of \$1 in 1913—Continued

Year	Index num- ber for cost of living	Purchasing power of \$1 compared with 1913
923 924	173. 2 172. 5	\$0. 58 . 58
925	177. 9	. 56
926 927	175. 6 172. 0	. 57
928	171.3	. 58
929 930	171.4 160.7	. 58
931 952	150.3 145.8	. 66

The index number is easily understood; for example, the number for 1927 is 172. This merely indicates that the items costing \$1.72 in 1927 could have been purchased in 1913 for \$1. The cost

\$1.72 in 1927 could have been purchased in 1913 for \$1. The cost of living in 1927 was 72 per cent above the cost of living in 1913. In computing the purchasing power of the dollar in this table fractional parts of the cent less than one-half were ignored; if the fractional part was one-half cent or over, it was called 1 cent. The Department of Labor prepares its index numbers in June and December of each year. The December index is given in the table except for 1931, when both are given; the first is for June and the last for December.

Table III.—Applying the Government's index number for cost of living to the salary of \$1,000, covering the period from 1913 to

1	2	3	4	5
Year	Index value of \$1,000 salary	Actual salary received	Salary lag or loss	Real wage
1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923 1924	\$1,000 1,030 1,051 1,183 1,424 1,744 1,994 2,004 1,743 1,695 1,732 1,725	\$1,000 1,000 1,000 1,000 1,000 1,100 1,120 1,240 1,240 1,240 1,240 1,240	\$30 51 183 424 644 874 764 503 455 492 485	\$1,000 970 950 850 700 627 620 707 732 719
Total	17, 325 1, 575	12, 420 1, 129	4, 905 446	8, 154 741
Total index value of salary, Total actual salary received		24		
Total salary lag or lo Average annual salary lag				
Total salary for 11 years, at Total real wage received, 19				

COMMENT

Total loss in real wage, 1914 to 1924_____Average annual loss in real wage, 1914 to 1924____Average annual wage, 1914 to 1924_____

If the Government had enacted a law in 1913 and established a statutory salary of \$1,000 for this position, and at the same time had added a provision to the law that the salary should be raised or lowered according to the increase or decrease in the cost of living as shown by the Government's own index number prepared to show the fluctuations in the cost of living, the Government would have placed in the pay envelope of the employee occupying this \$1,000 year by year the amounts given in column 2. But, unfortunately, there was no such provision in the law, so the employee actually received the amounts shown in column 3. The salary lag, or loss, is shown in column 4; this represents the additional sum that should have gone into the pay envelope to keep the purchasing power at \$1,000. If the cost of living had remained the same as in 1913 during each year from 1913 to 1924, the nominal wage and the real wage for this position would also have remained the same—\$1,000; but owing to the fluctuations in the purchasing power in the dollar, the real wage received, measured by the purchasing power of the dollar in 1913, was as shown in column 5. in column 5

in column 5.

The table further shows that during the period covered by the study, 1914 to 1924, the \$1,000 clerk received the pay of a junior messenger in 1913, or a trifle more.

For the Government's index number for the cost of living and the value of the dollar year by year since 1913 see Table 1, "Salary of \$900 clerk."

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TABLE IV.—Applying the Government's index cost of living to the salary of \$1,200, covering the period from 1913 to 1924

1	2	3	4	5
Year	Index value of \$1,200 salary	Actual salary received	Salary lag or salary loss	Real wage
1013 1914 1915 1916 1917 1918 1919 1919 1920 1921 1922 1923 1924	\$1, 200 1, 236 1, 261 1, 420 1, 709 2, 033 2, 303 2, 405 2, 032 2, 032 2, 034 2, 078 2, 078 2, 070	\$1, 200 1, 200 1, 200 1, 200 1, 200 1, 200 1, 320 1, 440 1, 440 1, 440 1, 440	\$36 61 220 509 833 1,073 965 652 594 638 630	\$1, 200 1, 164 1, 144 1, 149 1, 020 840 718 660 720 821 853 835
Total	20, 791 1, 890	14, 580 1, 325	6, 211 564	9, 603 873
Total index value of salary, Total actual salary received,	1914 to 1914 to	924 1924		\$20, 791 - 14, 580
Total salary lag or los Average annual salary lag o	s, 1914 to r loss, 19	1924 14 to 192	4	
Total salary for 11 years at a Total real wage received, 191	\$1,200 a y 4 to 1924	ear		13, 200 9, 603
Total loss in real wag Average annual loss in real Average annual real wage, 1	wage, 1914	to 1924_ 24		- 327

It will be noted that the pay of a \$1,200 clerk was reduced in purchasing power during the whole period from 1914 to 1924 to approximately that of a senior messenger in 1913 (\$840); that from 1917 on it was below that of a senior messenger; that in 1918 to 1921 it was at or below that of a junior messenger; and in 1919 it was just a little above that of a laborer in 1913.

Many able employees were had at this salary during this period, and they performed highly important work.

For the Government's index number for the cost of living and the value of the dollar, year by year since 1913, on Table 1, \$900 clerk.

Table V.—Applying the Government's index number for cost of living to the salary of \$1,400, covering the period from 1913 to 1924

	104 (04100)			
Year	Index value of \$1,400 salary	Actual salary received	Salary lag or loss	Real wage
1913 1914 1915 1916 1917 1918 1919 1919 1920 1921 1922 1922 1923 1924	2, 792 2, 806 2, 440 2, 373 2, 425	\$1, 400 1, 400 1, 400 1, 400 1, 400 1, 470 1, 520 1, 640 1, 640 1, 640 1, 640	\$42 71 256 594 972 1, 272 1, 166 800 733 785 775	\$1, 400 1, 358 1, 330 1, 190 980 8338 7760 820 935 968 961
Total Average		16, 790 1, 526	7, 466 679	11, 081 1, 007
Total index value of salary. Total actual salary received	Summary 1914 to 19 1, 1914 to 1	924		\$24, 256 - 16, 790
Total salary lag or le Average annual salary lag				
Total salary for 11 years, at Total real wage received, 19	\$1,400 14 to 1924.			15, 400 11, 081

The salary of the \$1,400 clerk dropped down in purchasing power below that of a senior messenger in 1913, in the years 1918, 1919, and 1920; and the salary he received during the whole period of 11 years was equal in purchasing power to the salary of a \$1,000 clerk in 1913.

For the Garagnesia of the salary o

4,319

393

Total loss in real wage, 1914 to 1924.

Average annual loss in real wage, 1914 to 1924_______Average annual real wage, 1914 to 1924_______

For the Government's index number for the cost of living and the value of the dollar, year by year since 1913, see Table 1, salary of \$900 clerk.

Table VI.—Applying the Government's index number for the cost of living to the \$1,600 salary, covering the period from 1913 to 1924

2

3

4

Year	Index value of \$1,600 salary	Actual salary received	Salary lag or loss	Real wage
1913 1914 1915 1916 1917 1918 1919 1920 1921 1922 1923 1924	\$1,600 1,648 1,682 1,893 2,278 2,790 3,140 3,206 2,789 2,712 2,771 2,760	\$1,600 1,600 1,600 1,600 1,600 1,680 1,720 1,840 1,840 1,840 1,840	\$48 82 293 678 1, 110 1, 420 1, 366 949 872 931 920	\$1,600 1,552 1,520 1,360 1,120 958 860 920 1,049 1,086 1,067
Total	27, 669 2, 515	19, 000 1, 727	8, 669 788	12, 559 1, 142
Total index value of salary, Total salary received, 1914 Total salary lag or lo Average annual salary lag	to 1924 oss, 1914 to	1924		19,000
Total salary for 11 years at Total real wage received, 19				
Total loss in real was Average annual loss in real Average real wage received,	wage, 1914	to 1924_		459

COMMENT

The above table shows that from 1914 to 1924 an employee with The above table shows that from 1914 to 1924 an employee with the salary of \$1,600 with the bonus added received in real pay less than a \$1,200 clerk received in 1913. True, he received more dollars, but the purchasing power of these dollars was so reduced that he was not even a \$1,200 clerk, measured by the purchasing power of the dollar in 1913. Attention is invited to the "real wage" from 1918 to 1920, inclusive. During this period a \$1,500 clerk was an important factor in the clerical work of the Government, many of the section chiefs and supervisors being in this

Table VII.—Applying the Government's index number for the cost of living to the salary of \$1,800, covering the period from 1913 to

1	2	3	4	5
Year	Index value of \$1,800 salary	Actual salary re- ceived	Salary lag or loss	Real wage
1913	\$1,800	\$1,800		\$1,800
1914	1, 854 1, 892 2, 129 2, 563 3, 139 3, 589 3, 607 3, 137 3, 051 3, 118 3, 105	1, 800 1, 800 1, 800 1, 800 1, 890 1, 920 2, 040 2, 040 2, 040 2, 040 2, 040 2, 040	\$54 92 329 763 1, 249 1, 609 1, 567 1, 097 1, 011 1, 078 1, 065	1,745 1,710 1,530 1,260 1,077 960 1,020 1,163 1,204 1,183 1,183
Average	2, 835	1, 928	907	1, 276
Total index value of salary, Total salary received, 1914 to Total salary lag or lo Average annual salary lag of	to 1924 oss, 1914 to	924		21, 210
Total salary for 11 years, at Total real wage received, 19	\$1,800 a ; 14 to 1924.	year		19,800 14,036
Total loss in real was Average annual loss in real Average real wage, 1914 to 1	wage, 1914	1924 to 1924		5,764 524 1,276

In the \$1,800 class were section chiefs, assistant chiefs of division, and other employees holding important and key positions. Attention is invited to their real wage from 1917 on. No wonder women hunted for a "job"; one bread-winner could not earn enough to support a family.

COMMENT

TABLE VIII.—Applying the Government's index number for the cost of living to the salary of \$2,000, covering the period from 1913 to 1924

1	2	3	4	5
Year	Index value of \$2,000 salary	Actual sal- ary received	Salary lag or loss	Real wage
1913	\$2,000	\$2,000		\$2,000
1914 1915 1918 1918 1919 1919 1920 1921 1922 1923	2, 060 2, 102 2, 366 2, 848 3, 488 3, 988 4, 008 3, 486 3, 390 3, 464 3, 450	2,000 2,000 2,000 2,000 2,000 2,120 2,240 2,240 2,240 2,240 2,240 2,240 2,240	\$60 102 366 848 1, 488 1, 868 1, 768 1, 246 1, 150 1, 224 1, 210	1, 940 1, 900 1, 700 1, 400 1, 140 1, 060 1, 120 1, 277 1, 322 1, 299 1, 299
Total	34, 650	23, 320	11, 330	15, 457
Average	3, 150	2, 120	1,050	1,405

					Summary		
Total	index	value	of	salary.	1914	to	1924.

Total salary received, 1914 to 1924	23, 320
Total salary lag or loss, 1914 to 1924Average annual salary lag or loss, 1914 to 1924	11,330 1,050

Total salary for 11 years at \$2,000 a yearTotal real wage received, 1914 to 1924	22,000 15,457
Total loss in real mass 1014 to 1004	6 549

Total loss in real wage, 1914 to 1924	6, 543 595 1, 405
COMMENT	

Employees in the \$2,000 class were assistant chiefs and chiefs of divisions or were important key men in their bureaus. It will be noted that the salaries of these chiefs and key men dropped to \$1,060 in purchasing power in 1919, and that their average annual real wage was only \$1,405 for the whole 11 years, measured by the purchasing power in 1913.

Table IX.—Applying the Government's index number for the cost of living to the salary of \$2,250, covering the period from 1913 to 1924

Year of fine	Index value of \$2,250 salary	Actual salary received	Salary lag or loss	5 Real wage
1913	\$2, 250	\$2, 250		\$2, 250
1914 1915 1916 1917 1918 1919 1920 1921 1922 1922 1923 1924	2, 318 2, 365 2, 662 3, 204 3, 924 4, 487 4, 509 3, 922 3, 814 3, 897 3, 881	2, 250 2, 250 2, 250 2, 250 2, 250 2, 370 2, 490 2, 490 2, 490 2, 490 2, 490	\$68 115 412 954 1,674 2,117 2,019 1,432 1,324 1,407 1,391	2, 183 2, 133 1, 913 1, 575 1, 283 1, 185 1, 245 1, 419 1, 444 1, 444
Total	28, 983	26, 070	12, 913	17, 298
Average	3, 544	2, 370	1, 174	1, 573

Summary

Total	index	value of sa	lary.	191	4 to 1924	\$38,	983
Total	salary	received,	1914	to	1924	26,	070

Total salary lag or loss, 1914 to 1924Average annual salary lag or loss, 1914 to 1924		
Total salary for 11 years at \$2,250 a yearTotal real wage received, 1914 to 1924	24, 750 17, 298	

Total loss in real wage, 1914 to 1924	7, 452
Average annual loss in real wage, 1914 to 1924	677
Average real wage received, 1914 to 1924	1,573

COMMENT

Employees in this class were chiefs of important divisions, assistant chief clerks of bureaus, or held technical or professional positions. It will be noted that their average real wage during the period from 1914 to 1924, inclusive, had less purchasing power than that of the \$1,600 clerk in 1913. Attention is called to their real wage for 1918, 1919, 1920.

Table X.—Applying the Government's index number for the cost of living to the salary of \$2,500, covering the period from 1913 to 1924

1	2	3	4	5
Year	Index value of \$2,500 salary	Actual salary re- ceived	Salary lag or loss	Real wage
1913	\$2,500	\$2, 500		\$2,500
1914	2, 575 2, 628 2, 958 3, 560 4, 360 4, 985 5, 010 4, 358 4, 238 4, 330 4, 313	2, 500 2, 500 2, 500 2, 500 2, 500 2, 620 2, 740 2, 740 2, 740 2, 740 2, 740	\$75 128 458 1,060 1,860 2,365 2,270 1,618 1,498 1,590 1,573	2, 425 2, 375 2, 125 1, 750 1, 425 1, 312 1, 370 1, 562 1, 617 1, 589
Total	43, 315	28, 820	14, 495	19, 139
Average	3, 938	2, 620	1, 318	1,740

Summary

Total index value of salary, 1914 to 1924 Total salary received, 1914 to 1924	\$43,315 28,820
Total salary lag or loss, 1914 to 1924Average annual salary lag or loss, 1914 to 1924	14, 495 1, 318
Total salary for 11 years at \$2,500 a yearTotal real wage received, 1914 to 1924	27. 500 19, 139
Total loss in real wage, 1914 to 1924Average annual loss in real wage, 1914 to 1924Average real wage received, 1914 to 1924	8, 361 760 1, 740

COMMENT

Employees in the \$2,500 class were chief clerks of bureaus, or held other positions of similar importance. It will be noted that their average annual real wage had less purchasing power than that of an \$1,800 clerk in 1913.

Table XI.—Applying to the Government's index number for the cost of living to the salary of \$3,000, covering the period from 1913 to 1924

1	2	3	4	5
Year	Index value of \$3,000 salary	Actual salary received	Salary lag or loss	Real wage
1913	\$3,000	\$3,000		\$3,000
1914 1915 1916 1917 1918 1919 1919 1920 1921 1922 1923 1924	3, 090 3, 153 3, 549 4, 272 5, 232 5, 982 6, 012 5, 229 5, 085 5, 196 5, 175	3, 000 3, 000	\$90 153 549 1, 272 2, 282 2, 962 3, 012 2, 229 2, 085 2, 194 2, 175	2, 910 2, 850 2, 550 2, 100 1, 710 1, 500 1, 700 1, 770 1, 740
Total	51, 975	33, 000	18, 975	22, 080
Average	4, 725	3,000	1, 725	2,007

Summary

Total index value of salary, 1914 to 1924Total salary received, 1914 to 1924	\$51,975 33,000
Total salary lag or loss, 1914 to 1924Average annual salary lag or loss, 1914 to 1924	18, 975 1, 725
Total salary for 11 years at \$3,000 a year Total real wage received, 1914 to 1924	33, 000 19, 139
Total loss in real wage, 1914 to 1924Average annual loss in real wage, 1914 to 1924Average real wage received, 1914 to 1924	13, 861 1, 260 2, 007

COMMENT

Employees in the \$3,000 class were largely in administrative, scientific, and technical services. Obviously, their work was regarded as highly important. These employees did not receive a bonus at any time. Attention is called to the purchasing power of the \$3,000 salary from 1918 on.

Table XII.—Applying the Government's index number for the cost of living to the salary of \$3,600, covering the period from 1913

1	2	3	4	5
Years	Index value of \$3,600 salary	Actual salary received	Salary lag or loss	Real wage
1913.	\$3,600	\$3,600		\$3,600
1914 1915 1916 1918 1919 1919 1919 1920 1921 1922 1923	3, 708 3, 783 4, 259 5, 126 6, 278 7, 178 7, 214 6, 275 6, 102 6, 235 6, 210	3, 600 3, 600 3, 600 3, 600 3, 600 3, 600 3, 600 3, 600 3, 600 3, 600	\$108 183 659 1,526 2,678 3,578 3,614 2,675 2,502 2,635 2,610	3, 492 3, 420 3, 060 2, 520 2, 052 1, 800 1, 800 2, 052 2, 124 2, 088 2, 088
Total	62, 368	39, 600	22, 768	26, 496
Average	5, 670	3,600	2,070	2, 409

Total index value of salary, 1914 to 1924 Total salary received, 1914 to 1924	\$62,368 39,600
Total salary lag or loss, 1914 to 1924Average annual salary lag or loss, 1914 to 1924	22, 768 2, 070

Summary

Total salary for 11 years, at \$3,600 a yearTotal real wage received, 1914 to 1924	39, 600 26, 496
Total loss in real wage, 1914 to 1924Average annual loss in real wage, 1914 to 1924Average real wage received, 1914 to 1924	13, 600 1, 191 2, 409

COMMENT

Employees in the \$3,600 class were assistant chiefs of bureaus, revenue agents, and other administrative officials. It is always proper to scan column 5 to see what the real wage was from 1918 to 1924.

Table XIII.—Applying the Government's index number for the cost of living to the salary of \$5,000, covering the period from 1913 to 1924

1	2	3		5
Years	Index value of \$5,000 salary	Salary actually received	Salary lag or loss	Real wage
1913	\$5,000	\$5,000		\$5,000
1914 1915 1916 1617 1918 1919 1919 1920 1921 1922 1922	5, 150 5, 255 5, 915 7, 120 8, 720 9, 970 10, 020 8, 715 8, 475 8, 660 8, 625	5, 000 5, 000	\$150 255 915 2, 120 3, 720 4, 970 5, 020 3, 715 3, 475 3, 660 3, 625	4, 850 4, 750 4, 250 3, 500 2, 850 2, 500 2, 850 2, 950 2, 950 2, 900 2, 900
- Total	86, 625	55, 000	31, 625	36, 800
Average	7, 875	5, 000	2,875	3, 345

C	20	24	22	200	-	-	
o	ш	m	97	n	α	m	u

Summary	
Total index value of salary, 1914 to 1924Total salary received, 1914 to 1924	\$86, 625 55, 000
Total salary lag, or loss, 1914 to 1924Average annual salary lag, or loss, 1914 to 1924	31, 625 2, 875
Total salary for 11 years, at \$5,000 a yearTotal real wage received, 1914 to 1924	55, 000 36, 800

	18, 200 1, 655
Average real wage received, 1914 to 1924	

COMMENT

Employees in the \$5,000 were heads of bureaus and other high officials of the Government. The real wage in their salaries, measured against the purchasing power of the \$5,000 in 1913, was remarkably small from 1918 to 1924. It is evident that the reclassification act of 1923 was due years before it was enacted.

REHABILITATION OF AGRICULTURE

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a preceding day, and suggests that it be indefinitely postponed, because the matter therein

referred to has been taken care of. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 210) submitted by Mr. Howell on May 9, 1932, as follows:

Resolved, That the Senate request the Committee on Agriculture and Forestry immediately to report a measure or measures having for its or their purpose the constructive rehabilitation of agri-

The VICE PRESIDENT. The bills referred to in the resolution having been reported, the Chair suggests that the resolution be indefinitely postponed. Without objection. that order will be made.

CONSOLIDATION OF STANDARD OIL COS. OF NEW JERSEY AND CALIFORNIA

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will

The Chief Clerk read the resolution (S. Res. 216) submitted by Mr. Wheeler on May 20, 1932, as follows:

Whereas the officers and directors of the Standard Oil Co. of New Jersey and the Standard Oil Co. of California are reported to

New Jersey and the Standard Oil Co. of California are reported to be seeking to consolidate these two companies into one organization, notwithstanding the decisions of the Supreme Court of the United States and notwithstanding the provisions of the Sherman Antitrust Act: Now, therefore, be it

Resolved, That the Attorney General of the United States is requested to advise the Senate what, if any, action his department has taken or intends to take with a view to preventing the consolidation of the Standard Oil Co. of New Jersey and the Standard Oil Co. of California.

Mr. McNARY. I desire to call the attention of the Senator from New Jersey to the resolution just read.

The VICE PRESIDENT. The Chair will state that the Senator who submitted the resolution is not now present.

Mr. WALSH of Montana. In the absence of my colleague [Mr. Wheeler], who submitted the resolution, I ask that it may go over without prejudice.

Mr. McNARY. Very well.

The VICE PRESIDENT. Without objection, that order is made.

TREASURY DEPARTMENT ESTIMATES

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will

The Chief Clerk read the resolution (S. Res. 218) submitted by Mr. Typings on May 30, 1932, as follows:

Resolved by the Senate of the United States, That the Secretary of the Treasury be, and he is hereby, requested to furnish to the Senate as soon as possible the following information, to wit:

(a) As of May 31, 1932, the amount of revenue, by item, which the rates contained in the revenue bill, at the time of its presentation to the Senate by the Finance Committee, will raise.

(b) The amount of revenue by item said rates will raise as amended by the Senate up to the present time.

(c) The amount of revenue, if any, now required in addition to that estimated in paragraph (b) as necessary to balance the Budget, with contemplated economies and without provision for debt retirement. debt retirement.

The VICE PRESIDENT. The Chair is informed that the information called for by the resolution has been furnished.

Mr. TYDINGS. The occasion for the resolution having passed, I ask that it may be withdrawn.

The VICE PRESIDENT. Without objection, the resolution will be indefinitely postponed.

COSTS OF MEAT CHOPPERS, OPTICAL AND DRAWING INSTRUMENTS

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 219) submitted by Mr. Reed on May 9 (calendar day, May 31), 1932, as

Resolved, That the United States Tariff Commission is hereby Resolved, That the United States Tariff Commission is hereby authorized and directed to investigate, for the purpose of section 336 (Title III, special provisions) of the tariff act of 1930, the differences in the cost of production between the domestic article or articles and the competitive foreign article or articles, and to report at the earliest practicable date, on the following items:

1. Meat or food choppers, classified for duty under paragraph 335 as kitchen utensils or under paragraph 372 as machines; together with replacement parts, classified under paragraph 356 as cutting

knives, under paragraph 372 as parts of machines, or under paragraph 397 as manufactures of metal.

2. Optical instruments as described in paragraph 228(a) (b).

3. Drawing instruments, classified for duty under paragraph 360, and other scientific and laboratory apparatus and instruments as described in the same paragraph. described in the same paragraph.

Mr. REED. That is merely the usual request for the Tariff Commission to make a study and report. I hope the resolution may be adopted.

The VICE PRESIDENT. Is there objection to the present

consideration of the resolution?

Mr. ROBINSON of Arkansas. What are the commodities to be investigated?

Mr. REED. The two latter clauses of the resolution are important from the standpoint of the national defense. The manufacture in this country of the products referred to is attended with considerable difficulty, and is conducted by comparatively few firms, which are not very prosperous.

Mr. WALSH of Montana. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Montana?

Mr. REED. I yield.

Mr. WALSH of Montana. It has been found necessary, Mr. President, to abandon some very important investigations to be conducted by the Federal Trade Commission in order to carry out the program of economy which is in contemplation, if not in progress. I was wondering whether the Tariff Commission will be equipped with the funds to prosecute the investigations here suggested?

Mr. REED. I think so. The investigations are comparatively simple. The number of firms in this country, as I say, which produce these articles is very limited. The number of firms abroad that compete here is also comparatively

Mr. WALSH of Montana. Can the Senator tell us how well supplied with funds the Tariff Commission will be to carry on its regular work?

Mr. REED. I do not know how their appropriations for this year compare with those for last year, but I do know that they have experts on their regular staff who are fully qualified to make this investigation. They have already made a large part of it, and are thoroughly familiar with the competitive situation.

Mr. WALSH of Montana. But if the retrenchment program shall be carried out, it will be necessary to discharge quite a considerable number of the experts, will it not?

Mr. REED. It will doubtless be necessary to discharge some of them, but not all of them. I do not think the investigation will cost very much money.

Mr. ROBINSON of Arkansas. I assume that it is in contemplation that the investigation will show the inadequacy of existing rates and result in recommendations for increased

Mr. REED. I am not sure of that. The manufacturers of this country claim that to be so, but I am not competent to say whether their claims are correct or not.

Mr. ROBINSON of Arkansas. What is the rate on optical instruments as described in paragraph 228?

Mr. REED. I do not remember; I can look it up and tell the Senator. What is the paragraph number?

Mr. ROBINSON of Arkansas. Two hundred and twenty-

Mr. REED. I will tell the Senator in a moment; it is pretty hard to carry the figures in one's mind.

Mr. ROBINSON of Arkansas. I realize that.

Mr. REED. I have the figures right here.

Mr. KING. What section is it?

Mr. REED. In section 228 (b) the rate is 45 per cent ad valorem and on optical testing instruments the rate is 60 per cent.

What I am particularly concerned in now are fire-control instruments of the type that are used by our Army and Navy. We had a very difficult time at the beginning of the World War in making those instruments in this country, and we do not want to get back into that position again. We are still making a few of them.

Mr. KING. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. REED. I yield the floor. Mr. KING. I do not want to be critical; but we are frequently importuned to increase tariff duties, though we have a substantial monopoly of the commodity for which the increase is sought, upon the ground that the national defense calls for such action. A few days ago we were asked in a very eloquent speech by the Senator from Nevada [Mr. ODDIE], because of the national defense, to put a higher tariff duty upon a certain mineral.

Mr. ODDIE. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Nevada?

Mr. KING. I yield.

Mr. ODDIE. It was not only in the interest of national defense that the request was made, though that was one of the arguments used in favor of the tariff rate proposed.

Mr. KING. I understand that there is a sort of duality running through these requests for increased tariff dutiesfirst, the national defense, and, second, to furnish employment to American workingmen-but usually back of it, of course, is a desire for increased monopoly.

It seems to me, Mr. President, that it is a work of futility to obtain information from the Tariff Commission now, even if they were able to furnish accurate information in regard to all of the prices at home and abroad, in view of the so-called depreciated currencies and the fluctuations in the industrial and economic field at home as well as in the industrial and economic field abroad. It is like the valuation of the railroads; it changes every day. Railroad stocks of two or three years ago or a week ago or even perhaps yesterday would not show the same valuation to-day.

Mr. REED. Mr. President, will the Senator yield? Mr. KING. I will yield in a moment. It seems to me it is just like trying to measure the tide as it comes in and out. At a particular moment when the tide is measured it shows a certain height, but in a few minutes it has changed. It is exactly the same with the commodities produced at home and produced abroad. I now yield to the Senator from Pennsylvania.

Mr. REED. The fire-control instruments of which I speak are principally made in France and Germany, neither of which is troubled at the moment by depreciated currency; so that factor will not enter into the consideration.

I want to assure the Senator that I am not masquerading a tariff claim for my State behind some matter of national defense. There is not a single one of these articles, so far as I know, made in the State of Pennsylvania and there never has been. Their manufacture, so far as I am aware, is limited entirely to Rochester, N. Y.

Mr. KING. The Senator is now referring to optical instruments.

Mr. REED. Yes; to paragraphs 2 and 3 of the resolution.

Mr. KING. And not to meat choppers?
Mr. REED. As to meat choppers the situation is entirely different. There is one concern struggling along in Philadelphia with a cost of production for a typical meat chopper of 67 cents, while meat choppers are being brought in from Germany duty paid and profit paid to the importer and being sold at retail for 50 cents. There is something wrong there. The local manufacturers tried to cut their costs; they have reduced wages several times; but evidently the manufacturer in Germany is either dumping or else he has some mysteriously low cost.

Mr. KING. Mr. President, I think the evidence before the Tariff Commission and before the Senate reveals the fact that in the case of thousands, and hundreds of thousands for that matter, of commodities produced in the United States we can compete successfully with other nations but we have been in the habit of permitting such resolutions as this to go through and I shall not object although I state again that it will be a work of futility to obtain any information at the present time.

Mr. ODDIE. Mr. President, I desire to make a brief explanation, inasmuch as there has been brought into the discussion a statement I made the other day in regard to an ! increase in the tariff on manganese. I am not asking that this matter be brought up now, but I want to make clear my position, that I favor American industry against a monopoly from Soviet Russia. I think American industry and the American people are entitled to more consideration at the present time than are the industries of Soviet Russia, and I made the effort I did in behalf of an increased duty on manganese, Mr. President, in the interest of the industry throughout the United States, and not just for my own State

The PRESIDING OFFICER (Mr. Fess in the chair). The question is on agreeing to the resolution submitted by the Senator from Pennsylvania.

The resolution was agreed to.

THE CALENDAR

Mr. McNARY. I ask unanimous consent that the Senate proceed to the consideration, under Rule VIII, of the calendar of unobjected bills, commencing with Order of Business No. 104

Mr. CUTTING. Mr. President, reserving the right to object, I should like to inquire of the Senator from Oregon when we are going to have another morning hour. I call the attention of the Senator to the fact that this is the first we have had since the 9th of May, and that there are a great many exceedingly important measures on the calendar. Of course, the unobjected bills are apt to be the least important measures on the calendar. I merely inquire of the Senator what the chances are in that respect.

Mr. McNARY. I am in sympathy with the suggestion of the able Senator, and I can say that we will have two calendar mornings during the week in addition to the present

Mr. ROBINSON of Arkansas. What is the number of the order of business at which the Senator from Oregon desires to begin the consideration of the calendar?

Mr. McNARY. Order of Business No. 104, the first number on the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and the clerk will state the first bill on the calendar.

The bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, was announced as first in order.

Mr. BLAINE. Over.

The PRESIDING OFFICER. The bill will be passed over. The bill (S. 268) to amend subdivision (c) of section 4 of the immigration act of 1924, as amended, was announced as next in order.

Mr. JOHNSON. Over.

The PRESIDING OFFICER. The bill will be passed over. The bill (S. 1663) to prohibit the sending of unsolicited merchandise through the mails was announced as next in

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over. The bill (S. 2642) to establish a commission to be known as a commission on a national museum of engineering and industry was announced as next in order.

Mr. COPELAND. Over.

The PRESIDING OFFICER. The bill will be passed over. The joint resolution (S. J. Res. 76) authorizing the President to reorganize the executive agencies of the Government was announced as next in order.

Mr. McKELLAR. Mr. President, the Economy Committee of the Appropriations Committee has reported a similar measure. This is the George resolution. I call the attention of the chairman of the Appropriations Committee to it. Mr. JOHNSON. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 1856) to provide for the relief of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, irrigation, and/or similar districts other than Federal reclamation projects, or to

counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

ROSCOE MEADOWS

The Senate proceeded to consider the bill (S. 2375) for the relief of Roscoe Meadows, which had been reported from the Committee on Naval Affairs with an amendment, to strike out all after the enacting clause and to insert:

That in the administration of the emergency officers' retirement act of May 24, 1928, Roscoe McKinley Meadows shall be held and considered to have served as an officer of the Navy of the United States during the World War other than as an officer of the regular Navy.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Roscoe McKinley Meadows."

RESOLUTION PASSED OVER

The resolution (S. Res. 166) to print the pamphlets entitled "Draft of Mooney-Billings Report" and "Appendix Containing Official Documents" was announced as next in order.

The PRESIDING OFFICER. Let the resolution go over. COMPENSATION AND MILEAGE OF MEMBERS OF AND DELEGATES TO CONGRESS

The bill (S. 2494) to amend section 4 of the legislative, executive, and judicial appropriation act, passed and approved March 4, 1925, relating to the compensation of Members of and Delegates to Congress was announced as next in

Mr. BORAH. Mr. President, that subject matter is covered by the economy bill, and I ask that this bill may be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so

The bill (S. 2495) to repeal section 17 of the act passed and approved July 28, 1866, relating to mileage of Members of Congress, was announced as next in order.

Mr. BORAH. I ask that that be passed over.

The PRESIDING OFFICER. The bill will be passed over. Mr. DALE. Mr. President, the Senator from Idaho referred to Senate bill 2494 as having been taken care of by the Economy Committee. Senate bill 2495 has been taken care of by the Economy Committee, too-both of them.

Mr. BORAH. Has the Economy Committee dealt with the question of mileage?

Mr. DALE. Yes, Mr. President; the mileage has been cut in the bill.

Mr. BORAH. To what extent?

Mr. DALE. One-fourth.

Mr. BORAH. I can deal with the matter by way of amendment. I ask that Senate bill 2495 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, the bill will be indefinitely postponed.

LAWRENCE L. MYATT AND MILLER S. BURGIN

The bill (S. 3051) to reinstate Lawrence L. Myatt and Miller S. Burgin as midshipmen in the United States Naval Academy was announced as next in order.

Mr. WALSH of Massachusetts. I ask that that bill be recommitted to the Committee on Naval Affairs.

The PRESIDING OFFICER. Without objection, that order will be made.

HOSPITAL ON CROW INDIAN RESERVATION

The bill (S. 276) for the construction and equipment of a hospital on Crow Indian Reservation was announced as next in order.

Mr. REED. Let that go over.

Mr. WHEELER. Mr. President, I do not know who it was that suggested that the bill go over, but I will say that Senate bill 276 and Senate bill 2987 are authorizations for the completion of two small hospitals, one on the Crow Indian Reservation and the other one on the Blackfeet

Indian Reservation. The department says they are very much in need of these two hospitals. The only reason that the department suggested for not recommending them was on account of the financial condition at the present time. I have not the report that was made by the committee, but these are merely authorizations and not appropriations.

Mr. REED. Yes; I understand, Mr. President; but what prompted me to object was the letter from the Indian Com-

missioner saying this:

We must consider, in the order of priority, the needs of the service as a whole, giving special attention to Indian groups who are not now provided with hospital or medical facilities. While we are sympathetic to the needs on the Crow Reservation, in view of the foregoing, we are unable to recommend the enactment of S. 276 at this time.

Why is not that a sound objection?

Mr. WHEELER. Mr. President, if that is a sound objection, there never would be any hospitals on some of the reservations where they are needed, just because of the fact that somebody has not recommended them. A hospital is needed on the Crow Reservation, and one is needed on the Blackfeet Reservation. These are merely authorizations, not appropriations; and the Indians on these reservations are desperately in need of these hospital facilities.

Mr. REED. But they already have hospitals there.

Mr. WHEELER. If the Senator had ever seen the hospitals that they have, he would realize that they are old, antiquated, just old junk; as a matter of fact, just old buildings that are not properly equipped for hospital service. The Indians on both of these reservations have no place where their tubercular subjects can be properly treated. They have no place except these old, worn-out buildings. No physician would think of sending a patient to these hospitals.

Mr. REED. Part of the Crow Reservation hospital was built in 1908. The main building was built in 1916. That

does not sound old and antiquated.

Mr. WHEELER. It is not only old and antiquated, but it is insufficient to take care of the Indians that are there. This is just an authorization. When the question of appropriation comes up I will go into the matter further with the Senator; but I hope he will not object to these two authorizations at this time.

Mr. REED. I do not know enough about the subject to stand here and block these bills indefinitely. If some one who is familiar with the needs of the Indians, as I know the Senator is, insists that these hospitals are needed, and no one else familiar with the needs of the Indians objects, I am not going to persist in my objection.

Mr. WHEELER. The whole committee has gone out there and investigated this matter, and the full committee has

recommended the construction of the hospital.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of \$120,000 for the construction and equipping of a hospital at Crow Agency on the Crow Indian Reservation, Mont.

HOSPITAL ON BLACKFEET INDIAN RESERVATION, MONT.

The bill (S. 2987) providing for the construction and equipment of a hospital upon the Blackfeet Indian Reservation, in the State of Montana, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That there be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$100,000 for the construction of a modern 50-bed hospital, fully equipped, upon the Blackfeet Indian Reservation in the State of Montana.

BILLS, ETC., PASSED OVER

The bill (S. 3323) to provide funds for cooperation with the school district at Nespelem, Wash., in the construction of a public-school building to be available to Indian children as next in order.

of the Colville Indian Reservation was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over. The bill (S. 3696) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over. The bill (S. 3377) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over. The bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction with a view to increasing employment was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over. The joint resolution (S. J. Res. 15) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, to authorize the letting of the Muscle Shoals properties under certain conditions, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The joint resolution will go

The bill (S. 572) to provide that the United States shall cooperate with the States in promoting the general health of the rural population of the United States and the welfare and hygiene of mothers and children was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

PUNISHMENT OF ESPIONAGE, ETC.

The bill (S. 1058) repealing various provisions of the act of June 15, 1917, entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes" (40 Stat. L. 217), was announced as next in order.

Mr. REED. Let that go over.

Mr. WALSH of Montana. Mr. President, I trust the Senator will withdraw his objection to that bill. It has already passed the Senate.

Mr. REED. Mr. President, so many people have entered objections to the bill that I think it ought to be pretty well considered before it is passed; and I do not believe we can do it in the short time that is available this morning.

Mr. WALSH of Montana. It passed the Senate a year ago without the slightest objection from anybody.

Mr. BINGHAM. Mr. President, does the Senator realize that there were put in the Record the other day the requests of two different organizations that they be given a hearing on this bill? Will not the Senator ask to have the bill sent back to the committee so that they may be heard?

Mr. WALSH of Montana. I should not like to do that. The bill has been before the committee now for more than two years.

Mr. BINGHAM. They claim that they have not had an opportunity to be heard.

Mr. WALSH of Montana. That is not the case, Mr. President. They have had every opportunity to be heard.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

BILLS, ETC., PASSED OVER

The bill (S. 97) to protect trade-mark owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, brand, or name was announced as next in order.

to be an important bill. I do not desire to object to its consideration; but I should like to have a discussion of its provisions by the author, or by the Senator who reported

Mr. McKELLAR. Mr. President, I hope the bill may go over. An important bill like this ought not to be taken up under the 5-minute rule

The PRESIDING OFFICER. The bill will be passed over. The joint resolution (S. J. Res. 80) authorizing the Secretary of War to furnish equipment, goods, and supplies to governors and acting governors for use in aid of distressed citizens was announced as next in order.

Mr. REED. Let that go over, The PRESIDING OFFICER. The joint resolution will be passed over.

BOARD OF INDETERMINATE SENTENCE AND PAROLE

The bill (S. 1155) to establish a board of indeterminate sentence and parole for the District of Columbia and to determine its functions, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, will the Senator from Kansas [Mr. CAPPER] give me his attention? This is a bill providing for the establishment of a parole board. I was wondering if the conditions now call for this legislation.

Mr. CAPPER. Mr. President, they certainly do. There is no bill before the committee that has been more thoroughly considered and has more general approval of those who are charged with the responsibility of this particular activity in the District of Columbia than this measure. It is urged by the District Commissioners, and comes here with the approval of the Budget Bureau. It was very carefully gone over by the corporation counsel, and its passage is particularly desired by the director of the Bureau of Prisons, and it has had his careful examination.

Mr. ROBINSON of Arkansas. I find that the bill provides a number of salaries, and also authorizes the payment of traveling expenses. I should like to be informed as to the amount which it will cost.

Mr. AUSTIN. Mr. President, will the Senator yield? Mr. CAPPER. The Senator from Vermont reported the

Mr. ROBINSON of Arkansas. I yield to the Senator from Vermont

Mr. AUSTIN. I understand that the bill under consideration is Senate bill 1155.

Mr. ROBINSON of Arkansas. Yes, sir.

Mr. AUSTIN. No salaries at all are carried in the bill.

Mr. ROBINSON of Arkansas. The Senator is mistaken about that. There is no appropriation for salaries, but there are authorizations for salaries. Here is the language

Salaries and the actual and necessary traveling expenses of each such parole officer shall be paid out of the appropriation for the maintenance of the penal institution to which he is assigned and receive compensation in accordance with the rates established by the personnel classification act of 1923. (All other necessary ex-penses incurred in the administration of this act shall be paid out of the appropriations for the penal institutions from which prisoners are paroled, and such appropriations are hereby made available therefor.)

What I am inquiring is, How much is this bill going to

Mr. AUSTIN. I could not answer that question.

Mr. ROBINSON of Arkansas. Let the bill go over, Mr.

The PRESIDING OFFICER. The bill will be passed over.

BILLS, ETC., PASSED OVER

The bill (S. 1039) establishing additional land offices in the States of Montana, Oregon, South Dakota, Idaho, New Mexico. Colorado, and Nevada was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over. The joint resolution (S. J. Res. 13) to authorize the merger | the law.

Mr. ROBINSON of Arkansas. Mr. President, this appears of street-railway corporations in the District of Columbia. and for other purposes, was announced as next in order.

Mr. BLAINE. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

RAT.PH E. WILLIAMSON

The bill (S. 2458) for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917, was announced as next in order.

Mr. KING. Let that go over.

Mr. COOLIDGE. Mr. President, if the Senator from Utah will withhold his objection for a moment I would like to state to him that a bill for the relief of others who suffered losses in the fire referred to in this measure was passed in the Seventieth Congress, but the name of Ralph E. Williamson was inadvertently omitted from the list of the claimants. Twenty-one other claimants have been paid on the same basis on which relief is asked in this case, and therefore the committee has reported this bill for the relief of Mr. Williamson.

We have an affidavit from the claimant stating that he did not receive any insurance on account of this fire. As I stated, 21 other claimants have been paid, and the committee unanimously favor paying Mr. Williamson \$565. I hope the bill will be passed.

Mr. KING. I withdraw my objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$565 to Ralph E. Williamson, as compensation in full for loss of property destroyed by the fire on September 24, 1917, in the city of Lawton, Okla., such loss having been the result of the inability of the fire department of the city of Lawton to control said fire because of lack of water, all available water for fire-fighting purposes having been appropriated and heigh used by the War Decses having been appropriated and heigh used by the War Decses having been appropriated. poses having been appropriated and being used by the War Department in connection with the training of soldiers at Fort Sill and Camp Doniphan: Provided, That before said claim is allowed and paid the Comptroller General of the United States shall make an investigation of said claim to determine the extent and amount of such loss and damage, and such claim shall be adjusted in amount not in excess of the difference between insurance paid, if any, and the amount set out herein and upon certificates issued to said claimant by the said Comptroller General of the United

LOANS TO VETERANS ON ADJUSTED-SERVICE CERTIFICATES

The bill (S. 1251) relating to the making of loans to veterans upon their adjusted-service certificates, was announced as next in order.

Mr. REED. Let that go over.

Mr. COPELAND. Mr. President, I should like to ask the author of the bill [Mr. BARKLEY] about it. It seems to me it is a bill which should be passed. There are veterans living in my State who desire to get loans on their certificates, but they are not allowed to under the restrictions of the law.

Mr. BARKLEY. Mr. President, when we passed the original bonus act, it did not provide, as I think it should have provided, that all the certificates should bear the same date, so that there would have been no discrimination between those who rushed in to get their certificates and those who were either modest or indifferent about it.

The results were not foreseen until we passed a year or two ago the loan act providing for the lending of 50 per cent of the value of the certificates, and the House intended, and thought they had provided, that the 2-year limitation fixed in the original law should be taken out of the bonus loan act; but it was not, and as the Director of Veterans' Affairs has interpreted the law-and I think it is according to the wording of the statute-the 2-year limitation still

That operates as a penalty against those who did not rush in and get their certificates, many of whom probably never expected to apply for the bonus certificates; but, under the changed circumstances, were required to do so, or felt called on to do so, so they can not obtain loans under

set up, and that money is being set aside to retire the

Mr. BARKLEY. Yes; under the original bonus act there is a sinking fund provided for the ultimate redemption of all the certificates.

Mr. COPELAND. I think this bill is meritorious and should be passed.

Mr. BARKLEY. I sincerely hope it will be passed.

The PRESIDING OFFICER. Is the objection withdrawn? Mr. REED. Mr. President, as will be seen by looking at the report, the bill would entail an immediate cost of \$70,-000,000, in addition to the amount we have already spent and are now spending on veterans' loans. The only reason why these men can not get loans now is that they did not apply soon enough for the certificates. We might as well waive all the time limits in the act and provide that everybody who did not apply and has not applied yet may come in and get a loan.

Mr. BARKLEY. Mr. President, will the Senator from Pennsylvania yield?

Mr. REED. I yield.

Mr. BARKLEY. Does not the Senator think that, as a matter of fact, it is to the credit of ex-service men who did not apply, and might never have applied for their bonus certificates, except under changed circumstances? The result of the law, as it is now, is that they are penalized because they did not rush in at first and obtain the certificates provided by the original bonus act.

Mr. REED. Mr. President, I think it is greatly to the credit of those who never applied and who have not applied yet; but I know of my own knowledge that a campaign was run by many Legion posts, most Legion posts, to find applicants for these bonus certificates, that they drummed up the men and urged them to apply. Men who were loath to apply and felt that the country did not owe them anything, were urged to apply, and almost put to shame if they did

I shall have to insist on my objection.

Mr. BARKLEY. This is the first time I ever heard that statement made. I think probably it is true that some of the Legion posts, recognizing the fact that the average man does not keep in touch with all the acts of Congress, simply took steps to advise them of their rights in the matter, so that they could take advantage of the law if they saw fit to do so

The PRESIDING OFFICER. Under objection, the bill will be passed over.

AMERICAN MERCHANT MARINE

The bill (S. 3950) to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation, and provide for the disposition, regulation, and use of property acquired there-under, and for other purposes," as applied to the Virgin Islands of the United States, was announced as next in order.

Mr. COPELAND. Mr. President, reserving the right to object, I want to refer to the bill just passed over.

Is it not a fact, may I ask the Senator from Kentucky, that if a man applied a year and a half ago, in six months from now he can borrow, so that there is no great economy to the Government in postponing payment of the bonus now?

Mr. BARKLEY. Mr. President, there is no economy in postponement. Of course, a man who had never applied for a certificate and applies to-day would be entitled, under the law, to a loan in two years. The question is whether we shall compel him to postpone his application because under the circumstances at the time he felt that perhaps he would not take advantage of the bonus law, yet has been compelled to do so under the changed circumstances.

The fact that this might ultimately cost \$70,000.000 is not at all pertinent, because the only difference is that under

Mr. COPELAND. Is it not a fact that there is a reserve | the bill a veteran could get his loan now instead of having to wait two years.

SEVERAL SENATORS. Regular order!

Mr. KING. Mr. President, objection was made to the consideration of the bill by the Senator from Pennsylvania. Mr. COPELAND. Mr. President, I was speaking under the rule, another bill having been taken up.

The PRESIDING OFFICER. The Senate is now considering Senate bill 3950.

Mr. JOHNSON. Mr. President, the Senator from Tennessee [Mr. McKellar] has an amendment he desires to have considered in this matter, and I ask that the bill be passed over until he has an opportunity so to have it considered.

The PRESIDING OFFICER. Senate bill 3950 will be passed over.

IMMIGRATION VISAS

The bill (S. 34) to provide for review of the action of consular officers in refusing immigration visas was announced as next in order.

Mr. REED. Let that go over.

The PRESIDING OFFICER. The bill will be passed over. Mr. KING. Mr. President, I invite the attention of the Senator from Pennsylvania, who objected to the consideration of the bill, to the measure.

Mr. REED. I feel that I have to object to this. I will say in a word just why I object.

Mr. KING. If the Senator objects, that is all right. I never ask a man to give a reason.

Mr. REED. I am glad to give my reason. There is nothing concealed about it.

Mr. KING. The committee unanimously agreed upon the bill, after an amendment was made transferring the jurisdiction to the State Department.

Mr. REED. Unfortunately, I was not present, or it would not have been unanimous.

Mr. ROBINSON of Arkansas. Mr. President, I feel that I ought to say to the Senator from Utah that I do not think this bill is practicable. I believe it would be almost impossible of operation. If we undertake to treat the right of admission of aliens as a quasi-judicial matter and give a right of appeal from consular agents to the State Department, we necessarily invite the use of political influence, and we would have every Member of Congress besieged to make an effort to get aliens into the United States.

Mr. REED. Exactly. In self-protection we ought not to pass the bill.

Mr. KING. Mr. President, if there is to be any discussion, I should want to speak on the bill; but I am willing to pretermit discussion in the face of objection.

The PRESIDING OFFICER. On objection, the bill goes

PLUMBING AND GAS FITTING IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3400) to amend an act of Congress approved June 18, 1898, entitled "An act to regulate plumbing and gas fitting in the District of Columbia."

Mr. McKELLAR. Mr. President, I will ask the Senator from Kansas to explain what this bill would do.

Mr. CAPPER. Mr. President, the main purpose of the bill is to authorize the superintendent of plumbing in the District of Columbia to revoke licenses for malpractice or fraud. At the present time he has no authority whatever along that line, and there have been numerous instances of plumbers who have at one time or another secured licenses, and have been proven to be unfit, having been found to be responsible for some bad jobs of plumbing. Yet the authorities have had no control over them. No one is opposing the bill, and it is generally desired by the authorities.

Mr. ROBINSON of Arkansas. Mr. President, I see that the bill proposes to raise the present rate of \$3, the annual license fee for master plumbers, to not less than \$25 and not more than \$50.

Mr. CAPPER. That rate was fixed over 40 years ago, away back about 1890, I think, and it is out of line with the

license rate in all other cities, and nobody is objecting to the increase.

Mr. ROBINSON of Arkansas. Does the Senator say that the license fee of \$25 to \$50 is a normal fee?

Mr. CAPPER. I have investigated that thoroughly. got information as to the license fees required in something over 50 cities. Many of them are as high as \$100, and a few are as low as \$10. This would give some latitude to the superintendent of plumbing, and we fixed it so that he could make it as low as \$25 or as high as \$50, as it seemed de-

Mr. ROBINSON of Arkansas. There is no effort to fix the rate for plumbing services in the bill?

Mr. CAPPER. Not at all. No one raised any objection to the provision in the bill.

Mr. ROBINSON of Arkansas. I have no objection to the consideration of the bill.

Mr. KING. Mr. President, I desire to offer an amendment. It seems to me that to leave the discretion between \$25 and \$50 is unwise, and certainly there ought to be an amendment, that when fixed, the fee should remain as decided on until there should be a proper regulation or an ordinance or promulgation of a different fee, because as it is provided, one plumber might be charged \$25, and another \$50. A fee of \$25 might be applied to-day and next week one of \$50. It seems to me there ought to be some uniformity, and after a fee is fixed, that it ought not to be capriciously changed, enlarged, or reduced. It ought to be fixed for a given period. I do not want to object to the consideration of the bill.

Mr. CAPPER. Mr. President, the committee assumed that the superintendent of plumbing would be a man who would be disposed to handle the matter fairly, and who would take no advantage.

Mr. KING. The Senator knows we can not always depend upon the wisdom or the fairness of bureaucrats. shall not object.

Mr. FLETCHER. Mr. President, I can not see why we should not fix a definite fee and let it stand, either at \$25 or \$50. The officials would then have authority to grant or deny a license. To provide that it may be \$50 or \$25 means that the superintendent may grant A a license for \$25 and charge B \$50, just as his whim might influence him. That would seem to me to open the way for discrimination and unfairness. Why not fix a fee, say, at \$50?

Mr. ROBINSON of Arkansas. Mr. President, I think the bill merely gives the commissioners latitude to fix any license fee, not less than \$25 nor more than \$50. They would not fix different fees for different applicants. They would, within the range fixed, between \$25 and \$50, have the right to fix the fee.

Mr. BRATTON. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over. RELIEF OF INDIANS IN WASHINGTON, IDAHO, AND MONTANA

The bill (S. 1523) for the relief of certain tribes or bands of Indians in the States of Washington, Idaho, and Montana, was announced as next in order.

Mr. REED. Mr. President, the bill would cost the Government of the United States sixteen and a half million dollars. It is urgently requested by the Indian Commissioner that it should not be passed. It would give compensation to a lot of Indians for the violation of a treaty to which they were not parties. I object to it.

The PRESIDING OFFICER. The bill will be passed over. BILLS PASSED OVER

The bill (S. 3879) to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims," was announced as next in order.

Mr. REED. I object to that measure.

The PRESIDING OFFICER. The bill will be passed over. The bill (S. 939) to limit the jurisdiction of district courts of the United States was announced as next in order.

Mr. COPELAND. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2842) to authorize construction of the Casper-Alcova division, North Platte project, Nebraska-Wyoming, was announced as next in order.

Mr. COSTIGAN. I request that that may go over.

The PRESIDING OFFICER. The bill will be passed over. The bill (S. 4080) to regulate the manufacture and sale of stamped envelopes was announced as next in order.

Mr. HEBERT. I ask that that go over.

The PRESIDING OFFICER. The bill will be passed over. The bill (S. 3223) relative to the qualifications of practitioners of law in the District of Columbia was announced as next in order.

Mr. REED. I ask that that may go over.

The PRESIDING OFFICER. The bill will be passed over. INDIAN HIGH SCHOOL, SHANNON COUNTY, S. DAK.

The bill (S. 2340) to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construction of a consolidated high-school building to be available to both white and Indian children was announced as next in order.

Mr. NORBECK. Mr. President, a brief explanation of this bill has been requested by several Senators.

It is really an effort at a new educational idea for the Indians. I am one of those who think that most of the money spent under the present system of educating the Indians is lost. We take them away from their relatives, away from their reservations, away from their natural environment. and send them to some far-away place and keep them in modern homes, steam-heated houses, and give them the idea that all they need is to get an education in the arts and that they can then go home and make a living. The fact of the matter is that they go home and find themselves incompetent to meet existing conditions. They find themselves out of touch with all their friends and relatives and are lost on the reservation.

This is an effort to get some cooperation in an Indian county which has a central school board. There is only one school board in the county. It is a county system. larger part of the land is still held by the Indians, but there are at least two or three hundred white settlers there. It is the belief of the Bureau of Indian Affairs and the county school board that they can get together on a central school in the county which would teach vocational training mainly instead of having imposed upon the Indians a lot of things which are not useful to them at all. The school would be attended by the whites and the Indians alike and the expense borne jointly.

Mr. SHORTRIDGE. Mr. President, the commissioner reports that he is opposed to the bill. I have had no opportunity to study the matter. I suggest that the bill go over.

The PRESIDING OFFICER. On objection, the bill will be passed over.

SENATORIAL CONTEST

The resolution (S. Res. 60) to hear and determine the contest of George M. Pritchard against Josiah W. Bailey for a seat in the Senate from the State of North Carolina was announced as next in order.

Mr. ROBINSON of Arkansas. Over. The PRESIDING OFFICER. The resolution will be passed

WAR-RISK INSURANCE CASES, SOUTH CAROLINA

The bill (S. 3145) providing for the appointment of commissioners to hear cases arising under contracts of war-risk insurance in the district courts for the eastern and western districts of South Carolina was announced as next in order.

Mr. LOGAN. Over.

Mr. BRATTON. Mr. President, will the Senator withhold the objection until I can make a brief explanation of the bill? Mr. LOGAN. Very well.

Mr. BRATTON. According to information furnished the Judiciary Committee, there are about 1,500 cases pending in the Federal courts of South Carolina brought by ex-service man upon their war-risk insurance contracts. There are only three Federal judges. The result is that the cases can not be tried. They are in cold storage, so to speak. The

bill authorizes the three Federal judges acting together to appoint a commissioner who shall sit at such times and places throughout the State as they may fix; that upon consent of the parties-that is to say, the veteran and the United States—the commissioner shall have jurisdiction to hear the case without a jury and render judgment subject to review by the Federal judge. It provides a salary of \$6,000 a year for the commissioner. The act expires December 31, 1934

I know of no better other way through which that volume of business can be dispatched than the one provided.

Mr. WALSH of Montana. Mr. President-

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Montana?

Mr. BRATTON. I yield.

Mr. WALSH of Montana. Let me inquire of the Senator what are the peculiar conditions which require a provision of this kind for the State of South Carolina more than for any other State?

Mr. BRATTON. Probably the Senator from South Carolina [Mr. Smith] can explain the situation. The fact is that there are about 1,500 cases pending on the dockets of the three district courts, brought by veterans to recover upon their insurance contracts.

Mr. WALSH of Montana. Why does not a like condition exist in the State of New Mexico or in my State?

Mr. BRATTON. Perhaps the Senator from South Carolina, who introduced the bill, can explain the facts.

Mr. WALSH of Montana. It seems to me if we get along very well in the more populous States, they ought to do very well in the State of South Carolina where, my recollection is, they have three Federal judges.

Mr. SMITH. Mr. President, we do have three Federal judges, but the condition down there was disclosed by a petition from the lawyers to the effect that on account of the congested condition of the courts it was impossible for them to reach these cases, so that there have accumulated 1,500 such cases. The ordinary processes of law, where these cases go before the court, entail an expense and delay that could be avoided and a great saving made to the Federal Government if such a provision as this were incorporated in the law.

The measure was introduced at the instance of the judges and of the members of the bar of my State. These cases are worthy and ought to be heard, but on account of the congestion arising from numerous causes, one of the most prolific being the prohibition question, it is impossible for them to reach these cases on the roster. This legislation was suggested on the ground that it would limit the expense and clear up the calendar so that after this congestion is over the courts might carry on without so great a loss of time and at very much less expense.

Mr. WALSH of Montana. That is no answer whatever to the inquiry as to why this legislation should be enacted for the State of South Carolina where the conditions are apparently no different from what they are in every other State. If we pass this special legislation for South Carolina how can we escape doing the same thing for the State of Georgia or North Carolina or Montana or any other State? If this is a condition which exists in South Carolina without any peculiar conditions and circumstances there, we ought to have a provision covering the entire United States.

Mr. SMITH. It seems to me the representative of any State in the discharge of his duties here ought to want to expedite business in his State; he ought to want to reduce Federal expenditures, and he ought to want to have a speedy disposition of worthy cases that may arise in his State. I do not know what condition exists in other States. It is the duty of those representing those States to know.

I assure my colleagues that this is an urgent condition in my State. Of course I am not aware of just the condition in other States. It may be that the conditions in other States are not parallel. The congested condition exists in my State, as I have stated, and on account of that fact I introduced the bill, went before the committee, and volumi-

nous evidence was furnished to indicate the urgent necessity for the proposed legislation for my State.

As a matter of fact, I would be very glad, as every other Senator would be, if relief could be gotten for other States. I would be glad to do what I could to bring relief to any State in a similar condition. I am not familiar with the conditions in other States, but if such conditions do exist in other States I should be only too glad to join in getting relief and saving the expense that is necessarily incurred in jury trials and regular court procedure.

Mr. ROBINSON of Arkansas. Mr. President, I should like to ask the Senator from New Mexico whether any question arose during the consideration of the bill as to the power to confer what is apparently judicial authority on some one else than the courts.

Mr. BRATTON. Yes; we gave consideration to that feature of the bill. We had it briefed at some length. The conclusion was reached that where the Congress authorizes the court to appoint a commissioner it is equivalent to Congress itself creating the tribunal, and that accordingly the constitutional provision which provides that all judicial power shall be vested in the Supreme Court and such inferior courts as Congress may create is not impinged upon. The effect of this measure is that Congress creates the tribunal in the nature of a court, although the appointment is made by a Federal judge pursuant to authority granted by

Mr. ROBINSON of Arkansas. If the Senator from New Mexico has investigated the question, I should be disposed to rely on his conclusion; but the thought occurred to me that it might be questionable whether this is not violative of the Constitution, which provides that the judicial power of the United States shall be vested in the Supreme Court and such inferior courts as Congress may create.

Mr. BRATTON. That question occurred to me and to the Senator from Colorado [Mr. WATERMAN], with whom I served on the subcommittee. We reached the conclusion, after investigation, that Congress may authorize the appointment of a commissioner in the manner here proposed.

Mr. KING. Mr. President, I remember offering a measure some years ago, with considerable trepidation, providing for the appointment of commissioners merely to receive pleas in the so-called bootleg cases involving violations of the prohibition law, and another bill authorizing them to receive testimony and make recommendations to the court. The Judiciary Committee held, and I thought quite properly, that any attempt to create a court of that character-and the bill now before us goes further than the bill to which I have referred-was beyond the constitutional authority of Congress. It seems to me that this is setting up a court which is not recognized and for which there is no constitutional warrant. I shall feel constrained to object.

The VICE PRESIDENT. Objection is made. Mr. WALSH of Montana. Mr. President, allow me to say that I regret that I could not have been present at the time this matter was considered by the Committee on the Judiciary. I can not conceive of any reason why this should be applicable only to the State of South Carolina.

Mr. BRATTON. That is true.

Mr. WALSH of Montana. I shall feel obliged to object to the consideration of the bill while we are engaged in the consideration of unobjected bills. I suggest to the Senator from South Carolina [Mr. SMITH] that it would probably expedite the passage of the bill, if it is entitled to passage, if it were recommitted to the Committee on the Judiciary, where the matter might be further considered.

The VICE PRESIDENT. Objection has been made, and the bill has gone over.

USE OF PISTOLS AND OTHER DANGEROUS WEAPONS

The bill (H. R. 8754) to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes, was announced as next

Mr. PITTMAN. Over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection for a moment?

Mr. PITTMAN. Very well.
Mr. COPELAND. I happened to be present during the hearings on this bill. As it is presented to the Senate it conforms to what is known as the model bill which has been adopted in many States in the Union. It is a form of legislation which is regarded of tremendous importance to the protection of society. I may say that sportsmen of the country, those who are interested in the legal and proper use of firearms, have given their support to the measure. I hope no member of the Senate will interfere with the passage of a bill which has to do with the protection of society. I am sure that is the sort of measure this is.

The VICE PRESIDENT. Does the Senator from Nevada insist upon his objection?

Mr. PITTMAN. I ask that the bill be passed over. I have not had an opportunity to read it and consider it.

The VICE PRESIDENT. The bill will be passed over.

RESOLUTION AND BILLS PASSED OVER

The resolution (S. Res. 26) changing the name of the Committee on Pensions to the Committee on Veterans' Affairs, and defining its jurisdiction, was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2687) to provide for the establishment of a national employment system and for the cooperation with the States in the promotion of such system, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

INVESTIGATION OF CAMPAIGN EXPENDITURES

The resolution (S. Res. 174) for an investigation of campaign expenditures of presidential, vice presidential, and senatorial candidates in 1932 was announced as next in

Mr. ROBINSON of Arkansas. Mr. President, unless there is some agreement reached touching the resolution, it may require a long time for its consideration. I think an agreement may be reached, and suggest that it be passed over for the present.

I would like to make this additional statement. The resolution has been pending on the calendar for a prolonged period. It is desirable to secure action on it just as soon as possible. This is the resolution, I will say to the Senator from Oregon [Mr. McNary], which he and I were discussing personally a few moments ago.

Mr. McNARY. Mr. President, may I ask the Senator from Arkansas if anyone interposed an objection?

Mr. ROBINSON of Arkansas. No; and the Senator well knows that I shall not object to its consideration, but I think it would be necessary to offer an amendment. I would propose to relieve the Presiding Officer of the Senate from the embarrassment of selecting the committee, so I should move to strike out the words "appointed by the Vice President" and insert in lieu thereof "elected by the Senate."

Mr. McNARY. I would suggest that the resolution be passed over to-day.

Mr. ROBINSON of Arkansas. That was the suggestion that I myself made, but the Senator seemed disposed to force the issue under the circumstances.

Mr. McNARY. Oh, no; I did not force it. I asked the Senator gently if anyone objected to it or wanted it passed

Mr. ROBINSON of Arkansas. I am ready to have it taken up now.

Mr. McNARY. I am willing to pass it over.

Mr. ROBINSON of Arkansas. I am not asking that it go over.

Mr. SHORTRIDGE. Over.

The VICE PRESIDENT. The resolution will go over.

CLAIM OF OSAGE NATION OF INDIANS

The bill (S. 2352) amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States," approved February 6, 1921 (41 Stat. 1097), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the act of Congress approved February 6, 1921 (41 Stat. 1097), conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States be, and the same hereby is, amended to read as follows:

"Jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the provisions of Article I of the treaty of September 29, 1865 (14 Stat. 687), proclaimed Janu-ary 21, 1867, and notwithstanding the lapse of time, to hear and determine the net amount realized by the United States under said treaty of 1865 from sales of Osage lands and deposited in the civilization fund in the Treasury of the United States, with in-terest thereon at the rate of 5 per cent per annum from the dates of deposit of money received from such sales in the Treasury of the United States, and to enter judgment for the Osage Nation the United States, and to enter judgment for the Osage Nation of Indians against the United States for any and all such sum of Indians against the United States for any and all such sum or sums, less any legal and equitable set-offs or counterclaims, including gratuities, arising since the date of the proclamation of said treaty on January 21, 1867, which the United States may have against the Osage Nation of Indians. The judgment of the said Court of Claims hereunder shall be subject to a special right of appeal on the full record by either party to the Supreme Court of the United States, and any such judgment, when satisfied, shall annul and cancel all claims of the said Osage Nation in and to all the matters and claims adjudicated hereunder.

"SEC. 2. That proceedings hereunder may be by an amended petition in the Court of Claims, to be filed within one year of the passage of this act, making the Osage Nation of Indians party plaintiff and the United States of America party defendant, to be verified by the authorized attorney or attorneys of the said Osage Nation employed under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior, May 5, 1931, as provided by law, on information and belief as to the facts, and no other statement or verification shall be necessary; or said

provided by law, on information and belief as to the facts, and no other statement or verification shall be necessary; or said action hereunder may be by motion to be filed for and on behalf of the Osage Nation of Indians within one year of the passage of this act, to reopen and reconsider the case filed in said Court of Claims under the said act of Congress of February 6, 1921, supra, entitled 'Osage Nation of Indians against the United States of America,' and known as No. B-38: Provided, That the evidence heretofore submitted to the said Court of Claims in the said cause shall be admitted for all purposes in the action hereby authorized. shall be admitted for all purposes in the action hereby authorized, and additional evidence, including official letters, papers, and public records, or certified copies thereof, may be offered in such proceedings

proceedings.

"SEC. 3. That upon the final determination of such suit or suits the Court of Claims shall decree such fees and expenses as may be reasonable to be paid the attorneys employed by the Osage Nation of Indians under contracts approved by the Commissioner of Indian Affairs and the Secretary of the Interior, and in no event shall such fees and expenses exceed the amount stipulated in such contracts, nor amount to more than 10 per cent of the judgment recorded in the said cause." recorded in the said cause."

CHARLES LAMKIN

The bill (H. R. 2704) for the relief of Charles Lamkin was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

J. P. MOYNIHAN

The bill (H. R. 3691) for the relief of J. P. Moynihan was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. P. Moynihan, of Chicago, Ill., the sum of \$1,000. Such sum represents the amount of a bail bond deposited with the District Court of the United States for the Northern District of Illinois to secure the appearance of Joseph Krawchuk and which was forfeited.

CARROLL K. MORAN

The bill (H. R. 4270) for the relief of Carroll K. Moran was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Carroll K. Moran, deputy clerk of the United States District Court for the Eastern District of Virginia, Richmond, Va., out of any money in the Treasury not otherwise appropriated, the sum of \$182.70. Such sum represents the amount paid as witness fees and mileage by Carroll K. Moran to witnesses attending the October, 1929, term of court of the eastern district of Virginia, for which he was not reimbursed by the United States. reimbursed by the United States.

PASQUALE MIRABELLI

The bill (H. R. 4453) for the relief of Pasquale Mirabelli was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Pasquale Mirabelli, of Rochester, N. Y., the sum of \$1,000, representing the amount of cash bond which he deposited in behalf of his son. Vicenzo Mirabelli, against whom deportation proceedings had been instituted, and which bond was declared forfeited prior to the time the alien was apprehended and deported: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

PALO VERDE VALLEY, CALIF.

The bill (S. 4443) for emergency relief of Palo Verde Valley, Calif., was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of that bill.

Mr. JOHNSON. Mr. President, the Palo Verde Valley is a tributary really to the Colorado River. The Colorado River has caused it vast difficulties in the past. The people of Palo Verde Valley, unfortunately, are absolutely broke. Their farms have been sold for delinquent taxes. This bill has passed the other House, and the report of the House committee on the bill, Senators will find, accurately describes the situation. It is an emergent measure. It must be passed very quickly or it will be of no consequence at all. The Colorado is coming down now, and within the next couple of weeks something must be done. This is the endeavor of the department to afford some relief.

The difficulty arises not from the fault of the people of the Palo Verde Valley but from construction work of the United States at Yuma Dam. They have expended in that valley some \$2,000,000 and are at the end of their resources. Now they ask that \$70,000 be transferred to the reclamation fund, that an authorization be made therefor, and that aid be extended them. It is one of the most appealing cases of which I know. It is an emergent case.

Mr. WALSH of Montana. Mr. President—
The VICE PRESIDENT. Does the Senator from California yield to the Senator from Montana?

Mr. JOHNSON. I yield.

Mr. WALSH of Montana. May I inquire of the Senator from California if the injury is due to the Yuma Dam why is it not a proper charge against the Yuma project?

Mr. JOHNSON. I doubt very much if it is a proper charge against the Yuma project. It is due, undoubtedly, in part to the construction of the Yuma Dam, and that being a United States construction work, and that is one of the reasons I give for asking that aid be extended by the United States Government. Would the Senator from Montana do me the kindness to read the report of the House committee in respect to the matter? It is very brief and it shows conclusively the situation there existing. I quote from it as

The levees must be repaired, raised, and strengthened. No work has been done upon them for several years past, but fortunately those have been years of low flow in the river. This year records an unusually heavy snowfall in the headwaters of the Rocky

I can confirm that, and I can confirm as well that the community is now very close to disaster. The report con-

Earliest possible action is necessary if this community of 3,000 cople is to be saved. The Palo Verde irrigation district, which people is to be saved.

represents the farmers, is bankrupt, its treasury is empty, its credit is gone, and it has defaulted upon its bonds. The people themselves are without means to do this necessary work. They, too, are without credit. Over 30,000 acres went delinquent and were sold for taxes last year.

I know the conditions that exist there and the necessity for relief. I do trust that the bill may be passed, because if delay shall be occasioned disaster, I think, is certain to

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, the sum of \$70,000, or so much thereof as may be necessary, to protect the Palo Verde Valley, Calif., from overflow and destruction by the Colorado River floods, to be transferred to the reclamation fund and to be expended under the direction of the Secretary of the Interior for the purpose of repairing and reconstructing the levee system on the Colorado River in front of the said Palo Verde Valley, to be immediately available. available.

REGULATION OF COMMON CARRIERS BY WATER THROUGH PANAMA CANAL.

The bill (S. 4491) amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal, was announced as next in order.

Mr. KING. Mr. President, does the Senator from California think in view of the importance of this measure that it should be taken up to-day?

Mr. JOHNSON. Unless the Senator from New York is anxious to have the bill taken up, I think it so very important that it might go over.

Mr. COPELAND. Mr. President, this bill was thoroughly considered by the Committee on Commerce, and, after protracted hearings, was reshaped and as reported the objectionable features which had been found have been eliminated.

I think it is a very necessary bill, and that is the feeling of the shipping interests and also of the shippers on the Pacific coast. I hope the Senator will not interpose any objection.

Mr. KING. Does the Senator know whether the Senator from Tennessee [Mr. McKellar] has any objection to this bill?

Mr. COPELAND. I can not say as to that, as he is not a member of the committee. I do not see, however, how he could possibly have any objection. It is designed simply to fill in the gap which has been found in the shipping act; it has to do with the establishment of uniform rates so that no shipper will be imposed upon by secret rebates. It follows the usual policy of our country as regards the avoidance of rebates by transportation companies, and I hope the Senator from Utah will permit the bill to pass.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

Mr. KING. Mr. President, it seems to me the passage of the bill will result in the creation of a monopoly and prevent legitimate and proper competition.

Mr. COPELAND. Mr. President, the very purpose of the bill is to avoid such a condition, I may say to my friend, and I am sure if he will study it he will realize that it has been worked out very carefully and that he can find no fault with it.

Mr. KING. I ask for an explanation as to the purpose of the bill.

Mr. COPELAND. The purpose of the bill is well outlined. I am sure, in the report which the Senator will find accompanying the bill. It is intended, as I have said, to prevent secret rebates and to provide for the filing of actual rates to be charged to all shippers in place of the fictitious rates which are now established. The shipping line is required to file with the board what it purposes to charge in the way of rates on commodities transported from the coast. Those rate schedules are looked over by the board and publicly

promulgated in order that every shipper may know exactly | what the rate is on oranges or apples, or whatever the commodity may be. There has been a cutthroat operation of shipping on the coast which it has been sought to overcome by various steamship conferences, but under this bill the board in Washington is given authority to receive the schedules of rates, to file them, and to give publicity to them so that every shipper may know that he is exactly on the same plane with every other shipper.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. KING. Suppose that some person in Boston desired to ship a few carloads of fish or any other commodity to New York or to Philadelphia, would be come within the provisions of this bill?

Mr. COPELAND. No. It refers merely to intercoastal traffic.

Mr. KING. To purely intercoastal traffic?

Mr. COPELAND. To purely intercoastal traffic: it has nothing to do with the coastwise trade.

Mr. KING. Nor with shipping on the Great Lakes?

Mr. COPELAND. Nor with shipping on the Great Lakes, but simply shipping through the Panama Canal.

Mr. KING. Mr. President, I shall not object to the consideration of the bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when used in this act-

. The term "common carrier by water in intercoastal commerce" for the purposes of this act means a common carrier by water engaged mainly in the transportation for hire of passengers or property between one State of the United States and any other State of the United States by way of the Panama Canal.

SEC. 2. That every common carrier by water in intercoastal commerce shall file with the United States Shipping Board and keep open to public inspection schedules showing all the rates, fares, and charges for or in connection with transportation between points on its own route; and, if a through route has been estabpoints on its own route; and, if a through route has been established, all the rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water. The schedules filed and kept open to public inspection as aforesaid by any such carrier shall plainly show the places between which passengers and/or freight will be carried, and shall contain the classification of freight and of passenger accommodations in force, and shall also state separately each terminal or other charge, privilege, or facility, granted or allowed, and any rules or regulations which in anywise change, affect, or determine any part or the aggregate of such aforesaid rates, fares, or charges, or the value of the service rendered to the passenger, consignor, or consignee. Such carriers in establishing and fixing rates, fares, or charges may make equal rates, fares, of and fixing rates, fares, or charges may make equal rates, fares, or charges for similar service between all ports of origin and all ports of destination. Such schedules shall be plainly printed, and copies shall be kept posted in a public and conspicuous place at every wharf, dock, and office of such carrier where passengers or freight are received for transportation, in such manner that they shall be readily accessible to the public and can be conveniently in-

No change shall be made in the rates, fares, or charges, or classifications, rules, or regulations, which have been filed and posted as required by this section, except by the publication, filing, and posting as aforesaid of a new schedule or schedules which shall become effective not earlier than 30 days after date of posting and filing thereof with the board, and such schedule or schedules shall plainly show the changes proposed to be made in the schedule or schedules then in force and the time when the rates, fares, charges, classifications, rules, or regulations as changed are to become effective: *Provided*, That the board may, in its discretion and for good cause, allow changes upon less than the period of 30 days herein specified: *And provided further*, That schedules or changes which provide for extension of actual servers to additional period servers and some conditional period. ice to additional ports at rates of said carrier already in effect for similar service at the nearest port of call to said additional ports shall become effective immediately upon notice to the board.

From and after 90 days following enactment hereof no person shall engage in transportation as a common carrier by water in

intercoastal commerce unless and until its schedules as provided by this section have been duly and properly filed and posted; nor shall any common carrier by water in intercoastal commerce charge or demand or collect or receive a greater or less or differ-ent compensation for the transportation of passengers or property or for any service in connection therewith than the rates, fares, and/or charges which are specified in its schedules filed with the board and duly posted and in effect at the time; nor shall any such carrier refund or remit in any manner or by any device any portion of the rates, fares, or charges so specified, nor extend or deny to any person any privilege or facility except in accordance

deny to any person any privilege or facility except in accordance with such schedules.

The board shall by regulations prescribe the form and manner in which the schedules required by this section shall be published, filed, and posted; and the board is authorized to reject any schedule filed with it which is not in consonance with this section and with such regulations. Any schedule so rejected by the board shall be void and its use shall be unlawful.

Any violation of any provision of this section by a common carrier by water in intercoastal commerce shall be punished by a fine of not less than \$1,000 nor more than \$5,000 for each act of violation and/or for each day such violation continues, to be recovered by the United States in a civil action.

tion and/or for each day such violation continues, to be recovered by the United States in a civil action.

Sec. 3. Whenever there shall be filed with the board any schedule stating a new individual or joint rate, fare, or charge, or any new individual or joint classification, or any new individual or joint regulation or practice affecting any rate, fare, or charge, the board shall have, and it is hereby given, authority, either upon complaint or upon its own initiative without complaint, and if it so orders without answer or other formal pleading by the interested carrier or carriers, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, fare, charge, classification, regulation, or practice: Provided, however, That classification, regulation, or practice: Provided, however, That there shall be no suspension of a tariff schedule or service which extends to additional ports, actual service at rates of said carrier for similar service already in effect at the nearest port of call to

said additional port.

extends to additional ports, actual service at rates of said carrier for similar service already in effect at the nearest port of call to said additional port.

Pending such hearing and the decision thereon the board, upon filing with such schedule and delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may from time to time suspend the operation of such schedule and defer the use of such rate, fare, charge, classification, regulation, or practice, but not for a longer period than seven months beyond the time when it would otherwise go into effect; and after full hearing, whether completed before or after the rate, fare, charge, classification, regulation, or practice goes into effect, the board may make such order with reference thereto as would be proper in a proceeding initiated after it had become effective. If the proceeding has not been concluded and an order made within the period of suspension, the proposed change of rate, fare, charge, classification, regulation, or practice shall go into effect at the end of such period. The board shall give preference to the hearing and decision of such questions and decide the same as speedly as possible.

Szc. 4. That upon sworn petition by any common carrier by water in intercoastal commerce alleging the charging of any unduly low rate, fare, or charge for comparable water service, or unduly low rates, fares, or charges for comparable water service, or the minimum rate, fare, or charge for comparable water service, or the minimum rate, fare, or charge for comparable water service, or the minimum rate, fare, or charge for comparable water service, or the minimum rate, fare, or charge for comparable water service, or the minimum rate, fare, or charge for comparable water service, or the minimum rate, fare, or charge for comparable water service, or the minimum rate, fare, or charge for comparable water service which the same powers the board may investigate any competitive situation between common carrier

fine to be recovered by the United States in a civil action.

SEC. 5. That the provisions of the shipping act, 1916, and as amended prior to this act, shall in all respects, except as amended by this act, continue to be applicable to common carriers by water

intercoastal commerce.

SEC. 6. That this act may be cited as the intercoastal shipping act. 1932.

CHARLES C. BENNETT

The Senate proceeded to consider the bill (S. 1673) for the relief of Charles C. Bennett, which had been reported from the Committee on Claims with amendments on page 1, line 6, after the words "sum of" to strike out "\$7,174.60" and insert "\$5,000 in full settlement of all claims against the Government"; and on page 2, line 3, after the name "North Carolina," to insert the following proviso:

Provided. That no part of the amount appropriated in this act in excess of 20 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 20 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles C. Bennett, of the city of Candor, N. C., the sum of \$5,000 in full settlement of all claims against the Government for bodily injuries sustained by him on December 16, 1927, when an automobile in which he was riding was in collision with a reconnaissance truck of the United States Army, the said truck being one of a fleet of trucks traveling toward Fort Bragg, N. C., driven by Pvt. Thomas C. Robertson, of Fort Bragg, N. C.: Provided, That no part of the amount appropriated in this act in excess of 20 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 20 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be diemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STOCK-RAISING HOMESTEADS

The bill (S. 4495) amending section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454), was announced as next in order.

Mr. BRATTON. Mr. President, I should be glad if the Senator from Wyoming would explain the purpose of this bill

Mr. CAREY. Mr. President, we have in Wyoming a number of oil fields where the production of oil is now very small. This bill would permit people to file stock-raising homesteads within these fields.

Mr. BRATTON. Is the bill limited to Wyoming?

Mr. CAREY. No; it is not limited to Wyoming.

Mr. BRATTON. Is it a general bill?

Mr. CAREY. It is a general bill. I may say that it has the approval of the Interior Department and that it protects the Government in that the Secretary of the Interior will have to approve of any applications for homestead entries before they could be granted and also the permittee or the lessee would have to give his approval before filing could be approved.

Mr. BRATTON. Mr. President, I have not had an opportunity to study the bill. I should like to examine it before we pass it. So I ask that it go over for to-day.

The VICE PRESIDENT. The bill will be passed over.

Mr. BRATTON subsequently said: Mr. President, a few moments ago I objected to the consideration of Order of Business 653, Senate bill 4495, introduced by the Senator from Wyoming [Mr. Carey]. Since then he has explained the measure to my entire satisfaction. I withdraw the objection and ask that we may revert to the bill.

The VICE PRESIDENT. Is there objection to returning to the bill?

Mr. KING. Mr. President, I do not object to the bill if it applies only to the State of Wyoming, but I am not so sure that I would wish the bill to apply to the State in which I reside.

. Mr. CAREY. Mr. President, may I ask the Senator why he objects?

Mr. KING. I might or might not object. I am not sure whether it would be desirable to the people of my State.

Mr. CAREY. The bill permits filing upon lands which are not now subject to entry. The State and the Government are amply protected. All these applications have to be approved by the Secretary of the Interior. The bill exempts naval oil reserves and also protects the permittee who may have a mineral lease on the land in providing that his consent must be obtained before the homestead application is approved by the Secretary.

Mr. ROBINSON of Arkansas. Do the mineral rights pass to the homesteader under the bill?

Mr. CAREY. The mineral rights are retained by the Government.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. Is there objection?

Mr. KING. That is one objection I would have to the principle involved. I think, of course, where a man obtains title to land the minerals ought to go with it; but I shall not object. If, upon examination, I find that the bill ought not to be applicable to my State, or that the people do not desire it, I shall move to reconsider merely for the purpose of offering an amendment.

Mr. CAREY. I think the Senator's people will approve of the provisions of this bill.

The Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454), be amended to read as follows:

amended February 28, 1931 (ch. 328, 46 Stat. 1454), be amended to read as follows:

"From and after December 29, 1916, it shall be lawful for any person qualified to make entry under the homestead laws of the United States to make a stock-raising homestead entry for not exceeding 640 acres of unappropriated unreserved public lands in reasonable compact form: Provided, however, That the land so entered shall theretofore have been designated by the Secretary of the Interior as 'stock-raising lands': Provided further, That for the purposes of this section lands withdrawn or reserved solely as valuable for oil or gas shall not be deemed to be appropriated or reserved: Provided further, That the provisions of this section shall not apply to naval petroleum reserves and naval oil-shale reserves: And provided further, That should said lands be within the limits of the geological structure of a producing oil or gas field entry can only be allowed, in the discretion of the Secretary of the Interior, in the absence of objection after due notice by the lessee or permittee, and any patent therefor shall contain a reservation to the United States of all minerals in said lands and the right to prospect for, mine, and remove the same."

ALBERT GONZALES

The bill (S. 1594) for the relief of Albert Gonzales was announced as next in order.

Mr. McNARY. I should like to have the bill explained.

Mr. COOLIDGE. Mr. President, I ask that the clerk may read the bill.

The VICE PRESIDENT. The bill will be read.

The Chief Clerk read the bill as reported by the Committee on Claims with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Albert Gonzales the sum of \$75 per month, in full settlement of all claims against the Government on account of injuries suffered by him on July 28, 1929, while a student at the citizens' military training camp at Fort Bliss, Tex., said monthly payments to be paid through the United States Employees' Compensation Commission: Provided, That if, and when, Congress enacts general legislation providing compensation or damages to persons injured while attending citizens' training camps that the said Albert Gonzales, in lieu of compensation herein provided, will hereafter take only said benefits as shall have been provided in said act for similar cases.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. McNARY. Mr. President, I think there is a misapprehension upon the part of the Senator from New Mexico. I made no objection. I simply made an inquiry.

The VICE PRESIDENT. Is there objection?

Mr. KING. Mr. President, I should like to ask the Senator if he does not regard this legislation as setting up a precedent that will commit the Government of the United States hereafter in all of the citizens' training camps and all organizations of the Guards to be liable for any misadventure, any accident that may occur?

Mr. BRATTON. Mr. President, let me say to the Senator from Utah that this young man is totally blind. He has been so for almost three years. He is a young man, about 20 or 22 years old. He will spend the rest of his lifetime totally blind as the result of an injury suffered while attending a military training camp at Fort Bliss. The Secretary of War has recommended passage of the bill in the amended form.

It seems to me that we may well resolve every doubt in favor | of this young man who lost his eyesight and must go through

Mr. ROBINSON of Arkansas. Was the injury received while the soldier was in the line of duty?

Mr. BRATTON. He was attending the training camp. They were enjoying recreation at a swimming pool at Fort Bliss. It was a part of the activities at Fort Bliss. Just how the accident occured or what the producing or contributing cause was may be somewhat doubtful; but the indisputable fact is that he suffered the accident while there. lost his eyesight as a result of it, and is totally blind. I appeal to the Senator to resolve every doubt in favor of this claimant, and let the boy have what little this bill accords him.

Mr. KING. Mr. President, the reason why my attention was challenged to the case is because in my own State only a few months ago, perhaps a year ago, a young man was killed while serving in the same capacity as this young man, and the father wrote me about the matter. The father was largely dependent upon the young man for support. I made inquiry of all the departments, and was advised that the Government was under no obligation, and that if the Government assumed the responsibility for all of the accidents and injuries that occur in the training camps, and so forth, it would be highly improper. So I communicated with the father, and told him that there was no liability whatever upon the part of the Government, and there was no compensation due him.

Mr. BRATTON. Probably there is no technical liability; but, in my judgment, a young man totally blind resulting from the accident I have outlined is entitled to, and I know he will have, the sympathy of the Senator from Utah.

The VICE PRESIDENT. Is there objection to the consideration of the bill? The Chair hears none. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ABANDONED INDIAN-SCHOOL SITE, ZEBA, MICH.

The bill (H. R. 208) to authorize transfer of the abandoned Indian-school site and building at Zeba, Mich., to the L'Anse Band of Lake Superior Indians, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to convey by deed, without cost, to the L'Anse Band of Lake Superior Indians, for community meetings and other like purposes, the abandoned Indian-school site and improvements thereon located at Zeba, Mich., embracing approximately three-fourths of an acre of land within the east half of couthest questions. southeast quarter of southwest quarter of northwest quarter of section 19, township 51 north, range 32 west, Michigan meridian:

Provided, That said conveyance shall be made to three members of the band duly elected by said Indians as trustees for the band and their successors in office.

JOHN E. CLICK

The bill (S. 4372) for the relief of John E. Click was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That John E. Click, chief clerk of the administrative office of the Alaska division, Bureau of Indian Affairs, with headquarters now at Juneau, Alaska, is hereby relieved of reimbursing the United States for credit to the appropriation "Education of Natives of Alaska, 1930-31" the sum of \$261.82 paid to the Alaska Steamship Co., of Seattle, Wash., from said appropriation for transporting his personal and household goods from Seattle, Wash., to Juneau, Alaska, upon permanent change of station, under an authorization issued by the Department of the Interior.

SHERBURNE MERCANTILE CO.

The bill (H. R. 4143) for the relief of the Sherburne Mercantile Co. was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, why is the Government to pay this mercantile company?

Mr. WHEELER. Mr. President, this bill covers supplies furnished by the Sherburne Mercantile Co. to the Indians at the request of the Government. I held up the claim before the Indian Affairs Committee for a while, and had it investigated; but the department recommends it and

states that they ordered the supplies from the mercantile company at different times, and that the Government is

Mr. ROBINSON of Arkansas. Who acted for the Government?

Mr. WHEELER. The Indian agent out there.

Mr. ROBINSON of Arkansas. Was he authorized by the department?

Mr. WHEELER. Oh, yes. He is the Indian agent in charge.

Mr. ROBINSON of Arkansas. He is not authorized to contract for supplies, is he?

Mr. WHEELER. These were all small supplies, ordered over quite a period of time, things that were necessary to be had for the Indians.

Mr. ROBINSON of Arkansas. The Senator has investigated the claim?

Mr. WHEELER. Very carefully, indeed.

Mr. ROBINSON of Arkansas. Very well.

Mr. KING. Mr. President, why should not this be a charge against the Indian Bureau? That is, why should it not be paid from the appropriation made to the Indian Bureau?

Mr. WHEELER. Mr. President, we do not pay claims out of the appropriation for the bureau. We pay them out of the General Treasury. We can not appropriate, for the payment of a claim of this kind, money that is already appropriated for running the department. We must appropriate it out of the Treasury of the United States.

Mr. KING. The point I am making is that it ought to have been included in the Indian appropriation bill, for this reason: We are trying to determine just what the Indian Bureau is receiving from the Government and what it has collected from the Indians. If we pay claims upon the side the Indian Bureau will not be charged with this, and the expenses of the bureau will be apparently that much less than they really are.

Mr. WHEELER. It is possibly true that it should have been included in the Indian appropriation bill, but it would not make a particle of difference. I mean the claim is a just claim of the Sherburne Mercantile Co. for supplies ordered-as I recall the evidence before the committeeemergency supplies ordered for the Indians during the winter season. The company furnished them and they never were paid for them. They put in a claim and it was checked up carefully, both by the department and by the Committees on Indian Affairs both of the House and of the Senate.

Mr. KING. May I ask the Senator if he has investigated to determine whether this will be a reimbursable charge or a charge upon the funds of the Indians?

Mr. WHEELER. I do not think it is reimbursable at all against the Indians. As a matter of fact these Blackfeet Indians have very little money, if any at all. We are constantly appropriating money for them out of the general fund.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$725.80 to the Sherburne Mercantile Co., of Browning, Mont., in full settlement of their claim against the Government for supplies furnished Indians under the jurisdiction of the Blackfeet Agency during the fiscal year 1918 and 1919.

CROW INDIAN TRIBAL COUNCIL

The Senate proceeded to consider the bill (H. R. 8031) to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, after line 8, to insert:

SEC. 2. The Secretary of the Interior is further authorized to expend \$5,000, or as much thereof as may be necessary, of the funds standing to the credit of the Fort Peck Indians in the Treasury of the United States for expenses of the Fort Peck Indian Tribal Council and authorized delegates of the tribe.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to expend \$5,000, or as much thereof as may be necessary, of the funds standing to the credit of the Crow Indians in the Treasury of the United States for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe.

SEC. 2. The Secretary of the Interior is further authorized to expend \$5,000, or as much thereof as may be necessary, of the funds standing to the credit of the Fort Peck Indians in the Treasury of the United States for expenses of the Fort Peck Indian Tribal Council and authorized delegates of the tribe.

Mr. KING. Mr. President, I inquire of the Senator from Montana, who is a member of the Indian Affairs Committee, whether \$5,000 for the expenses of the delegates is not an unusually large sum?

Mr. WHEELER. Let me say to the Senator from Utah that this is a general appropriation. It does not cover one specific trip down here, but is to cover several years, so that when the delegates do come down here they will have the necessary amount to enable them to come. They will not spend it in one year, or possibly two years; but it is appropriated so that they will have it available in case of necessity.

The VICE PRESIDENT. Is there objection to the consideration of the bill? The Chair hears none. The question is on the amendment of the committee.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide for expenses of the Crow and Fort Peck Indian Tribal Councils and authorized delegates of such tribes."

FINANCIAL RESPONSIBILITY OF DISTRICT TAXICABS OWNERS

The bill (S. 99) to amend section 8 of the act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I should like to have the author of the bill, or the Senator reporting it, state what liability is imposed on taxicab owners in the District of Columbia by the provisions of the bill.

Mr. KEAN. Mr. President, there is no liability fixed. It is left to the commissioners to try to protect the people of the District of Columbia. A great many accidents have been caused in the District by taxicabs running around. This year there were 1,750 accidents; and at the present time there is no financial responsibility for anybody in the District of Columbia.

Mr. ROBINSON of Arkansas. The bill requires the operators of taxicabs to file bonds?

Mr. KEAN. Yes.

Mr. ROBINSON of Arkansas. In what amount? Is that left with the commissioners?

Mr. KEAN. That is to be decided by the District Commissioners, who are responsible. We can not very well decide here what bonds they ought to file. That is up to the Commissioners of the District.

Mr. ROBINSON of Arkansas. What security is required now—any?

Mr. KEAN. None.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with an amendment, on page 1, to strike out lines 9 and 10, and on page 2, to strike out lines 1 to 11, inclusive, in the following words:

Par. 2a. That the commission is hereby authorized and empowered to require any and all corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, operating, controlling, or managing any motor cabs or other vehicles for the conveyance of persons within the District of Columbia for hire, except such common carriers as have been expressly exempted from the jurisdiction of the commission, to satisfy the commission of their ability to discharge any claims

for damages adjudged against them by filing with the commission a bond, policy, or policies of insurance of such amount or amounts as may be required by the commission.

And to insert:

PAR. 2a. That the commission is hereby directed to require any and all corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, operating, controlling, managing, or renting any motor cabs or other vehicles for the conveyance of persons within the District of Columbia for hire, except street cars, busses operating over a given route on a fixed schedule, and such common carriers as have been expressly exempted from the jurisdiction of the commission, to file with the commission a bond or bonds, policy or policles of insurance in such amount or amounts as may be required from time to time by the commission, conditioned for the payment to any person of any judment recovered against such corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, or renters of their cabs for death or for injury to persons and/or property caused in the operation, maintenance, use, or the defective construction of such motor cabs or other vehicles. Said bond or bonds to be made out to the District of Columbia as obligee, for the use or benefit of any person obtaining such a judgment, and such bond or policy of insurance shall contain a provision for a continuing liability thereunder, notwithstanding any recovery thereon. A surety upon a bond filed pursuant to this paragraph, or an insurance company whose policy has been so filed, may file a notice with the Public Utilities Commission that upon the expiration of 20 days from such filing such surety will cease to be liable upon such bond, or, in the case of such insurance company, that upon the expiration of such time such policy will be canceled. Any such corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, falling to comply

SEC 2. That paragraph 85 of the said act be, and the same is hereby, amended by inserting after the first sentence thereof the following: "Each such violation, failure, or refusal shall be deemed a misdemeanor and upon conviction shall be punished by a fine of not more than \$300 or by imprisonment for not more than 30 days."

So as to make the bill read:

Be it enacted, etc., That section 8 of the act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913 (37 Stat. 974), be amended by adding a new paragraph, numbered 2a, to read as follows:

"Par. 2a. That the commission is hereby directed to require

"Par. 2a. That the commission is hereby directed to require any and all corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, operating, controlling, managing, or renting any motor cabs or other vehicles for the conveyance of persons within the District of Columbia for hire, except street cars, busses operating over a given route on a fixed schedule, and such common carriers as have been expressly exempted from the jurisdiction of the commission, to file with the commission a bond or bonds, policy or policies of insurance in such amount or amounts as may be required from time to time by the commission, conditioned for the payment to any person of any judgment recovered against such corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, or renters of their cabs, for death or for injury to persons and/or property caused in the operation, maintenance, use, or the defective construction of such motor cabs or other vehicles. Said bond or bonds, to be made out to the District of Columbia as obligee, for the use or benefit of any person obtaining such a judgment, and such bond or policy of insurance shall contain a provision for a continuing liability thereunder, notwithstanding any recovery thereon. A surety upon a bond filed pursuant to this paragraph, or an insurance company whose policy has been so filed, may file a notice with the Public Utilities Commission that upon the expiration of 20 days from such filing such surety will cease to be liable upon such bond, or in the case of such insurance company, that upon the expiration of such time such policy will be canceled. Any such corporations, companies, associations, joint-stock companies or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, falling to comp

SEC. 2. That paragraph 85 of the said act be, and the same is hereby, amended by inserting after the first sentence thereof the following: "Each such violation, failure, or refusal shall be deemed a misdemeanor and upon conviction shall be punished by a fine of not more than \$300 or by imprisonment for not more than 30 days."

The VICE PRESIDENT. The question is on agreeing to carefully considered by the Judiciary Committee, and is the amendment of the committee.

Mr. GORE. Mr. President, I ask that the bill go over. The VICE PRESIDENT. The Senator from Oklahoma objects, and the bill will be passed over.

ASSESSMENT WORK ON MINING CLAIMS

Mr. WALSH of Montana. Mr. President, will the order under which we are proceeding with the calendar be suspended at 2 o'clock?

The VICE PRESIDENT. At 2 o'clock.

Mr. WALSH of Montana. Then, Mr. President, I should like to ask that the Senate proceed to the consideration of Order of Business No. 738, House Joint Resolution 341.

Let me remark that this is a joint resolution which is intended to exempt the locators of mining claims from the necessity of doing assessment work for the year ending June 30, 1932; and unless action is taken upon the matter immediately it will be of no avail whatever.

Mr. REED. What is the number of the joint resolution? Mr. WALSH of Montana. House Joint Resolution 341.

The VICE PRESIDENT. Let the joint resolution be read. The Chief Clerk read the joint resolution, H. J. Res. 341, providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, as follows:

Resolved, etc., That the provision of section 2324 of the Revised Statutes of the United States which requires on each mining claim located, and until a patent has been issued therefor, not less than \$100 worth of labor to be performed, or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States, including Alaska, during the fiscal year from July 1, 1931, to July 1, 1932.

Mr. WALSH of Montana. Mr. President, under the law \$100 worth of work must be done on each claim each year. The year ends on June 30. By reason of the distressed condition many locators have found it impossible to do the work this year. If the legislation is not passed, they must do the work within the current month.

Mr. BORAH. Mr. President. I received a letter just this morning, which I regret I did not bring into the Chamber with me, showing the urgent necessity of the passage of this measure. I trust it will be passed before the 1st of July.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution? The Chair hears none.

The joint resolution was considered by the Senate, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 4291) to amend section 5219 of the Revised Statutes, as amended, was announced as next in order.

Mr. WHEELER. Let that go over.

Mr. McNARY. Mr. President, at the request of an absent Senator, I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3938) to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes, was announced as next in order.

Mr. HASTINGS. I ask that that go over.

The VICE PRESIDENT. The bill will be passed over.

RULES OF PRACTICE AND PROCEDURE IN CRIMINAL CASES

The bill (S. 4020) to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, what change does this bill make in existing law?

Mr. HASTINGS. Mr. President, this bill was introduced by the chairman of the Judiciary Committee at the request of the Department of Justice. It provides that the Supreme Court of the United States shall have the power to prescribe, from time to time, rules of practice and procedure with respect to any or all proceedings after verdict in criminal The object of the bill is to speed up the trial of appeals in criminal cases in the district courts. It has been

unanimously recommended to the Senate.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Supreme Court of the United States shall have the power to prescribe, from time to time, rules of practice and procedure with respect to any or all proceedings after verdict in criminal cases in district courts of the United States, including the District Courts of Alaska, Hawaii, Puerto Rico, Canal Zone, and Virgin Islands, in the Supreme Courts of the District of Columbia, Hawaii, and Puerto Rico, in the United

the District of Columbia, Hawaii, and Fuerto Rico, in the United States Court for China, in the United States Circuit Court of Appeals, and in the Court of Appeals of the District of Columbia.

SEC. 2. The right of appeal shall continue in those cases in which appeals are now authorized by law, but the rules made as herein authorized may prescribe the times for and manner of taking appeals and of preparing records and bills of exceptions and

herein authorized may prescribe the times for and manner of taking appeals and of preparing records and bills of exceptions and the conditions on which supersedeas or bail may be allowed.

SEC. 3. The Supreme Court may fix the dates when such rules shall take effect and the extent to which they shall apply to proceedings then pending, and after they become effective all laws in conflict therewith shall be of no further force.

Mr. CONNALLY. Mr. President, what happened to Senate bill 4291?

The VICE PRESIDENT. That bill went over on objection. INTERNATIONAL CONGRESS OF ARCHITECTS

The Senate proceeded to consider the bill (S. 3786) to provide that the United States extend to foreign governments invitations to participate in the international congress of architects to be held in the United States during the calendar year 1933, and to authorize an appropriation to assist in meeting the expenses of the session, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President be, and he is hereby,

Be it enacted, etc., That the President be, and he is hereby, authorized and requested to invite foreign governments to participate in the International Congress of Architects to be held in the United States during the calendar year 1933.

SEC. 2. The sum of \$10,000 is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, as a contribution by the United States for the expenses and entertainment, while in the United States, of the delegates from foreign nations participating in this congress. Such sum shall be entertainment, while in the United States, of the delegates from foreign nations participating in this congress. Such sum shall be expended by the Secretary of the American section of the permanent committee of such congress under such rules and regulations as the Secretary of State may prescribe. The United States shall not be liable, directly, or indirectly, for any expense, obligation, or indebtedness incident to such congress.

SEC. 3. All articles that shall be imported from foreign countries for the sole purpose of exhibition at the International Congress of Architects upon which there may be a tariff or customs duty shall be admitted free of the payment of duty, customs

duty shall be admitted free of the payment of duty, customs fees, or charges, under such regulations as the Secretary of the Treasury shall prescribe on the conditions that said articles are exported within six months after their arrival.

The bill (S. 4379) for the relief of Yvonne Hale, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Yvonne Hale, widow of Bernard F. Hale, late American Consul at Venice, Italy, the sum of \$4,000, equal to one year's salary of her deceased husband.

RAPID CITY INDIAN SCHOOL LAND

The bill (H. R. 9254) to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota, was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

BILL PASSED OVER

The bill (S. 931) to amend a part of section 1 of the act of May 27, 1908, chapter 200, as amended (U. S. C., title 28, sec. 592), was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

INVALIDATION OF INDICTMENTS

The Senate proceeded to consider the bill (S. 933) to amend section 1025 of the Revised Statutes of the United States.

Mr. ROBINSON of Arkansas. How would that change existing law? It seems to be a measure of some importance.

Mr. REED. Mr. President, I have just been reading the

report. Apparently the only change is that it provides that an indictment shall not be invalidated if there were present in the grand-jury room a clerk or stenographer to assist the district attorney. That is the only change.

Mr. WALSH of Montana. That is correct, Mr. President. The matter had very careful consideration on the part of the Committee on the Judiciary.

Mr. ROBINSON of Arkansas. I shall not object to the consideration of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1025 of the Revised Statutes of the United States be, and the same is hereby, amended so as

of the United States be, and the same is hereby, amended so as to read as follows:

"SEC. 1025. No indictment found and presented by a grand jury in any district or other court of the United States shall be deemed insufficient, nor shall the trial, judgment, or other proceeding thereon be affected by reason of any defect or imperfection in matter of form only, which shall not tend to the prejudice of the defendant, or by reason of the attendance before the grand jury during the taking of testimony of one or more clerks or stenographers employed in a clerical capacity to assist the district attorney or other counsel for the Government who shall, in that connection, be deemed to be persons acting for and on behalf of the United States in an official capacity and function."

BILL PASSED OVER

The bill (S. 940) to provide against misuse of official badges and other insignia designed for the use of public officers was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

WIENER BANK VEREIN

The bill (S. 3375) for the relief of Wiener Bank Verein was announced as next in order.

Mr. ROBINSON of Arkansas. Let us have an explanation of that bill. It carries a pretty liberal appropriation.

Mr. VANDENBERG. Let it go over.

The VICE PRESIDENT. The bill will be passed over.

MOTHER'S DAY

The resolution (S. Res. 186) favoring an expression on Mother's Day of our love and reverence for motherhood was announced as next in order.

Mr. WALSH of Massachusetts. Mr. President, I would like to inquire what is the occasion for passing a resolution calling for an expression on Mother's Day? I think we ought to assume that the American people have enough love and respect and reverence for mothers without a resolution being adopted. I would like to have an explanation. Mr. SMOOT. Let it go over.

The VICE PRESIDENT. The resolution will be passed

RILLS PASSED OVER

The bill (S. 436) to amend the national prohibition act, as amended and supplemented, in respect to the definition of intoxicating liquor was announced as next in order.

Mr. BRATTON. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2473) to provide for increasing the permissible alcoholic content of beer, ale, or porter to 3% per cent by weight, and to provide means by which all such beer, ale, or porter shall be made of products of American farms was announced as next in order.

Mr. BRATTON. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

CLAIMS OF SEMINOLE INDIANS

The bill (S. 4340) authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians, was announced as next in order.

Mr. SMOOT. Let that go over.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator withhold his objection so that I may make a state-

Mr. SMOOT. Yes; I withhold the objection. I notice there is an adverse report on the bill.

Mr. THOMAS of Oklahoma. Mr. President, I will state the facts in this case. The Seminole Tribe of Indians in Oklahoma had at one time a very large tract of land that was allotted to them, save two small parcels reserved for school purposes. One was the Emahaka tract and the other was the Mekasukay tract.

Oil was discovered in that section of the country, and immediately the oil companies desired to get possession of those two school tracts. The Government, acting through the Indian Bureau, desired to lease the lands for oil purposes. The Seminole Tribe did not desire to have the land leased; they desired to keep the tracts for school purposes. At that time there were schools on both tracts.

Under the law and under the treaty the Seminole Tribe had the right to dispose of the lands as they saw proper, of course under the supervision of the Government. The Government had to be consulted, and approve transfers or conveyances.

When the Indian Bureau could not lease the lands because the Indians would not sign the conveyances, on two or three different occasions the Government appointed a special chief for the particular purpose of executing a lease. The chiefs would not serve, they would not execute the leases, so later on, the department desiring to lease the lands, and not being able to get a chief appointed who would serve and sign the leases, the Government took it upon itself to approve the leases. The leases were therefore approved by the Secretary of the Interior, and the oil companies went upon the lands and discovered oil.

Because of these lands being leased, and because oil was discovered, the schools have been closed. They are surrounded by oil wells and, of course, the pumping and the noise of drilling after oil was discovered and wells were opened made it practically impossible to continue the schools there. So the policy of the bureau, over the protest of the Indians, has resulted in the forced leasing of their lands and the closing of the schools.

The Indians have not accepted the money, and they will not accept the money, which has been tendered to them. They desire, of course, to go into court and present their claim to the court, to have the clouds upon these two tracts of land removed.

This bill would simply give them the right to go into the District Court of the United States for the Eastern District of Oklahoma and to present their equitable claim based upon treaty rights with the United States.

Mr. SMOOT. Mr. President, I ask that the bill go over. I will take it up with the department.

The VICE PRESIDENT. The bill will be passed over.

BILL AND RESOLUTION PASSED OVER

The bill (S. 4095) to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asporation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," by extending its provisions to provide for the punishment of stealing from passenger or Pullman cars, or from passengers on such cars. while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the stolen articles, was announced as next in order.

SEVERAL SENATORS. Over!

The VICE PRESIDENT. The bill will be passed over. The resolution (S. Res. 206) opposing reductions in ap-

propriations for the Postal and Customs Services that would

seriously disrupt such services, was announced as next in

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The resolution will be passed over.

ANNIVERSARY OF FIRST SINGING OF AMERICA

The Senate proceeded to consider the joint resolution (S. J. Res. 113) to commemorate the one hundredth anniversary of the first public singing of America, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That this one hundredth anniversary of the first public singing of America be commended to all citizens for appropriate recognition in connection with the celebration of Independence Day on the 4th day of July, 1932.

The preamble was agreed to, as follows:

Whereas the 4th day of July, 1932, marks the one hundredth anniversary of the first public singing in Park Street Church, Boston, Mass., by a chorus of children, of the great and thrilling patriotic hymn America, written by the Rev. Samuel Francis Smith; and

Smith; and
Whereas this significant event already is promised splendid recognition at Detroit, Mich., where the contributions of patriotic school children have provided a beautiful monument to the hymn and to its author, which will be appropriately dedicated upon Independence Day; and
Whereas it is the sense of the Congress that there should be general observance of this anniversary because of the incalculable inspiration which has touched the life of the Nation through the countless millions of voices, in peace and in war, which have sung "My country 'tis of thee" across the century.

MARY E. STERRINS

The Senate proceeded to consider the bill (S. 361) for the relief of Mary E. Stebbins, which had been reported from the Committee on Claims, with an amendment, on page 1, line 6, to strike out "\$5,000 as compensation" and to insert in lieu thereof "\$50 per month, in an amount not to exceed \$1,500, in full settlement of all claims against the Government," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mary E. Stebbins, the sum of \$50 per month, in an amount not to exceed \$1,500, in full settlement of all claims against the Government for injuries sustained by falling over a bag of mall in the entrance of the post office at Ava, Ill.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSTRUCTION OF CERTAIN PIPE LINES

Mr. KEAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 741. House bill 7305, to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum

Mr. REED. Mr. President, I know something about this bill and that it would provide for about a half a million dollars' worth of work to be done immediately, most of which is going to be performed by common labor. It will be of immediate assistance in the work of finding employment for people now out of work here in the District of Columbia.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized and empowered to grant permission to the Gulf Refining Co., a corporation organized and existing under the laws of the State of Texas and registered and existing under the laws of the State of Texas and registered and doing business in the District of Columbia, to lay down, construct, maintain, and use not more than 10 pipe lines for the carriage of petroleum and petroleum products from a point or points within square 662 in the city of Washington, in the District of Columbia, said square being bounded on the north by R Street, on the south by S Street, on the east by Water Street and South Capitol Street, and on the west by Half Street (west), in and through Water Street, South Capitol Street, in an easterly direction to lot 4 of square south of square 708, which lot is bounded on the north by lands of the Standard Oil Co., on the south by S Street, extended, on the east by Anacostia River, and on the west by South Capitol Street.

Sec. 2. All the construction and use provided for herein shall be in accordance with plans approved by the Commissioners of the District of Columbia, and under such regulations and rentals as the said commissioners may make and establish in connection

SEC. 3. No permission granted or enjoyed hereunder shall vest any title or interest in or to the land within the above-mentioned streets, or affect any right, title, or interest of the United States in or to land within square south of square 708.

SEC. 4. The Congress reserves the right to alter, amend, or repeal this act, at any time.

this act at any time.

RAPID CITY INDIAN SCHOOL LAND

Mr. NORBECK. Mr. President, objection was made by the Senator from Montana to the consideration of House bill 9254, to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota.

The Interior Department has looked into this matter, the Secretary reports favorably on this bill, and states that the Government would get several times the advantage in the exchange. I ask unanimous consent that the bill be taken up again. The Senator from Montana has no objection to the consideration of the bill.

The VICE PRESIDENT. Let the bill be reported.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to exchange, under such rules and regulations as he may prescribe, an irregular tract of 84.4 acres, more or less, of the Rapid City Indian School land, located in the northwest quarter section 3, township 1 north, range 7 east of the Black Hills meridian, South Dakota, for 38.09 acres, more or less, of the Pennington County Poor Farm, in the adjoining north half of the southwest quarter of the same section, including all improvements thereon; transfer of title to the Indian School reserve land to be accomplished by deed.

Mr. KING. Mr. President, the Senator states that the Government would get the advantage of the trade. Is the Indian the man who will get the disadvantage?

Mr. NORBECK. Of course the Government represents the Indian in the matter. It is a Government school for the benefit of the Indians.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE, KENTUCKY

Mr. BARKLEY. Mr. President, there are some bridge bills on the calendar which can not be reached in the ordinary course before 2 o'clock, and they are matters of such urgency that I ask unanimous consent that the Senate proceed to the consideration of Calendar 765 and Calendar 766.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 4635) authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance, and operation of said bridge, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and more adequately provide for military and other purposes the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, be, and it hereby is, authorized to construct, maintain, and operate a bridge across the Ohio River at or near Owensboro, Ky., and the approaches thereto, at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in

this act.

SEC. 2. There is hereby conferred upon the Commonwealth of Kentucky and the State Highway Commission of Kentucky, or the successors of said commission, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, censtruction, and/or operation of such bridge and the approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same

as in condemnation or expropriation of property for public pur-

as in condemnation or expropriation of property for public purposes in such State.

SEC. 3. The Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky or the successors of said commission, hereby is authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. If tolls are charged for the use of the bridge, the rates of toll to be charged shall be so adjusted as to provide a fund not to exceed an amount sufficient to pay the reasonable costs of maintaining, repairing, and operating the bridge and its approaches under economical management, and not to exceed an amount, in addition to the foregoing, to provide a sinking fund sufficient to amortize the aggregate cost of the bridge and its approaches, including reasonable interests and financing costs, as soon as possible under reasonable charges, but within a period not exceeding 25 years from the date of approval of this act. In any event, tolls shall be charged on the basis aforesaid for transit over the bridge if revenue bonds of the Commonwealth of Kentucky are issued to provide money to pay all or any part of the cost thereof, and such tolls shall be continued and adjusted at such rates as may be necessary to pay such bonds with interest thereon and any lawful premium for the retirement thereof before maturity, subject only to the power of the Secretary of War or other authorized Federal authority to regulate such rates.

After a sinking fund sufficient to amortize the cost of the bridge and approaches shall have been provided to the extent hereinabove required, the bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, repair, maintenance, and operation of the bridge and its approaches. An accurate record of the cost of the bri

SEC. 6. At any time before or after the completion of such bridge the Commonwealth of Kentucky, acting by and through the State Highway Commission of Kentucky, and the State of Indiana, acting by and through the Indiana State Highway Commission, may enter into such cooperative agreement as may be agreed upon between said States, relating to the construction, financing, maintenance, and/or operation of such bridge, and the State of Indiana may acquire such interest in the bridge as may be agreed upon between said States, and upon such terms as may be agreed upon—all, however, subject to the limitations in this act expressly provided or necessarily implied.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved. SEC. 6. At any time before or after the completion of such bridge

OHIO RIVER BRIDGE, ILLINOIS

The Senate proceeded to consider the bill (S. 4636) authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Cairo. Ill., and permitting the Commonwealth of Kentucky to act jointly with the State of Illinois in the construction, maintenance, and operation of said bridge, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to promote interstate com-Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and more adequately provide for military and other purposes the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, be, and it hereby is, authorized to construct, maintain, and operate a bridge across the Ohio River at or near Cairo, Ill., and the approaches thereto, at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

Sec. 2. There is hereby conferred upon the Commonwealth of

SEC. 2. There is hereby conferred upon the Commonwealth of Kentucky and the State Highway Commission of Kentucky, or the successors of said commission, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, and/or operation of such bridge and the approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be

the same as in condemnation or expropriation of property for

the same as in condemnation or expropriation of property for public purposes in such State.

SEC. 3. The Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, hereby is authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. If tolls are charged for the use of the bridge, the rates of toll to be charged shall be so adjusted as to provide a fund not to exceed an amount sufficient to pay the reasonable costs of maintaining, repairing, and operating the bridge and its approaches under economical management, and not to exceed an amount, in addition to the foregoing, to provide a sinking fund sufficient to amortize the aggregate cost of the bridge and its approaches, including reasonable interests and financing costs, as soon as poscluding reasonable interests and financing costs, as soon as possible under reasonable charges, but within a period not exceeding 20 years from the date of approval of this act. In any event, tolls shall be charged on the basis aforesaid for transit over the bridge if revenue bonds of the Commonwealth of Kentucky are issued, to provide money to part of the commonwealth of the control of the commonwealth of the control of the commonwealth of the control of the control of the commonwealth of the control of the co provide money to pay all or any part of the cost thereof, and such tolls shall be continued and adjusted at such rates as may be necessary to pay such bonds with interest thereon and any lawful premium for the retirement thereof before maturity, subject only to the power of the Secretary of War or other authorized Federal authority to regulate such rates.

After a sinking fund sufficient to amortize the cost of the bridge

After a sinking fund sufficient to amortize the cost of the bridge and approaches shall have been provided to the extent hereinabove required, the bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, repair, maintenance, and operation of the bridge and its approaches. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested. Tolls shall be uniform as between individuals and as between vehicles of the same class using the bridge

be kept and shall be available for the information of all persons interested. Tolls shall be uniform as between individuals and as between vehicles of the same class using the bridge.

SEC. 5. Nothing in this act shall be construed as requiring tolls to be charged for the use of such bridge, except as hereinabove provided, and nothing herein shall be construed to prohibit the Commonwealth of Kentucky, acting by and through the State Highway Commission of Kentucky, or its successors, from paying all or any part of the cost of such bridge and its approaches from the State road fund, or from paying all or any part of the cost of maintenance, repair, or operation of such bridge from the State road fund of the Commonwealth of Kentucky.

SEC. 6. At any time before or after the completion of such bridge, the Commonwealth of Kentucky, acting by and through the State Highway Commission, dating by and through the Illinois State Highway Commission, may enter into such cooperative agreement as may be agreed upon between said States, relating to the construction, financing, maintenance, and/or operation of such bridge, and the State of Illinois may acquire such interest in the bridge as may be agreed upon between said States, and upon such terms as may be agreed upon. All, however, subject to the limitations in this act expressly provided or necessarily implied.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

BOARD OF ROAD COMMISSIONERS, ALASKA

Mr. HOWELL. Mr. President, I ask unanimous consent. out of order, to take up Calendar No. 805, Senate bill 4525, providing for the transfer of the duties authorized and authority conferred by law upon the Board of Road Commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes.

The reason why I make this request is that the select committee appointed by the Senate to investigate the Alaskan Railroad came to the conclusion that it was wise to transfer the trails in Alaska from the War Department to the Interior Department. It presented the matter to the War Department, the Interior Department, and the President, and the three are agreed that this transfer should be made. We are anxious to have it made, because the travel for the coming summer will soon begin.

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That from and after the passage of this act the duties authorized and authority conferred by law upon the Board of Road Commissioners in the Territory of Alaska, and upon the Secretary of War, as provided for in the act of January 27, 1905 (ch. 277, sec. 2, 33 Stat. 616), as amended by the act of May 14, 1906 (ch. 2458, sec. 2, 34 Stat. 192), and acts supplemental thereto, and amendatory thereof, are hereby transferred to the Department of the Interior, and shall hereafter be administered by the Secretary of the Interior, or under his direction, by such

officer or officers, as may be designated by him.

Szc. 2. The Secretary of the Interior shall execute or cause to be executed all laws pertaining to the construction and maintenance

of roads and trails and other works in Alaska, heretofore administered by said board of road commissioners under the direction of the Secretary of War; and all appropriations heretofore made, and now available, or that hereafter may be made, for expenditure by said board for meeting the cost of such work in the Territory of Alaska, are hereby transferred to the Secretary of the Interior, to be thereafter administered in accordance with the provisions of this act; and the said board is directed to turn over to the Secretary of the Interior all equipment, materials, supplies, papers, maps, and documents, or other property utilized in the exercise of such powers, for the use of the said Secretary in the administration of the construction and maintenance of roads, tramways, ferries, bridges, and trails, and other works in the Territory of Alaska, heretofore administered by said board.

SEC. 3. That with the approval of the President, the Secretary of the Interior shall have power, by order or regulation, to distribof roads and trails and other works in Alaska, heretofore adminis-

SEC. 3. That with the approval of the President, the Secretary of the Interior shall have power, by order or regulation, to distribute the duties and authority hereby transferred, and appropriations pertaining thereto, as he may deem proper to accomplish a more economical and effective organization thereof, and to make rules and regulations governing the use of roads, trails, and other works, including the fixing and collection of tolls where deemed necessary and advisable in the public interest.

SEC. 4. That all estimates of appropriations for the construction and maintenance of roads and trails and other works, as heretofore submitted by the Secretary of War, shall hereafter be submitted by the Secretary of the Interior.

mitted by the Secretary of the Interior.

ESTATE OF ANTON W. FISCHER

The Senate proceeded to consider the bill (S. 2960) for the relief of the estate of Anton W. Fischer, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund, out of any money in the Treasury not otherwise appropriated, to the estate of Anton W. Fischer, late of Owatonna, Minn., the sum of \$275.98, under existing rules and regulations, said amount having been illegally collected from said estate, as stated by letter of the Commissioner of Internal Revenue dated February 7, 1923.

IMMIGRATION AND NATURALIZATION OF NATIVES OF THE VIRGIN ISLANDS

The bill (S. 4425) relating to the immigration and naturalization of certain natives of the Virgin Islands was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I think we ought to have an explanation of this bill.

INCREASE IN BANKING FACILITIES

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

Mr. GLASS. Mr. President, realizing the immediate importance of considering an appropriation bill which has already been reported and in the provisions of which we have provided for a reduction of governmental expenditures. I ask unanimous consent to lay aside temporarily the unfinished business, to give a place to the appropriation bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE APPROPRIATIONS

Mr. JONES. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the legislative appropriation bill (H. R. 11267).

The VICE PRESIDENT. Is there objection?

Mr. BLAINE. Mr. President, I want to inquire if the bill to which the Senator from Washington just referred is the bill making appropriations for the legislative branch of the Government, including economies?

Mr. JONES. It is.

Mr. BLAINE. It is not my intention to object, but I suggest that there ought to be a quorum present, and so I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following

POLITICOAD WY	MITCHE DO DELCE	T TATALLOG .	
Ashurst	Barkley	Borah	Byrnes
Austin	Bingham	Bratton	Capper
Bailey	Black	Bulkley	Caraway
Bankhead	Blaine	Bulow	Cohen

Harrison Hastings Hatfield Copeland Costigan Couzens Dale Hayden Hebert Howell Dickinson Hull Johnson Jones Kean Kendrick Fletcher Frazier Keyes King George Glenn Goldsborough Gore Hale McGill

McKellar McNary Moses Norbeck Norris Nye Oddie Patterson Pittman Reed Robinson, Ark. Robinson, Ind. La Follette Lewis Logan Schall Sheppard Smith

Stephens Thomas, Idaho Thomas, Okia. Townsend Trammell Tydings Vandenberg Wagner Walcott Walsh, Mass. Walsh, Mont. Watson Wheeler White

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present. Is there objection to the request of the Senator from Washington that the Senate proceed to the consideration of the legislative appropriation bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. JONES. Mr. President, I ask that the formal reading of the bill be dispensed with, and that the bill may be read for amendment, the committee amendments to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The clerk will proceed to read the bill.

Mr. JONES. Mr. President, let me make just a brief statement with reference to the bill. The amount carried in the bill as it passed the House was \$20,000,000. We have already by resolution provided for a reduction of \$500,000 of that amount, so that there is really left in the bill \$19 --714,869. Of this amount there are items which we consider as really House matters, with which the Senate never interferes at all, amounting to \$8,178,924. That leaves \$11,535,945 that we are really to consider.

We have not been ordered to reduce the total amount of the bill by 10 per cent, the practice we have followed heretofore; but 10 per cent of that sum would be \$1,153,594.50. Reductions made by the Senate committee in reporting the bill amount to \$1,205,044, or several thousand dollars over the 10 per cent reduction plan which we have been following. That is the first part of the bill. The bill is divided, I may say, into two parts. One relates to the regular appropriations ordinarily carried in the legislative appropriation bill. The other part is the economy program upon which we have entered.

Mr. McKELLAR. Mr. President, I want to say that the statement just made by the chairman of the committee about there being more than a 10 per cent reduction in the bill is correct. That idea has been carried out just as he stated. It is entirely satisfactory so far as I am concerned. and I hope the amendments reported by the committee will he adopted

Mr. JONES. Mr. President, I think it will not be inappropriate for me to express the hope that we would like to pass the bill just as speedily as we possibly can. Every Senator, of course, knows the condition of affairs, and I am sure that everyone is just as anxious as I am to have the bill disposed of as rapidly as possible.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Senate-Office of Sergeant at Arms and Doorkeeper," on page 8, line 19, before the word "at." to strike out "30" and insert "34," so as to read:

Laborers, 3 at \$1,320 each, 34 at \$1,260 each.

The amendment was agreed to.

The next amendment was, on page 8, at the end of line 21, to change the total appropriation for the office of Sergeant at Arms and Doorkeeper of the Senate from \$247,064 to

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses of the Senate," on page 9, at the end of line 17, to strike out "\$13,000" and insert "\$7,960," so as to read:

For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, \$7,960.

The amendment was agreed to.

The next amendment was, on page 10, line 9, after the word "labor," to strike out "\$125,000" and insert "\$100,-000," so as to read:

For miscellaneous items, exclusive of labor, \$100,000.

The amendment was agreed to.

The next amendment was, on page 10, line 15, after the words "hundred words," to strike out "\$250,000" and insert "\$150,000," so as to read:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, \$150,000.

The amendment was agreed to.

The next amendment was, on page 10, line 16, to insert a colon and the following proviso:

Provided, That except in the case of the Joint Committee on Internal Revenue Taxation no part of this appropriation shall be expended for services, personal, professional, or otherwise, in excess of the rate of \$3,600 per annum: Provided further, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the provisions of the subsistence expense act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

Mr. JONES. Mr. President, at this point I desire to offer a committee amendment which was overlooked.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. On page 10, line 25, strike out "\$60,-340" and insert "\$54,306," so as to read:

For reporting the debates and proceedings of the Senate, payable in equal monthly installments, \$54,306.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 11, line 6, after the word "Senate," to strike out "\$40,000" and insert "\$30,000," so as to read:

For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Building, including personal and other services, to be expended from the contingent fund of the Senate, under the supervision of the Committee on Rules, United States Senate, \$30,000.

The amendment was agreed to.

The next amendment was, under the heading "House of Representatives—Office of Doorkeeper," on page 17, line 16, after the figures "\$2,760," to strike out "and \$420 additional so long as the position is held by the present incumbent," so as to read:

Assistant superintendent of document room, \$2,760.

Mr. JONES. Mr. President, this was an amendment put in by the committee. These items refer to the House work and the House proceedings. The Senator from Iowa [Mr. Dickinson] was especially interested in the amendment. I want to say that it is the general practice of the Senate not to interfere with matters in the House as the House does not interfere with matters connected with the operations of the Senate. However desirable the amendment might be, I really trust that the Senate will not agree to it. I will say to the Senator from Iowa that that is on account of the system of relations between the House and the Senate. I think it would be unwise for us to put in such an amendment.

Mr. DICKINSON. Mr. President, if the Senator from Washington feels that way about it, I shall not insist upon the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The next amendment of the Committee on Appropriations was, on page 17, line 21, to reduce the total for salaries, Office of Doorkeeper of the House, from "\$247,604" to "\$247,184."

The amendment was rejected.

The next amendment was, under the heading "Architect of the Capitol—Capitol Buildings and Grounds," on page 24, line 2, after the word "directory," to strike out "\$265,015" and insert "\$240,000," so as to read:

Capitol Buildings: For necessary expenditures for the Capitol Building and electrical substations of the Senate and House Office Buildings, under the jurisdiction of the Architect of the Capitol, including minor improvements, maintenance, repair, equipment, supplies, material, fuel, oil, waste, and appurtenances; furnishings and office equipment; personal and other services; cleaning and repairing works of art; maintenance and driving of motor-propelled passenger-carrying office vehicle; pay of superintendent of meters, and \$300 additional for the maintenance of an automobile for his use, who shall inspect all gas and electric meters of the Government in the District of Columbia without additional compensation; and not exceeding \$300 for the purchase of technical and necessary reference books, periodicals, and city directory, \$240,000.

The amendment was agreed to.

The next amendment was, on page 24, after line 2, to

Appropriations under the control of the Architect of the Capitol shall be available for expenses of travel on official business not to exceed in the aggregate under all funds the sum of \$5,000.

The amendment was agreed to.

The next amendment was, on page 24, line 16, after the words "Revised Statutes," to strike out "\$120,000" and insert "\$100.000," so as to read:

Capitol Grounds: For care and improvement of grounds surrounding the Capitol, Senate and House Office Buildings; Capitol Power Plant; personal and other services; care of trees; plantings; fertilizers; repairs to pavements, walks, and roadways; purchase of waterproof wearing apparel; maintenance of signal lights; and for snow removal by hire of men and equipment or under contract without compliance with sections 3709 (U. S. C., title 41, sec. 5) and 3744 (U. S. C., title 40, sec. 16) of the Revised Statutes, \$100.006.

The amendment was agreed to.

The next amendment was, on page 25, line 18, after the word "agent," to strike out "\$203,129" and insert "\$175,000," so as to read:

Senate Office Building: For maintenance, miscellaneous items, and supplies, including furniture, furnishings, and equipment and for labor and material incident thereto and repairs thereof; and for personal and other services for the care and operation of the Senate Office Building, under the direction and supervision of the Senate Committee on Rules, acting through the Architect of the Capitol, who shall be its executive agent, \$175,000.

The amendment was agreed to.

The next amendment was, on page 26, line 16, to strike out "\$359,450" and insert "\$325,000," so as to read:

Capitol power plant: For lighting, heating, and power for the Capitol, Senate and House Office Buildings, Supreme Court Building, Congressional Library Buildings, and the grounds about the same, Botanic Garden, Capitol garages, folding and storage rooms of the Senate, Government Printing Office, and Washington City post office; personal and other services, engineering instruments, fuel, oil, materials, labor, advertising, and purchase of waterproof wearing apparel, in connection with the maintenance and operation of the heating, lighting, and power plant, \$325,000.

The amendment was agreed to.

The next amendment was, on page 27, line 3, after the word "thereto," to strike out "\$137,000" and insert "\$125,000," so as to read:

For the installation of duplicate steam lines to new buildings; clean-water intake screens and auxiliaries and high-tension switching equipment, including all necessary work in connection with such installation, and for all labor, materials, travel expenses and subsistence therefor; and without regard to section 35 of the public buildings act, approved June 25, 1910, as amended, or the classification act of 1923, as amended, for employment of all necessary personnel, including architectural, engineering, and professional services and other assistants, and for all other expenses incident thereto, \$125,000, to be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Library Building and grounds—Salaries," on page 27, line 16, after the figures "\$46,960," to strike out the colon and the following proviso:

Provided, That the Architect of the Capitol may continue the employment under his jurisdiction of Damon W. Harding, but not beyond June 30, 1934, notwithstanding any provision of the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and

any amendment thereof, prohibiting extensions of service for more than four years after the age of retirement.

The amendment was agreed to.

The next amendment was, on page 28, at the end of line 2, to strike out "\$1,500" and insert "\$1,000," so as to read:

For trees, shrubs, plants, fertilizers, and skilled labor for the grounds of Library of Congress, \$1,000.

The amendment was agreed to.

The next amendment was, on page 28, at the end of line 8, to strike out "\$15,000" and insert "\$13,500," so as to read:

For necessary expenditures for the Library Building under the jurisdiction of the Architect of the Capitol, including minor improvements, maintenance, repair, equipment, supplies, material, and appurtenances, and personal and other services in connection with the mechanical and structural maintenance of such building,

The amendment was agreed to.

The next amendment was, on page 28, line 11, to strike out "\$13,000" and insert "\$10,000," so as to read:

For furniture, including partitions, screens, shelving, and electrical work pertaining thereto and repairs thereof, \$10,000.

The amendment was agreed to.

The next amendment was, on page 28, after line 11, to strike out:

To continue carrying out the provisions of the act entitled "An act to provide for the construction and equipment of an annex to the Library of Congress," approved June 13, 1930 (46 Stat. 583). \$500,000, to be immediately available and to remain available until

The amendment was agreed to.

The next amendment was, under the heading "Botanic Garden," on page 29, line 4, after the words "Joint Committee on the Library," to strike out the colon and the following

Provided, That the quarters, heat, light, fuel, and telephone service heretofore furnished for the director's use in the Botanic Garden shall not be regarded as a part of his salary or compensation, and such allowances may continue to be so furnished without deduction from his salary or compensation notwithstanding the provisions of section 3 of the act of March 5, 1928 (U.S.C., title 5, sec. 678), or any other law.

The amendment was agreed to.

The next amendment was, on page 30, line 10, after the words "Joint Committee on the Library," to strike out "\$47,300" and insert "\$40,000," so as to read:

Maintenance, operation, repairs, and improvements: For all necessary expenses incident to maintaining, operating, repairing, and improving the Botanic Garden, and the nurseries, buildings, grounds, and equipment pertaining thereto, including procuring fertilizers, soil, tools, trees, shrubs, plants, and seeds; materials and miscellaneous supplies, including rubber boots and aprons when required for use by employees in connection with their work; not to exceed \$25 for emergency medical supplies; disposition of waste; traveling expenses and per diem in lieu of subsistence of the director and his assistants not to exceed \$975; street-car fares not exceeding \$25; office equipment and contingent expenses; the prevention and eradication of insect and other pests and plant diseases by purchase of materials and procurement of personal services by contract without regard to the provisions of any other act; repair, maintenance, and operation of motor trucks and passenger motor vehicle; not to exceed \$2,500 for purchase and exchange of a motor truck; purchase of botanical books, periodicals, and books of reference, not to exceed \$100; repairs and improvements to director's residence; and all other necessary expenses; all under the direction of the Joint Committee on the Library, \$40,000. Maintenance, operation, repairs, and improvements: For all nec-Library, \$40,000.

The amendment was agreed to.

The next amendment was, on page 30, line 11, before the word "may," to strike out "\$300" and insert "\$100," so as to read:

The sum of \$100 may be expended at any one time by the Botanic Garden for the purchase of plants, trees, shrubs, and other nursery stock, without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5).

The amendment was agreed to.

The next amendment was, under the heading "Library of Congress," on page 31, line 9, after the word "Librarian," to strike out "\$74,790" and insert "\$60,000," so as to read:

LEGISLATIVE REFERENCE SERVICE

To enable the Librarian of Congress to employ competent persons to gather, classify, and make available, in translations, indexes, digests, compilations, and bulletins, and otherwise, data for or bearing upon legislation, and to render such data service-

able to Congress and committees and Members thereof, including not to exceed \$5,700 for employees engaged on piecework and work by the day or hour at rates to be fixed by the Librarian, \$60,000.

The amendment was agreed to.

The next amendment was, on page 31, line 18, after the word "exceed," to strike out "\$62,010" and insert "\$55,000," and in line 21, after the words "in all," to strike out "\$180,-000" and insert "\$160,000," so as to read:

DISTRIBUTION OF CARD INDEXES

For the distribution of card indexes and other publications of the Library, including personal services, freight charges (not exceeding \$500), expressage, postage, traveling expenses connected with such distribution, expenses of attendance at meetings when incurred on the written authority and direction of the Librarian, and including not to exceed \$55,000 for employees engaged in piecework and work by the day or hour and for extra special services of regular employees at rates to be fixed by the Librarian; in all. \$160,000.

The amendment was agreed to.

The next amendment was, under the subhead "Index to State legislation," on page 32, line 16, before the word "and," to strike out "\$41,460" and insert "\$25,000," so as to read:

INDEX TO STATE LEGISLATION

To enable the Librarian of Congress to prepare an index to the legislation of the several States, together with a supplemental digest of the more important legislation, as authorized and directed by the act entitled "An act providing for the preparation of a biennial index to State legislation," approved February 10, 1927 (U. S. C., Supp. V, title 2, secs. 164, 165), including personal and other services within and without the District of Columbia including not to exceed \$2,500 for special and temporary service at rates to be fixed by the Librarian, travel, necessary material and apparatus, and for printing and binding the indexes and digests of State legislation for official distribution only, and other printing and binding incident to the work of compilation, stationery, and incidentals, \$25,000, and in addition the unexpended balance of the appropriation for this purpose for the fiscal year 1932 is reappropriated for the fiscal year 1933.

The amendment was agreed to.

The next amendment was, under the subhead "Union Catalogues," on page 33, at the end of line 19, to strike out "\$24,000" and insert "\$20,000," so as to read:

To continue the development and maintenance of the Union Catalogues, including personal services within and without the District of Columbia (and not to exceed \$1,400 for special and temporary service, including extra special services of regular employees, at rates to be fixed by the Librarian), travel, necessary material and apparatus, stationery, photostat supplies, and incidentals, \$20,000.

The amendment was agreed to.

The next amendment was, on page 34, line 9, after the figures "1934," to strike out "\$130,000" and insert "\$100,-000," so as to read:

INCREASE OF THE LIBRARY

For purchase of books, miscellaneous periodicals and newspapers, and all other material, for the increase of the Library, including payment in advance for subscription books and society publications, and for freight, commissions, and traveling expenses, including expenses of attendance at meetings when incurred on the written authority and direction of the Librarian in the interest of collections, and all other expenses incidental to the acquisition of books, miscellaneous periodicals and newspapers, and all other material for the increase of the Library, by purchase, gift, bequest, or exchange, to continue available during the fiscal year 1934, \$100,000.

The amendment was agreed to.

The next amendment was, on page 34, line 11, after the designation "Chief Justice," to strike out "\$50,000" and insert "\$40,000," so as to read:

For purchase of books and for periodicals for the law library, under the direction of the Chief Justice, \$40,000.

Mr. ASHURST. Mr. President, I rise to inquire what has been the appropriation in past years, under the direction of the Chief Justice of the United States, for the purchase of books for the library of the Supreme Court?

Mr. JONES. My recollection is that the last bill provided an appropriation of \$50,000. We thought they could slack up on the purchase of law books this year to the extent of \$10,000.

Mr. ASHURST. Without any disposition to prolong the discussion, I desire to say that it seems to me improper to hamper the Supreme Court of the United States, a coordinate branch of the Government, which has no political ! influence and can not secure a dollar by its own efforts. To say the least, noblesse oblige has fled when we begin to hamper a coordinate branch, to wit, the Supreme Court of the United States, in the purchase of law books for its use.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. ASHURST. I yield the floor.

Mr. BINGHAM. The committee was informed that the price of law books had decreased materially and that the Supreme Court would be able to purchase about the same number of law books for \$40,000 as they have formerly purchased for \$50,000.

Mr. ASHURST. That is a good explanation.

Mr. TRAMMELL. Mr. President, I think in all probability that this appropriation could be cut to \$25,000 instead of \$45,000. It is probable that the Supreme Court can get along with a considerable less number of law books for their law library. I think if one goes through the library he would realize that to be so.

That item is to provide new publications, a majority of which are probably never looked at at all by the Justices of the Supreme Court. I would rather see a greater reduction in items of this character instead of taking 10 per cent off the salaries of employees who are only making \$600, \$800, or \$1,200 a year. It would work less detrimentally to reduce items of this character than in such a heartless way to reduce the compensation of employees who are only earning salaries in many cases of a thousand or eleven hundred or twelve hundred dollars a year.

I have not had an opportunity to study the bill, but I understand it proposes a flat reduction in compensation of Federal employees of 10 per cent, regardless of the salary now received. If there is any such condition that necessitates or justifies such a radical and drastic action as that, then I think, in all justice, salaries should be decreased upon a graduated basis. The salary of an employee who is now receiving \$1,200 a year should not be cut in equal percentage with the salary of the employee receiving \$5,000 a year, or \$10,000 a year, or \$20,000 a year. So I think if we are going to cut by 10 per cent the salaries of employees now receiving such small salaries, we had better eliminate some of the items of the character now under consideration.

Mr. WALSH of Massachusetts. Mr. President, will the

Senator yield?

Mr. TRAMMELL. I will yield in a moment. If the whole appropriation in this instance were eliminated, no one would be hurt, no one would be injured; but when we begin to cut the salaries of those who are earning the minimum to the extent of 10 per cent a year, we are going to inflict some hardships and some deprivations and very serious injury not only on the persons drwing such salaries but on others who are dependent more or less upon them.

I now yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Does the Senator think that a graduated scale of reduction, commencing at 5 per cent and going as high as 15 per cent, would be preferable?

Mr. TRAMMELL. I think it would be decidedly preferable. A majority of those who are receiving the larger salaries have been placed in the higher-salaried brackets by manipulation and by favoritism. One can go into many of the Government departments here and find employees sitting alongside of one another in a particular unit, doing a similar class of work, who are drawing salaries which vary greatly. One has been more fortunate than another and probably draws a salary of \$4,000 when another employee is only drawing \$1,800 a year. Such distinctions in salary classifications have arisen, and are, more or less, due to favoritism and discrimination. Yet it is proposed further to penalize the employees who have been so unfortunate as to receive only small salaries by reducing them 10 per cent.

We passed the reclassification act three or four years ago. The intention and purpose of Congress in passing that act was that the underpaid and those in the lower-salary brackets should receive a substantial increase. What was the consequence? Most of them received only \$40 or \$60 per annum increase, while the employees who were getting sal-

aries of three or four or five or six thousand dollars, forsooth, received increases ranging up to eight or nine hundred dollars per annum under the reclassification act that was supposed to do justice to the underpaid employees and those in the lower-salary brackets. That has been the consequence. Under the flat 10 per cent reduction proposal there will be done to them further injustice.

I think there should be a decrease in salaries; I have expressed myself along that line repeatedly on the floor; but I am in favor of making the basis for the reduction start at the top with a larger percentage and reducing the percentage of reduction as the lower-salary brackets are reached.

Mr. JONES. I was just going to suggest that probably it will be more effective to discuss this question when we reach it. I do not, however, want to cut the Senator off.

Mr. TRAMMELL. I was merely making some observa-

Mr. JONES. Very well.

Mr. TRAMMELL. About the tender consideration manifested on the part of the committee for inanimate property, such as law books, in only reducing the appropriation for their purchase \$10,000 in an item of \$50,000, when, in all probability, there is no necessity and no particular use for making the appropriation at all.

Mr. NORRIS. Mr. President, it is not a question of what we would like to do; it is a question of what we are going to have to do. Certainly I would be one of the last persons to object to liberal appropriations for the purchase of law books for the Supreme Court, but we are going to have to cut down on many things; and the more we cut down on items of this kind the less we shall have to cut down on the salaries of employees who, in the city of Washington, at least, can now hardly live on their salaries. I realize that. No Senator who is not on the Appropriations Committee and who has not followed this bill through can suggest proper cuts on various items of this kind; but, Mr. President, the Supreme Court would live, the country would live and get along pretty well, if for a year or two we did not buy any law books for the Supreme Court. I had rather cut out the item entirely than to cut the salaries of men and women who at present, especially in this city under existing living conditions, are not getting enough to support a family.

I myself think it is very appropriate for the Senator from Florida or for any other Senator to do what the Senator has done. If we let such items as this go through, when we come to the place in the bill where salaries are provided for, then it may be said, "We have been appropriating so much money that there has got to be this cut on the small salaries." There will be a good many instances, it seems to me, where there even should be an increase in an appropriation in order to keep things going, but we shall not be able to get it; and perhaps in other places there should be no decrease, where it will be necessary to keep the appropriation as it is at present.

However, Mr. President, I do not believe we are subject to just criticism if we say to the Supreme Court and to the other courts, "We are not going to appropriate the amount which we have heretofore been appropriating for the purchase of law books." We have been appropriating a great deal of money for law books, commencing with the Supreme Court and running down through all our courts. The Supreme Court has been getting about \$50,000 a year for law books. I admit that. I should like to have them continue to get it; but I had rather reduce that appropriation than to take the food out of the mouths of hungry people; I had rather reduce that appropriation and use the money to give employment to somebody who is anxious to have work in order to support himself and family and can not get it. It seems to me we are going to confront the proposition that we must cut out some of these appropriations or we shall not be able to do what we have been admonished it is necessary for us to do in order to obtain a balanced Budget.

I have not been one of the Senators who have believed that the balancing of the Budget was necessary to save the life of the Nation; but from the President down, a majority of all our officials seemed to think that is true. Everybody

will admit that it is very desirable; that we ought to do it ! if we can; that eventually we must do it; that we can not permanently continue as a Government with an unbalanced Budget; otherwise in time we would eat ourselves up; but here is an opportunity, it seems to me, to cut out a part of an appropriation at least without doing any great injury to anybody. The committee has reduced the appropriation as it came from the House by \$10,000; but it seems to me, Mr. President, that, under existing circumstances, we ought to cut it lower than the committee.

Mr. ASHURST. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Arizona?

Mr. NORRIS. I yield.

Mr. ASHURST. The Senator from Connecticut IMr. BINGHAM] recently advised the Senate that this appropriation of \$40,000, owing to the recent decrease in the price of law books, would purchase the same number of law books as has been heretofore purchased; so I am perfectly satisfied.

Mr. TRAMMELL. Mr. President-

Mr. NORRIS. I yield to the Senator from Florida.

Mr. TRAMMELL. If the Senator from Nebraska does not desire to make a motion to reduce the appropriation, I desire to do so.

Mr. NORRIS. I am going to make a motion to that effect before I sit down.

Mr. TRAMMELL. I beg pardon.

Mr. NORRIS. Mr. President, I desired to make this explanation, because I did not want to be misunderstood, and I do not think the Senate will misunderstand me. When we are face to face with the proposition that somewhere we have got to cut down the expenses of the Government to the extent of \$300,000,000, we ought to cut them down where such action will do as little injury as possible, and we ought to let it be known that we are doing it because of the necessity of the situation.

Mr. President, I move to amend the committee amendment by striking out \$40,000 and inserting \$25,000.

THE PRESIDENT'S VISIT TO THE SENATE

Mr. HARRISON. Mr. President, I hesitate to detain the Senate even for a few minutes while it is trying to pass these appropriation bills. My only reason for occupying just a few moments of the Senate's time now is because of what I believe to be a misrepresentation to the American people as reported this morning with reference to what happened yesterday and during the last few days in the passage of the tax bill.

Of course, there can be no glory for any party in passing a revenue bill that imposes additional taxes of more than a billion dollars directly upon the American people; but one reading the newspapers of this morning-not all, but some of them-would gather the impression that the United States Senate has been frittering away precious time, denying the necessities for Government revenue, and refusing to balance the Budget and thereby sustain the credit of the Government. Some of the press go so far as to give the impression that the Paul Revere ride of the President yesterday to this Chamber bludgeoned the Senate into the passage of the revenue bill, and that if it had not been for that sensational and historic ride perhaps we would still be here considering the revenue bill.

I know that no one will take issue with what I am going to say, and if I misstate the facts I want to be corrected. because facts are a part of the history of this Government. I say that the President's visit to the Senate yesterday did not hasten in the slightest the consideration and completion of the revenue bill.

Of course, no one should find fault with the President, and certainly I do not. If he wanted to come here and confer with the Senate, express his views, and have his name carried on the front page of many papers as having browbeaten the Senate into action, he had a right to do so; but I say that the revenue bill would have been completed yesterday whether or not the President had come to the Senate.

I doubt if in all the history of this Government any im-

passed in a manner so free from the slightest tinge of partisanship as this revenue measure. It has not crept in a single time. Senators on this side of the aisle as well as on the other side have differed, both upon the floor of the Senate and in the committee, but there has been a unanimity unexcelled in parliamentary history in a desire to meet the demands of the Government and preserve its credit by providing revenue to balance the Budget. The Congress of the United States is not to be blamed in the slightest, and can not be by anyone who wants to be fair for any unreasonable delay in the consideration of this bill.

Why some editorial penmen, either in order to curry favor with the White House or to distort the facts, should try to arouse the American people against the Senate of the United States because of what it has done in the consideration of this bill is inconceivable to me. It plays no part in orderly government; and whatever function a journalist performs, the highest conception should be-and that applies to everyone else-that the facts be made known and the truth be told

Whatever delay there was in the last few days was occasioned by differences of opinion with reference to the amount required to balance the Budget. It will be recalled that in the beginning of this session of Congress the Secretary of the Treasury went before the Ways and Means Committee and said that a certain amount was required in order to balance the Budget. The Ways and Means Committee acted upon that suggestion and upon that authority. They prepared a bill that would have balanced the Budget upon those estimates. Then the Secretary of the Treasury again came before them and said he needed an additional sum of \$200,000,000 in order to balance it. Immediately it was given, and the bill was written according to the estimate of the Secretary of the Treasury by the House of Representatives.

The bill came here. The Secretary of the Treasury came before the Finance Committee in April, when we had our first meeting, I think about the next day after the bill had passed the House, because under the leadership of the distinguished chairman of the committee we wanted to expedite its consideration in every possible way. Immediately the Secretary of the Treasury came before us and told us how much money was needed to balance the Budget. We went to work on that theory: and from that time until May 8, when we had concluded the consideration of the bill and were ready to report it, only some three weeks ago, we asked that the Secretary of the Treasury come before the committee, or he got into communication with the chairman or others and came before the committee, and the question was then put to him, "How much do you need to balance the Budget?" He then submitted his estimate. That was three weeks ago, and the committee then got together and we brought out a bill that complied with his every request, so far as meeting his estimate.

We proceeded along that line with very much difficulty. Finally the bill was about to be completed, no longer than a day more being required, because the distinguished Senator from Indiana [Mr. Warson] will recall that last week the request was made that we stay here even on Saturday, and it was the opinion of many of us that we could have passed it then, but it was in the air that there was some difference about this estimate: that the Treasury perhaps was wrong in its estimate. The Treasury had not come before the Finance Committee or before the Senate and suggested a revision of its estimates. Indeed, up until Monday of this week it had stood upon the estimate that it had presented to the Finance Committee of the Senate on May 8.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. HARRISON. I yield to the Senator.

Mr. BORAH. May I ask when the Secretary of the Treasury first appeared before the committee with reference to the last estimate?

Mr. HARRISON. The Secretary of the Treasury first apportant piece of legislation has ever been considered and peared before the committee, I think, April 13 or 18. The last time, when we had finished the bill and were ready to report it, was May 8, three weeks ago. This last week in the Senate we had practically balanced the Budget. We had finished the job. There were only two or three immaterial amendments left that the committee had reported; but enough of us who had voted against the Connally amendment upon the floor of the Senate had made up our minds in order to meet this situation and balance the Budget and give us a surplus over it, to reverse our action, get a reconsideration of the amendment, and vote for the Connally amendment. That would have given a surplus over the estimate made by the Secretary of the Treasury.

On Monday we received an invitation to go to the White House. We went there Monday night, and for the first time officially it was represented, at least to the minority members of the Finance Committee, by the Secretary of the Treasury that more money was needed in order to balance the Budget.

Mr. BORAH. That was Monday night?

Mr. HARRISON. That was Monday night, this week—day before yesterday—in the presence of the President of the United States. In that conference, may I say—and I am violating none of the proprieties of that dignified occasion when I say this—it was not hinted, it was not suggested, that the President was going to come down here on a moment's notice the next day, nor did anyone inquire whether it would be necessary for him to come.

Mr. LA FOLLETTE. Mr. President-

Mr. HARRISON. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Is it not a fact that there was a disposition on the part of a large number of Senators to pass the bill on Monday night; and is it not the judgment of the Senator that the bill would have been passed Monday, except for the speech made by the Senator from Pennsylvania [Mr. Reed], who is generally considered on this floor to be particularly close to the Treasury Department, in which he announced that \$250,000,000 or \$300,000,000 more would be required; and did not the Senate stop in its process of passing the bill in order to let the minority members of the Finance Committee go to the White House that night?

Mr. HARRISON. The Senator has stated the facts correctly, because there were several requests made on Monday that we should abolish the 7.30 adjournment time in order to pass the bill that night. The first intimation to the contrary from an official source came from the distinguished Senator from Pennsylvania-and I am not criticizing him about it; he just had more information; he was closer to the powers that be than we were-when he burst upon the country with the startling news that had been given in roundabout ways to some of us in whispers, under the pledge of secrecy, for fear that if we repeated it to anyone it might startle business. It might destroy every particle of confidence left. It would be terrible. Yet after it had come to us in such a way as that the distinguished Senator from Pennsylvania gives it here upon this great sounding board to the Nation.

So they held up the bill, and they would not let us balance the Budget on Monday according to the estimates of the Secretary of the Treasury upon which we relied; and, as the Senator from Utah [Mr. Smoot] knows, and the Senator from Indiana [Mr. Watson] knows, some of us, a majority of us on this side, went through without the crossing of a "t" or the dotting of an "i." We took them item by item.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. HARRISON. I yield to the Senator.

Mr. BORAH. In order to get this record as I should like to have it, the Secretary of the Treasury gave his first official notice of the necessity of revamping his estimates yesterday morning, when the committee met?

Mr. HARRISON. Yes; and the first official intimation was given in the White House conference, in the presence of the President and the Democratic members of the Finance

Committee and some others, on Monday night of this week; and when the Secretary of the Treasury that night was asked to tell us the exact amount that was needed to balance the Budget, he said it would be impossible for him to do it at that time, but his experts were working on it and the amount would be furnished.

May I say that the experts who were working upon it were the very experts who were with the Finance Committee every moment of the time it considered the bill. The Under Secretary of the Treasury, a very efficient and able member of the President's official family, was in the committee room practically all the time; and not until Monday night of this week, at the White House conference, did we receive an official intimation that more money was required. Then the request was, "Give the estimate to us. Let us know what it is." And on Tuesday morning—

Mr. NORRIS. That is, yesterday morning.

Mr. HARRISON. Yesterday morning the distinguished Senator from Utah, the chairman of the committee, called the Finance Committee to meet at 9.30 o'clock, and we met. The Secretary of the Treasury came before us, a little delayed, but we waited patiently, because we wanted the information; he got there something before 10. We went immediately to work, because we appreciated the gravity of the situation. We wanted to cooperate, we wanted the Budget balanced. We wanted the world to know that this great Government here, foremost among the nations of the world in wealth, in resources, and in finance, was able to balance its Budget, and would do it speedily, without any partisanship.

So it was that within two hours, aye, less than that, within less than an hour and a half, after the Secretary came before the committee and told us that we needed \$285,000,000 more in order to balance the Budget, we were ready to make our report to the Senate. In the \$285,000,000 the Secretary was including the amount he estimated would be raised under the Connally amendment. At that time the Connally amendment had not been adopted, but the plans were made, there was not a doubt in the mind of a single man but that the required votes would be cast as soon as the Senate convened in order to adopt the Connally amendment. It had been agreed by unanimous consent the day before that it would be voted on at not later than 10.30 o'clock on yesterday morning.

We left the committee room, came back to the Senate, and voted on the Connally amendment. It was carried by a vote of 86 to 3. Of course, the sentiment was for it, because, as I have said, Democrats and Republicans—all Senators—wanted to balance the Budget.

So it was put through. The Secretary of the Treasury, in his recommendation for \$285,000,000, included not only the Connally amendment, acceptance of which was a foregone conclusion, but he suggested the manufacturers' sales tax.

We told him then what the world knew—because there was no secrecy about it; there was no hesitancy about it—that 55 Members of the Senate had signed a statement that they would not vote for a sales tax, because they were against it or believed it inopportune to add it to the revenue bill, knowing it would cause delay and add confusion to the consideration of the bill and might prolong the discussion, in view of the action of the House and other circumstances.

So when the Secretary of the Treasury suggested the manufacturers' sales tax we said, "That is out of the question. Give us an alternative." Then he said, "Put on a gasoline tax, which will raise \$150,000,000, and put a tax upon electricity and gas, which will raise \$50,000,000 or \$60,000,000."

That was about 11.20 o'clock yesterday morning, before the President came, and we were ready to vote. The votes were there. We had counted noses. We had a majority.

We pleaded that a vote be taken immediately in the Finance Committee. I went over to the distinguished Senator from Connecticut, who had made the motion to adopt the gasoline tax and the electricity proposal, and I said, "Let us have a vote. We have the votes to put the amendments on the bill." I spoke to the chairman of the committee. I

spoke to the leader on the Republican side. I said, "Let us | finish the job."

Then we heard that the President of the United States was coming to the Senate, that he was going to deliver a message. I was fearful that his coming might confuse the issue. I was afraid that the message might be couched in such language that it would prolong the debate, and we were anxious to get the matter out of the committee, in order that we could come before the Senate, even before the President came here, and say, "Here is our recommendation. Let us put it over and the Budget will be balanced." Why, the Senate had even recessed yesterday morning to give the Finance Committee time to consider means of providing for the increased revenue.

There was not a single vote influenced, either in the committee or upon the floor of the Senate, in my opinion, by the President's coming here yesterday. The bill would have been passed last night if he had not come, because we wanted to preserve the credit of this Government.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. HARRISON. I yield,

Mr. COUZENS. May I remind the Senator that on Monday afternoon about 4 o'clock, prior to any notice of a deficiency in the tax bill, there was a meeting with the Senator from Idaho [Mr. Borah] in the room of the Committee on Foreign Relations of a group of us who were opposed to the general sales tax, and it was agreed at that time by Members from both sides of the Chamber to accept the Connally amendment.

Mr. HARRISON. The Senator is absolutely right.

Mr. COUZENS. So that the Treasury Department had nothing to do with recommending that, as far as that is concerned.

Mr. HARRISON. The Senator is absolutely right, and may I state while the Senator is on his feet that there is no member of the committee who has acted in a finer way and more patriotically and has put his shoulder to the wheel with more vigor in order to balance the Budget than has the senior Senator from Michigan.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HARRISON. I yield. Mr. BARKLEY. If I understand the Senator from Mississippi, what he says is that the Committee on Finance was in the act of voting on the amendments that were afterwards adopted, to finish the balancing of the Budget, and postponed the casting of the vote to hear what the President had to say, and immediately returned to the committee room and did what it had intended to do all the time.

Mr. HARRISON. Yes; and the adjournment was over the protest of those who were going to vote for the proposal and wanted to report it out.

Mr. LA FOLLETTE. Mr. President, will the Senator yield

Mr. HARRISON. I yield.

Mr. LA FOLLETTE. The Senator has just made the point I wanted to make. The majority of the committee wanted to act on these recommendations before 11.30, and the Senator from Connecticut went so far to prevent any action prior to 12 o'clock as to withdraw his motion, and refused to let it be considered until after 12 o'clock.

Mr. HARRISON. That is absolutely right. I am sure there is no statement I have made which would be contradicted by either the Senator from Indiana or the Senator from Utah.

Mr. CONNALLY. Mr. President, may I ask the Senator from Mississippi whether or not the White House and the Secretary of the Treasury were given assurance on Monday night that the committee was ready to balance the Budget and to pass the bill the next day?

Mr. HARRISON. Absolutely. We have been ready all the time. I have not made this statement with the idea of precipitating any further discussion here. I am glad the bill is on its way. I hope the conferees will expedite its consideration and report it back to the House and the Senate just as quickly as possible.

I have made this statement in the interest of fairness: there is no reason for criminations or recriminations either

against the White House or the Congress of the United States. All of us want to balance the Budget; we want the economic situation saved; we want the credit of our Government preserved, and that is what we have tried to do in this crisis in our country's history.

Mr. WATSON rose.

Mr. HARRISON. I have finished, unless the Senator from Indiana wants to ask me a question.

Mr. WATSON. I just want to make an observation, Mr. President, to which the Senator may or may not want to

I know of nobody who is disputing what the Senator says. This recital of events, from the beginning up to this time, is entirely correct. In my experience in public life, in committees, I have never known of anybody more heartily and more sympathetically cooperating in the consideration and passage of a measure than did the Senator from Mississippi in connection with the tax bill. I do not know what the fuss is about.

Mr. HARRISON. The Senator may not have been in the Chamber when I started my remarks. I prefaced what I had to say, which may have been unnecessary, by the statement that some of the press of the country was still taking it out on the Senate in an attempt to misrepresent the facts, in order to extol the President of the United States on his historic ride to the Senate yesterday.

Mr. WATSON. If the Senator is going to pick up something in a newspaper and make a speech about it, of course, I can not help that. There is nobody here, as far as I know, who is disputing one link in the chain of events the Senator has recited.

Mr. HARRISON. I knew that, and I am glad the Senator states it.

Mr. SMOOT. Mr. President, I just want to take this occasion to express my deepest appreciation for the splendid cooperation we have received in the Finance Committee from the Senator from Mississippi [Mr. HARRISON], the Senator from Texas [Mr. CONNALLY], and I might name the others, but there is no need for it.

I have been in the Senate nearly 30 years; I have been on the Finance Committee since 1909, cooperating in the passing of every tariff bill and all the legislation that goes to that committee during those years, and I never have experienced or witnessed such unity of purpose as there has been in the passage of the revenue bill which was passed in the Senate last night.

During the hearings and in the meetings there has not been an intimation of partisanship from the moment we began the consideration of the bill until the time it was passed in the Senate. I thank every member of the committee with all my heart. If there had not been the cooperation, I am sure we could not have passed the bill, at least for months to come. I not only want the members of the committee and every Member of the Senate, but I want the country as a whole to understand the situation.

Mr. WATSON. Mr. President, I assume that no one would cast any reflection on the President of the United States, and I do not conceive that the Senator from Mississippi meant anything of that kind. Undoubtedly the President had a right to come to the Senate and address us. He chose a time when undoubtedly he felt it was absolutely essential he should come. He could not have come at any other time, if he expected to address the Senate in the midst of what he supposed was the confusion in which we were laboring at that time.

Undoubtedly the President of the United States has been as much worried and disturbed and distressed over the condition of the country, in fact, over the condition of the whole world resulting from the conditions in this country, as anybody could be in all the broad realm of the world, and he believed it to be his duty to come and address the Senate.

I did not know the President of the United States contemplated coming to the Senate. Nobody had told me anything about it. I was not asked about it or consulted about it. I do not know who consulted the President about it. I do not knew whom he asked about it. He did not consult the Senator from Utah. He did not have to consult any of us. The first I heard of his coming was during the meeting of the Finance Committee, when I stepped out into an anteroom to consult with the Secretary of the Treasury about a matter, and he told me the President was coming. Previous to that I had had a conference with the Senator from Wisconsin [Mr. La Follette], and I turned and told him that the President was coming to speak to the Senate.

Of course, the President had the right to come. I assume that if he believed it proper, it was his duty to come. I do not believe he is subject to any criticism for having come, and I have no doubt that every man who has labored to get the revenue bill in shape and to pass it, from the day we started on it until we passed it last night at midnight, is willing to give the President credit for patriotic motives and for honest purposes in coming here, even at the time he did.

Mr. LEWIS. Mr. President, if the Senator will allow me to propound a question to himself and to the honorable chairman of the Finance Committee: Is it not true, I ask these eminent gentlemen, the leaders in the relative places they occupy, that it can be certified with complete truth that the President of the United States, after he had come and expressed such views as were and might be necessary and appropriate, received on both sides of the Chamber the same immediate cooperation and warm support, to the best of the conscientious ability of Members of the Senate, that has ever been accorded to a President of our country?

Mr. WATSON. I have never known anything finer in my political experience.

Mr. HARRISON. May I say to the Senator that, of course, I said nothing that would reflect upon the President?

Mr. WATSON. Certainly not.

Mr. HARRISON. I said that the President had a perfect right to come; but let me read to the Senator an expression from the chairman of the Republican National Committee. a distinguished Senator in this body, which adds confusion to the situation, and I think that the pages of the Congres-SIONAL RECORD ought to show the true facts. The Senator from Ohio [Mr. Fess] said, according to the article in the Herald Tribune of this morning:

The Finance Committee was so strongly impressed with the message of the President and the serious situation disclosed that the proposals for balancing the Budget were recommended in an hour after the President spoke.

As I have shown, the Finance Committee had agreed to report the measures recommended a half hour before we heard the President was coming.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. Norris], which will be stated.

The CHIEF CLERK. On page 34, line 12, after the words "Chief Justice," in the amendment of the committee, it is proposed to strike out "\$40,000" and insert "\$25,000."

Mr. BORAH. Mr. President-

Mr. JONES. Mr. President, I am in hearty accord with the idea expressed by the Senator from Nebraska; at least I know that these books may not be absolutely necessary at this time, and very likely the business of the court will go along just as well with \$25,000 as with the larger amount. I hardly think we ought to cut it lower than that, but I am perfectly satisfied with the suggestion of the Senator from Nebraska.

Mr. BORAH. Mr. President, I had addressed the Chair, but I will not delay action on the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 34, at the end of line 20, to strike out "\$100,000" and insert "\$90,000," so as to read:

To enable the Librarian of Congress to carry out the provisions of the act entitled "An act to provide books for the adult blind," approved March 3, 1931 (U. S. C., Supp. V, title 2, sec. 135a),

Mr. BORAH. What is that amendment?

The VICE PRESIDENT. The Secretary will state it.

The Chief Clerk again stated the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BORAH. Mr. President, this is an economy bill.
Mr. JONES. Yes.
Mr. BORAH. It seems to me, as it is an economy bill presenting an entire program covering the subject of economy, that before we begin, in order that we may have a proper conception of the entire program with which we are dealing, some one ought to explain the program and tell of what the economies consist.

Mr. McKELLAR. Mr. President, the portion of the bill up to page 44 is the regular legislative appropriation bill and we have not reached the provisions embodied in the economy program as yet. When we get to them, I am sure the chairman of the committee will make a full explanation.

Mr. BORAH. The point with me is that this portion of the bill seems to be important in connection with the econ-

omy program.

Mr. JONES. Mr. President, may I say to the Senator what I said when we began the consideration of this bill, that the estimates came from the Bureau of the Budget, the bill passed the House with the reductions, and the Senate has made a still further reduction along the line that it has adopted with reference to other appropriation bills, namely, a reduction of 10 per cent even below the House appropriations. Then there is a general provision at the close of the bill covering the economy legislative features. which takes care of any changes that we may make along

Mr. BORAH. Why should we not now have a discussion of that portion of the bill? This bill has just come into the Senate this morning; nobody has had any chance to read the bill or read the report except in the most casual way. I do not want to interfere with the Senator's program, but it is an exceedingly important measure.

Mr. JONES. I assume that when we get through with the committee amendments in the regular appropriating part of the bill, then, of course, the other part will be fully explained and fully discussed. I thought that was the appropriate procedure.

Mr. NORRIS. I should like to inquire of the chairman of the committee something about the subject matter commencing in line 1, page 35, and ending in line 11. It contains no appropriation, but it extends an appropriation heretofore made. Can the chairman of the committee give us any information as to how much money is involved there and what the unexpended portion of the appropriation is?

Mr. JONES. There is comparatively little. There are four volumes of the Journals of the Continental Congress that are supposed to be printed. The text of the bill ac-curately explains what the item is. We have started the publication of the Journals of the Continental Congress, and now we are going to publish volumes 30, 31, 32, and 33. They are to be completed and paid for. The fourth volume of the Records of the Virginia Company, work on which has been started heretofore, will be the final one.

Mr. NORRIS. I notice the bill provides for "the rebinding, in full morocco, of the papers of George Washington, 302 volumes." Did George write that many books?

Mr. JONES. They have gotten the writings of George Washington together and apparently they comprise that many books. It is in connection with the work of the Bicentennial Commission.

Mr. NORRIS. I should like to know how much the bicentennial celebration that has been going on for three or four months, and is going on right now, and which nobody notices, has cost the Government of the United States?

Mr. JONES. I do not know exactly the aggregate; but, taking all the appropriations, I should say the cost has been about \$1,200,000 or \$1,300,000. I want to say to the Senator | that I have attempted to frame a provision, with a reduced appropriation, which will complete the work instead of having it continue indefinitely.

Mr. NORRIS. This will complete it? Mr. JONES. That is what I expect to be done from the appropriations made in this bill.

Mr. NORRIS. How much does it cost the Government to print these 302 volumes "in full morocco," and how many copies are going to be thus bound, and what is going to be done with them?

Mr. JONES. I really can not give the Senator that information, but it will not cost any large sum. The work is done under the Bicentennial Commission, and the money, as I understand from them, will be paid largely from that source.

Mr. NORRIS. What is this item of \$50,000 that the Senate has put in place of \$58,000, in lines 12 and 13, "for the publication of the Catalogue of the Title Entries"?

Mr. JONES. That is under the Copyright Office.

Mr. NORRIS. Yes.

Mr. JONES. The wording expresses exactly what the item is for.

Mr. NORRIS. I do not quite understand what it is.

Mr. JONES. We provided for a reduction in the speed with which this catalogue would be printed; that is all.

Mr. NORRIS. It is an annual publication, is it not?

Mr. JONES. It may be.

Mr. NORRIS. Is there not a catalogue printed every year? Mr. JONES. That may be.

Mr. NORRIS. Will it cost \$50,000 to print the catalogue? Mr. JONES. The estimate is \$58,000, and that is what the House provided. I do not remember now whether the estimate of the Budget is above that or not, but I know that the House committee went into the matter very carefully. After going into it they recommended an appropriation of \$58,000, and the estimate, I am informed by the clerk of the committee, is \$54,000.

Mr. NORRIS. What is the use of this catalogue, who uses it, and what is it for?

Mr. JONES. I suppose that those interested in such matters consult those catalogues and use them very largely in the office, and probably the catalogues also are on sale, so that those who are interested in copyrighting their articles may be able to see whether the copyright has been duplicated or not.

Mr. DILL. Mr. President-

The VICE PRESIDENT. Does the Senator from Washington yield to his colleague?

Mr. JONES. I yield.

Mr. DILL. Mr. President, I am familiar with the Copyright Office, and if the Senator will stop to think for a minute he will recognize the tremendous number of new articles being copyrighted all the time. Every one of them pays a copyright fee, and that money goes into the Treasury. These catalogues bring up to date the list of copyrighted articles.

Mr. NORRIS. What are the catalogue cards that seem to cost \$138,000?

Mr. DILL. I take it that they are the cards to which reference is made in the library as to the location of these many new articles. Why the appropriation should be so large, I do not know, but I remind the Senator of the fact that there are a tremendous number of new things, new music, new books, new publications, and every kind of thing being copyrighted all the time; they pay a fee, and the Government makes a profit out of this work all the time.

Mr. JONES. It more than pays expenses.

Mr. McKELLAR. As I recall the testimony-I have it not before me-but as I recall it, the profit is greater than the appropriation.

Mr. TYDINGS. Mr. President, I do not want to anticipate what is coming up, but if the Senator from Washington will answer a question or two about a section over in the economy part of the bill, even though he normally would not want to go into that now, it will save a lot of time later on. So I am going to take the liberty of directing the Senator's

attention to section 210, on page 56, and I wish to point out this situation to him.

As I understand, there are certain men who work regularly every night, and because they work at night they receive a slightly higher pay than do the men who perform the same work in the daytime. As I understand, it is proposed, first of all, to take that extra pay away from them, and then, in addition to that, to cut 10 per cent off their remaining pay. If that is true, this particular group would suffer a 20 per cent reduction in salary, while all other groups would suffer only a 10 per cent reduction. Perhaps that is not so; I can not just make out from a hasty reading of the bill; but if I could get the actual picture of that I could intelligently answer a great volume of mail that I have, and prepare an amendment if one is necessary.

Mr. JONES. I do not understand that there will be any double reductions in pay.

Mr. TYDINGS. Let me say to the Senator, in order to make it clear, that the section provides that there shall not be paid a higher rate of compensation for those who work at night than is paid to those who work in the daytime.

Under existing law those who work at night-I am not talking about substitutes, but I am talking about regular night employees—now receive a slightly higher pay than those who work in the daytime. If it is proposed to cut the compensation of these men only 10 per cent along with all other Government employees, I do not want to protest; but if it is proposed to take their extra pay away and then cut them 10 per cent besides, obviously they would suffer a 15 or 20 per cent reduction in their pay, while other Government employees would suffer only a 10 per cent reduction.

Mr. JONES. It is certainly not the intention to make a double reduction.

Mr. TYDINGS. I did not think so. I think the purpose of it, if I may transgress on the time of the Senator a moment further-

Mr. NORRIS. Mr. President, will the Senator tell us to what page he is referring?

Mr. TYDINGS. Page 56, section 210. I think the purpose of this provision was to discourage those who worked in the daytime from making extra hours at night, so that that work might be given to a night man.

Mr. JONES. I think that is correct.

Mr. TYDINGS. But I think the way it is worded it will serve not only to take away the regular night man's extra compensation but, under the general cut, further reduce his salary, thereby giving to that class of employees two cuts instead of one. I wanted to bring that to the attention of the committee, so that those who have it in charge might correct the situation if that is the case.

Mr. JONES. The committee will look into it carefully.

Mr. TYDINGS. I thank the Senator.

The VICE PRESIDENT. The next amendment will be

The next amendment of the Committee on Appropriations was, under the subhead "Printing and binding," on page 34, line 25, after the words "Library Building," to strike out "\$214,500" and insert "\$190,000," so as to read:

For miscellaneous printing and binding for the Library of Congress, including the Copyright Office, and the binding, rebinding, and repairing of library books, and for the Library Building,

The amendment was agreed to.

The next amendment was, on page 35, line 13, after the name "Copyright Office," to strike out "\$58,000" and insert "\$50,000," so as to read:

For the publication of the Catalogue of Title Entries of the Copyright Office, \$50,000.

The amendment was agreed to.

The next amendment was, on page 35, at the end of line 14, to strike out "\$138,400" and insert "\$120,000," so as to

For the printing of catalogue cards, \$120,000.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses of the Library," on page 35, line 23, after the word "Librarian," to strike out "\$9,000" and insert "\$7,500," so as to read:

For miscellaneous and contingent expenses, stationery, supplies, stock, and materials directly purchased, miscellaneous traveling expenses, postage, transportation, incidental expenses connected with the administration of the Library and Copyright Office, including not exceeding \$500 for expenses of attendance at meetings when incurred on the written authority and direction of the Librarian, \$7,500.

The amendment was agreed to.

The next amendment was, on page 36, line 4, to strike out "\$5,000" and insert "\$4,000," so as to read:

For paper, chemicals, and miscellaneous supplies necessary for the operation of the photoduplicating machines of the Library and the making of photoduplicate prints, \$4,000.

The amendment was agreed to.

The next amendment was, under the subhead "Library Building," on page 36, line 12, after the word "Librarian," to strike out "\$5,100" and insert "\$4,500," so as to read:

For extra services of employees and additional employees under the Librarian to provide for the opening of the Library Building on Sundays and on legal holidays, at rates to be fixed by the Librarian, \$4,500.

The amendment was agreed to.

The next amendment was, on page 36, after line 12, to strike out:

For special and temporary services in connection with the custody, care, and maintenance of the Library Building, including extra special services of regular employees at the discretion of the Librarian, at rates to be fixed by the Librarian, \$500.

The amendment was agreed to.

The next amendment was, on page 36, line 18, after the word "services," to strike out "rubber boots, rubber coats, and other special clothing for workmen," and in line 22, after the words "Library Building," to strike out "\$8,900" and insert "\$5.000," so as to read:

For mail, delivery, and telephone services, uniforms for guards, stationery, miscellaneous supplies, and all other incidental expenses in connection with the custody and maintenance of the Library Building, \$5,000.

The amendment was agreed to.

The next amendment was, on page 36, after line 22, to strike out:

For any expense of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the board, \$500.

The amendment was agreed to.

The next amendment was, under the heading "Government Printing Office," on page 38, line 6, after the word "character," to strike out "rubber boots, coats, and gloves," so as to read:

Public printing and binding: To provide the Public Printer with a working capital for the following purposes for the execution of printing, binding, lithographing, mapping, engraving, and other authorized work of the Government Printing Office for the various branches of the Government: For salaries of Public Printer, \$10,000, and Deputy Public Printer, \$7,500; for salaries, compensation, or wages of all necessary officers and employees additional to those herein appropriated for, including employees necessary to handle waste paper and condemned material for sale; to enable the Public Printer to comply with the provisions of law granting holidays and half holidays with pay to employees; to enable the Public Printer to comply with the provisions of law granting 30 days' annual leave to employees with pay; rents, fuel, gas, heat, electric current, gas and electric fixtures; bicycles, motor-propelled vehicles for the carriage of printing and printing supplies, and the maintenance, repair, and operation of the same, to be used only for official purposes, including operation, repair, and maintenance of motor-propelled passenger-carrying vehicles for official use of the officers of the Government Printing Office when in writing ordered by the Public Printer; freight, expressage, telegraph, and telephone service; furniture, typewriters, and carpets; traveling expenses; stationery, postage, and advertising, directories, technical books, newspapers and magazines, and books of reference (not exceeding \$500); adding and numbering machines, time stamps, and other machines of similar character; machinery (not including \$300,000); equipment, and for repairs to machinery (not including \$300,000); equipment, and for minor alterations to buildings; necessary equipment, maintenance, and supplies for the emergency room for the use of all employees in the

Government Printing Office who may be taken suddenly ill or receive injury while on duty; other necessary contingent and miscellaneous items authorized by the Public Printer.

The amendment was agreed to.

The next amendment was, on page 39, line 5, in the item making appropriation for public printing and binding, to strike out "\$3,000,000, of which \$500,000 shall be immediately available," and to insert "\$2,250,000," so as to read:

Provided, That inks, glues, and other supplies manufactured by the Government Printing Office in connection with its work may be furnished to departments and other establishments of the Government upon requisition, and payment made from appropriations available therefor; for expenses authorized in writing by the Joint Committee on Printing for the inspection of printing and binding equipment, material, and supplies, and Government printing plants in the District of Columbia or elsewhere (not exceeding \$1,000); for salaries and expenses of preparing the semimonthly and session indexes of the Congressional Record under the direction of the Joint Committee on Printing (chief indexer at \$3,480, one cataloguer at \$3,180, two cataloguers at \$2,460 each, and one cataloguer at \$2,100); and for all the necessary labor, paper, materials, and equipment needed in the prosecution and delivery and mailing of the work; in all, \$2,250,000, to which shall be charged the printing and binding authorized to be done for Congress, the printing and binding for use of the Government Printing Office, and printing and binding (not exceeding \$2,000) for official use of the Architect of the Capitol when authorized by the Secretary of the Senate; in all to an amount not exceeding this sum.

The amendment was agreed to.

The next amendment was, on page 41, after line 7, to strike out:

The Public Printer may continue the employment under his jurisdiction of Samuel Robinson, Congressional Record messenger, notwithstanding the provisions of any act prohibiting his employment because of age.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Superintendent of Documents," on page 42, line 8, after the word "bibliographies," to strike out "\$100,000" and insert "\$89,200," so as to read:

For furniture and fixtures, typewriters, carpets, labor-saving machines and accessories, time stamps, adding and numbering machines, awnings, curtains, books of reference; directories, books, miscellaneous office and desk supplies, paper, twine, glue, envelopes, postage, car fares, soap, towels, disinfectants, and ice; drayage, express, freight, telephone and telegraph service; traveling expenses (not to exceed \$200); repairs to buildings, elevators, and machinery; preserving sanitary condition of building; light, heat, and power; stationery and office printing, including blanks, price lists, and bibliographies, \$89,200.

The amendment was agreed to.

The next amendment was, on page 42, line 9, after the word "exceeding," to strike out "\$39,000" and insert "\$34,800," so as to read:

For catalogues and indexes, not exceeding \$34,800.

The amendment was agreed to.

The next amendment was, on page 42, line 10, after the word "libraries," to strike out "\$85,000; in all, \$224,000," and insert "\$76,000; in all, \$200,000," so as to read:

for supplying books to depository libraries, \$76,000; in all \$200,000.

The amendment was agreed to.

The next amendment was, under the heading "Part II—Title I—Compensation reduction of Federal employees, compensation defined," on page 44, line 15, after the word "allowance," to strike out "(except allowances for subsistence, quarters, heat, light, and travel)," and in line 19, after the word "enlistment," to strike out "and includes the retired pay of judges," so as to make the section read:

SEC. 101. As used in this title, the term "compensation" means any salary, pay wage, allowance, or other emolument paid for services rendered in any civilian or noncivilian office, position, employment, or enlistment; and the retired pay of all commissioned, warrant, enlisted, and other personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Lighthouse Service, and the Public Health Service; but does not include payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of employees.

The amendment was agreed to.

The next amendment was, under the subhead "Schedule of Temporary Reductions," on page 45, line 6, after the word "reduced." to strike out "as follows: Compensation at an

annual rate of \$2,500 or less shall be exempt from reduction; and compensation at an annual rate in excess of \$2,500 shall be reduced by 11 per cent of the amount thereof in excess of \$2,500" and insert "by 10 per cent of the amount thereof," so as to read:

SEC. 102. (a) During the fiscal year ending June 30, 1933, the compensation for each civilian and noncivilian office, position, employment, or enlistment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced by 10 per cent of the amount thereof.

Mr. JONES. Mr. President, this is one of the vital points in the second part of the bill. I want to say that our committee gave this matter study for days and days. It is a very difficult matter to deal with. We had different ideas as to what should be done in regard to economies as relating to Government employees. Some contended that no cut should be made at all. Others contended for a different method of procedure. Some of us would have liked to begin at a certain rate of pay and apply the reduction in salaries above that rate.

It was a very difficult matter. There are objections, of course, made to every suggestion. It looks to be a little hard on Government employees and Government clerks, who are not overpaid in any event, to further reduce their salaries during these times. But we all appreciate the situation. We all appreciate what has been done in private business generally. Reductions have been made, sometimes twice, and in some cases more than twice. I think there is a pretty general feeling throughout the country that the Government employees should bear some part of the reduction.

Mr. McKELLAR. Mr. President, if the Senator will

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Tennessee?

Mr. JONES. I yield.

Mr. McKELLAR. I do not think the Senator has mentioned the fact that, while there is a uniform reduction of 10 per cent, it applies solely and alone to the fiscal year 1933 and at the end of that year the former salaries automatically come into force and effect again.

Mr. JONES. That is correct. I was just going to say that when we finally came to the conclusion that it might be the wisest course to pursue, we decided to make it apply only to one year, hoping, of course, that before that year is over conditions will get better.

I want to say that I felt that there ought to be some difference made between what we term the higher paid clerks and the lower paid clerks. It seemed to me that those who are getting \$3,000 a year and under might be fixed at a certain rate of reduction, while those who are getting over \$3,000 a year, including ourselves, ought to bear a heavier reduction.

There are many inequities, however, with reference to reductions, especially with reference to the point of division. I felt that we might be perfectly willing to have a cut of 20 per cent in our own salaries. It costs just as much for the average man, no matter what his position may be. to get his food and to get reasonably good clothing and the absolutely necessary things that one has to have, as it costs the higher-paid man. In other words, expenses of that nature are substantially the same to both classes of

There are many things in the way of determining just how this reduction should be handled. After we had canvassed the situation carefully, we felt that the fairest way, the most equitable way, was to put everybody on the same basis-the low-salaried man to get the same rate of reduction as the high-salaried man, 10 per cent from the bottom to the top and from the top to the bottom. came to the conclusion that that was the most equitable, the fairest, and the most just way to fix the compensation so that every employee of the National Government should be affected proportionately alike. As I said, there are inequities in it, but there are inequities in any other method of procedure.

Mr. JOHNSON. Mr. President, may I ask the Senator what is the amount of economy which it is assumed will be accomplished under section 102?

Mr. JONES. We finally came to the conclusion that the private soldier, the private sailor-

Mr. JOHNSON. I am not speaking of exceptions. Mr. JONES. I understand, but after taking them out then the 10 per cent reduction would amount to \$121,000,000.

Mr. JOHNSON. Can the Senator tell me what will be the amount presumably saved by taking 10 per cent of salaries of \$2,500 and less?

Mr. JONES. If we should exempt salaries of \$2,500 and less, we would save about \$9,000,000 as against \$121,000,000. I have a table showing the general savings. On all salaries by a reduction of 10 per cent we would save \$133,900,000. On salaries of \$1,999 and under there would be a saving of \$28,100,000, and on salaries over \$2,000 there would be a saving of \$75,000,000, or \$103,000,000 all together. On salaries from \$1,999 to \$2,999 there would be a saving of \$57,500,000. and on salaries above \$3,000 there would be a saving of \$18,100,000.

Mr. JOHNSON. That is \$59,000,000, or about three times as much as on salaries above would be saved by the 10 per cent economy plan by taxing the salaries of \$3,000 and less?

Mr. JONES. Yes.

Mr. JOHNSON. That is correct, is it not?

Mr. JONES. That is the estimate.

Mr. JOHNSON. In reality, in the economies that are accomplished, the greatest accomplishment is in the cutting of low salaries?

Mr. JONES. Yes; because there are so many of those employees. If we fixed it at from \$1,000 up to \$4,999, that would be a saving of \$56,709,000. Above \$5,000 it would only be \$4,600,000 because of the small number that would be affected. Adding the two together would give \$61,300,000.

Mr. JOHNSON. Was it the consensus of opinion of the committee that the cutting of small salaries would be conducive to prosperity?

Mr. JONES. We did not consider especially that phase of the matter, I believe.

Mr. JOHNSON. That did not enter into the considera-

Mr. JONES. We were directed to investigate matters of economy and to save some money for the Government.

Mr. JOHNSON. I have not had an opportunity to study the bill. It has only come to me at noontime to-day. Perhaps others have had it before.

Mr. JONES. I do not think others did have it. We did not get the bill to the printer until 12 or 1 o'clock last night.

Mr. JOHNSON. I want to indulge just this observation to the Senator from Washington, that it seems to me it will be about as conducive to prosperity and happiness in this land to cut the small salaries in the fashion that has been done, of those who have little, as it would be conducive to the health of a human being to let all the blood from his body.

Mr. JONES. I hardly think that is a correct comparison. Mr. BORAH. Mr. President, I wonder if the Senator from Washington would take a recess and give us some time to look into this measure? We will make more progress in that way than we will by stumbling along and trying to familiarize ourselves with it, because no one has had an opportunity to examine the bill except those who are members of the committee.

Mr. NYE. Mr. President, right in line with the suggestion made by the Senator frem Idaho, as a member of the Appropriations Committee I would appeal to the Senator from Washington to have this matter referred back to the committee for an hour at least, so that we could give a little more consideration than has been given to the 10 per cent cut.

I should like to point out that of the \$121,050,000 economy effected by the 10 per cent cut, those employees of the Government who are drawing salaries of \$500 a year or less will contribute to that sum total of economy \$25,457,000.

Those Government employees who are drawing salaries between \$500 and \$1,000 per year will contribute to the economy program \$34,409,000.

Those employees drawing salaries between \$1,000 and \$1,500 will contribute to the economy program \$25,493,000. Those employees drawing salaries between \$1,500 and

\$2,000 will contribute to the economy program \$19,036,000.

So that all Government employees drawing salaries under \$2,000 a year will contribute, in the matter of savings, \$104,-395,000 of the total of \$121,000,000 economy that is effected by the bill.

Mr. JONES. May I ask the Senator where his figures

come from? I have seen no such figures.

Mr. NYE. I obtained these figures from a table in the House report on the legislative appropriation bill.

Mr. JONES. Who furnished those figures?

Mr. NYE. I do not know. I find them in the report which accompanied the bill as it passed the House. At the top of page 4 is a table showing the amount of exemptions that would prevail as I have stated them.

Mr. BINGHAM. Mr. President-

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from North Dakota yield to the Senator from

Mr. NYE. I yield.

Mr. BINGHAM. The figures which the Senator from North Dakota has just given illustrate very vividly the actual situation which confronted the Economy Committee. According to the figures just read by the Senator from North

Mr. DICKINSON. Mr. President, if the Senator from Connecticut will yield, the Senator from North Dakota wants to make a correction of the figures which he just read from the table to which he referred.

Mr. BINGHAM. I yield.

Mr. NYE. The Senator from Iowa has called to my attention the fact, which I had not previously observed, that in the House report the table showing the exemptions of \$500. \$1,000, \$1,500, and \$2,000 is based on the proposition of exempting from all salaries first \$500, and in the next instance \$1,000; so that my compilation would not be as correct as I had thought it was. However, so large a part of this burden is borne by those drawing the smaller salaries that I think we ought to reconsider the matter in committee.

Mr. BINGHAM. Now, Mr. President, if I may go on-Mr. JONES. I am glad to yield to the Senator.

Mr. BINGHAM. What the Senator from North Dakota said is quite true, that the figures on which he based his statement were the House estimate of what would happen if we exempted \$500 from each salary, or \$1,000 from each salary, or \$1,500 from each salary, which of course would cut out all those receiving \$1,500. The number of persons receiving \$500 a year is infinitesimal. The amount mentioned by the Senator from North Dakota means what would happen if we exempted that amount from any reduction. The truth is that there are such a tremendous number of Government employees receiving small salaries that if we exempt them, we find ourselves in the position of being unable to effect any real large amount of saving. By exempting, for instance, as the Senator has said, the first \$2,000, we would lose from the bill over \$100,000,000.

The committee felt that a person who received a salary of \$1,000 two years ago, and was getting along on that salary, and who, under this bill, would receive only \$900, could buy just as much if not more to-day, due to the increased purchasing power of the dollar, as he could two years ago with the larger amount of salary.

Mr. JOHNSON. Mr. President, will the Senator yield for a question there? Pardon me; I did not want to interrupt

Mr. BINGHAM. May I say just one more thing? The committee also felt that if there was any justice in the salary rates as determined upon by the Congress in return for work done in relation to the job performed and the amount paid in the outside world, it was the fairest thing that could be done, in addition to being the one which would yield the

greatest amount of economy; and I may say that I should be glad to be shown any other way in which we could save \$100,000,000 than by doing this. In view of the fact that it saves such a large amount, and that it bears equally on all salaries in accordance with the laws passed by Congress, it did seem the fairest thing to do.

I may say, parenthetically, that the committee went through the salaries paid in the Government service; and wherever they saw a head, so to speak, hit at it. In other words, all salaries over \$10,000 that could be reduced under the Constitution were reduced to \$10,000, and a further cut was taken on that.

I have in mind a lawyer serving on one of the commissions—I think it may be the Shipping Board—who receives now \$18,000, whose salary will be cut from \$18,000 to \$10,000, and then he will get a still further cut of 10 per cent; so that his salary will be cut in two, from \$18,000 to \$9,000.

Another case with which many people are familiar is the case of General Hines, the very able Administrator of the Veterans' Bureau, who to-day, under the law, receives a salary of \$12,000. Under this bill he loses the difference between \$12,000 and \$10,000, or \$2,000, and then he gets a cut of 10 per cent on his \$10,000.

Mr. McKELLAR. A temporary cut? Mr. BINGHAM. A temporary cut, for one year; which brings him down to \$9,000 from the present \$12,000 that he is receiving.

Mr. JOHNSON. Now will the Senator yield?

Mr. BINGHAM. I yield.

Mr. JOHNSON. I ask these questions because the opportunity has not been mine thus far to investigate, and only now the bill comes before us. I think it is a most unfortunate thing that it comes without the ability on the part of any of us save the committee-and they have guarded their work, I think, very carefully—to know exactly what is in the bill; but, as I understood the Senator, out of the amount that is saved, as it is termed, under this bill, more than \$100,-000,000 will come from salaries of \$2,000 and less. Is that

Mr. BINGHAM. No, Mr. President; that is not quite correct. As the Senator from North Dakota first gave the figures, that would be true.

Mr. JOHNSON. No; I am not speaking of his figures. I am speaking of what are the actual figures.

Mr. BINGHAM. The way that the House proposed was what seemed to them a fair method of exempting the first \$2.500; in other words, that the person who received a salary of \$3,000 would not be reduced 10 per cent or 11 per cent on \$3,000, but only the difference between \$3,000 and \$2,500.

Mr. JOHNSON. All right. Now, your bill makes it a straight 10 per cent?

Mr. BINGHAM. By exempting the first \$2,000 we lose about \$104,000,000 from the economy program.

Mr. JOHNSON. I am speaking of your bill. How much do you get on salaries of \$2,000 and less? What do you make out of that?

Mr. JONES. We make \$16,665,000; or, rather, that is what we would lose with the exemption of \$2,000.

Mr. JOHNSON. Then I assume that that is the economy you would make in a 10 per cent cut on salaries of \$2,000 or less.

Mr. JONES. That is not correct, I know.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BINGHAM. Yes; I yield.

Mr. BYRNES. If an exemption of \$2,000 were placed in the law, the amount of revenue that would be realized would be \$16,665,000, and that is what the chairman has given the Senator. I do not think that answers his question, however,

Mr. JOHNSON. No; that is not what I am seeking to

Mr. BYRNES. I do not know that there are any figures in the report which would give the Senator exactly that information.

Mr. BINGHAM. Will the Senator ask his question again? I think I have the figures before me now.

Mr. JOHNSON. All right. First, I want to ascertain how much is the economy effected by taking 10 per cent of salaries of \$2,000 and less.

Mr. BINGHAM. The saving, if the plan called in the House report plan No. 2 is adopted, under which salaries of \$2,000 and over were subjected to a reduction of 10 per cent. is \$75.100.000.

Mr. JOHNSON. Now, do I understand that \$75,000,000 represents the amount that will be saved to the Government by deducting 10 per cent from salaries of \$2,000 and less?

Mr. BINGHAM. No, Mr. President.

Mr. JOHNSON. I am trying to get at that.

Mr. LA FOLLETTE. Mr. President, who has the floor? The PRESIDING OFFICER (Mr. Fess in the chair). The Senator from Connecticut has the floor.

Mr. BINGHAM. I yield.

Mr. LA FOLLETTE. Could not that be accomplished by subtracting the \$16,665,000 from the \$121,000,000, so that we get \$104,335,000 that comes out of the employees with salaries of \$2,000 or under?

Mr. JOHNSON. All right. Then, we get \$104,000,000 out of employees who are paid \$2,000 or less?

Mr. BINGHAM. Oh, no, Mr. President. The Senator is quite incorrect in that.

Mr. JOHNSON. I am trying to inquire; that is all. It shows the confusion that exists.

Mr. BINGHAM. If the Senator will be patient with me for a moment, I have given him the figure of what the saving would be if 10 per cent were levied on salaries of \$2,000 and over, namely, \$75,000,000. The difference between \$75,000,-000 and the \$121,000,000, which is \$46,000,000, is the amount paid on salaries of \$2,000 and under.

Mr. JOHNSON. All right. Now, if the Senator will be patient with me, we will take that figure, then, that we derive from salaries of \$2,000 and less-\$46,000,000, in round num-

Now, let us jump the figure to \$3,000. On salaries of \$3.000 and less, what is the amount that will accrue to the United States Government by cutting them 10 per cent?

Mr. BINGHAM. If we were to deduct 10 per cent on salaries of \$3,000 and over, the saving would be \$18,100,000.

Mr. JOHNSON. Would you go through the same process of deducting the \$18,000,000, then, from the sum total?

Mr. BINGHAM. Deducting that from \$121,000,000, we get \$103,000,000, which is the saving on the great number of salaries that are \$3,000 and under.

Mr. JOHNSON. All right. We are getting, then, at our figures. We save, then, \$103,000,000 by taking 10 per cent off salaries of \$3,000 and less. That is correct; is it not?

Mr. BINGHAM. I think so.

Mr. JOHNSON. I thought the committee would know.

Mr. BINGHAM. The Senator asked his question in such a way that I was not certain. Will the Senator please repeat

Mr. JOHNSON. Yes. According to the computations that have just been stated, we receive for the United States Government \$103,000,000, in round numbers, by taking 10 per cent off salaries of \$3,000 and less.

Mr. BINGHAM. That is correct.
Mr. JOHNSON. How much is the total saving in this economy bill-I mean, in the entire economy bill?

Mr. BINGHAM. The total saving is \$231,000,000.
Mr. JOHNSON. Two hundred and thirty-one million dollars. So that practically-not exactly at all, but for the purpose of using round numbers—we are taking one-half of the economies for this Government, in this stress, off of people who receive salaries of \$3,000 and less.

Mr. BINGHAM. Now, Mr. President, will the Senator look at this matter in another way? The way he has presented it appeals to all of us, and appealed to me. Here is the other aspect of the situation:

The total bill of the United States Government for the pending year is something over \$4,000,000,000. Of that amount about one-fourth, or \$1,000,000,000, is for payment to veterans, pensions, compensation, disability allowances, and so forth. About one-third is salaries, the actual amount

of salaries being \$1,339,000,000. Of the balance, about \$640,000,000 is interest on the public debt; about \$350,000,000 is for public works, and the balance, which roughly is somewhere around seven or eight hundred million dollars, is for general expenses. That is a little too large, because there should be deducted from that personal services. But will the Senator tell us where we are going to make a saying when we are honestly seeking for a saving of somewhere around \$250,000,000, when \$1,339,000,000 goes for salaries, of which by far the larger part goes in small salaries to little people, and we can not save on the public debt, and the savings on veterans which the committee has adopted and recommended are less than \$50,000,000? Where will the Senator suggest that we save it?

The committee, I may say to him, after three weeks of hard work, day and night, receiving and considering suggestions for economy from all sources within the Government and out of it, did not succeed in finding any great amount of saving except in the pay of employees.

Mr. JOHNSON. I do not wish the Senator from Connecticut or any other member of the committee to think that I am critical of their work. That is not the point. I do not know, I say to him with frankness, because I have not studied the problem as he has studied it, where economies will come from; but there is something that is so repugnant to me at this time in taking from the charwomen who work in this Capitol and about this town, and from those who have salaries of \$1,000, \$1,500, \$2,000, and \$3,000 the money that we ought to save at this particular period that I will go any length with the Senator or with my fellows here in taking from any departments or in any other fashion that may be accorded us, if there be such, what is necessary to effect the economies desired.

I want to get away, if I can, from taking this money, the amount we have taken, at least, from those who have little and those who are supporting themselves, supporting, perhaps, members of their families, living God knows how in these times; taking from them half of the money the Government says by an economy bill it must save under these circumstances.

Mr. BINGHAM. Mr. President, one-half of our expense goes to the veterans. Would the Senator care to vote to take 10 per cent of all the money to be given to the veterans?

Mr. JOHNSON. I would not take 10 per cent as a yard measure in any case. If I had the ability, and the time, and the opportunity, and the knowledge I would go through all the items of the particular bureau and see whether or not anything could be taken legitimately from the bureau.

Mr. BINGHAM. That is what the committee has done.

Mr. JOHNSON. I do not question that; but the Senator must remember, let me say to him again, that the Senate has not had an opportunity to investigate, and my queries have been for the purpose of eliciting information wholly. We have had no opportunity to see the measure, to know what the committee has done. We recognize the ability, the perspicacity, the perspicuity, the shrewdness, and all of those attributes which go with a United States Senator on this committee, and we know that the committee did its utmost. Do not, I beg you, think I am critical of it in the slightest degree. I am asking for information, and to see whether it is not possible that there may be some other way of effecting economies in this Government besides taking from those who have not anything to-day, and who. God knows, have difficulty enough in living in these times.

Mr. VANDENBERG. Mr. President, will the Senator from Washington be good enough to make a brief statement as to why the furlough plan was discarded in favor of the straight salary cut?

Mr. JONES. Mr. President, some of us were in favor of the furlough plan, and we considered it, but the general sentiment in the committee seemed to be that it would be extremely difficult to carry out such a plan. Take the rural carriers and the free-delivery carriers, for instance. It would be almost impossible to apply the furlough plan to them. So, after considering all the difficulties, as I said a while ago, and especially things like that, where we could

not possibly arrange with the employees to give them a definite furlough without disarranging the entire service, we were forced to come around practically to the straight cut.

The Senator from Iowa [Mr. Dickinson] was very much inclined to favor the furlough plan, but I think he saw the difficulties and recognized them, and felt that we had to give that up and take up this other system.

Mr. LA FOLLETTE. Mr. President, I think the questions asked by the Senator from California [Mr. Johnson] of the Senator from Connecticut [Mr. Bingham] are important in considering the policy which the Senate and the House are to adopt concerning this effort at economy.

I am not at all sure that I have taken the right method to ascertain what part of the cut in salaries is to fall on the various salary groups. I would like to have the attention of the Senator from Washington, and if I have not taken the right method of arriving at a general basis of approximate calculation I wish he would correct me.

As I understand it, the committee reports that if a 10 per cent salary reduction is applied to all salaries there will be a saving of approximately \$121,000,000.

Mr. BINGHAM. That is, taking out the enlisted per-

Mr. LA FOLLETTE. I do not want to confuse it with that. What the committee reports—and what we are talking about—is the 10 per cent reduction in all salaries, as the committee has reported it.

In the House report, on page 4, there is a table entitled "Savings Under Various Percentages and Exemptions." Various percentages from 5 to 15 per cent are tabulated, and then, under the title "Exemption," there is a column of \$500, \$1,000, \$1,500, and \$2,000.

As I understand that table, what it purports to show is that if a 10 per cent reduction on salaries of \$2,000 and above is made, there will be a saving to the Government, as the result of that reduction, of \$16,665,000.

It seems to me that the way to find out how much of this reduction is coming from the group receiving \$2,000 or less is to take the total amount of savings reported by the committee, with the flat 10 per cent reduction on all salaries, and from that to subtract the savings which would be achieved if there were an exemption of \$2,000 and below.

Therefore, is it not correct to say that the group receiving \$2,000 and less will contribute to this \$121,000,000 of savings the amount of \$104,400,000, which is arrived at by subtracting from the total savings reported by the committee on a 10 per cent reduction basis, without exemption, the savings which would be achieved if there were an exemption of \$2,000 and below in the bill, namely, \$16,665,000?

Mr. BINGHAM. The trouble with the Senator's arithmetic, and the table which he is using, is that it contemplates exempting \$2,000 from the Senator's own salary, and all salaries, not charging any reduction whatever on the first \$2,000 of anybody's salary. It is not simply exempting salaries of \$2,000; it is an exemption of \$2,000 on all salaries.

Mr. LA FOLLETTE. If the Senator is correct about that, of course, I am wrong in my method. I assumed that this table was drawn up to show the effect of placing the various exemptions in the bill.

Mr. BINGHAM. That is true; but the exemption applies to all salaries. If it is \$2,000, it exempts entirely the \$2,000 salary, and all except \$5 on the \$2,005 salary.

Mr. LA FOLLETTE. Will the Senator refer me to any information contained either in the House or the Senate committee report which shows the effect of starting the reduction at a certain salary, not taking any of that salary, but taking 10 per cent on those above?

Mr. BINGHAM. That is what I tried to do; and if the Senator will turn to page 2 he will see plan 2, for instance, which proposes to place a 10 per cent cut on salaries of \$2,000 and over, which is estimated to raise \$75,000,000.

If the Senator will deduct that from the \$133,000,000 at the head of that column, which is what would be saved by placing a 10 per cent cut on all salaries, he will see that the difference between the two is the amount chargeable to salaries under \$2,000. But since the committee exempted all

enlisted personnel, it is necessary to take the figure \$121,-000,000 instead of the figure \$133,000,000, as given at the head of that column.

Mr. LA FOLLETTE. I thank the Senator for making that perfectly clear.

Mr. LOGAN. Mr. President, it seems to me that we are taking a very difficult way to find the results of a very simple calculation. I have seen published time after time a statement of the aggregate salaries of those receiving \$500, \$1,000, \$1,500, and \$2,000, and so on. If we had that table, any of us could tell exactly how much the 10 per cent would amount to on any group, and I know I have seen that table published. It probably has been placed in the Record. I simply desire to ask whether the committee had taken that into consideration.

Mr. BINGHAM. That table is in the RECORD.

Mr. LOGAN. If that table is in the Record, why should we have any confusion about the reduction of the salaries below \$2,000?

Mr. BINGHAM. The confusion arises from the fact that the House committee proposed two different plans, one that of exempting a certain number of salaries, namely, all those drawing \$1,000 and under, and other plan was exempting \$1,000 or \$2,000 or more from all salaries, as stated on page 4.

Mr. LOGAN. This table is not what I am talking about. A table has been published, which has appeared many times in the newspapers, I suppose prepared by the Civil Service Commission, showing the aggregate salaries of those being paid \$1,000, so many millions, the aggregate paid those getting \$1,500, so many millions, and so on. If we had that table, we would know exactly how much we would take from each group if we should adopt this particular plan.

Mr. BINGHAM. Mr. President, if the Senator will look on page 2, he will see, by multiplying by 10, that in plan 1, where all salaries are cut 10 per cent, the saving is estimated to be \$133,990.000. Hence the total amount paid for all salaries is \$1,399,000,000.

Mr. LOGAN. That still does not show the aggregate salaries as to the different groups at all. That shows the aggregate of the total salaries, but it does not show it as to the different groups. If we had that information, we would not be confused about how much the reduction would amount to on the salaries below \$2,000.

Mr. BYRNES. Mr. President, I simply want to state that the clerk of the committee has asked for a mathematical answer to the question of the Senator from Kentucky, and I think he will have that information in a few moments.

Mr. THOMAS of Oklahoma. Mr. President, I desire to ask the chairman of the committee a question. How much money is carried in the entire list of appropriation bills for repair work, extensions, and new construction? Approximately how much money is covered by those three items in all the bills?

Mr. JONES. About \$300,000,000, the Secretary says. I do not know myself. He has kept track of that closely, and he says about \$300,000,000.

Mr. THOMAS of Oklahoma. The second question is this: Does not the Senator think that Congress will provide some plan of unemployment relief in the way of public-works construction?

Mr. JONES. The Senator knows just as much about that as I do. There is considerable talk about it, and, as I understand, that is really on the program we expect to complete before the session is over. Personally, I think we should do something along those lines.

Mr. THOMAS of Oklahoma. Here is a suggestion I want to make to the committee and to the Senate.

Personally, I am very much opposed to reducing these lower salaries. Government workers who are getting, say, \$1,800 and less, or even \$2,000 and less, have their budgets so made that every dollar of their salaries is allocated in advance. Many of them are making payments upon homes, and if their salaries are cut I can foresee serious consequences to great numbers of them. Personally, I am not in favor of peducing the salaries of the poorer-paid employees.

If some plan could be devised whereby the poorer-paid employees would not have their salaries cut, whereby the salary cuts could start at salaries of \$1,800 or \$2,000 or \$2,400 or \$2,500, to be decided upon, and then the salaries above that cut on a graduated scale, cutting the first bracket, say, \$500, or a certain percentage, and as the salary increased increasing the cut, that to me would sound reasonable

We should go through the bills and eliminate from the bills the items for repairs, extensions, and new construction, lift them out bodily, and set them over into the unemployment-relief program, and finance that part of the expenditure by a bond issue. Proceeding in that way we could solve the present situation by postponing the new construction and repairs and extensions over a period of years. There is no occasion now for raising taxes to pay for construction that is to be used in the years to come. It occurs to me that if some such simple program could be decided upon we could well protect the great bulk of the Government workers and they would not be injured. receiving the higher salaries can stand a cut. We could make eliminations. The committee could take the War Department bill, for instance, and eliminate such items as river and harbor improvements, lift those out of the bill and put them into the unemployment-relief program, and finance them by a bond issue over a period of years.

It occurs to me that that is the way to solve this matter so as to avoid doing anybody substantial injustice, and, at the same time, transacting the business as it should be handled.

Mr. NORRIS. Mr. President, I should like to inquire of the Senator from Washington how long he expects to continue the session to-night. Is there any well-defined plan about the hours that are going to be devoted to legislation?

Mr. JONES. I wanted to proceed until about half past 5 if possible.

Mr. NORRIS. I am trying to find out whether those in charge of the proceedings here are going to crowd these bills through with the idea of adjourning before the national conventions.

Mr. JONES. The Senator need not ask me that question, although I do not hesitate to say I do not think there is any possibility of it. I do not think we ought to try to do it. I think that we ought to accord proper consideration to the measures before the Senate.

Mr. NORRIS. I am very glad to hear the Senator express himself in that way.

Mr. JONES. However, that is only my personal view.

Mr. MOSES. Mr. President, may I extract some information from the chairman of the committee?

Mr. NORRIS. I will try to extract some from the Senator from New Hampshire. What does he say about the program? Are we going to try to adjourn before the conventions?

Mr. MOSES. I do not know about the program, Mr. President.

Mr. NORRIS. Can not the Senator give me any information?

Mr. MOSES. I do know that there are some things in this bill which have not been attended to, and I myself want to offer two amendments, one of which means a very considerable amount of revenue to the Government, and the other corrects a most glaring oversight. If this bill is going to be jammed down our throats this afternoon, I want to know it.

Mr. McKELLAR. I hope, Mr. President—

Mr. NORRIS. I hope Senators will remember that I have the floor; I have not yielded it; I am not half through.

Mr. MOSES. Mr. President, will the Senator yield to me for one further observation?

Mr. REED. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it. Mr. REED. The quarrel effect is excellent, but it is impossible to understand any Senator so long as so many are talking at once.

Mr. NORRIS. That is a good point, but it has been a daily occurrence.

Mr. MOSES. Mr. President, will the Senator yield to me? Mr. NORRIS. I yield.

Mr. MOSES. I will try to enlighten the Senator so far as I may. I have these two amendments; I should like to have them printed so that the Senate may know what they are and may give some thought to them, and I should like to ask the Senator from Washington if time is going to be permitted for that sort of method of dealing with this bill?

Mr. JONES. Mr. President, may I answer the Senator? Mr. NORRIS. I yield to the Senator from Washington.

Mr. JONES. I do not think the Senator from Washington has ever tried to cram any bill down any Senator's throat and he does not expect to do so in this instance. All I expect to do is to progress as rapidly as we possibly can with the bill. If we can not get through with it to-day, using proper methods and going along in a proper way, of course, the bill will go over until to-morrow.

Mr. MOSES. Then if the Senator from Nebraska will permit me I will offer these amendments, to be printed and lie on the table, and I serve notice on the Senator from Washington that the bill will not be passed to-day, because I intend to have these amendments known to the Senate and discussed.

Mr. McKELLAR. Mr. President, will the Senator yield? Mr. NORRIS. I yield.

Mr. McKELLAR. I do not think it is the purpose of anyone to try to force this bill through to-day.

Mr. NORRIS. I am glad to learn that.

Mr. McKELLAR. I hope it will not be done, and I am quite sure it will not be.

Mr. NORRIS. I wanted to find out, if I could, whether we were going to keep going here with the idea of adjourning on account of the national conventions. There is a great deal of talk about it, and if that is going to be attempted, I wanted to interpose my objection and my weak voice to try to prevent it.

Mr. LEWIS. Mr. President-

Mr. NORRIS. I yield to the Senator from Illinois.

Mr. LEWIS. I take the daring liberty of asking the eminent Senator from Nebraska what interest he has in a Republican national convention? [Laughter.]

Mr. NORRIS. Mr. President, we have all read with a great deal of delight in the newspapers of the Senator's interest in the Democratic convention, but I will venture the assertion that, when the Democratic convention shall have concluded its deliberations, the Senator from Illinois will not have any more interest in a Democratic convention than I have now in a Republican convention. [Laughter.]

Mr. President, what it seems to me we ought to do is to get out of our minds that we are going to hurry through these appropriation bills and particularly the pending one. We have now reached in this bill the economy plan, and probably the most important of all its features is the amendment that is now pending. We ought to decide with deliberation the question involved. We are not in condition really to deliberate, as everybody knows. Furthermore, this billand our attention has been called to the fact by other Senators-has not been before us until to-day, and then after 12 o'clock. We have had no opportunity to read it, and the committee-and I say it without criticism of the committee, because I understand they pursued the course as a matter of self-preservation-could not tell anybody what they were doing or what they were going to bring out. I understand they were afraid to do that; they were afraid that they might not be able to bring anything out if they ever told anybody anything they were going to bring out.

Mr. JONES. That is about right.

Mr. NORRIS. So I say that without criticism. Now, we are confronted with the proposition as to where we are going to make the most important reduction of all. We are faced with it without any opportunity of considering it or comparing it with any other propositon that has ever been laid before us or that any of us has thought about; and we approach it after a strenuous effort during 15 days, working almost day and night, to pass the tax bill and balance the Budget. So it seems to me we ought to hesitate a little bit; we ought to follow the suggestion that has been made;

we ought to adjourn and let Senators have an opportunity to examine this bill and to study this most important question of all. We would all be in a little better state of mind to take it up in a deliberate and logical way if we would go home and go to bed.

Mr. JONES. I think the Senator is right, and if the Senator from Oregon is ready to move an executive session, I

shall not object.

Mr. BINGHAM. Mr. President, will the Senator from Washington yield to me?

Mr. NORRIS. I have about concluded, but I want Senators again to observe that I still have the floor. So do not let them ask the Senator from Washington whether or not they can get it.

Mr. SHORTRIDGE. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. SHORTRIDGE. I send to the desk a proposed amendment to the pending bill, the amendment being, on page 56, in line 24, to strike out the words "for night work." that the amendment may be printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. BYRNES. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield. Mr. BYRNES. If I may have the attention of the Senator from California [Mr. Johnson], I should like to say, in response to the question he asked as to the amount of saving which would be effected by the proposed reduction in salaries of less than \$2,000, that the clerk of the committee,

making the computation with the Director of the Bureau of Efficiency, states that the amount is \$43,300,000. Mr. Rea has handed me those figures.

Mr. JOHNSON. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield, but I hope the Senate will be in

The VICE PRESIDENT. The Senate will be in order.

Mr. JOHNSON. As I understood the Senator from South Carolina, the Bureau of Efficiency and the clerk of the Appropriations Committee have estimated the sum mentioned by the Senator from South Carolina as relating to salaries of \$2,000 and under?

Mr. BYRNES. Yes; that is what the clerk says.

Mr. JOHNSON. I thank the Senator.

Mr. NORRIS. Mr. President, I only have a word or two to say, and then I will conclude.

Mr. BINGHAM. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Connecticut?

Mr. NORRIS. I yield.

Mr. BINGHAM. A little earlier in the afternoon the Senator from Kentucky asked for a table which would state the annual rate of pay of Government employees, how many there were in each group, and cumulative cost of each group. These figures are in the RECORD of February 8, but since that is not before us, I ask that they may be printed in the RECORD in connection with this debate.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Number and cost of salaries of (a) civilian employees of the executive branch of the Government, and (b) military personnel [Compiled in January, 1932, from latest available information]

Annual rate of pay 1		Both civil and military				Civil					Military 1			
Not less than		Number 3		Salary cost 4		Number 3		Salary cost 4		Number 3		Salary cost 4		
		Number in group	Cumu- lative total	Cost for group	Cumulative cost 4	Num- ber in group	Cumu- lative total	Cost for group	Cumulative cost 1	Num- ber in group	Cumu- lative total	Cost for group	Cumulative cost \$	
(a)	(a)	(b)	(c)	(a)	(e)	(f)	(g)	(h)	(1)	(D)	(k)	m	(m)	
\$0.00 1, 100, 00 1, 100, 00 1, 100, 00 1, 200, 00 1, 400, 00 1, 500, 00 1, 600, 00 1, 600, 00 1, 600, 00 2, 100, 00 2, 100, 00 2, 100, 00 2, 100, 00 2, 100, 00 3, 100, 00 5, 100, 00 5, 100, 00 5, 100, 00 5, 100, 00 5, 100, 00	1, 290, 00 1, 300, 00 1, 500, 00 1, 600, 00 1, 600, 00 1, 600, 00 1, 700, 00 1, 700, 00 1, 800, 00 2, 100, 00 2, 200, 00 3, 200, 00 3, 300, 00 4, 400, 00 5, 500, 00 5,	59, 234, 24, 26, 528, 24, 26, 26, 26, 27, 29, 24, 26, 26, 27, 28, 28, 28, 28, 28, 28, 28, 28, 28, 28	618, 788 502, 205 502, 206 5047, 351 526, 211 498, 449 470, 554 439, 109 417, 166 374, 482 341, 481 316, 214 197, 455 58, 475 58, 475 49, 050 38, 5867 33, 972 49, 050 22, 301 19, 347 17, 888 15, 487 16, 338 17, 888 15, 487 16, 338 17, 888 15, 487 16, 338 17, 888 15, 487 16, 338 16, 487 16, 338 17, 888 17, 888 18, 487 18, 347 18, 347 18, 347 19, 479 11, 204 12, 084	28, 883, 355, 40, 41, 292, 696, 34, 22, 865, 154, 58, 32, 708, 889, 2708, 889, 865, 82, 708, 889, 865, 82, 708, 889, 865, 82, 75, 502, 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The annual rate of pay of civilian employees is the gross rate of pay and includes annual allowances for quarters, subsistence, or other facilities or services furnished the Government. The annual rate of pay of military personnel is the net rate of pay for both active and retired men. It does not include allowances as distinguished

¹ The annual rate of pay of civilian employees is the gross rate of pay and includes annual allowances for quarters, subsistence, or other facilities or services furnished by the Government. The annual rate of pay of military personnel is the net rate of pay for both active and retired men. It does not include allowances as distinguished from pay.

2''Military'' includes the military personnel of the Army, Navy, Marine Corps, Coast Guard, Public Health Service, and Coast and Geodetic Survey.

1 The "number in group" indicated at each rate of pay includes seasonal and temporary employees.

4 The "cost for group" indicated at each rate of pay includes amounts paid to seasonal and temporary employees.

4 The cumulative totals shown in columns lettered (c), (g), and (k), give the total number of persons receiving pay at an annual rate equal to or higher than the minimum rate indicated in column (a). The cumulative costs shown in columns lettered (e), (l), and (m), give the aggregate annual compensation of employees paid at an annual rate equal to or higher than the minimum rate indicated in column (a).

Number and cost of salaries of (a) civilian employees of the executive branch of the Government, and (b) military personnel—Continued

Annual rate of pay		Both civil and military				Civil					Military			
Not less than	But less than	Number		Salary cost		Number		Salary cost		Number		Salarý cost		
		Number in group	Cumu- lative total	Cost for group	Cumulative cost	Nam- ber in group	Cumu- lative total	Cost for group	Cumulative cost	Num- ber in group	Cumu- lative total	Cost for group	Cumulative cost	
(a)	(a)	(b)	(c)	(d)	(e)	(1)	(g)	(h)	(0)	(J)	(k)	(1)	(m)	
\$5, 200. 00 5, 400. 00 5, 600. 00 5, 800. 00 6, 500. 00 7, 500. 00 7, 500. 00 8, 500. 00 9, 000. 00 10, 000. 00 11, 000. 00 12, 000. 00 15, 000. 00	5, 600, 00 5, 800, 00 6, 900, 00 6, 500, 00 7, 900, 00 8, 900, 00 8, 500, 00 9, 900, 90 10, 900, 90 11, 900, 90	314 1, 324 442 1, 943 300 244 150 216 40 138 134	5, 843 5, 333 5, 019 3, 695 3, 253 1, 310 1, 001 757 607 391 351 213 79 73	1, 695, 752, 80 7, 441, 850, 80 2, 584, 669, 00 11, 694, 775, 00 1, 997, 424, 60 1, 710, 830, 00 1, 711, 672, 00 344, 500, 00 1, 243, 350, 00 1, 340, 000, 00	\$36, 624, 527. 80 33, 968, 757. 20 32, 273, 004. 40 24, 831, 153. 60 22, 296, 484. 60 10, 571, 709. 60 8, 574, 285. 00 6, 863, 455. 00 5, 752, 422. 00 4, 040, 750. 00 3, 996, 350. 00 2, 452, 900. 00 1, 112, 900. 00 1, 046, 900. 00 552, 000. 00	303 698 309 244 150 133 40 138 134 6	3, 817 3, 443 3, 132 2, 227 1, 924 1, 226 917 673 523 350 350 212 78 72 31	1, 679, 452, 80	\$24, 518, 797. 80 22, 576, 927. 20 20, 897, 474. 40 15, 863, 703. 60 9, 886, 203. 60 7, 888, 785. 00 6, 177, 955. 00 5, 006, 922. 00 4, 019, 250. 00 2, 431, 400. 00 1, 025, 400. 00 530, 500. 00	3 419 139 1, 245	1, 887 1, 468 1, 329 84 84 84	16, 300. 00 2, 408, 080. 00 805, 950. 00 7, 476, 000. 00	11, 391, 830, 00 11, 375, 530, 00 8, 967, 450, 00	

Nors.—This is simply a restatement of the statement released by the Bureau of the Budget Jan. 20, 1932, the only difference being in the arrangement of the cumulative totals. In the statement of Jan. 30, 1932, the cumulative totals commence with the lowest salary rate. In this statement the cumulative totals commence with the highest salary rate.

Mr. NORRIS. Mr. President, just a word.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BRATTON. I will wait until the Senator has finished.

Mr. NORRIS. There will be time after I get through, and if Senators will not interrupt me I will be through in a very short time. I want to say just a word more about our work.

I believe, Mr. President, that we ought to proceed in a deliberate way, performing our work in a deliberate, logical way, without reference to any stipulated or imaginary date upon which the Congress is to adjourn. That will mean that we will not be able to finish before the national conventions; but, so far as I am concerned, I am perfectly willing when we reach the time when the Republican National Convention is to be held, if any reasonable number of Senators want to attend the show, that we should take a recess. I will make the same statement as to the Democratic convention. Personally I do not see any reason why we should take a recess on account of the Republican convention, because we have our machinery so well organized, and all the cogs and different parts of it working in such complete harmony, that we know now what the outcome is going to be, that it will be automatic in its operation, and it will not need the attendance of any of the great statesmen who are honoring me with their presence. [Laughter.] Yet, Mr. President, I realize that unforeseen things happen sometimes, and I tell you that I would never forgive myself if I stayed away from that convention and something happened to Mr. Hoover's machine.

On the Democratic side, however, they have a fight, as they usually do [laughter]; they will have to take some time, and we ought to give it to them, because I have no doubt they will put on a show that will be worth seeing. It will take place before the new revenue law shall go into effect, so that there will be no tax on admissions.

I yield to the Senator from Illinois. [Laughter on the floor and in the galleries.]

The VICE PRESIDENT. The Chair announces that there must be no demonstrations in the galleries. He is not going to announce it again; he means it; if there are any more themonstrations in the galleries, the Chair will order the galleries cleared.

Mr. LEWIS. Mr. President, I did not address my eminent friend, the Senator from Nebraska, Brother Norris, but, observing that he had adverted to the coming Republican National Convention with something of a mournful attitude, an attitude becoming to one preparing to be a pall-

bearer, and then he turned to me with a gleefulness in his countenance, as if entertaining the thought that only at the Democratic convention would there be hope and refuge, I want to say that I was a little at a loss to discover why. in turning to me, he found in my presence as a proposed candidate the first sad presages of failure and of a possible unsatisfactory result from the Democratic convention. He translated this thought by saying we always fight, therefore there will be disorder and confusion. While I think as to his prophecy, when the proceedings shall have been concluded, there may be revealed some sort of disappointment to some of us equal to that which he will feel as to his own convention, I desire to let my eminent friend know that, as for myself, I will be quite free to say that the perfect candidate for my convention can be seen by me only in the lookingglass. [Laughter.] I really can conceive very little of hardship or of affliction in that selection as could befall us so severely as that crash and crush of the Hoover machine to which our eminent friend from Nebraska intimates. The Senator has kindly intimated something as to aspirations of myself or the hopes of those who venture for a moment to think that I could be an adornment to that convention if I reap no profitable result from its deliberations.

Mr. BANKHEAD. Out of order, I desire to offer an amendment, which I will ask to have read, printed, and lie on the table.

The VICE PRESIDENT. Is there objection to the reading of the amendment? The Chair hears none, and the clerk will read.

The legislative clerk read as follows:

At the proper place in the bill add a new section, to read as follows:

"SEC. 409. The President is hereby authorized and empowered to suspend during any part or all of the next fiscal year the operation of independent offices, bureaus, and commissions, and to discontinue personnel, services, costs, expenses, and salaries in any of the executive and independent departments and agencies and offices of the Government. This authority and power is temporarily vested in the President so that he may prevent the expenses of the Government exceeding its income for the next fiscal year."

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. BLAINE. Mr. President, William Green, president of the American Federation of Labor, recently prepared a statement which I assume has been addressed to all Members of the Senate with reference to the economy bill. I ask that it may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement referred to is as follows:

WASHINGTON, D. C., June 1, 1932.

Because of the deep interest which the American Federation of Labor takes in the economic welfare of the Government employees, we are deeply concerned over the provisions in the economy For this reason I am taking the liberty of communicating with you to officially advise you of the position of the American Federation of Labor and of labor generally throughout the Nation so far as the American Federation of Labor can speak for it.

the American Federation of Labor can speak for it.

It is the opinion of the officers and members of the American Federation of Labor that a reduction in the salaries and wages of the Government employees would be economically wrong. Through such action a great injustice would be imposed upon thousands of Government workers without a corresponding benefit to the Government. Wage cutting on the part of the Government would aggravate the disturbed state of mind which already exists, would intensify a paralysis of buying power, which at the present moment is having such a disastrous economic effect and would increase the social unrest and economic discontent which is so noticeable in all sections of the land. Private employers have

ment is having such a disastrous economic elect and would increase the social unrest and economic discontent which is so noticeable in all sections of the land. Private employers have followed an unwise policy of wage cutting and have aroused feeling and passion in the minds of the masses of the people everywhere. They believe that wage cutting on the part of the Government will be the signal for further reductions in private industry.

In my judgment, a great service can be rendered the people by the Congress of the United States if it will officially declare itself in opposition to the lowering of living standards and in favor of the preservation of the wages and conditions which Federal employees have gained through years of struggle and effort. Such action would strengthen and encourage employers in private industry who are endeavoring with all the power they possess to maintain wages, to prevent reductions in salaries, and to encourage buying power, so that the Nation may early regain its normal course. We can not bring back prosperity to the Nation if we continue to destroy buying power through the imposition of wage cuts amounting to millions of dollars.

When the masses of the people are compelled to accept less in wages they are compelled by sheer force of circumstances to buy

When the masses of the people are compelled to accept less in wages they are compelled by sheer force of circumstances to buy less. Industry can not produce when workers are unable to buy. There is every reason why the Government should set an example to private industry. At least it should maintain an American standard of living commensurate with the requirements of American citizenship. Congress should be self-possessed even though the managers of private industry are influenced by a wage-cutting hysteria which obviously is having disastrous effects upon the economic life of the Nation. Sane men ought to see that the need of the hour is to build up and increase buying power. We can not, I assure you, bring about economic recovery by weakening and destroying the purchasing power of the masses of the people.

I sincerely hope Congress will find ways and means to economize and reduce Government expenses without reducing wages, without lowering the living standard, and without striking a blow at those intangible human values which after all are the most lasting and abiding of all. May I appeal to you in the name and in behalf of the working people of the Nation, the men and women employed both in public and private enterprises, to oppose pay cuts for Government employees and to boldly announce that so far as the Federal Government is concerned wage cutting must cease, so that the standard of American life and living may be permanently established and securely maintained?

Very streetely yours

established and securely maintained?

Very sincerely yours,

WM. GREEN President American Federation of Labor.

THE ECONOMIC SITUATION

Mr. GOLDSBOROUGH. Mr. President, this morning I received a communication, addressed to the Congress of the United States and signed by 62 members of the faculty of the Johns Hopkins University, many of them figures of national and international prominence.

The communication is divided into four short sections, dealing with separate phases of congressional activity and strongly urging prompt action in balancing the Budget, putting into effect economies in Government expenditures. thus demonstrating to the country the capacity and resolution of Congress to meet the situation now confronting it.

In a few brief sentences, this communication sets forth in a forceful manner a cross section of the thought of the American public. Its context is illuminating, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

The undersigned citizens of Maryland, members of both the major political parties, beg to submit to the Congress the following representations:

First. When the Congress assembled in December, the country faced one of the gravest crises in its history. The processes of industry and trade upon which the well-being of the whole people

depends had become obstructed and disorganized upon a larger scale and in a more disastrous degree than at any previous time. It was evident that without prompt and wise congressional action these conditions were likely not only to continue but to grow worse. Every day's delay in taking such action meant an increase in the distress from which the people were suffering; it meant also that the needed remedies would be less efficacious and more difficult to apply. A reasonable time for the discussion and formudifficult to apply. A reasonable time for the discussion and formulation of the course to be taken must, indeed, be allowed. But half a year has now elapsed, and no decision upon the major questions confronting the National Legislature has been reached. The Congress, as a collective body, still presents to the country the spectacle of vacillating policies, divided counsels, factional bickerings, and partisan recriminations, and individual obstructionists are permitted to delay action by interminable speech making while the state of the Nation becomes steadily worse. Some useful but inadequate measures have, indeed, been enacted, but the two essential duties laid upon the Congress by the national emergency remain unperformed. We beg leave, therefore, to point out to remain unperformed. We beg leave, therefore, to point out to Members of both branches of the Congress that time is of the essence of the remedy, and that the patience of the people is becoming, if it has not already become, exhausted. Whatever is to be done ought to be done now.

to be done ought to be done now.

Second. The two primary and essential measures called for by the present situation are evident. The first is the prompt adoption of a Budget balanced both by vigorous retrenchment in the expenditures of all Federal departments and by adequate emergency taxation. A budget is not balanced unless the estimates of revenue upon which it is based are the most recent available and are highly conservative; and nothing is gained if, after such a balance of income and expenditures is established, it is speedily unset by vast appropriations for unproductive expenditures for upset by vast appropriations for unproductive expenditures for which the Budget does not provide or which can be provided only by further taxation so excessive and ill adjusted as to increase the grave derangement of our economic mechanism, and thus to grave derangement of our economic mechanism, and thus to diminish the very sources from which governmental revenue and industrial credits can be obtained. The reason why a balanced Budget is necessary can hardly need to be stated. It is that the first essential for the reestablishment of confidence and the renewal of enterprise is that the credit of the National Government, and therefore of our general financial system, shall be placed beyond question by any intelligent person, either at home or abroad. The second measure indispensable in the present crisis is that provision be made, under proper safeguards, for the extension of Federal credit to productive and self-liquidating enterprises, both public and private, so that the wheels of industry shall be again set in motion with the least possible delay and also without danger of future impairment of the security of governmental obligations.

shall be again set in motion with the least possible delay and also without danger of future impairment of the security of governmental obligations.

Third. Millions of our citizens, able and willing to work, are unemployed. Adequate and timely provision for their needs must be made. The raising and administering of public funds for local relief is primarily the clear duty of State and municipal governments; but if any States are unable to obtain such funds in sufficient amount, it will become necessary that they be assisted through loans from the Federal Treasury. Imperative and urgent though unemployment relief is, it is manifestly only a palliative and in itself an evil. The chief concern of the National Government should be the speedy restoration of normal conditions which will bring the present widespread unemployment to an end. We hope and believe that the government and people of Maryland will do all that is requisite to provide for all citizens of the State who are in need; but the causes which have made them so it is not within the power of this or any State to remove or materially affect by legislative action.

Fourth. A situation such as the present one offers temptation to selfish interests to seek to extract private or local advantage, or seeming advantage, out of the urgency of the general need. Attempts to do this have been apparent in the present congressional session. They are exemplified in proposals to incorporate in pending bills for emergency taxation protective tariffs upon particular commodities—tariffs not determined by their revenue-producing value but solely by the purpose of affording special favors to certain industries, regardless of the effect upon our national economy as a whole. The only consequences of the inclusion of such clauses in these bills will be to convert what should be a common effort to avert national disaster into a shameful struggle for advantage between special or sectional interests; to intensify the existing economic disorders; to increase the burdens of agricul A similar attempt is to be seen in proposals to appropriate, under the guise of unemployment relief, large specific sums for unneeded public buildings in particular localities. Such proposals are essentially appeals to local cupidities rather than considered plans for dealing with the fundamentals of the problem, either of relief or of economic reconstruction as a whole. We desire, as we confidently expect, that the representatives of Maryland, in either House, will, in the present critical situation of the whole country, act with a view solely to the national interest, and that they will seek no special advantage for any industry any locality or any seek no special advantage for any industry, any locality, or any group in this State or in their several constituencies. Any other attitude would not only be disloyalty to the Nation but would be contrary to the real interests of every individual. Only remedies directed to the correction of the general disorder of our economic

life can be of substantial advantage to any of us. Only national-minded, farseeing, unflinching, and above all prompt action by those into whose hands the conduct of our common affairs has been intrusted, can save the people of the United States from even graver evils than those from which they now suffer.

Respectfully submitted.

Joseph S. Ames, William H. Welch, George E. Barnett, W. O. Weyforth, H. C. Lancaster, Kemp Malone, Ernest Felse, A. O. Lovejoy, R. D. Havens, Hazelton Spencer, James Hart, E. A. Andrews, E. E. Franklin, D. S. Johnson, W. S. Holt, George H. Evans, jr., Sidney Painter, Kent Roberts Greenfield, R. J. Bullock, H. E. Yntema, R. P. Cowles, C. W. E. Miller, L. Wardlaw Miles, S. Page Nelson, J. B. Whitehead, Walter A. Patrick, J. C. S. Frazer, David M. Robinson, Lewis P. Shanks, John C. French, Edward W. Berry, Edward B. Mathews, John H. Gregory, S. J. Mast, Winford H. Smith, Warfield T. Longcope, Edmund P. Carter, Benj. M. Baker, jr., E. Cowles Andrus, Geo. A. Harrop, jr., L. J. Soffer, C. Holmes Boyd, Henry M. Thomas, jr., Moses Paulson, Jos. N. Lieler, T. P. Magill, J. A. Campbell Colston, Angus L. MacLean, Walter L. Denny, Alan M. Chesney, Perren H. Long, Sydney R. Miller, L. Emmett Holt, jr., Mary V. Buell, Paul Padget, Lay Martin, Benj. Tappen, Edwards A. Park, H. C. Tidwell, Warren M. Cox, jr., Charles O'Donovan, jr., Mary-Lee Carroll.

COMPILATION OF LAWS RELATING TO VETERANS

Mr. HAYDEN. I am directed by the Committee on Printing to report favorably with an amendment Senate Concurrent Resolution No. 29, and I submit a report (No. 759) thereon.

Mr. NORRIS. I ask unanimous consent for the immediate consideration of the concurrent resolution.

The VICE PRESIDENT. Let the concurrent resolution be reported for the information of the Senate.

The legislative clerk read the concurrent resolution (S. Con. Res. 29) submitted by Mr. Norris on May 19, 1932, as follows:

The VICE PRESIDENT. The amendment reported by the committee will be stated.

The amendment was to strike out all after the resolving clause and in lieu thereof to insert:

That the letter of the Administrator of Veterans' Affairs, dated May 12, 1932, transmitting, in response to Senate Resolution No. 412 (71st Cong.), a compilation of all Federal laws relating to the veterans of our various wars, be printed, with illustrations, as a Senate document; and that 15,000 additional copies shall be printed for distribution by the Veterans' Administration of which there may be furnished, upon written application to the Administrator of Veterans' Affairs, one copy to each post of the Grand Army of the Republic, the American Legion, and the Veterans of Foreign Wars of the United States; to each camp of the United Spanish War Veterans, and to each chapter of the Disabled American Veterans of the World War.

The VICE PRESIDENT. The question is on agreeing to the amendment to the concurrent resolution.

The amendment was agreed to.

The concurrent resolution as amended was agreed to.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORT FROM POST OFFICE COMMITTEE

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the calendar.

The VICE PRESIDENT. If there be no further reports of committees, the calendar is in order.

UNITED STATES SHIPPING BOARD

The legislative clerk read the nomination of T. V. O'Connor, of New York, to be member United States Shipping Board.

Mr. McKELLAR. I ask that the nomination go over for this afternoon. I am not able to take it up now.

Mr. JOHNSON. Mr. President, I do not want to object to the request of the Senator from Tennessee, but I want to call his attention to the fact that the term expires on the 7th day of June and action should be had one way or the other before that time.

Mr. McKELLAR. The moment that I am able to discuss it I shall be very glad to have it taken up and I will confer with the Senator about it.

Mr. JOHNSON. I hope the Senator will confer with the Senator from New York [Mr. COPELAND].

Mr. McKELLAR. I will.

Mr. JOHNSON. I know the intention of the Senator from New York is to respect the wishes of the Senator from Tennessee, but necessity exists for action before the 7th of June.

Mr. McKELLAR. Mr. President, I am quite sure that there will be no reason why it could not be done before that time.

The VICE PRESIDENT. The clerk will state the next nomination on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of B. B. Montgomery to be United States marshal, northern district of Mississippi.

Mr. SHORTRIDGE. I ask that that may go over until the next executive session.

The VICE PRESIDENT. The nomination will be passed over.

The legislative clerk read the nomination of Anthony Savage to be United States attorney, western district of Washington.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of G. Fred Flanders to be United States marshal, southern district of Georgia.

Mr. HEBERT. Mr. President, the Senator from Delaware [Mr. Hastings] opposed the confirmation of this nomination when it was up before. I do not see him in the Chamber; and I suggest, therefore, that it go over.

Mr. GEORGE. Mr. President, I did not understand what the Senator had to say, and I should like to hear it.

The VICE PRESIDENT. Let the Senate be in order so that Senators may be heard.

Mr. HEBERT. When this nomination was submitted at the previous executive session the Senator from Delaware [Mr. Hastings] opposed confirmation. He is absent from the Chamber at this moment, and I do not know what his attitude would be; but in his absence I suggested that it might go over.

Mr. GEORGE. Mr. President, I have no objection to the nomination going over; but the Senator from Delaware reported the nomination.

Mr. HEBERT. I am quite aware of that, and yet I make the statement that he opposed confirmation of the nomination when it was before the Senate previously.

Mr. GEORGE. The Senator from Illinois or the Senator from Delaware? I did not understand the Senator.

Mr. HEBERT. The Senator from Delaware [Mr. Hastings].

The VICE PRESIDENT. The Chair thinks perhaps the Senator is mistaken.

Mr. GEORGE. I think the Senator must be mistaken, because the Senator from Delaware made the report; but I shall not object to it.

Mr. NORRIS. Mr. President, I think the Senator is in error; but I am not advised as to whether the Senator from Delaware is opposing this nomination. I suggest that it go over, however, so that there may be no doubt about it.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

Mr. WATSON. I will say, however, that the one he is objecting to is Mr. B. B. Montgomery, nominated for United States marshal, northern district of Mississippi.

Mr. NORRIS. No.

Mr. SHORTRIDGE. That has gone over.

Mr. NORRIS. This is the case of G. Fred Flanders.

The VICE PRESIDENT. The clerk will state the next nomination on the calendar.

Mr. HEBERT subsequently said: Mr. President, a moment ago I made the statement that the Senator from Delaware [Mr. Hastings] had objected to the confirmation of the nomination of G. Fred Flanders as United States marshal for the southern district of Georgia. I am informed now, and I think correctly, that I was in error. The Senator from Delaware objected to the nomination of a marshal for a district of Mississippi, and not in the State of Georgia.

Mr. NORRIS. I thought the Senator was in error, but still I did not want to have any mistake occur. I think, now, that we ought to ask that that nomination be confirmed.

Mr. HEBERT. Personally I have no objection, Mr. President, and have had none.

The VICE PRESIDENT. The nomination will be read.

The Chief Clerk read the nomination of G. Fred Flanders to be United States marshal, southern district of Georgia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The Chief Clerk read the nomination of John C. Tulloch to be collector of customs, customs collection district No. 7, Ogdensburg, N. Y.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of George D. Hubbard to be collector of customs, customs collection district No. 30. Seattle, Wash.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC UTILITIES COMMISSION

The Chief Clerk read the nomination of Mason M. Patrick to be member, Public Utilities Commission, District of Columbia, for a term of three years, from July 1, 1932.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk read the nomination of Leo W. Tucker to be surgeon, Public Health Service, to rank as such from June 15, 1932.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COAST GUARD

The Chief Clerk read the nomination of Harry G. Hamlet to be commandant, with the rank of rear admiral, for term of four years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

INTERIOR DEPARTMENT-REGISTER OF LAND OFFICE

The Chief Clerk read the nomination of Arthur Wellington Doland to be register, Spokane, Wash.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. ODDIE. I ask unanimous consent that the nominations of postmasters be confirmed en bloc, with the exception of the nomination of Harry Aitken, to be postmaster at Clearfield, Iowa; and in that case I ask that the nomination be rereferred to the committee.

Mr. LA FOLLETTE. Mr. President, I was going to ask the Senator if he would have any objection to making the same request with regard to Calendar No. 4615. The matter has been called to my attention recently; and I should like to have the nomination taken back to the committee, and then I will confer with the Senator about it.

Mr. ODDIE. At the request of the Senator from Wisconsin, I will ask that that course be taken.

The VICE PRESIDENT. Without objection, those two nominations will be excepted.

Mr. NORRIS. Mr. President, I should like to inquire of the Senator from Tennessee if the nominations of the postmasters I was conferring with him about are on the calendar?

Mr. McKELLAR. They are not on the calendar, and I have not yet had an opportunity to confer about them.

Mr. NORRIS. I have no objection to the request.

The VICE PRESIDENT. Without objection, the nominations of postmasters on the calendar will be confirmed en bloc except the two referred to by the Senator from Nevada.

IN THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Marine Corps.

Mr. HALE. Mr. President, I ask that the nominations in the Marine Corps be confirmed en bloc; and in view of the fact that these boys graduate to-morrow from the academy, and should receive their commissions at that time, I ask unanimous consent that the President be at once notified.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

IN THE NAVY

Mr. HALE. I have also the nomination of Midshipman Halford A. Knoertzer to be an ensign in the Navy. For some reason this name did not appear with that of the other midshipmen a few days ago when their nominations came before the Senate. I ask unanimous consent that that nomination be confirmed, and the President notified.

The VICE PRESIDENT. Let it be read to the Senate.

The Chief Clerk read the nomination of Midshipman Halford A. Knoertzer to be an ensign in the Navy, revocable for two years, from the 2d day of June, 1932.

Mr. HALE. I ask unanimous consent that the nomination be confirmed and the President notified.

The VICE PRESIDENT. Without objection, the nomination is confirmed and the President will be notified.

Mr. HALE. I report from the Naval Affairs Committee sundry nominations for the calendar.

The VICE PRESIDENT. The other nominations will go to the calendar.

The nominations referred to are as follows:

Lieut. Commander Morton L. Deyo to be a commander in the Navy from the 1st day of December, 1931.

Lieut. Commander Harry G. Patrick to be a commander in the Navy from the 12th day of March, 1932.

Lieut. Commander Alfred E. Montgomery to be a commander in the Navy from the 8th day of April, 1932.

Lieut. Albert R. Myers to be a lieutenant commander in the Navy from the 4th day of June, 1931.

Lieut. Francis R. McDonnell to be a lieutenant commander in the Navy from the 30th day of June, 1931.

Lieut. (junior grade) John W. Price, jr., to be a lieutenant in the Navy from the 1st day of November, 1931.

Lieut. (junior grade) Robert M. Morris to be a lieutenant in the Navy from the 1st day of December, 1931.

Lieut. (junior grade) Wells L. Field to be a lieutenant in the Navy from the 1st day of February, 1932.

Lieut. (junior grade) Harry A. Dunn, jr., to be a lieutenant in the Navy from the 1st day of May, 1932.

Surg. Charles S. Stephenson to be a medical inspector in the Navy, with the rank of commander, from the 1st day of November. 1931.

Passed Asst. Surg. Howell C. Johnston to be a surgeon in the Navy, with the rank of lieutenant commander, from the 1st day of February, 1932.

The VICE PRESIDENT. That completes the calendar. The Senate resumed legislative session.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 4 o'clock and 26 minutes p.m.) the Senate took a recess until to-morrow, Thursday, June 2, 1932, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 1, 1932
UNITED STATES ATTORNEY

Anthony Savage to be United States attorney, western district of Washington.

UNITED STATES MARSHALL

G. Fred Flanders to be United States marshal, southern district of Georgia.

COLLECTORS OF CUSTOMS

John C. Tulloch to be collector of customs, customs collection district No. 7, Ogdensburg, N. Y.

George D. Hubbard to be collector of customs, customs collection district No. 30, Seattle, Wash.

REGISTER OF LAND OFFICE

Arthur Wellington Doland to be register, Spokane, Wash.

Member of the Public Utilities Commission of the District
OF Columbia

Mason M. Patrick to be a member Public Utilities Commission, District of Columbia.

PUBLIC HEALTH SERVICE

Leo W. Tucker to be surgeon, Public Health Service, to rank as such from June 15, 1932.

COAST GUARD

Harry G. Hamlet to be commandant, with the rank of rear admiral.

PROMOTIONS IN THE NAVY

Halford A. Knoertzer to be an ensign.

MARINE CORPS

To be second lieutenants

Walter Asmuth, jr.
James C. Bigler.
Robert O. Bisson.
Alpha L. Bowser, jr.
George N. Carroll.
Clarence O. Cobb.
Thomas J. Colley.
George Corson.
Robert L. Denig, jr.
Hector de Zayas.
William K. Enright.
Marion A. Fawcett.
Oscar A. Heinlein, jr.

Julian G. Humiston.
Cleo R. Keen.
Roland O. Lucier.
William B. B. Lyons.
Ellsworth N. Murray.
Robert R. Porter.
Paul J. Shovestul.
James G. Smith.
Marvin T. Starr.
Forest C. Thompson.
Joseph Thompson.
Harvey C. Tschirgi.
Howard J. Turton.

POSTMASTERS

ALABAMA

William L. Jones, Parrish. Gladys M. Bomar, Woodward.

ALASKA

Charles A. Sheldon, Seward.

ARIZONA

Paul D. Snyder, Ajo.

CALIFORNIA

Frances L. Summers, Arbuckle.
Dwight E. Knapp, Garberville.
William Henson, Riverdale.
John H. Strauch, jr., San Gabriel.
Marie E. Forster, San Juan Capistrano.
Warren A. Woods, Suisun City.
Harry E. Meyers, Yuba City.

CONNECTICUT

Edward S. Coulter, Essex. Judson B. Griswold, Ivoryton. Margaret C. Kelly, Noroton. Edward S. Lewis, Portland.

FLORIDA

Elia B. Colson, Deerfield.
Royal W. Storrs, De Funiak Springs.
Walter E. Clark, Fruitland Park.
Clara E. Mariner, Oviedo.
John B. Carlin, St. Cloud.

GEORGIA

John T. Cagle, Ball Ground. William H. Astin, Palmetto. George W. Bryan, Rossville.

HAWAII

Antone Silva, Hawi.

IDAHO

Edith M. Alexander, Genesee.

ILLINOIS

Jay F. Smith, Blue Island. Russell S. Brown, Brighton. Purl A. Scott, Chrisman. Harley S. Wheatley, De Soto. Robert K. Church, Dowell. Orville Donaldson, Edgewood. Roy O. Benson, Glenn Ellyn. Esther A. Lundberg, Greenview. Leo M. Stoecklin, Highland. Fred S. Wallich, Knoxville. William A. Abernathie, McClure. Oldham Paisley, Marion. Leonard E. Sheppard, National Stock Yards. Eugenia L. Prange, New Douglas. John C. Speck, Rankin. Lawrence M. Goodyear, Watseka. Claude A. Webster, Westmont. John F. Shimkus, Westville. Laura A. Gregory, Willisville.

INDIANA

Herschell A. Vermilya, Brownstown.
Clara I. Boesen, Griffith.
George E. Norman, Jasper.
Glenn B. King, Kirklin.
Leland L. Bond, Liberty.
John A. Jones, Marion.
Harold P. Willoughby, Spencer.
Detroit M. Simmons, Winchester.
George E. Thompson, Wingate.

IOWA

Melvin V. Smith, Akron.
Theodore B. Satory, Albert City.
William M. Bausch, Ashton.
John C. Dow, College Springs.
Elmer Akers, Decatur.
Dell P. Glazier, Fort Madison.
James O. Vail, Garden Grove.
Rose M. Fischbach, Granville,
Henry W. Huibregtse, Hull.
Fred R. Foster, Humeston.
John E. Mieras, Maurice.
Leon R. Valentine, Murray.
Elizabeth O'Reilly, New Albin.
Loys E. Couch, Newell.
Lyle J. McLaughlin, Schaller.

KANSAS

Herbert L. Fryback, Colby. Carroll B. Kelly, Wakeeney.

KENTUCKY

Susie H. Curran, Bedford.
Everett Hickman, Burlington.
George D. Scott, Carlisle.
George L. Wallace, Central City.
Trilby A. Russell, Kevil.
Gertrude Berry, La Center.
Mattie L. Wood, Russellville.
Henry H. Hargan, Vine Grove.
Harry Beall, Warsaw.
Era W. Peniston, Wilmore.

LOUISIANA

Mildred P. Prescott, Lutcher.

MARYLAND

Walter J. Crowe, East New Market. Mary B. Workman, Fort Howard. Eunice W. Dement, Indianhead. George E. Parsons, Marion Station. George S. Stevens, Millington. Lawrence M. Fraley, Oakland. Allan Urie, Rock Hall. Esther C. Baker, Woodbine.

MASSACHUSETTS

Henry N. Wixon, Dennis Port.

MICHIGAN

Frank Beedon, Croswell. Benjamin W. Somers, Hesperia. Margaret J. Stuber, Lexington.

MINNESOTA

Howard O. Haggberg, Isle. Homer B. Hanson, Morton, Dennis T. Mulhern, Waverly.

MISSISSIPPI '

John B. Going, Calhoun City. Ernest McC. Hawkins, Corinth. Mills T. Williams, Durant. Lena W. Price, Tutwiler. Francis C. Hayden, Vaughan.

MISSOURI

Walter L. Meyer, Auxvasse.
Earl E. Pillow, Clarkton.
Benjamin O. Byers, Creighton.
Otto A. Green, Galt.
Henry A. Illers, Jackson.
Mansfield W. Duston, Kingston.
Charles F. McKay, Knox City.
Edward F. Walden, Morehouse.
Samuel S. Rutan, Odessa.
James E. King, Savannah.
Dorothy M. Ritter, Wellington.

NEBRASKA

Milton R. Cox, Arapahoe.
Edward F. Farley, jr., Bancroft.
Hannah P. Eggleston, Bennet.
W. Ross Pedley, Bertrand.
Stanley E. Hemenway, Clearwater.
Archie L. Smith, Imperial.
Jacob H. Jimerson, Liberty.
Charles O. Lewis, Marquette.
Frank C. Patton, Omaha.
Arthur H. Logan, Ponca.
Myrtle L. Anderson, Republican City.
Lawrence A. Kibbee, Winnebago.

NEW JERSEY

Lyle W. Morehouse, Little Falls. Harry B. Mason, Pompton Lakes.

NEW YORK

Erwin Smith, Annandale on Hudson.
Nellie Fredricson, Cornwall on the Hudson.
Rudolph Silha, East Islip.
Joseph W. Cermak, East Northport.
Wallace Thurston, Floral Park.
Marcus O. Howell, Glen Head.
Miles C. Dales, Laurens.
Harry M. Lanpher, Lowville.
William W. Carpenter, Monticello.
Clarence H. Ash, Nedrow.
Copeland E. Smith, Olean.
J. Frank Smith, Patterson.
Alfred M. Butts, Sag Harbor.
William K. Dunwell, Southampton.
Elsie V. Webb, Union Springs.

NORTH CAROLINA

Ruth F. White, Colerain. Robert H. Clayton, Erlanger. Elmer D. Lansing, Montreat. Lucile L. White, Salemburg. Robert H. Dixon, Siler City.

LXXV-740

OHIO

Pearl W. Athey, Belpre.
Nestor J. Taylor, Beverly.
William F. Kubicek, Independence.
Robert E. Friel, Lore City.
Don B. Stanley, Lowell.
William A. Ray, Mount Sterling.
Frank M. Murphy, Murray City.
Rufus A. Borland, West Jefferson.

OKLAHOMA

Helen M. Lutes, Bennington.
Samuel H. Bundy, Bethany.
James A. Todd, Calumet.
Horatio E. Downing, Jet.
Alvin S. Gibson, Roosevelt.
James B. Cox, Stilwell.
Joseph H. Hopkins, Woodward.

PENNSYLVANIA

Wilferd R. Troxel, Aliquippa. Arthur E. Shannon, Beaverdale. William C. Drager, Boiling Springs. Wade M. Henderson, Brookville. Edward L. Beechey, Clymer. John Standring, Darby. Clyde S. McNeely, Dauphin. Lewis M. Watkins, jr., Drexel Hill. John H. Lyter, Elizabethville. Charles G. Fullerton, Freeport. Lionel W. Stevens, Knoxville. Ray K. Garman, Lemoyne. Paul L. Boyd, Mars. Maurice G. Coffey, Mill Hall. Seth E. Sterner, Montgomery. Thomas B. Painter, Muncy. Teresa G. Burke, Renovo. Laura C. Ehler, Shippenville. Mark Mumma, Steelton. Walter D. Lewis, Ulysses. John N. Snyder, Williamstown. Albert A. Campbell, Zelienople.

SOUTH DAKOTA

Paul M. Rickert, Sisseton. Edward J. Groat, Thunder Hawk.

TENNESSEE

Noble C. White, Pulaski.

UTAH

John McPhee, Salt Lake City.

VIRGINIA

Fitzhugh L. Davis, Altavista.

Joseph E. Dinwiddie, Appomattox.

Robert L. Olinger, Blacksburg.

Samuel T. Ranson, Bremo Bluff.

George A. Chrisman, Christiansburg.

Sam B. Jessee, Cleveland.

Hugh T. Arwood, Disputanta.

Bernard Willing, Irvington.

Guthrie R. Dunton, jr., White Stone.

WEST VIRGINIA

Gertrude O. Smith, Oak Hill. Homer S. Hatfield, Williamson.

WISCONSIN

William R. Hartley, Fountain City. Francis W. Altenburg, Hazel Green. Conrad Baetz, Two Rivers. C. Clyde Harris, Waupun.

WYOMING

Frank G. Brown, Fort Laramie, Benjamin G. Rodda, Gebo. Edna M. Booth, Sunrise.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 1, 1932

The House met at 12 o'clock noon.

The Rev. Hulbert A. Woolfall, rector of St. Mark's Church, Washington, D. C., offered the following prayer:

O Thou who art Heroic Love keep alive in our hearts that adventurous spirit that makes men scorn the way of safety that Thy will may be done. Give us understanding to love widely, power to build bravely, the spirit to witness humbly, and the mind to think fairly. Through Jesus Christ our

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10236. An act to provide revenue, equalize taxation,

and for other purposes.

The message also announced that the Senate insists upon its amendments to said bill, requests a conference with the House thereon, and appoints Mr. Smoot, Mr. Watson, Mr. REED, Mr. HARRISON, and Mr. King to be conferees on the part of the Senate.

CONGRESSIONAL WORK

Mr. SWANK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on congressional work. There was no objection.

Mr. SWANK. Mr. Speaker, expenses of government, locally and nationally, are too high and must be reduced, and this can be done without impairing its efficiency. Instead of increasing taxes, appropriations should be decreased. In attempting to reduce these expenses many obstacles are confronted. When a reduction is recommended in any appropriation bill in Congress the department affected at once begins a campaign against such reductions. If these departments and the administration would assist us, great reductions could be made. When the War Department appropriation bill was considered in the House, it made reductions below the recommendations of the President in the sum of

The Secretary of War, Chief of Staff, and the administration opposed these reductions. The appropriation bills that have passed the House this session have made appropriations below the recommendations of the President in the sum of \$161,455,101.56, and the total amount saved under the appropriations for 1932 is the sum of \$563,601,-223.35. Some of the big papers criticized the House for not meeting the President's demands on reductions, but the facts are that the House has greatly reduced the amounts recommended by the President.

The administration opposed the economy bill by trying to substitute the President's plan, and the President opposed a consolidation of the War and Navy Departments which would have saved another \$100,000,000 per year. Savings made in the economy bill, with the reductions made in the appropriation bills below the amounts recommended by the President, amount to more than \$200,000,000. The President did not say anything about expenses and taxes when he wanted his \$2,000,000,000 Reconstruction Finance Corporation act and his moratorium on foreign debts passed. I opposed these two measures because I was convinced that they were not in the interest of the American people. These foreign countries should pay us what they owe us and not saddle their debts upon the American taxpayers.

I voted for the economy bill and voted to reduce my own salary and office expenses along with the other salaries. Millions of dollars could be saved by abolishing certain bureaus and commissions and consolidating others and thus preventing duplications. I have always supported such legislation.

All the money to run the Government of the United States, with the exception of the amount collected through

the customhouses and in fines, is derived from the income tax. Under the present law a man and wife without children must have an income of more than \$3,500 per year before they pay any direct tax into the Treasury of the United States. Then there is an exemption of \$400 for each child. Therefore if a man and his wife have four children they pay no income tax unless their income is in excess of \$5,100 per year. I favor an income tax, and taxes should be borne largely by those most able to pay.

These international bankers, with their big incomes, tried to impose a sales tax upon the people and, if they had been successful, they could have had their own income taxes reduced. I opposed the sales tax and assisted in striking that provision from the tax bill. When this tax bill was considered in the House an amendment was adopted providing a tax of one-fourth of 1 per cent on sales on the stock exchanges. These sales for last year amounted to the enormous sum of \$32,000,000,000 and the tax proposed would amount to the sum of \$80,000,000. Several of us tried to have that rate increased to 1 per cent, and this would have increased our income from this source alone to the sum of \$320,000,000. No assistance was given us by the administration. You remember how these operators fleeced this country out of millions of dollars and they should be taxed.

Agriculture is our leading industry and prosperity must begin on the farm. I introduced farm bill H. R. 7797, which bill provides a plan for the farmers to get at least cost of producing that part of their crops consumed in this country. The bill abolishes the Farm Board and its excessive salaries and will greatly reduce Government expenses. It will prevent the salary of \$75,000 per year paid the vice president and general manager of the American Cotton Cooperative Association. With cotton at 5 cents per pound, as last fall,

it would take 3,000 bales to pay that one salary.

The president and general manager of the Grain Stabilization Corporation receives \$50,000 per year salary, and, with wheat at 30 cents per bushel, which the farmers received last fall, it would take 166,6663 bushels to pay that salary. The bill also prevents speculation in farm products on the stock exchanges. If this bill had been in effect last year, the farmers would have received \$1.09 per bushel for their wheat, 89 cents per bushel for their corn, 54 cents per bushel for their oats, and 16 cents per pound for their cotton. That is what the Department of Agriculture said it cost on an average to produce these crops. No additional appropriation or expense would be necessary, as the Department of Agriculture makes these estimates each year and has the machinery for administering the bill. On the 12th day of April, 1932, I delivered an address in this House and urged the speedy enactment of this bill, as I did before the Committee on Agriculture. It is indorsed by the entire Oklahoma delegation, by the Farmers' Educational and Cooperative Union of America, and by numerous farm organizations in Oklahoma and throughout the country. That part of the bill to secure the cost of production is also indorsed by the National Grange and the American Farm Bureau Federation. I am glad to say that the Senate Committee on Agriculture recently reported a bill favorably with that provision. I shall continue the fight for the passage of this bill or some similar bill to save agriculture from ruin.

I introduced a bill to give an extension of two years on Federal farm loans and providing for withholding foreclosures. If Congress would enact this bill, similar laws would follow in the different States, and this would give farmers an opportunity to save their homes.

Many of our leading economists agree that one of the greatest needs at this time is more money in circulation. Several bills for that purpose are pending in Congress, and if legislation of that kind were enacted and an effective bill on agriculture passed, then we would see a return to prosperity. The issuance and control of money must be taken out of the hands of the international bankers and the Government administered in behalf of our people.

I supported the bill to have 40,000,000 bushels of wheat ground into flour and given to the hungry. We will not let people starve in America in times when they can not find any work. I have always supported legislation for the benefit of our women and children. The security and sanctity of the home and family must be preserved. On the 18th day of February, 1932, I addressed the House on the peace resolution or "taking the profits out of war and draft capital in the event of another war." The manufacturers of death-dealing war material and the profiteers should know that if we have another war, they will not make any profits out of that war. This will do much to minimize the cause of war.

When the French debt to the United States was funded in the sum of \$4,025,000,000 more than one-half of that debt was canceled, which amounted to more than \$2,000,000,000. The Italian debt was likewise funded in the sum of \$2,042,-000,000, and 75 per cent, or about \$1,500,000,000 of that debt was canceled. These cancellations would much more than pay our veterans their adjusted-service certificates or would greatly reduce the expenses of our Government. I opposed these foreign-debt settlements and oppose a cancellation of the debts due us from foreign countries amounting to \$11,777,316,710.38. American investments of all kinds in foreign countries amount to \$45,000,000,000, and this value would be increased if the international bankers succeeded in canceling our foreign debt.

I always opposed high tariff laws which compel our farmers to pay twice as much for farm machinery as they did in 1914 and greatly increase the cost of living. I have succeeded in having 36 bills pass Congress and reported favorably by the committees, in addition to other benefits to the district. Most of my office work consists in handling claims for soldiers and their dependents, and I have been successful in putting thousands of them through the bureau. I like to help those who need assistance. Experience and knowing how to do it get results in Congress as it does in other lines of business. No matter how good a man's intentions are, he can not succeed here unless he knows how to do the work. I have worked my best to get our Indian affairs settled and what there is left paid to the members of the tribes. I was reared in the old Indian Territory part of Oklahoma and moved from what is now Garvin County to Cleveland County, where I now reside. The needs and desires of the people whom I have the honor to represent in Congress are therefore familiar to me. I have done my best, the record will show the results, and have always supported legislation for our disabled soldiers, working people, and business interests.

INDIANA LIMESTONE AS BUILDING MATERIAL

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on limestone building material, and to incorporate therein a letter from the Treasury Department, and certain parts of the Congres-SIONAL RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GREENWOOD. Mr. Speaker, Members of Congress, in their official capacity, are often called upon to make decisions which are subject to misinterpretation. There are always those who, for political purposes, seek to capitalize some action of a Representative and to alienate a group of voters because of some official procedure which the public does not understand. It is for this reason that I am reciting the facts concerning my services to the limestone industry of Monroe and Owen Counties of Indiana.

The Federal Government's program of construction of buildings has been inaugurated since I became your Representative and Indiana limestone has led all types of building stone, used by Uncle Sam. Most of the credit for this fact must go to former Representative Richard N. Elliot, of Connersville, Ind., who was chairman of the Committee on Public Buildings and Grounds of the House of Representatives, but he was persistently supported by Representative Wood and myself. So zealous were we in our efforts that we became known as the Indiana limestone bloc. Members of Congress from other States voiced heavy protests against the Indiana group in the House of Representatives where this building program originated.

May I quote from my own remarks, "Indiana limestone. material for public buildings," found in the Congressional RECORD of February, 1926:

Mr. Greenwood. Mr. Speaker, while we have under consideration the expenditure of millions of dollars for the construction of public buildings in the District of Columbia and throughout the public buildings in the District of Columbia and throughout the United States, it seems to me most appropriate to call my colleague's attention to the building qualities of Indiana limestone. This natural stone has been used quite extensively, and because of its great merit for durability, artistic elegance, and economy will be used more in the erection of public buildings. Oolitic of finest quality is one of the great natural resources of Indiana, found in Lawrence, Monroe, and Owen counties. It is known as Indiana limestone—sometimes called Bedford stone.

Builders of all time have discovered that oolitic limestone meets

the requirements for durability. St. Paul's Cathedral, of London, built of English limestone, is historic, but English limestone is but a poor second in quality to the deposits found in Indiana.

Here in our Capital City are public buildings and beautiful residences that are testimonials of the value and beauty of this

residences that are testimonials of the value and beauty of this stone. Among the latter are the Wilkins residence, now occupied by Mr. Mellon, Secretary of the Treasury, and the beautiful home offered to Congress by Mrs. Henderson for the use of the Vice President. The interior walls of the House and Senate Office Buildings, the Chamber of Commerce, Veterans' Bureau, and many banks are built of limestone.

In the business world are many specimens of commercial buildings that have put Indiana limestone at the top of the list as a material for construction. New York City has favored this product in the erection of the Grand Central Terminal Station, Cunard Building, Standard Oil Building, New York Cotton Ex-

change, while Chicago has showed her preference in the Tribune Building, the Straus Building, and the University Club.

There are five State capitols constructed of Indiana limestone. Among these is the one at Indianapolis, in the State where Mother Nature bestowed the material resource of this deposit of stone.

Think of a building stone that is thirty-five times as strong as is necessary to bear the load. Indiana limestone has a strength of 7,000 pounds per square inch on 2-inch cubes and more on larger stone and this is twice the strength of the best quality of

Oolitic comes in three colors—buff, gray, and variegated. It has fire-resisting qualities. It can be heated to 1,000° F. and then drenched with water without any appreciable bad effect.

Mr. Speaker, Indiana hopes to share in this great Government project and wants to contribute of her natural resources to help

enrich the Nation. We can not believe that this is an unholy desire.

If these public buildings are constructed by virtue of the socalled Elliott bill, which I supported, then they should be built of a material of strength, durability, and beauty. To have all the elements of successful construction, to meet the requirements of elements of successful construction, to meet the requirements of not only this age but the future generations, to obtain the satisfaction of having buildings of which we can always be proud as to looks and permanence, and to do this at a reasonable cost, in which value is received for the expenditure, I would recommend that these Government buildings be constructed of Indiana limestone, the Nation's building stone.

Time has disclosed that the Treasury Department has accepted the advice given by Representative Elliott, myself, and others in the construction of the post offices, Federal buildings built pursuant to the Elliott bill. In further evidence of this conclusion I here incorporate a letter of S. Lowman, Assistant Secretary of the Treasury of the United States. In percentage of cost in the public-building program, limestone obtains from 55 to 65 per cent.

TREASURY DEPARTMENT, Washington, May 26, 1932.

Hon. ARTHUR H. GREENWOOD,

House of Representatives, Washington, D. C.

My Dear Congressman: Reference is made to your letter of May
14 and also to telephone communication of May 24 concerning the
relative cost of Indiana limestone and other materials used in

relative cost of Indiana limestone and other materials used in facing Government buildings.

As was explained to you over the telephone, this department does not have the information that you requested. The contracts awarded by this department are on a lump-sum basis and do not contain unit prices for any of the materials. However, it is believed that the following information will give you what you requested over the telephone:

requested over the telephone:

The buildings constructed by this department may be, for the purposes of this information, divided into five classes, as follows:

1. Brick faced, with stone trim: The majority of the smaller buildings are brick faced, with a varying amount of stone trim. The trim is usually limestone, but in some few cases is sandstone, marble, or granite. This type of building constitutes approximately 62 per cent of the total number of buildings.

2. Limestone faced: In some cases, where local conditions demand, the smaller buildings are faced with limestone. The majority of the larger buildings are also faced with this material. The average building in this class will have granite curb, steps, base course, and water table; that is, everything up to the first

floor will be of granite and all above that will be of limestone. This class constitutes approximately 30 per cent of the total num-

ber of buildings.
3. Sandstone faced: In some cases where there is a local sandstone this material has been used as facing. The average building in this class would be the same as the average building in the second class except that sandstone is used in place of limestone. This class constitutes approximately 5 per cent of the total number

4. Marble faced: In some of the more elaborate buildings and in places where marble is quarried, this material has been used

in places where marble is quarried, this material has been used in facing buildings. The average building in this class would have granite below the first floor and marble above. This class constitutes approximately 1 per cent of the total number of buildings.

5. Granite faced: The same description would apply to this class as is given to the fourth class except that granite is used throughout. This class constitutes approximately 2 per cent of the total number of buildings.

The above percentages have been based on the total number of buildings constructed without regard to the cost of those build-

buildings constructed without regard to the cost of those build-

ings.

The following percentages are on a basis of cost and are only for stone used in the facing of the buildings:

Granite, from 5 to 10 per cent.

Marble, from 15 to 20 per cent.

Sandstone, from 15 to 20 per cent.

Limestone, from 55 to 65 per cent.

It is believed that this information is what you desired; but if

not, we will be glad to help you further.

Very truly yours,

S. LOWMAN. Assistant Secretary of the Treasury.

As a further evidence of the services and support I rendered in helping to promote the passage of the bill for the construction of public buildings, I here incorporate a letter from former Representative Elliott, of Indiana, who was chairman of the committee:

ASSISTANT COMPTROLLER GENERAL OF THE UNITED STATES Washington, May 21, 1932.

Hon. ARTHUR H. GREENWOOD,

House of Representatives, Washington, D. C.

DEAR FRIEND: In reply to your communication received to-day in regard to your attitude toward the public building program of which I had charge as chairman of the Committee on Public which I had charge as chairman of the Committee on Public Buildings and Grounds of the House of Representatives, I wish to say that I appreciated your valuable assistance in the passage of all of the bills which were necessary in order to establish the great building program in the city of Washington, as well as throughout the country. You were one of the many members that I had to depend upon at all times to get this program through. I remember very well the "scrap" that we had in the House of Representatives over the question of whether limestone or granite should be used in the construction of the Boston post office. You took the side of the limestone along with Congressman Will Wood and myself, and we were able at that time to swing the House of Representatives in favor of limestone. Unfortunately, however, we were later defeated.

With kindest regards and best wishes, I am,

With kindest regards and best wishes, I am, Yours very truly,

RICHARD N. ELLIOTT.

You will keep in mind that the buildings covered by this Federal construction program are all of a utilitarian character. The life of these buildings is on the average about 100 years. I have always contended that for Government office buildings there is no building material so reasonable in price, considering adaptibility, appearance, and value, that can excel Indiana limestone. Also keep in mind that the George Rogers Clark Memorial at Vincennes is not this kind of a building. It is in the nature of a memorial which has no utilitarian purposes. If it is to have the superartistic features proposed and designed by its creator, the advice of the designing architect's recommendations should be accepted and followed. This is what the commission did in building the Clark Memorial at Vincennes with exterior of granite and interior of limestone.

Again let me call your attention to another special effort, which I-as your Representative-made to have Indiana limestone used in Government buildings. In the year 1930 the Government was planning to build a post-office building in down-town Boston, replacing one constructed of granite. The bill in Congress provided \$6,000,000, but the House Members from New England were pleading for an appropriation of \$6,750,000. Their reasons for such a demand were plainly set forth in the Congressional Record (March 19, 1930). I quote Mr. Luce, Representative from Massachusetts:

Mr. Luce. Mr. Speaker, it is planned to build in the heart of Boston a Federal building. Should the figures stay at \$6,000,000,

the building, which is to be 21 stories in height, will have a granite facing up to about 50 feet, leaving more than 300 feet to be faced with Indiana limestone. We ask that the whole structure be built of granite for these reasons:

First. The business depression is affecting New England more than any other section of the accurate.

First. The business depression is affecting New England more than any other section of the country.

Second. The economic reason, in that the expenditure of money for public buildings stimulates business in every direction.

Third. A sentimental reason. We of New England want our monumental edifices erected by the Nation to be built of that material which has been the pride of New England from its captient days grantice.

earliest days—granite.

Fourth, We want the material that endures, and that is granite.

There is next what I call the artistic or esthetic reason. Trained architects threw up their hands in abhorrence at the idea of putting two kinds of stone in the main walls of such a building

as this is to be.

Mr. Speaker, we want this building a thing of beauty, a thing of massive grandeur, a thing which shall impress the people with the dignity of the American Government. We ask that you grant the plea of those who must live with this building.

I wish that space permitted my printing excerpts from all speeches made on this subject, but, since this instrument deals chiefly with my efforts in behalf of Indiana limestone, I quote from the Congressional Record of the same date my own remarks:

Mr. Wood. I yield three minutes to the gentleman from Indi-

Mr. Wood. I yield three minutes to the gentleman from Indiana [Mr. Greenwood].

Mr. Greenwood. Mr. Speaker and gentlemen, we have a building program that was adopted at the last Congress. I supported the program, together with my colleague from Indiana [Mr. Elliott]. Certain authorizations have been made to build public buildings throughout all parts of the United States. To increase the authorization or appropriation on any one project now means to cut down the prospect of building public buildings in many States under that former authorization.

To increase this appropriation by \$750,000 will mean to take \$75,000 each from 10 public buildings in other parts of the United States.

States

Of course the unemployment situation is bad everywhere, but it does not relieve that situation generally to furnish more employment in New England. We have unemployment in Indiana, and at these 10 places where these public buildings will be built there is unemployment to be taken care of.

Of course granite is a great building material, but it is very ex-Of course granite is a great building material, but it is very expensive, and it is an expense that is not needed. The engineers and chemists of our Government have determined that Indiana limestone is the premier building material. So confident are they of the permanent qualities of this stone that they have accepted it and adopted it for the public-building program in the Capital City in the triangle. That should be sufficient recommendation to this House to this House

Something has been said about the quality of Indiana limestone. Indiana limestone is 97 per cent pure carbonate of lime with a small proportion of silica, magnesia, and oxide of iron. It is a perfect resistant to corrosive gases and acids contained in city smoke-laden air. It is a most valuable quality for permanence.

The pyramids of Egypt, the temples of Karnak, St. Paul's Cathedral in England, were built of limestone, but the English limestone is a poor second to Indiana limestone. The great cathedral of Mount St. Albans, which the specifications say is to stand 10,000 years, is built of Indiana limestone.

On North Sixteenth Street the great Scottish Rite Temple being built of Indiana limestone. The Grand Central Teris being built of Indiana limestone. The Grand Central Terminal Station in New York City is built of Indiana limestone. The engineers report that it is thirty-five times as strong as necessary to bear the load. [Applause.]

As you now know something of my Indiana-limestone activities in the Congress, I will further record a few explanatory notes relative to my vote on the kind of material to be used in the construction of the George Rogers Clark Memorial, at Vincennes, Ind. Please understand that these remarks are in no sense an apology. When I have finished, the thoughtful reader will decide, I trust, that I cast the vote of a statesman, rather than the vote of a politician.

As a member of the George Rogers Clark Memorial Commission, appointed by the Speaker of the House, I, together with 14 other men, was charged with the expending of \$1,500,000 of Federal money for the construction of a memorial to Clark and his copatriots, who, during the Revolutionary War, saved the Northwest Territory for the United States. Our histories remind us that this was an event of national importance.

The Clark Memorial is the finest monument built by Federal money to be found west of the Allegheny Mountains and is comparable to the Lincoln Memorial on the beautiful Potomac at Washington.

merits of granite and limestone. As building material for public buildings, Indiana limestone holds undisputed place; no one is prouder of this Hoosier product than I. The Government engineers recognize the merits of Indiana limestone for buildings to be used for offices and business purposes and Indiana has received a lion's share of orders for this material to be used in the construction of these buildings.

The Lincoln Memorial at Washington, D. C., is of granite and marble exterior and limestone interior; the recently dedicated Masonic memorial to George Washington at Alexandria, Va., is also constructed of light-colored granite similar to the stone being used in the memorial at Vincennes.

The memorial at Vincennes is in no sense a building for utilitarian purposes. The design was selected in competition with more than 50 other designs. The decision was made by a jury of architects and men of artistic tastes because of the great beauty and artistic appearance of the proposed memorial. It is being built for the centuries to commemorate a great historical episode, important in the life of our Nation.

The designing architect is a man of outstanding national reputation in this class of work. It was his recommendation that his design would be best executed in granite. The supervising architect, Mr. Hubert Parsons, a man of wide experience and employed in the Capital to supervise many of the Nation's most recent Government projects, also recommended the Clark Memorial as designed be built of granite. The commission appointed a special committee of six of its members to investigate and report. They reported that the memorial should be erected of white granite. These recommendations were also approved by the Federal Fine Arts Commission at Washington, D. C.

The decision to be made by me was not as a Representative of the second district but rather as a member of the commission selected by the Speaker of the House of Representatives to expend Federal money on a Federal project and best carry out the mandate of Congress. This mandate was to build the best, most permanent, beautiful, and acceptable memorial for the appropriation provided.

The interior of the Clark Memorial is being constructed of Indiana limestone quarried and milled in Monroe County, Ind.

There has been much political comment in newspapers about the proposed granite being from Canada. never was any truth in that statement. Mr. Heath, the contractor, of Greencastle, Ind., fully understood the specifications called for domestically produced stone. Before bidding he asked for proposals upon granite quarried and milled in Vermont of the quality shown by the sample. The stone accepted and used is being provided from the quarries at Woodbury, Vt. Everyone connected with the commission knew this when the newspaper comment was criticizing the commission about Canadian stone. This stone is being quarried and milled by American workmen at the usual prices paid for such work.

At the time of the action by the commission no independent stone company expressed dissatisfaction with its decision. Many independents expressed entire satisfaction with the commission's decision. One company attempted, through political and newspaper channels, to force the commission to disregard the architect, the committee, and the supervising architect's recommendation and give the contract to this company for economic or business reasons. They hired an attorney, who used the Indianapolis newspapers for publicity purposes. This attorney extended remarks in the newspapers about the illegality of the contract, but so far has tried his case only in the newspapers and not in the courts.

Your Representative has been faithful to every duty and every trust to his constituents in the limestone business and will, as in the past, continue to serve them faithfully in every legitimate way. We feel that time will vindicate our action in this matter. If any citizens of my district feel aggrieved at my action, I will be more than glad to confer with them and give complete details. Anyone interested session for about six months, and has so far failed to take

Speeches quoted in this article plainly state the relative | is invited to go to Vincennes, where the memorial is now completed to the roof line, and see the character of the structure, the material being used, and give me his or her reaction to correctness of the commission's decision as it is demonstrated in the memorial itself.

EXTENSION OF REMARKS

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing two addresses, one by Fred Breckman, representative of the National Grange, and the other by W. Jett Lauck, who addressed a meeting at the caucus room in the House Office Building on Thursday, May 26, attended only by Members of Congress.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. UNDERHILL. I object.

CONSTITUTIONAL AMENDMENTS WHICH HAVE BEEN SUBMITTED BUT NEVER APPROVED BY THREE-FOURTHS OF THE STATE

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating a letter addressed to me by the Secretary of State in reply to an inquiry submitted to the Secretary of State as to the number of outstanding constitutional amendments since the beginning of Congress, which amendments have not been acted upon by three-fourths of the States.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, that information has been published heretofore, and can be found in the Congressional Record.

Mr. MICHENER. But everyone is not as familiar with all parts of the Congressional Record as is the gentleman from Wisconsin. This codifies them and puts them all on one page.

The SPEAKER. Is there objection?

There was no objection.

Mr. MICHENER. Mr. Speaker, under leave to extend my remarks in the RECORD I include a letter from the Secretary of State written in answer to an inquiry by me as to the number of proposals to amend the Constitution, which proposals have been submitted to the States, but on which three-fourths of the States have never acted favorably. The Secretary of State's letter contains information on this subject which is authentic. The substance of the letter is as follows:

The receipt is acknowledged of your letter of February 18, 1932,

The receipt is acknowledged of your letter of February 18, 1932, in which you inquire whether constitutional amendments were submitted to the States in 1789, 1810, 1861, and 1924 which were never ratified by the requisite three-fourths of the States.

You are informed that Congress did in the years mentioned propose amendments to the Constitution of the United States which were not ratified by the requisite number of States. Congress, by a resolution of March 4, 1789 (1 Stat. 97 f.), proposed an amendment concerning the apportionment of Representatives and an amendment concerning the compensation of Members which were never ratified by the States, as well as 10 other amendments which were subsequently ratified. A resolution of November 27, 1810 (2 Stat. 613), proposed an amendment concerning titles of nobility. The abolition of slavery was the subject of a similar resolution (12 Stat. 251) approved March 2, 1861, and a resolution passed on June 3, 1924, which is undated as it appears in the statutes (43 Stat. 670), and which was deposited in the Department of State June 4, 1924, proposed an amendment concerning child labor.

It is suggested that further information concerning proposed amendments to the Constitution of the United States may be found in the following documents:

found in the following documents:

Proposed Amendments to the Constitution of the United States, arranged, digested, and indexed by Charles C. Tansill (S. Doc. No. 93, 69th Cong., 1st sess.).

93, 69th Cong., 1st sess.).

Proposed Amendments to the Constitution, prepared by M. A. Musmanno (H. Doc. No. 551, 70th Cong., 2d sess.).

It is also suggested that you may find information of interest to you concerning proposed amendments to the Constitution in certain remarks by the Hon. Henry F. Ashurst, United States Senator from Arizona, which appear on pages 4115 ff. of the Congressional Record, February 17, 1932.

RELIEF OF AGRICULTURE

Mr. SINCLAIR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SINCLAIR. Mr. Speaker, Congress has now been in

any fundamental steps to solve the two most important problems facing the country to-day—unemployment and relief for agriculture. Some palliative legislation has been enacted.

Congress has authorized the distribution of 40,000,000 bushels of the Federal Farm Board wheat in the shape of flour, and feed for livestock in the drought areas, and 23,000,000 bushels has been used to relieve distress among the needy.

The Reconstruction Finance Corporation, as far as it goes, does assist business and, in the way of crop-production loans, farmers. But lending money, either to business men or farmers, is not going to restore buying power to the unemployed and their families or give cost of production to agriculture. Neither will "balancing the Budget," about which we hear so much these days, nor "cutting Government expenses to the bone" do this. Both of these are worthy of our best attention, but while we have been concentrating our efforts on these endeavors in the past months we have done practically nothing to put an end to the existing depression or to prevent a recurrence of it.

WHAT CAUSED DEPRESSION

Farmers and workers are not responsible for the distressing conditions to-day. Primarily, the depression has been brought about by taking out of this country since the war some \$30,000,000,000. This huge sum has been diverted to foreign channels, both as loans to governments and in socalled investments, practically all of which are now worthless. It is obvious that this amount of money can not be removed from circulation here without resulting in deflation all along the line. The blame for this rests squarely on the shoulders of our financial leaders, who, more than any others, have had control of our finances ever since the World War. It must be obvious to all that they have made a sorry failure. Having come now to the end of their rope, they are, on the one hand, begging Congress for relief, while on the other we still find them trying to dictate to us as to the kind of legislation we shall enact. I think it is about time to face the facts and do something for the rank and file of our people instead of for this "invisible government" which has been at the helm far too long for the welfare of our Nation.

Through the passage of the Esch-Cummins railroad bill in 1920, freight rates were increased 60 per cent on farm products. In the same year, the Federal Reserve Board secretly and arbitrarily adopted the deflation policy, which was the beginning of the decline of agriculture. This act alone was responsible for a loss to farmers of over \$30,000,000,000 and to country merchants of another estimated eighteen billion. This loss in capital investment of farmers, with the increased freight rates, has made recovery impossible. Added to these two causes of agricultural distress, we now have the acute depression which has thrown 8,000,000 men out of work so that they can not buy the farmer's products. The machinery of business distribution and trade has broken down. Farmers and workers are willing and able to produce, but consumers have no money with which to buy, and they will have none unless the Government itself comes to their aid. Private enterprise having fallen down on the job, the Government must act.

LESSENED BUYING POWER OF LABOR

In 1930 the aggregate pay roll of all persons engaged in gainful occupation was \$9,000,000,000 less than in 1929. In 1931 this same pay roll was about \$12,000,000,000 less than in 1929, and it is estimated that the total earnings for all workers in 1932, the present year, will fall at least \$15,000,000,000 under the peak year of employment, 1929. This means that the purchasing power of the country by reason of unemployment has been reduced from 20 per cent to 30 per cent a year. It is not surprising, therefore, that farmers can not get a price for their products, or that merchants are unable to sell their goods. It is not overproduction but underconsumption from which we are suffering. The loss in wages of unemployed workers amounts to more money each year of the depression than the total market value of all crops raised.

PRICE OF FARM PRODUCTS MUST BE STABILIZED

It is becoming increasingly evident that something must be done to stabilize the price of farm products. It is now just about 12 years since I introduced in Congress the first bill for this purpose. I have not changed my views as to the need for that legislation, and had it been enacted I am confident that agriculture would have escaped many of the ills from which it has suffered. During the last 10 years, even though prices have at times been higher than before the World War, agriculture has not been prosperous. The better prices have been more than offset by increases in the costs of planting, machinery, taxes, interest on investment, and so forth. Farm mortgages have grown, farmers have had to draw on their capital investment for operating expenses, and at a time when, for the most part, money could be had only at high rates of interest. From 1922 to 1931, inclusive, farmers lost heavily, as will be seen from the following table compiled from data furnished by Crops and Markets of the Department of Agriculture. The figures give the cost of production for the average wheat farmer of the United States during the past 10 years. These cost prices are obtained from reports of thousands of farmers all over the United States, and include number of acres cultivated, yield per acre, cost of planting, cultivation, harvesting, marketing, fertilizers if any, seed, land rent, labor, and all other miscellaneous expenses. The estimated average price per bushel received by producers is taken from the reported cash sales of all wheat sold on the six leading terminal markets of the United States. Of course, the actual price received by the farmer is well below this average price, as the cost of freight to the terminal market must be deducted. The table is as

1922 cost of wheat production, \$1.23 per bushel; price sold for, 98 cents; loss, 25 cents per bushel.

1923 cost of wheat production, \$1.24 per bushel; price sold for, 92 cents; loss, 32 cents per bushel.

1924 cost of wheat production, \$1.22 per bushel; price sold for, \$1.28; gain, 6 cents per bushel.

1925 cost of wheat production, \$1.32 per bushel; price sold for, \$1.46; gain, 14 cents per bushel.

1926 cost of wheat production, \$1.12 per bushel; price sold for, \$1.24; gain, 12 cents per bushel.

1927 cost of wheat production, \$1.18 per bushel; price sold for, \$1.21; gain, 3 cents per bushel.

1928 cost of wheat production, \$1.24 per bushel; price sold for, \$1.01; loss, 23 cents per bushel.

1929 cost of wheat production, \$1.24 per bushel; price sold for, \$1.05; loss, 19 cents per bushel.

1930 cost of wheat production, \$1.09 per bushel; price sold for, 67 cents; loss, 42 cents per bushel.

1931 cost of wheat production, \$1.04 per bushel; price sold for 64 cents; loss, 40 cents per bushel.

It is apparent from a cursory study of this table why farm mortgages have been greatly increased in recent years. Wheat raisers on the average throughout the country have been losing money, though producing the most necessary article of diet. In certain marginal sections the loss per bushel is even greater than the tables disclose. This is especially true of my own State, North Dakota. The same general results of production and loss are similarly true in the case of other basic crops, such as corn, cotton, fruits, and livestock.

It is a self-evident fact that farmers can not go on indefinitely producing crops at a loss. There must come a time when they can not proceed any farther. That time has about arrived. This spring the farmers of the country from necessity have been forced to borrow nearly \$100,000,000 from the Federal Government for planting the present year's crop. Such conditions will continue from year to year unless some means is found that will give them a price equal to the cost of production plus a reasonable profit. What a striking indictment this is for a great industry, although producing sufficient to supply the needs of the Nation yet unable to save enough to provide for the next year's seeding.

COOPERATION AMONG FARMERS

For nearly 30 years a sincere effort has been made to organize farmers in order that marketing conditions might be improved. It has been thought that farmers through cooperative groups could control their own products, put them upon the markets in an orderly fashion and thus receive an increased price. Much work has been done and some limited success has been had along special lines and with a few commodities. But it has been fairly well demonstrated that farmers can not organize themselves to a sufficient extent to control the sale of the great basic crops. Some of us believed that the Farm Board act would solve this problem of cooperative organization. The board, however, almost wholly ignored this feature of the law and devoted its energies in an effort to stabilize wheat and cotton prices. To-day we are seemingly in a more hopeless condition than ever. So much so, that many of the great farm leaders, after devoting a lifetime to cooperative organization work, now say that farmers will not organize. The marketing problems of farmers can not be solved by cooperation without tremendous waste of energy and effort. The one other alternative is for the Government to get for farmers a price that will meet the cost of production, if the great industry of farming is to be saved from destruction.

HIGH COST OF DISTRIBUTION

Consumers generally are opposed to any increase in prices, feeling that the cost of living is high enough. This is quite true. If the farmer could only get the price that the consumer pays he would generally have cost of production. The cost of distribution is too high. It takes \$2 on the average to distribute one dollar's worth of farm products. What we must have is regulated distribution. Too often the central terminal markets are places of speculation rather than purely distributing centers.

During the World War we had a fixed price for wheat and many other products, under the direction and supervision of the Food Administrator. That was real cooperation on a large scale. The price of bread was very little higher with wheat at \$2 per bushel than it is now with wheat selling for less than 70 cents a bushel. When the present marketing act was passed many farmers expected to see similar results. even though the funds at the disposal of the Farm Board were known to be far from adequate. What should have been done was to give the board \$1,000,000,000 more than was appropriated. It should have been directed to buy the entire exportable surplus of all agricultural products at a cost-of-production price, put an embargo on all imports of like products, and raise all farm prices generally. That would have met the depression and would have prevented us from going any deeper into it. It is not too late to do this yet.

FARMERS SHOULD BE REFINANCED

The Frazier farm relief bill introduced in the Senate and now on the calendar, having been favorably reported by the Committee on Agriculture and Forestry, provides for the refinancing of existing farm indebtedness by the Federal Government at the rate of 11/2 per cent interest and 11/2 per cent on principal, payable on the amortization plan. money to do this shall be provided by the issuing of Federal reserve notes secured by first mortgages on farms, in contrast to the present farm-loan plan of getting money by issuing and selling bonds. There is sufficient precedent for the Government to do this. During the World War it was necessary to increase the money in circulation due to the great emergency then existing. This was done by issuing Federal reserve notes secured by agricultural and commercial paper discounted through local reserve member banks. The total amount of money in circulation was thus more than doubled. A greater emergency than the Great War now faces the farmers and all other interests of our country to-day.

A further precedent may be found in the issuance of Treasury notes put into circulation following the Civil War. Some \$346,000,000 of these notes were issued then and have been doing service as money to the present day. Our Government is much better able to issue several billion dollars

of Treasury notes to-day than it was to issue the amount it did following the Civil War, when many of the State governments had broken down and little coin was on deposit for redemption purposes. At present Treasury experts have estimated that there is enough free gold on hand to maintain an increased currency issue of nearly \$4,000,000,000 without any impairment of the gold standard. It would not require more than \$2,000,000,000 of new issue to refund the entire farm-mortgage indebtedness. The work of refinancing could extend over a period of five years, the average life term of farm-mortgage loans, one-fifth being taken up annually. In fact, experience shows that in actual practice \$1 of currency can do the work of \$10 working as bank credit.

The mild inflation resulting from the operation of this law would stimulate prices and start the whole country, as well as agriculture, on the road to recovery. I have introduced in the House H. R. 7524, a companion bill to that offered by Senator Frazier. It awaits favorable action by the Committee on Banking and Currency. I believe that the passage of this legislation which will increase the money in circulation and place it in the hands of agriculture, representing as it does over one-half of our buying power, will revive the business life of the Nation, increase employment, and start the factory wheels moving.

THE REMEDY

In addition to enacting the legislation I have mentioned, to refinance farmers at low rates of interest, and strengthen the Federal marketing act, Congress should authorize a program of public works so that the idle can be given jobs at once. With this threefold program in operation, there is no doubt in my mind but that we shall soon be on the way to that prosperity which for so long has been "just around the corner"—a corner which we have been unable to reach because we have failed to take steps in the right direction.

Hand in hand with a program of constructive legislation should be coupled economy in Government. Congress is making a very earnest effort along this line, and although little mention of it has been made, the fact is that the House of Representatives has already cut approximately \$160,000,000 from the supply bills under the estimates submitted to us by the President and Budget Bureau. There is, unfortunately, much misrepresentation of the facts on Government expenditures, emanating, for the most part, from a powerful and selfish minority which, having grown enormously wealthy at the expense of the majority of our citizens, is now trying to escape bearing its proportionate share of the cost of Government by shifting it to the backs of the people.

No Government worthy of the name can be run without cost, and it is unavoidable that some mistakes will be made, but the fact is that aside from the increased costs due and incident to the war and which can not be escaped, the expense of the Federal Government has not grown out of proportion to the increase in our population. It is not so much the high cost of running the Government as the lack of revenue from inability of our people to pay that is troubling us.

TAXES

Taxpayers' associations in North Dakota and elsewhere are doing constructive work in the reduction of unnecessary expenditures, and lightening the burden for taxpayers. About 70 per cent of the taxes of the Nation goes for the running of State, county, and local governments. In North Dakota over 95 per cent is for these purposes. While our State contributes through its products vastly to the wealth of the Nation, and large incomes are made outside the State from handling and processing those products, yet our people pay directly a comparatively small amount in taxes to the Federal Government. Whereas the total tax in North Dakota for State, county, local government, and so forth, is about \$30,000,000 annually, the most recent report of the Treasury Department shows the total of Federal taxes collected to be \$365,232.84, or about 50 cents per person. It is not within the power of Congress to give any relief on State and local taxes. A grave responsibility does rest upon Congress and the administration, however, to adopt such policies as will make for the general welfare of the people, and to exercise wisdom and economy in spending public funds.

THE REVENUE BILL

Mr. CRISP. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRISP. Mr. Speaker, the Senate passed last night the tax bill. In my judgment, there is nothing as important for the country as the speedy enactment of the tax bill to balance the Budget. [Applause.] There can be, in my judgment, no economic recovery or increased employment until the country and the world knows that the United States is going to collect as much revenue as it spends, and that it is on a sound economical basis and that the American dollar will be maintained. [Applause.]

This Congress, in my judgment, can do nothing more important than to expedite in every possible way the enact-

ment of this tax bill into law.

Therefore I ask unanimous consent to take from the table the tax bill, disagree to all Senate amendments, and agree to

the conference requested by the Senate.

The SPEAKER. The gentleman from Georgia asks unanimous consent to take from the Speaker's table a bill, which the Clerk will report, and agree to the conference asked for by the Senate.

The Clerk read the title of the bill, as follows:

H.R. 10236. An act to provide revenue, equalize taxation, and for other purposes.

Mr. BLANTON. Following the passage by the Senate of the tax bill last night, the gentleman has noted that the New York Stock Market began to climb upward this morning.

Mr. CRISP. Yes; and I was delighted.

Mr. BLANTON. In spite of some provisions in it which New York gamblers have been condemning.

Mr. LaGUARDIA. Regardless of the market, which does not put men to work, may I ask if the House will have an opportunity to pass on the provisions in the House bill which provides for a stock-transfer tax?

Mr. CRISP. I will say to my friend from New York that I much prefer to go to conference unhampered. Of course, the conferees will be charged with the duty of trying to compose the differences existing between the two Houses. We can not inject new matter. The conferees must com-

promise; that is, give and take.

It is my hope that the conferees as speedily as possible can reach a complete agreement on everything and come in with a complete report. [Applause.] Therefore I can not promise that I am going to bring back to the House any amendment in that bill, because I hope the conferees may be able to adjust all matters, and I hope that we can get unanimous consent to place the bill in conference without any strings tied to the conferees to bring back any amendment. I may say to my friend that if this request is not agreed to, the Committee on Rules is coming in with a rule to put the bill into conference. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. BLANTON. The House by a decisive vote put a tax on stock transfers, and the gentleman knows that. For one, I shall vote against any conference report that does not restore the House tax against transfers of stock on exchanges.

Mr. UNDERHILL. Mr. Speaker, I demand the regular order.

Mr. BLANTON. I hope that the gentleman will let the House have a vote on the House tax on stock transfers before he agrees to the Senate amendment which has eliminated such tax.

Mr. CRISP. I am not going to make any agreement myself to bring back any amendment.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Chair appointed the following conferees: Mr. Collier, Mr. Crisp, Mr. Rainey, Mr. Hawley, and Mr. Treadway.

THE SOLDIERS' BONUS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CONNERY. Mr. Speaker, I rise to call the attention of the House to the fact that we have 98 names signed to the petition to discharge the Committee on Rules on the Patman bill for the payment of the soldiers' bonus. Two other Members have just signified their intention of signing, which brings it up to 100. Under the rules, in order to get a vote on June 13, we have to have 145 names signed to the petition by Friday of this week. Of course, every Member is entitled to his opinion either one way or the other on the matter of the soldiers' bonus, but that is not the particular aspect to which I refer at this time.

Since we have had a vote on the resubmission of the eighteenth amendment and on the beer bill, as well as the drainage bill—in fact, on every petition this session except this petition—it seems to me that the soldiers of the United States are going to look on those Members of Congress who are not in favor of giving them a vote on the Patman bill as being unfriendly to the soldiers of the country. [Cries of "Oh, no."]

Mr. BLANTON. Why not? If they will not sign up for the soldiers, why are they not unfriendly? Will the gentleman yield to me?

Mr. CONNERY. Certainly. The gentleman from Texas [Mr. Blanton] has always consistently favored the soldiers

in their fight for the payment of the bonus.

Mr. BLANTON. Here is a proposition now on the Clerk's desk, which is the only thing that will help the soldiers. If 145 Members sign it, we will get a vote on paying the adjusted-service certificates. If you are friendly to them, go up and sign the petition. That only will give them a vote on it. You went up and signed for the beer bill.

Mr. DYER. The gentleman did not.

Mr. BLANTON. I did not, because I was not for beer saloons, and I am not for nullifying the eighteenth amendment, or violating the law, but I am for this proposition. I went and signed it promptly, the gentleman from Texas [Mr. Patman] signing it first, our colleague from Mississippi [Mr. Rankin] being the second signer, and I being next, being No. 3 on the petition.

Mr. CONNERY. I am giving you my opinion. I think you will find, when you get back to your districts, that the service men will feel that the Members of Congress who would not sign the petition, whether they are for or against the bill, in order to give the soldiers a vote, are unfriendly

to the soldiers of the Republic.

EXEMPTING FROM THE QUOTA FATHERS AND MOTHERS OVER 60 YEARS OF AGE OF UNITED STATES CITIZENS

The SPEAKER. The unfinished business is the bill, H. R. 8174, to exempt from the quota fathers and mothers over 60 years of age of United States citizens. Is a separate vote demanded on any amendment?

Mr. DICKSTEIN. Mr. Speaker, I demand a separate vote upon the first amendment submitted by Mr. Jenkins, as reported to the House, which struck out all of lines 3 to 11, inclusive, on page 1. It is all of the section of the bill after the enacting clause, as the bill was reported by the Committee on Immigration and Naturalization.

The SPEAKER. Is a separate vote demanded on any other amendment? [After a pause.] If not, the Chair will put them en grosse. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 1, beginning in line 3, strike out all of section 1.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. Dickstein) there were—ayes, 76, noes, 27.

Mr. DICKSTEIN. Mr. Speaker, I object to the vote and make the point of order that there is no quorum

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, and the Sergeant at Arms will notify absentees. This is an automatic call. The Clerk will call the roll.

The question was taken; and there were-yeas 240, nays 85, not voting 106, as follows:

[Roll No. 881 YEAS-240

Kniffin Adkins Sanders, Tex. Allen Eaton, Colo. Kopp Lambertson Lanham Sandlin Selvig Shott Andresen Eaton, N. J. Andrews, N. Y. Ellzey Eslick Lankford, Ga. Lankford, Va. Shreve Smith, Idaho Smith, W. Va. Arentz Arnold Fernandez Ayres Bachmann Bacon Fiesinger Larrabee Finley Fish Leavitt Loofbourow Snell Snow Lovette Lozier Luce Sparks Spence Stafford Barbour Flannagan Bland Blanton French Fuller Fulmer Stalker Steagall Boehne Ludlow Bolton McClintock, Ohio Strong, Kans. Strong, Pa. Garber McFadden Bowman Brand, Ga. Brand, Ohio McKeown McLaughlin Garrett Gibson Stuli Sullivan, Pa. Summers, Wash. Sumners, Tex. Briggs Browning McLeod McMillan Gillen Brumm Glover McSwain Bulwinkle Butler Goldsborough Goodwin Magrady Major Swanson Green Greenwood Maloney Swick Swing Byrns Cable Campbell, Pa Manlove Taber
Tarver
Taylor, Colo.
Taylor, Tenn.
Temple Griswold Mapes Canfield Guyer Hadley Martin, Mass. Cannon May Michener Carden Haine Carter, Calif Carter, Wyo Cartwright Hall, Ill. Miller Milligan Hardy Thatcher Montet Moore, Ky. Morehead Thomason Thurston Hare Hastings Chindblom Timberlake Treadway Underhill Haugen Hawley Christopherson Hill, Ala. Hill, Wash. Hoch Nelson, Me. Clancy Clarke, N. Y. Cochran, Mo. Nelson, Mo. Underwood Vinson, Ga. Nolan Hogg, Ind. Hogg, W. Va. Holaday Norton, Nebr. Oliver, Ala. Cole Towa Vinson, Ky Collins Warren Wason Colton Overton Cooper, Tenn. Coyle Parker, Ga. Parker, N. Y. Watson Weeks Welch Hollister Holmes Crail Hooper Parks West White Crisp Cross Horr Partridge Crowe Culkin Houston, Del. Huddleston Whitley Whittington Patman Person Polk Wigglesworth Williams, Tex. Williamson Curry James Jeffers Jenkins Dallinger Pratt, Ruth Purnell Darrow Davenport Davis De Priest DeRouen Johnson, Mo. Johnson, Okla. Johnson, S. Dak. Johnson, Tex. Johnson, Wash. Ragon Rainey Wilson Wingo Wolcott Ramspeck Wolfenden Wolverton Rankin Dickinson Rayburn Reed, N. Y. Reilly Rich Wood, Ga. Woodruff Woodrum Dies Jones Kemp Kendall Dominick Doughton Dowell Ketcham Rohinson Wright Doxey Kinzer Rogers, Mass.

NAYS-85 Almon Hull, Morton D. Pittenger Connerv Connolly Prall Ransley Amlie Jacobsen Kading Auf der Heide Kahn Karch Bacharach Corning Rudd Bankhead Barton Sabath Crosser Sanders, N. Y. Keller Beam Black Cullen Delaney Kennedy Kleberg Schafer Schneider Bloom Boileau Dickstein Knutson Schuetz Seger Shannon Dyer Evans, Mont. Kunz LaGuardia Boland Britten Lindsay Fishburne Sinclair Fitzpatrick Frear Linthicum Somers, N. Y. Brunner Lonergan McCormack Mansfield Buchanan Stewart Gambrill Burch Sullivan, N. Y. Sutphin Gavagan Granfield Campbell, Iowa Sweeney Tilson Tinkham Martin, Oreg. Carley Cavicchia Celler Griffin Hall, Miss. Mead Millard Harlan Niedringhaus Cole, Md. O'Connor Hart Howard Condon Palmisano

Abernethy

Andrew, Mass.

Aldrich Allgood

NOT VOTING-106 Chiperfield Christgau Beck Burtness Beedy Bohn Busby Clague Clark, N. C. Cochran, Pa. Chapman Chavez

Collier Cooper, Ohio Crowther Crump Dieterich Gregory Hall, N. Dak. Hancock, N. Y. Hancock, N. C. Disney Douglas, Ariz. Hartley Douglass, Mass. Hopkins Doutrich Hornor Hull, William E. Drane Drewry Igoe Johnson, Ill. Englebright Kelly, Ill. Kelly, Pa. Estep Evans, Calif. Kerr Foss Kurtz Kvale Freeman Fulbright Lambeth Gasque Lamneck Larsen Lea Lehlbach Gilchrist Golder

Lewis Lichtenwalner McClintic, Okla. McDuffie McGugin McReynolds Maas Mitchell Mobley Montague Moore, Ohio Murphy Nelson, Wis, Norton, N. J. Oliver, N. Y. Owen Patterson Peavey Perkins Pettengill Yon Pou Pratt, Harcourt J.

Ramseyer Reid, Ill. Rogers, N. H. Romjue Seiberling Shallenberger Simmons Sirovich Smith, Va Stevenson Tierney Tucker Weaver Williams, Mo. Withrow Wood, Ind. Wyant

So the amendment was agreed to. The Clerk announced the following pairs: On this vote:

Mr. Wyant (for) with Mr. Tierney (against).
Mr. Reid of Illinois (for) with Mr. Sirovich (against).
Mr. Pratt (for) with Mr. Igoe (against).
Mr. Beedy (for) with Mrs. Norton (against).
Mr. Hess (for) with Mr. Boylan (against).
Mr. Sieberling (for) with Mr. Douglass of Massachusetts (against).
Mr. Buckbee (for) with Mr. Oliver of New York (against).
Mr. Cooper of Ohio (for) with Mr. Kelly of Illinois (against).

Mr. Cooper of Ohio (for) with Mr. Kelly of Illinois (against).

General pairs until further notice:

Mr. McClintic of Oklahoma with Mr. Clague,
Mr. Pou with Mr. Wood of Indiana.
Mr. Collier with Mr. Evans of California,
Mr. McDuffie with Mr. Hopkins.
Mr. Busby with Mr. Aldrich.
Mr. Dieterich with Mr. Chiperfield.
Mr. Drewry with Mr. Crowther.
Mr. Kerr with Mr. Erk.
Mr. Weaver with Mr. Gifford.
Mr. Gasque with Mr. Stokes.
Mr. Tucker with Mr. Ramseyer.
Mr. Romjue with Mr. Hopkins.
Mr. Aligood with Mr. Moore of Ohio.
Mr. Stevenson with Mr. Bohn.
Mr. Larsen with Mr. Ferkins.
Mr. Disney with Mr. Stepp.
Mr. Lewis with Mr. Simmons.
Mr. Yon with Mr. Solder.
Mr. Gregory with Mr. Maas.
Mr. Abernethy with Mr. Nelson of Wisconsin.
Mr. Mobley with Mr. Nelson of Wisconsin.
Mr. Mobley with Mr. Withrow.
Mr. Crump with Mr. Withrow.
Mr. Crump with Mr. Withrow.
Mr. Mitchell with Mr. Kelly of Pennsylvania.
Mr. Chavez with Mr. Andrew of Massachusetts.
Mr. Clark of North Carolina with Mr. Doutrich.
Mr. Pettengill with Mr. Kellorist.
Mr. Pettengill with Mr. Gooss.
Mr. Rogers with Mr. Hall of North Dakota.
Mr. Lamneck with Mr. Hall of North Dakota.
Mr. Smith of Virginia with Mr. Freeman.
Mr. Hancock of North Carolina with Mr. Cochrane of Pennsylvania.
Mr. Smith of Virginia with Mr. Freeman.
Mr. Hancock of North Carolina with Mr. Peavey.
Mr. Kale with Mr. Chesse.
Mr. SEGER. Mr. Speaker, I wish to announce the absence of my colleague, the gentleman from New Lorsey. Mr. SEGER. Mr. Speaker, I wish to announce the absence of my colleague, the gentleman from New Jersey [Mr. EATON] on account of death in the family.

The result of the vote was announced as above recorded. The doors were opened.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the

bill. The bill was passed.

On motion of Mr. DICKSTEIN, a motion to reconsider the vote by which the bill was passed was laid on the table.

ORDER OF BUSINESS

The SPEAKER. By special order of the House heretofore agreed to, bills on the Private Calendar will be considered to-day. The Chair believes he expresses the sentiment of the entire membership of the House when he expresses the hope that every bill on the Private Calendar may be called before the end of the session, and those unobjected to passed and sent to the Senate. In order to do that there must be some cooperation among the membership themselves. The gentleman from Illinois [Mr. RAINEY] called attention to a proceeding that might facilitate the calling of these bills. If gentlemen know that they intend to object to a bill, it is unnecessary to reserve the objection in order for some Member to make a speech showing the necessity of it when the other Member is certain to object. It seems to the Chair that the gentleman could extend his remarks in the RECORD to show his constituent why he could not get the bill passed. With that sort of an arrangement, if the membership would cooperate, the Chair thinks we might call 125 bills on the Private Calendar this afternoon.

The Chair makes that statement in the interest of the progress of this particular calendar.

DELAWARE RIVER JOINT COMMISSION

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report from that Committee (H. Res. 241), which was referred to the House Calendar and ordered printed:

House Resolution 241

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. J. Res. 41, a joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof. After general debate, which shall be confined to the joint resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered have been adopted, and the previous question shall be considered as ordered on the joint resolution and the amendments thereto to final passage without intervening motion except one motion to

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution from that committee (H. Res. 238), which was referred to the House Calendar and ordered printed:

House Resolution 238

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 10048, a bill granting to the Metropolitan Water District of H. R. 10048, a bill granting to the Metropolitan water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California, for an aqueduct, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Public Lands, the bill shall be read for amendment, under the 5-minute rule. At the shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit

PERMISSION FOR COMMITTEE ON RIVERS AND HARBORS TO SIT DURING SESSIONS OF THE HOUSE

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the Committee on Rivers and Harbors be permitted to sit during the session of the House to-day.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GEORGE E. CASEY

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4868) for the relief of George E. Casey, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 3, strike out "Postmaster General" and insert Comptroller General of the United States."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was agreed to.

BASTI, N. HENRY

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1029) for the relief of Basil N. Henry, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, lines 10 and 11, strike out "pension, bounty, back pay, or allowances" and insert "compensation, retirement pay, back pay, pension, or other benefit."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was agreed to.

JEANIE G. LYLES

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

The Clerk called the first bill on the Private Calendar. H. R. 1414, for the relief of Jeanie G. Lyles.

The SPEAKER. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. BLANTON. This bill is in conflict with the ruling of the department and the President's financial program, and I object. It is so seldom that either the President or any of his departments recommend against taking money out of the Treasury that when they do report against a bill it behooves us to back them up and not let the bill pass. The Treasury now has a deficit all together of over \$3,000,000,000 since Mr. Hoover has been President, simply because he has been bringing an annual Budget to us every year asking that we appropriate for him and his departments the stupendous sum of \$4,000,000,000, when with sane economy he and his departments could have gotten along with less than \$3,000,-000,000 annually during the first three years of his administration. For the coming fiscal year he has asked us in his December Budget to appropriate approximately \$4,000,000,-000, and our committee has already cut him down \$161,-000,000 below the amounts he requested on the supply bills this House has already passed, and we are still cutting to the bone. We must cut governmental expenses and balance the Budget if we keep this Government out of bankruptcy, and we must do it even if we make some of our good colleagues mad at us for blocking their bills. Ultimately they will forgive us, for they will realize that we have merely performed our duty. I object to this bill.

JOHANA ARMSTRONG

The Clerk called the next bill on the Private Calendar, H. R. 1553, for the relief of Johana Armstrong.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, from my examination of the report there was no fault on the part of the Government in causing this accident. The floor happened to be slippery by reason of the slush conditions resulting from snowfall in mild weather.

The SPEAKER. Is there objection?

Mr. STAFFORD. I am reserving the right to object in order to give the author of the bill his inning.

Mr. KETCHAM. In response to the request of the gentleman from Wisconsin, if the gentleman will look at the record he will find that Mrs. Armstrong, in whose behalf the claim is filed, was an old lady 76 years of age. In attempting to pass through the revolving doors of the post office at Niles, Mich., on December 23, 1929, in the rush of the Christmas mailing-the floor, as the gentleman said, being wet and slippery-she fell by reason of being struck by the door as it revolved. She suffered a broken hip and suffered greatly

for some weeks. The bill is for reimbursement of her hospital expenses. Neither she nor her family are able to care for them.

Mr. BLANTON. Mr. Speaker, will the gentleman yield? Mr. KETCHAM. I yield. Mr. BLANTON. This was a very feeble old lady.

Mr. KETCHAM. Extremely so.
Mr. BLANTON. And it was the passing crowd that
pushed her down. It was not the fault of the Government. It was the fault of the crowd pushing through the doors. The Government should not pay this sum of money when it is not at fault.

Mr. Speaker, I object.

DANIEL COAKLEY

The Clerk called the next bill, H. R. 1813, for the relief of Daniel Coakley.

Mr. STAFFORD. I object.

THOMAS J. ALLEN. JR.

The Clerk called the next bill, H. R. 2064, for the relief of Thomas J. Allen, jr.

Mr. STAFFORD. Mr. Speaker, reserving the right to

Mr. BLACK. Mr. Speaker, I demand the regular order. The SPEAKER. The regular order is, Is there objection? Mr. STAFFORD. Then I will have to object, if we can not have an explanation of the bill. I object, Mr. Speaker.

The Clerk called the next bill, H. R. 2084, for the relief of Col. Richard M. Cutts, United States Marine Corps.

Mr. MOUSER. I object, Mr. Speaker. Mr. COLTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COLTON. Under the rules under which we are operating is a Member going to have an opportunity to explain a bill?

The SPEAKER. None whatever, when the regular order is demanded. The regular order is, Is there objection?

Mr. EATON of Colorado. Mr. Speaker, a parliamentary

The SPEAKER. The gentleman will state it.

Mr. EATON of Colorado. What happened to Calendar No. 280?

The SPEAKER. That was objected to by the gentleman from Wisconsin.

Mr. STAFFORD. Regular order was demanded and the gentleman from Utah was not given an opportunity to explain his bill.

Mr. EATON of Colorado. Will the Speaker permit the objection to be reserved to the bill (H. R. 2084)?

The SPEAKER. Not when the regular order is demanded. The regular order was demanded by the gentleman from New York. The Chair does not control the regular order. However, the Chair will state that the Speaker has the right, as a Member of the House, to demand the regular order if the Speaker wants to, but in this instance he did not.

Mr. EATON of Colorado. I appreciate that.

The SPEAKER. The regular order is demanded by the gentleman from New York [Mr. Black]. The Clerk will call the next bill.

CHARLES W. DWORACK

The Clerk called the next bill, H. R. 2296, for the relief of Charles W. Dworack.

Mr. BLANTON. Mr. Speaker, this bill is against the department's recommendation and I am forced to object.

It would cause money to be taken out of the depleted Treasury, and I am working hard to help balance the Budget. I object.

WILLIAM K. LOVETT

The Clerk called the next bill, H. R. 3029, for the relief of William K. Lovett.

Mr. MOUSER. Mr. Speaker, I object.

CAUGHMAN-KAMINER CO.

The Clerk called the next bill, H. R. 3460, for the relief of Caughman-Kaminer Co.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Caughman-Kaminer Co., of Lexington, S. C., the sum of \$198.87 for merchandise lost

With the following committee amendment:

In line 6 strike out the sign and figures "\$198.87" and insert in lieu thereof the sign and figures "\$130.87."

The committee amendment was agreed to.

Mr. MOUSER. Mr. Speaker, I offer an amendment.

In line 7, after the word "transit," add the words "in full set-tlement of all claims against the Government of the United

The SPEAKER pro tempore. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Mousea: On page 1, line 7, at the end of the bill, strike out the period, insert a comma, and add the words "in full settlement of all claims against the Government of the United States'

The amendment was agreed to.

Mr. MOUSER. Mr. Speaker, will the author of this bill kindly give us the date when this property was lost in transit so that the date may be inserted in the bill in order to identify the transaction and thus prevent any further claim against the Government? The date showing when the goods were lost in transit should be included in the bill.

Mr. BLANTON. I think it is better secured now than to put some specific date in the bill unless you are sure of its being correct.

Mr. MOUSER. Unless we are sure of the date, of course,

it should not be included in the bill. The bill was ordered to be engrossed and read a third

time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

BERYL ELLIOTT

The Clerk called the next bill, H. R. 3551, for the relief of Beryl Elliott.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SIMMONS. Mr. Speaker, reserving the right to object, I would like to state that I was absent this morning when the roll call was taken. I was in conference at the White House. I did not know that a vote was being taken. Had I been present I would have voted for the Jenkins amendment.

The SPEAKER pro tempore. Is there objection? Mr. STAFFORD. Mr. Speaker, I object.

SOPHIA A. BEERS

The Clerk called the next bill, H. R. 3561, for the relief of Sophia A. Beers.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, with the understanding that the amount carried in this bill will be reduced from \$13,720 which the gentleman from Oregon asked for in his bill to \$5,100 and that the usual attorneys' fee clause be included in the bill, I shall not object.

But the gentleman from Oregon [Mr. MARTIN] must agree for his bill to be reduced from \$13,720 to \$5,100, and he must be willing that the usual attorneys' fee clause be added to the bill.

Mr. MOUSER. Mr. Speaker, I am compelled to object.

EULA K. LEE

The Clerk called the next bill, H. R. 3775, for the relief of Eula K. Lee.

Mr. MARTIN of Oregon. Mr. Speaker, I object.

DOUGLAS R. ESPY

The Clerk called the next bill, H. R. 3791, for the relief of Douglas B. Espy.

Mr. MARTIN of Oregon. Mr. Speaker, I object.

ROSAMOND B. M'MANUS

The Clerk called the next bill, H. R. 4059, for the relief of Rosamond B. McManus.

The SPEAKER pro tempore. Is there objection to the

present consideration of the bill?

Mr. McKEOWN. Mr. Speaker, reserving the right to object, and I do not propose to object, I want to suggest that we are not making any headway with this Private Calendar. Let us go along and do business. We have three days in which to consider the calendar, and we should not become snarled because some Member jumps up and objects.

Mr. BLANTON. Our friend from Oregon [Mr. Martin] ought not to get mad just because some Member objected to his bill. That was the prerogative of our colleague to object, when he thought the bill should not pass. Some of these bills on this calendar are meritorious and ought to be passed, and to-day, to-morrow, and Friday will probably be the only days upon which they have any chance to pass. The gentleman from Oregon must not get sore, and make objections merely because he is peeved. That will not get him anywhere.

Mr. BLACK. Mr. Speaker, I demand the regular order. The SPEAKER pro tempore. The regular order is, Is there objection?

Mr. MARTIN of Oregon. Mr. Speaker, if this is a sample

of the justice of this House, I object.

Mr. BLANTON. Mr. Speaker, with the understanding that this bill be reduced to \$5,000 and the usual attorney fee amendment included in the bill, I shall not object. This bill as introduced seeks to take \$25,000 out of the Treasury. Before it passes the objection stage, I want it distinctly un-

derstood that it must be reduced to \$5,000. With that understanding, I shall not object.

The SPEAKER pro tempore. Is there objection?
Mr. MARTIN of Oregon. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to

proceed for two minutes.

The SPEAKER pro tempore (Mr. Woodrum). The gentleman from Texas asks unanimous consent to proceed for two minutes. Is there objection?

Mr. CLARKE of New York and Mr. MARTIN of Oregon objected.

Mr. BLANTON. Mr. Speaker, it is futile for us to try to go on with this calendar if the gentleman from Oregon [Mr. Martin] is going to object to every bill just because he is mad. He ought to calm himself down and not get peeved just because some Member exercised his inalienable right to object to his bill. He ought to be a good sport and take his medicine, and go along with us and help to pass the good bills on this calendar; and some are good.

The regular order was demanded. Mr. McKEOWN. Mr. Speaker—

The SPEAKER pro tempore. For what purpose does the gentleman from Oklahoma rise?

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. CLARKE of New York. Mr. Speaker, painful as it is to object to a request of my beloved colleague, I object.

CHARLES HELLYER

The Clerk called the next bill, H. R. 4274, for the relief of Charles Hellyer.

Mr. STAFFORD and Mr. MARTIN of Oregon objected.

JOSE O. ENSLEW

The Clerk called the next bill, H. R. 4405, for the relief of Jose O. Enslew.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask a question. I wonder if the gentleman from Oregon [Mr. Martin] is going to object to this bill just because

some one objected to his bill? If the gentleman will curb his temper and get back to normalcy, we will pass a lot of good bills to-day. There are some good bills on this calendar, but it is necessary for those of us who watch the calendar to object to the bad bills. I did not object to the gentleman's bill, and the gentleman ought to calm himself. He will accomplish more by it.

The regular order was demanded.

Mr. STAFFORD. Mr. Speaker, I object.

BUSCH-SULZER BROS. DIESEL ENGINE CO.

The Clerk called the next bill, H. R. 5429, for the relief of Busch-Sulzer Bros. Diesel Engine Co.

Mr. BLANTON. Mr. Speaker, this bill carries \$15,000, and I object. Such a bill appropriating \$15,000 should not be passed here by unanimous consent in a half minute of time. I object.

MILES THOMAS BARRETT

The Clerk called the next bill, H. R. 5682, for the relief of Miles Thomas Barrett.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the author of the bill, the gentleman from Pennsylvania [Mr. CAMPBELL] state the reason the Government should pay this small amount?

Mr. CAMPBELL of Pennsylvania. Mr. Speaker, this is compensation due to this soldier for service rendered from May 3, 1918, to August 19, 1918, when he did not draw any pay although serving in the Army.

Mr. STAFFORD. Mr. Speaker, I withdraw my reservation of objection.

Mr. MARTIN of Oregon. Mr. Speaker, I object.

Mr. MOUSER. Mr. Speaker, will not the gentleman reserve his objection?

Mr. MARTIN of Oregon. Mr. Speaker, I reserve my objection.

Mr. DYER. Mr. Speaker, I move that the House do now adjourn. We can not transact any business, and what is the use of wasting the time of the House?

The question was taken; and on a division (demanded by Mr. Dyer) there were—ayes none, noes 125.

Mr. DYER. Mr. Speaker, I make the point of order there is not a quorum present, as evidenced by the vote just taken. We can not consider meritorious bills, so why waste the time of the House?

The SPEAKER pro tempore. The Chair will state to the gentleman that he is out of order. The motion is not debatable.

Mr. DYER. Mr. Speaker, I withdraw the point of order. Mr. BLACK. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. BLACK. Mr. Speaker, I am anxious that the House accomplish something on the calendar to-day. The committee has worked hard on these bills. I asked for the regular order when a reservation of objection was made on the theory that we would proceed faster if an objection were made instead of a reservation of objection.

However, noting the temper of the House, I do not think I will further insist on the regular order in reservations, having in mind only the getting of an explanation, and that they do not intend at the end of the explanation, whatever it is, to object. With that understanding, I will no longer insist on the regular order.

Mr. COLTON. In view of the gentleman's statement, will the gentleman ask unanimous consent to return to the gentleman's bill?

Mr. COLLINS. I object to that.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. MARTIN of Oregon. I object.

Mr. BLANTON. Mr. Speaker, I would like to know if the gentleman from Oregon [Mr. Martin] knows what the bill is

he has objected to merely because he is peeved. I do not believe that the gentleman can give the name of it.

Mr. MARTIN of Oregon. Mr. Speaker, I withdraw the objection.

Mr. MOUSER. A parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it. Mr. MOUSER. As I understand it, this bill, H. R. 293, was passed without objection, and the RECORD so shows.

The SPEAKER pro tempore. The Chair will state the parliamentary situation. The gentleman from Oregon objected to the bill when it was called, and then afterwards withdrew his objection. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to pay Miles Thomas Barrett, of Bridgeville, Pa., out of any money in the Treasury not otherwise appropriated, for his service in the United States Army as a sergeant in the Corps of Engineers for the period of May 3, 1918, to August 19, 1918, both dates inclusive, the sum of \$175: Provided, That his service in the United States Army during the period in question is hereby made honorable by virtue of the passage of this act.

Mr. BACHMANN. Mr. Speaker, I move to strike out the last word. Gentlemen, if you want to get along with this calendar, we had better get down to business. There have been three days set aside for the Private Calendar—to-day, Thursday, and Friday. We have over 600 bills remaining on the Private Calendar for consideration. Most of you are interested in many of these claims.

The trouble started this afternoon when the gentleman from New York, the chairman of the Committee on Claims, immediately asked for the regular order and refused to permit Members to discuss some of the bills that were apparently objectionable. The committee checking the Private Calendar on both sides of the House devote a lot of time every night in preparation and going over these bills on the calendar. They are not seeking to object to meritorious bills which are on the calendar but to properly consider them and do the right and proper thing. The gentleman from New York began by asking for the regular order, which prevented Members from discussing bills in which they were interested. If Members may not reserve an objection in order to have an explanation, we will not get very far with this calendar. We must understand that these men on both sides of the Chamber who are charged with the duty of checking these bills do not have all the information which the committee has, and many times they want to be informed on some of the facts when these bills are called. Many bills are passed after a reservation of objection has been withdrawn.

What ought to be done here to-day is to turn back to the first bill considered, No. 277, and give all of these Members a fair chance. Give them their day in court. Let us go back to the first bill called up to-day so that we can finish this calendar before adjournment of this session. That is the only way to do it.

Mr. BLANTON. That ought to be done.

Mr. McKEOWN. In view of the gentleman's statement we can go back to where we first started.

Mr. BACHMANN. Yes. I am making no criticism of anybody. As soon as this bill is completed, I shall make that request.

Mr. BLANTON. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Blanton: Page 1, line 8, after the figures "\$175," insert the words "in full settlement of all claims against the United States."

Mr. COLLINS. Mr. Speaker, last session of Congress I introduced a resolution to appoint a special committee to draft a bill to be introduced designating a Government agency to consider private claim bills. No parliamentary body fritters away their time on private claims except the Congress of the United States. A board or a quasi-judicial body considers these bills in other countries and has the right to make payment out of funds appropriated for that purpose after a proper adjudication or decision has been made.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. Excuse me for a moment, and then I shall yield. Some agency like the Comptroller General ought to have the right to settle outright claims up to \$500.

Mr. STAFFORD. One thousand dollars.

Mr. COLLINS. One thousand dollars would suit me. Then if the claim amounts to over \$1,000, the board or the Comptroller General should submit the findings to the Congress, and the Claims Committee should consider the bill, together with the findings, and make report to the Congress. The Claims Committee would have ample time to consider bills of consequence then. As it is now, it is impossible for the Claims Committee to pass on approximately 7,000 claim bills, the number introduced at this session of Congress. I have endeavored since I have been an objector to select for objection only those bills wholly without merit. I have tried to follow certain rules and have objected to bills that I thought ought not to be passed, but this position of objector is a position that ought not to be put on any Member of Congress. We ought not to expect a Member of this House to have to do this onerous and very unpopular work.

Mr. MOUSER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. Yes.

Mr. MOUSER. Does the gentleman not think it should be the duty of the man who is on the committee on either side of the aisle in charge of the bills to urge those that he finds to be meritorious the same as to object to those that are not meritorious?

Mr. COLLINS. I do. We, however, should pass a resolution this session of Congress appointing a special committee to bring in a bill placing the duty of adjudication of private bills upon the Comptroller General, or some other body, and relieve ourselves of this task which at best is imperfectly done because of the large number of claim bills that must be considered.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield? Mr. COLLINS. Yes.

Mr. CHINDBLOM. In order to show the exact situation on claims against the Government, it should be added that the Court of Claims has jurisdiction over all matters based on contracts and upon strictly legal grounds.

Mr. COLLINS. I have no choice as to any agency to do the work, but I do think we ought to provide an agency.

Mr. CHINDBLOM. I agree with the gentleman.

Mr. COLLINS. And I shall reintroduce the resolution introduced by me during the last Congress.

Mr. CHINDBLOM. I agree perfectly with the gentleman, but it should be said that these claims are all in the nature of claims against the Government which could not be allowed except as matters of grace.

Mr. COLLINS. No; that is not quite the case.

Mr. CHINDBLOM. They are not based on any legal grounds to be considered by the Court of Claims.

Mr. BLANTON. Until we do work out a proper plan, every bad bill that passes here by unanimous consent throws the responsibility of passing that bad bill on the shoulders of every Member in Congress. As a Member of this House, that responsibility rests upon my shoulders, and I am responsible when I allow a bad bill to pass here by unanimous consent. For that reason I carefully investigate this Private Calendar so that I can be prepared to stop the bad bills. And when my colleague from Mississippi [Mr. Collins] objects to a bill, it is because he has investigated it and found it to be without merit.

Mr. COLLINS. That is right.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has again expired.

Mr. SCHAFER. Mr. Speaker, I rise in favor of the pending amendment.

Mr. Speaker, I am certainly surprised to observe the spectacle in the House to-day. Before I proceed I want to absolve the chairman of the Committee on Claims, the gentleman from New York [Mr. BLACK] from any improper motive in calling for the regular order. I believe that in the orderly consideration of the Private Calendar,

since several days have been set aside for the consideration of private claims bills, we should have a gentlemen's agreement to go through that calendar entirely without reservation of objection, and pass the bills to which there is no objection or reservation of objection. We can then commence the next day at the beginning of the calendar and reserve objections in the cases of bills which might need further explanation on the floor.

The gentleman from Oregon [Mr. Martin] apparently did not show the proper spirit, I am sorry to say. He is a fine gentleman and a good legislator. Of course, he is a new Member, but it is manifestly unfair for any Member of the Congress to arbitrarily object to the consideration of good bills where there is not a valid objection, just because some other Member of Congress has objected to his own bill. [Applause.]

Where would we get if every Member took that attitude?
Mr. MANLOVE. I will tell the gentleman where we would get. We would get some reasonable, sensible rule for the consideration of these bills that have been considered by the Committee on Claims.

Mr. SCHAFER. I did not yield to the gentleman, but when the gentleman speaks of a reasonable, sensible rule, the gentleman must have a private claims bill on the calendar to-day.

Mr. MANLOVE. Yes; and that bill has been considered by such men as the gentleman from Michigan [Mr. Hooper] and others, as fine jurists as ever were in this House.

Mr. SCHAFER. Oh, I understand that, but we must face the facts as we find them to-day. I have served on the Claims Committee for some time, and have worked until 1 o'clock in the morning on many occasions considering these claims bills, as chairman of a subcommittee. Some of them were contained in folders 6 inches thick. Under the operation of a rule, where one Member can object to the consideration of a bill, I think it is a ridiculous position for the gentleman from Missouri [Mr. Manlovel to defend the position that the House found itself in to-day.

Mr. MANLOVE. I do not defend any such position as that; but I do state that after the committee has considered these bills and has studied them and has looked into the evidence it is a ridiculous position for any one Member to have the power to come here and thwart the purpose of that committee—1 Member out of 435.

Mr. SCHAFER. I did not yield; but I hope the gentleman will assist me to get two more minutes so that I can finish what I wanted to say. The Record will show that I have consistently fought to liberalize the rule under which private claims bills are considered.

I agree with the gentleman; but it is a more ridiculous position to bring up a bill for consideration and let some Member use the rules of the House and his right in order to filibuster and take up the entire day in the House and prevent the consideration of any bills on the Private Calendar. Any one Member of this House, opposed to one of these bills, can filibuster and defeat any of these private claim bills when he desires to do so. When we are operating under this rule would it be fair to prevent the consideration of any of these bills because there might be a few bad bills on the calendar? I admit there are a few bad bills which have been reported by the Committee on Claims. I voted against them in committee. I intend to take care of them when we reach them on the calendar. When members of a standing committee with the press of business that we have in our office and on other committees and on the floor of the House have met and studied these bills as the members of the Claims Committee have, working late into the night, and at every regular meeting day, and then find that because some Member's bill was objected to on the floor of the House he objects to all bills on the calendar. I say that it is a sorry spectacle.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. SCHAFER. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes.

Mr. DYER. Mr. Speaker, reserving the right to object, we are just stopping the consideration of bills by a lot of talk.

Mr. MOUSER. Mr. Speaker, reserving the right to object, I do not object to the gentleman from Wisconsin asking for two additional minutes, and I shall not object to the gentleman from Oregon, whose name has been mentioned, asking for time, but after that I shall object.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHAFER. The gentleman from Missouri [Mr. Dyer] seems to be fearful that we are wasting time. His position, asking for an adjournment and the wasting of an entire legislative day, is just as ridiculous and perhaps more ridiculous than the position taken by the gentleman from Oregon [Mr. Martin].

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. SCHAFER. I was surprised to find some of the Members who have bills on the calendar rising and voting to adjourn a few moments ago. I could call off some names of those who have private claim bills on the calendar from the Claims Committee reported out by me as a subcommittee. Some of those gentlemen are authors of bills which have caused me as a subcommittee of the Committee on Claims to spend four or five hours late at night studying their merits so I could make a recommendation to the full committee and the full committee recommend the bill and place it on the calendar.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. SCHAFER. I do not intend to have some of the Members who are badgering the members of the Claims Committee in the corridor and on the floor day in and day out, asking them to report their bills so they can come up on the floor of the House, act like demagogues and facetiously object to bills or move to adjourn because their own bills are objected to.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

Mr. CHINDBLOM. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. CHINDBLOM: Page 1, line 8, strike out the proviso.

Mr. CHINDBLOM. Mr. Speaker, the proviso reads as follows:

Provided, That his service in the United States Army during the period in question is hereby made honorable by virtue of the passage of this act.

Mr. CAMPBELL of Pennsylvania. Will the gentleman

Mr. CHINDBLOM. I yield.

Mr. CAMPBELL of Pennsylvania. He was rendering honorable service at the time he was discharged.

Mr. CHINDBLOM. I do not know whether he was or not.
Mr. CAMPBELL of Pennsylvania. The record shows that
fact, if the gentleman will examine the record.

Mr. CHINDBLOM. Then this proviso is not needed.
Mr. CAMPBELL of Pennsylvania. But the man has not

Mr. CAMPBELL of Pennsylvania. But the man has not an honorable discharge now from one of the services.

Mr. CHINDBLOM. I will say to the gentleman from Pennsylvania that no legislation by Congress can or should affect the action of an administrative department, and particularly of the administration of the Army with reference to a discharge.

Mr. CAMPBELL of Pennsylvania. Does the gentleman understand the circumstances of this case?

Mr. CHINDBLOM. I will say I understand them perfectly, and if the gentleman will allow me to proceed for a moment I think I will make it perfectly clear.

I refuse to yield further.

not honorably discharged this is the kind of proviso we usually include:

Provided that in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers such ex-service man shall be held and considered to have been honorably discharged from the military or naval service of the

But we never by legislative enactment declare a man's service to be made honorable by virtue of the passage of the

Mr. CAMPBELL of Pennsylvania. Will the gentleman vield?

Mr. CHINDBLOM. No; not now.

Whether a man's service in the Army has been honorable or not is determined by his record in the Army, and the Congress of the United States can not determine that his service was honorable, or that he was or should have been honorably discharged.

If the gentleman believes the proviso in the bill in some way may affect the payment awarded by the bill, then I suggest that instead of the proviso which is in the bill he substitute the proviso I have suggested.

Mr. BLANTON. Offer it.

Mr. CHINDBLOM. And I will ask leave to offer it as a substitute.

Mr. BLANTON. Good; do that.

Mr. CHINDBLOM. This is the substitute I offer:

That in the administration of any law conferring rights, privileges, and benefits upon honorably discharged soldiers the aforesaid Miles Thomas Barrett shall be held and considered to have been honorably discharged from the military service.

Mr. CAMPBELL of Pennsylvania. Will the gentleman

Mr. CHINDBLOM. I yield.

Mr. CAMPBELL of Pennsylvania. He is not asking for a benefit; he is asking for wages earned during his service overseas. He is not asking for a pension.

Mr. CHINDBLOM. The gentleman apparently misapprehends my purpose. The first part of the bill provides for payment. I am not attacking that.

Mr. CAMPBELL of Pennsylvania. He has an honorable discharge from one of the services given to him at the time he was discharged. The gentleman does not understand the circumstances of the case.

Mr. CHINDBLOM. I think I do, but the proviso is not proper and does not improve the legislation.

Mr. Speaker, I offer this amendment.

The SPEAKER pro tempore. Does the gentleman from Illinois desire to withdraw his amendment?

Mr. CHINDBLOM. Mr. Speaker, I do; and I offer a substitute for the proviso now in the bill.

The SPEAKER pro tempore. Without objection, the former amendment will be withdrawn and the gentleman from Illinois offers an amendment, which the Clerk will report.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. CHINDBLOM: Strike out the proviso beginning in line 8, down to and including line 11, on page 1, and insert in lieu thereof "Provided, That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, the said Miles Thomas Barrett shall hereafter be held and considered to have been honorably discharged from the military service of the United States."

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. CHINDBLOM. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MOUSER. Will the gentleman yield?

Mr. CHINDBLOM. Yes. Mr. MOUSER. In this instance I think the gentleman's

In legislation which we pass granting pensions to persons | record is concerned, but has this Congress up to this time corrected dishonorable discharges of World War veterans, and are we not setting a precedent in this case which will be followed in many thousand cases to come hereafter?

Mr. CHINDBLOM. I will say to the gentleman that my first amendment was to strike out the proviso in the bill, and I think that would be the best action to take. I do not think the proviso is necessary. The first part of the bill gives this man the amount of money which he claims for his services, but I repeat that the Congress of the United States can not declare by an enactment or by a law that the service of any soldier has been honorable during any particular period. The Congress of the United States knows nothing about that. That is a matter of record in the War Department and we can not declare it here simply by dictum. I am perfectly willing to stand by my original amendment to strike out the proviso. That is not going to hurt the case, because the man gets his full amount. However, since the soldier rendered full and honorable service in the Navy, from which he did receive an honorable discharge, I do not believe this case need establish a dangerous precedent.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Speaker, I ask recognition in opposition to the amendment. Mr. Speaker, this is a peculiar bill. It is very objectionable if the proviso is going to remain in the bill. The gentleman from Illinois [Mr. CHIND-BLOM] is entirely correct, that we can not and do not legislate as to the military record of any soldier or officer. We merely provide in all this legislation that so far as pensions are concerned so-and-so shall be considered to have been honorably discharged. We can not by legislative enactment change the military record of any soldier as carried in the War Department. All this bill seeks to do is to pay this soldier some back pay. It is rather passing strange that the Committee on Claims did not ask for a report on this bill from the War Department. It is one of the few bills on which there is no report, and if a report had been called for we would not have gotten into the impasse we are now in. The sensible thing to do is to either adopt the proposed substitute, which is harmless, or else strike out the proviso. I will raise the question of no quorum if this proviso is included in this bill, because never in the history of Congress have we legislated as to the record of any soldier.

Mr. CAMPBELL of Pennsylvania. Mr. Speaker, I move to strike out the last two words. I am not disposed to refuse to accept the amendment offered by the gentleman from Illinois, but I do not think the gentleman understands the circumstances surrounding the case. This veteran is not asking that his military record be made honorable. He is asking for pay for honorable service. He was in the Spanish-American War forces and received an honorable discharge in 1910. When we entered the World War he enlisted in the Marines August 27, 1917, for the duration of the war, with the understanding that he would be sent to France with the first detachment going across. He waited for seven months and when the opportunity was not forthcoming he asked for and was granted three days' leave of absence from his post. He went to San Antonio, Tex., in civilian clothes and enlisted in the Army, with the understanding that he would be sent overseas. That was in May, 1918, and in June, 1918, he was overseas. Soon after his arrival overseas he wrote a letter through channels notifying the Marine Corps of his whereabouts. The Marine Corps claimed jurisdiction over him on August 4, 1918. He was then on the front lines. After proper investigation he was restored to duty and given an honorable discharge from the Marine Corps August 13, 1919. He received the croix de guerre and a citation by General Pershing. He did not receive any pay from May, 1918, until August, 1918, while in the Army. He is not seeking to have his military record corrected. His record speaks for itself. However, he did not receive any pay during the time I have mentioned and he was not paid by the War Department because they did not recognize his service, and amendment is correct so far as clearing this man's military being considered absent without leave from the marines he did not receive any compensation for the period referred to.

Mr. DYER. Will the gentleman yield? Mr. CAMPBELL of Pennsylvania. Yes.

Mr. DYER. Why does the gentleman provide in the bill then that he shall be considered as having been honorably discharged? 'It seems to me that is not necessary.

Mr. CAMPBELL of Pennsylvania. Because he did not get any pay or his discharge at the time he left his post with the marines and the marines took charge of him in August, 1918.

Mr. DYER. This is not the way to grant an honorable discharge to a soldier.

Mr. CAMPBELL of Pennsylvania. He has an honorable discharge from the Marine Corps. The general gave him an honorable discharge after he found out the circumstances and gave him a letter of commendation. However, his record is not clear in the War Department, although he rendered meritorious service while in the Army, and it is sought to make this service honorable and not to correct or change a record already established.

Mr. CHINDBLOM. My amendment makes it clear in the

matter of receiving pay and allowances.

Mr. CAMPBELL of Pennsylvania. He does not object to an honorable discharge; however, he does not need an honorable discharge from the Army to accomplish the purpose of the bill and entitle him to pay for services rendered to the Government.

Mr. CHINDBLOM. This will protect him so far as his Army service is concerned, and the gentleman has said that he never was properly discharged from the Army.

Mr. CAMPBELL of Pennsylvania. No; but he got a proper discharge from the Marine Corps.

Mr. CHINDBLOM. This provision will protect him and

also protect the Government.

Mr. CAMPBELL of Pennsylvania. In this case I am more solicitous about the individual than the Government, for the soldier, prompted by patriotic motives and a desire to do some real fighting, transferred himself from one branch of the service to another without the usual formalities.

Mr. MOUSER. Mr. Speaker, I move to strike out the last four words.

Mr. Speaker, it seems to me the amendment of the gentleman from Illinois is a proper one. The gentleman from Pennsylvania [Mr. Campbell] inadvertently referred to this man's first service as in the Spanish-American War. The gentleman undoubtedly will correct that when he reviews

Mr. CAMPBELL of Pennsylvania. I did not get the gentleman's statement about the Spanish-American War.

Mr. MOUSER. The gentleman inadvertently stated in his remarks that this man's first enlistment, concerning which the dishonorable discharge related, was during the Spanish-American War.

Mr. CAMPBELL of Pennsylvania. No; the gentleman misunderstood me. I said he was a Spanish-American War veteran and then enlisted during the World War.

Mr. MOUSER. The first enlistment to which the amendment of the gentleman from Illinois refers relates to the World War.

This man enlisted during the World War with the understanding he was going to get overseas within a short period of time. He was disappointed in this and obtained a 73-hour furlough and enlisted elsewhere and did get overseas, where his service was not only honorable but distinguished and meritorious. There now comes a question as to whether or not, inasmuch as his name was dropped from the pay roll because of his being absent without leave or deserting, his name should be restored to the pay roll for the interim referred to, in order that he may receive \$175. Unless his discharge is made honorable, he can not legally draw \$175 from the Treasury of the United States, and therefore the gentleman from Illinois, in a spirit of helpfulness, offers an amendment to clarify the record so that this man can legally draw this \$175.

Mr. CAMPBELL of Pennsylvania. Will the gentleman

Mr. MOUSER. I yield.

Mr. CAMPBELL of Pennsylvania. I had a somewhat similar case where an American enlisted in the Canadian Army, after deserting our Army, and when he came back he was given promotion and General McCain wrote a letter to the commanding officer at Camp Meade and told him that this soldier would return there and that there would be an honorable discharge waiting there for him.

Mr. MOUSER. I am trying to help the gentleman-

Mr. CAMPBELL of Pennsylvania. I do not need any help. This case will stand on its own merits.

Mr. BLANTON. With the Chindblom amendment adopted, this man gets his pay and gets his status fixed properly.

Mr. MOUSER. Not only that, but it removes a blot from

Mr. CAMPBELL of Pennsylvania. I am not opposing the amendment. I am willing to accept the amendment.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Illinois [Mr. CHINDELOM].

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider was laid on the table.

Mr. BACHMANN. Mr. Speaker, in view of the confusion that happened earlier in the afternoon, I ask unanimous consent to return to Calendar No. 277 and call the bills following in order that every Member may have a fair and honest chance and so that we may handle the calendar in the proper way.

Mr. PARKS. I object, Mr. Speaker.

LAWRENCE A. JETT

The Clerk called the next bill, H. R. 5793, for the relief of Lawrence A. Jett.

Mr. EATON of Colorado. Mr. Speaker, for reasons previously stated in reference to similar bills I object.

A. L. MARSHALL

The Clerk called the next bill, H. R. 6003, for the relief of A. L. Marshall.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$500 to A. L. Marshall, of Ruleville, Miss., which said sum was paid by him on May 12, 1930, to the United States marshal, and which sum was covered into the United States Treasury on June 26, 1930, by reason of the forfeiture of the appearance bond of Ben Davis, alias Jack Avent, charged with the violation of the national prohibition act, on which appearance bond the said A. L. Marshall was a surety, and the said A. L. Marshall having subsequently, on the 9th day of February, 1931, brought the said Ben Davis, alias Jack Avent, into open court, whereupon he, the said Ben Davis, alias Jack Avent, entered a plea of guilty and was sentenced to serve a term of six months in the jail of Coahoma County, Miss., by the Delta Division of the Northern District of the United States District Court of the State of Mississippi. Be it enacted, etc., That the Secretary of the Treasury be, and

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to return to Calendar No. 277.

The SPEAKER pro tempore. Is there objection?

Mr. BACHMANN. Reserving the right to object, I made the same request, and then to follow right through the calendar, but some Member objected.

Mr. COLLINS. I object.

SAM ECHOLS

The Clerk read the next bill on the Private Calendar, H. R. 6855, for the relief of Sam Echols.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That authority is hereby granted to pay Sam Echols, the father of George W. Echols, deceased, the sum of \$7.14 due and unpaid the said George W. Echols for services rendered by him as postal clerk in the Railway Mail Service.

Mr. ARENTZ. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 4, after the figures "\$7.14," insert "in full payment of all claims against the Government of the United States."

Mr. STAFFORD. Mr. Speaker, I rise in opposition to the amendment. I suggest to the gentleman from Nevada that his amendment would more properly come after the word Echols" in line 5.

Mr. ARENTZ. I accept the suggestion of the gentleman from Wisconsin and modify my amendment in that respect.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote was laid on the table.

WILLIAM R. NOLAN

The Clerk read the next bill on the Private Calendar, H. R. 7656, for the relief of William R. Nolan.

Mr. CLARKE of New York. Reserving the right to object, I would like an explanation of this proposition.

Mr. MOUSER. Let me say to the gentleman that the War Department recommends the passage of this bill. The man was injured in an airplane accident, and the payment was disallowed simply because of a technical construction of the

Mr. CLARKE of New York. I withdraw the reservation. The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and Be it enacted, etc., That the Secretary of the Treasury Be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the Government, the sum of \$613.75 to William R. Nolan for pay and allowance for the period from January 29, 1926, to April 14, 1926, the same being the pay and allowance of his rank during the period that he was receiving treatment from a specialist as a result of an accident in line of duty.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Page 1, line 8, after the figures "1926," strike out the remainder of the bill and insert in lieu thereof the following: "And also for any disbursements and expenses incurred by reason of an injury incurred in the line of

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote was laid on the table.

THOMAS J. ALLEN. JR.

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to return to Calendar No. 280.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I objected to that bill, and the regular order was demanded without giving the gentleman any chance to explain the bill. I hope the request of the gentleman from Arkansas will be granted.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas J. Allen, jr., the sum of \$2,183.50 for the total damage of his personal effects by vandals while superintendent of the Hawaii National Park.

The SPEAKER pro tempore. Is there objection? Mr. STAFFORD. Reserving the right to object, as I understand, when I was interrupted by a demand for the regular order to obtain some information, as I had examined the report rather carefully, this money is to reimburse this officer of the Government by reason of damage to personal property, caused, it is assumed, by bandits or vandals while he was away from home. I would like to inquire whether the Government has ever recognized similar obligations?

Mr. COLTON. I can not cite the gentleman to a precedent, but the department writes such a favorable report in regard to this measure that I feel sure it is not new in principle. I may say that a man was indicted for this offense, but was not convicted. There is no doubt that this deed was done to take revenge against the Government, or at least

the administration of national parks. Mr. Allen is a very high-grade gentleman and would not ask an unreasonable thing.

Mr. STAFFORD. It seems to me that this man suffered injury by reason of the office that he held.

Mr. COLTON. There is no doubt about that.

Mr. STAFFORD. Therefore, the Government should bear the burden attached, just as if a prohibition officer were injured in the performance of his duty. I withdraw the reservation of objection.

The SPEAKER pro tempore. Is there objection? Mr. GRISWOLD. I object.

CHARLES W. DWORACK

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to return to Calendar No. 282, H. R. 2296, for the relief of Charles W. Dworack.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. If it is clearly understood that this bill is to be reduced by an amendment from \$10,000 to \$2,500 and some other safeguarding amendments are added, I shall not object.

Mr. GAMBRILL. Mr. Speaker, I must object unless the gentleman amends his request by asking to return to Calendar No. 277, and the consideration of all bills from that point on down.

The SPEAKER pro tempore. Is there objection? Mr. GAMBRILL. Mr. Speaker, I object.

JEANIE G. LYLES

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to return to Calendar No. 277 and those cases that in the turmoil had no opportunity given for hearing, and that we proceed and give them a hearing on the calendar.

The SPEAKER pro tempore. Is there objection?

Mr. SCHAFER. Mr. Speaker, reserving the right to object, I feel compelled to object because of the attitude of the author of the bill on Calendar No. 277, who objected to returning to another number, unless there was coupled with the unanimous-consent request a return to his bill. However, in the interest of orderly procedure I shall not object. I sincerely hope that the Members of the House will not object to bills or to the return to bills passed over simply because their individual bill is involved and we do not return to it.

The SPEAKER pro tempore. The Chair understands the gentleman's request to be to return to Calendar No. 277 and to call the bills from there on down.

Mr. HARLAN. Yes.

The SPEAKER pro tempore. That have been objected to? Mr. HARLAN. Yes.

The SPEAKER pro tempore. Is there objection?

Mr. COLLINS. Reserving the right to object, are we going to consider again all of the bills that have been considered this morning?

The SPEAKER pro tempore. The Chair so understands the gentleman's request.

Mr. MONTAGUE. Mr. Speaker, I reserve the right to object. Calendar No. 290 was called when I was unavoidably detained from the House this morning. I would like to make some explanation of it.

Mr. BACHMANN. If the request goes through, that bill will be considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. The Clerk will call the bills, beginning with Calendar No. 277.

The Clerk called the bill (H. R. 1414) for the relief of Jeanie G. Lyles.

The SPEAKER pro tempore. Is there objection to the consideration of this bill?

Mr. EATON of Colorado. Mr. Speaker, I object to the consideration of the bill.

Mr. GAMBRILL. Will the gentleman reserve his objection?

Mr. EATON of Colorado, Yes.

amended to reduce the amount from \$10,000 to \$2,500?

Mr. EATON of Colorado. I reserve the right to object.

Mr. GAMBRILL. Mr. Speaker, I hope the House will be patient with me while I explain that this bill is for the relief of the mother of Lieutenant Lyles, the lieutenant having died in 1903. He was one of the outstanding heroes of the Philippine Insurrection and fought valiantly. In 1902, he invented a frame for the purpose of carrying rapid-fire guns, which was adopted and used by the Government, and has been used by the Government ever since. Up until 1911 over 3,000 of those appliances were in use by the Army of the United States, and from that time on their use has been most extensive. In 1912, a bill was introduced in this Congress to pay Mrs. Lyles the sum of \$2,500. After full consideration of the bill it was set aside with a favorable recommendation by the Committee of the Whole House for the payment to her of \$2,000. If I had the time I could draw attention to a colloquy which occurred at the time it was under consideration in 1912, which shows plainly and unmistakably that the department had agreed to pay to the mother of this deceased officer, in lieu of his taking out a patent, the sum of, I think, 10 per cent royalty, though I may be mistaken about the amount. However, the agreement with the Government was unmistakable. Mr. Rucker was then representing one of the districts from Colorado. Mrs. Lyles was at that time a resident of Colorado and has since moved to Maryland. That agreement showed unmistakably that there was a contract with the Government by which he was to be paid a certain royalty on the use of these appliances, and I have in my files a letter of about a year ago from Assistant Secretary Payne to the effect that \$2,500 is considered a reasonable sum to be paid to this widow.

I can read that letter if it will be of any interest. The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman yield?

Mr. GAMBRILL. I yield. Mr. STAFFORD. Is it not established law that when an officer invents anything while in the service of the Government, that invention goes to the benefit of the

Mr. GAMBRILL. That may be the law, but there was nothing to prevent this lieutenant from taking out a patent on this invention.

Mr. STAFFORD. It is established law that if any employee invents a device during his employment it belongs to the employer.

Mr. GAMBRILL. May I just read this letter for the benefit of the House?

Mr. MOUSER. Will the gentleman yield?

Mr. GAMBRILL. I yield.

Mr. MOUSER. The Government most certainly is under a moral obligation to pay this man for the use of his idea.

Mr. GAMBRILL. There is no question about that. Mr. STAFFORD. Will the gentleman yield to me further in connection with the moral side of it?

Mr. GAMBRILL. I yield.
Mr. STAFFORD. The fact is there are hundreds of employees who give their brains in inventions who make no claim whatsoever on the Government.

Mr. GAMBRILL. Secretary Payne wrote me on July 11, 1930-

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GAMBRILL. Mr. Speaker, I ask unanimous consent to proceed for three additional minutes.

The SPEAKER pro tempore. Without objection it is so

There was no objection.

Mr. GAMBRILL. The Assistant Secretary of War wrote me on July 11, 1930:

The file discloses correspondence in which the adoption and use of Lieutenant Lyles' invention is frankly admitted, and the opin-

Mr. BLANTON. Does the gentleman agree to have it in expressed that the sum of \$2,500 would represent fair compensation for the entire use of the invention made by the War Department, such figure being computed as 10 per cent royalty upon the cost of manufacture of all pack saddles and frames, made or contemplated during the period of 17 years.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. GAMBRILL. I yield.

Mr. EATON of Colorado. I do not know of any reason why the order of Colonel Rucker should not be in the report. if he ever ordered Lieutenant Lyles to make one or a dozen of these pack saddles. To adapt an idea which has been used for years and years in the West for pack saddles and try to claim it as a new invention, is almost preposterous. Pack frames have been used from time immemorial for packing in the West. If the Government wishes to give this lady \$2,500 because her husband died, that is another proposition, but to give her \$2,500 as a matter of right because this man adapted the idea of using a pack saddle is preposterous.

I object, Mr. Speaker.

JOHANA ARMSTRONG

The Clerk called the next bill on the Private Calendar, H. R. 1553, for the relief of Johana Armstrong.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the author of this bill had his inning, and I objected, and I will object again.

DANIEL COAKLEY

The Clerk called the next bill on the Private Calendar, H. R. 1813, for the relief of Daniel Coakley.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object-

Mr. THATCHER. Mr. Speaker, I regret that objection has been made to-day to the consideration of this bill H. R. 1813, for the relief of Daniel Coakley. The objection seems to be based on the fact that the injury received by this man occurred before the enactment, in 1916, of the United States employees' compensation act. A single objection is sufficient to prevent present consideration. I am wondering if those who are inclined to make objection to bills of this character will pursue the same course as to all other similar measures on the Private Calendar. Of course, if any exceptions are made, the results are manifestly unfair to those whose relief bills are objected to. There should be no discrimination.

STATEMENT OF FACTS

The facts involved in this case present a very strong appeal for equitable consideration. The official records show that on November 21, 1891, Daniel Coakley, white, then a boy about 13 years old, was employed as a messenger in the United States engineer work on the Louisville and Portland Canal at Louisville, Ky. This canal was and is a part of the Ohio River system. While so employed he suffered the loss of his right leg by having it crushed off beneath the wheels of a railroad car. The compensation act only permits the payment of compensation and the furnishing of medical treatment, including orthopedic appliances, for injuries sustained on and after September 7, 1916. A recent application made by Coakley to the United States Employees' Compensation Commission, through the War Department, for furnishing an artificial limb, was disallowed for the reason that the commission has no appropriation for the furnishing of such appliances.

The Secretary of War, to whom was referred the identical measure, H. R. 4281, by the Committee on Claims for report in the last Congress, made a report thereon under date of February 26, 1930, setting forth the general facts as to the accident and injury. The same is included in the favorable report of the Committee on Claims touching the present measure, together with the formal report of the assistant engineer, Granville W. Shaw, engaged on the canal work; and the report of the chairman of the United States Employees' Compensation Commission.

The report of Assistant Engineer Shaw dated December | 28, 1891, included by the Secretary of War in his report just mentioned, shows that Coakley, as messenger on the indicated governmental work was sent by his superiors to the Government warehouse near Eighteenth Street and the canal to procure there a key from Mr. Hughes, the Government receiver of materials. Coakley mounted a coal car attached to a westbound train on the track of the Louisville Cement Co. This company, I may say, was then engaged in that immediate section in the making of cement and operated its cars over local tracks for this purpose.

Employees of the canal work rode, from time to time, on these cars-which ran only a short distance along the line of the canal-with the knowledge and consent of the Louisville Cement Co. officials. Young Coakley therefore, in the discharge of his duty, and in line with custom, boarded the indicated car and, as shown by Engineer Shaw's report, rode as far as a switch or siding east of the bridge, where the eastbound train of cars was waiting. Mr. Hughes was on the eastbound train, and Coakley saw him at this siding point. In consequence Coakley sought to jump off from the car on which he was riding in order to reach Mr. Hughes to ask him for the indicated key. As Coakley thus sought to jump off the car of the westbound train, he slipped and fell with his right leg across the rail. One or more of the cars of the moving train passed over the limb, crushing it off just below the knee joint. Thereupon he was carried to a local hospital and his leg amputated just above the knee

THE EQUITIES INVOLVED

The Secretary of War in his report, after reviewing the facts of Coakley's employment and the accident and injuries,

In view of the facts, clearly shown, that Coakley was injured while in the performance of his duty, and without willful misconduct on his part, it is my opinion that the claim is meritorious and that the relief sought by the bill should be granted.

The chairman of the United States Employees' Compensation Commission, on March 11, 1930, submitted to the Committee on Claims a report on the former bill (H. R. 4281), and in that report stated, in substance, as follows: That should the measure be enacted into law the commission would be authorized to receive Coakley's claim when filed, notwithstanding the fact that his injury would not otherwise come within its jurisdiction; and to consider such evidence as he might submit showing that had his injury occurred after September 7, 1916, he would be entitled to the benefits provided in section 4 of the compensation act, and to extend to him such benefits as he might thus be shown to be entitled to receive, from and after the date of the passage of the bill. The chairman of the commission further states that

The injury in this case having occurred many years prior to the enactment of the law which it administers, the commission does not make any recommendation as to the advisability of the passage of the bill. If, however, the injury was incurred in the performance of duty, as appears to be the case, the equities would seem to be very strong for some future relief after 39 years of caring for

I may add, Mr. Speaker, that this appraisal of the equities involved, as made by the chairman of the commission, seems to be most just. This man's life was stunted and forever dwarfed by reason of this accident, sustained by him in the performance of his duties as an employee of the Federal Government. He was a poor boy and has gone through life maimed and crippled. He grew up without education. He has struggled hard for a bare existence. His earning power was serionsly and permanently impaired by this youth-time accident. He has never had a fair chance, and he is now 54 years old and life's sun is sinking for him.

Had the compensation act been in force when his injuries were sustained he might have drawn throughout all these years something in the way of compensation from the Government he was serving. Should the fact that the humane legislation intended to cover such cases was not enacted until some years after the occurrence of the accident operate as a permanent bar to the relief which should have been the object of the once and in the superintendent's nome acid was legislation intended to cover such cases was not enacted thrown over most of his furniture and the clothes of himself and his wife. With the exception of some furniture and the car, the property injured by the acid was totally destroyed or so seriously impaired that it had to be replaced.

his from the date of the accident? He yet suffers. He is yet in need. He is yet altogether poor and destitute and tremendously handicapped. In recent years he has had to pass a portion of his time in the Home for the Aged and Infirm of the city of Louisville because he was without means and because he was unable to secure any character of employment. Should this great Government of ours be less humane, less charitable, less just, if you please, than any wellmanaged private corporation of the country dealing with similar situations? I had hoped that these considerations would appeal to the membership of the House sufficiently to overcome and prevent any objections of technical character to action on the bill.

This man has just this one life to live, and from his very youth he has been thus terribly burdened and handicapped. Literally speaking, he has been one of the "forgotten ones." Only the Congress, in the exercise of its plenary powers of kindness and justice, can afford him any measure of relief. The passage of this measure would enable him to go before the indicated commission and present his case upon its merits. The most that he might receive under such presentation would be small, for his earning power was and is very small. Lacking education, lacking physical wholeness, with age creeping on, and discouraged by his fate, for what can he hope, unless here, in this small way, we help him? He has not even been able to purchase a needed artificial limb because the law has not authorized it. Should this measure come up for future consideration in the House I hope that any Member inclined to object may conceive himself to be in this unfortunate man's place before entering an objection to its consideration.

Mr. STAFFORD. I object.

THOMAS J. ALLEN. JR.

The Clerk called the next bill on the Private Calendar, H. R. 2064, for the relief of Thomas J. Allen, jr.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, if this bill is allowed to pass it makes the Government an insurer of the private property of every one of these employees.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. EATON of Colorado. This is a different bill from any other here. I was inclined to oppose the bill when I first read the report. I made inquiry of the director of the national parks, and from him I received a short statement. which I will not read, but which I will put in the RECORD.

> DEPARTMENT OF THE INTERIOR, NATIONAL PARK SERVICE. Washington, May 13, 1932.

Hon. William R. Eaton,

House of Representatives.

Dear Mr. Eaton: Referring to our conversation yesterday in regard to H. R. 2064, a bill for the relief of Thomas J. Allen, jr., introduced by Congressman Don B. Colton, let me explain that the amount of this bill, viz, \$2,183.50, was submitted by Superintendent Allen at my request.

The circumstances of the case are as follows:

Mr. Allen was transferred from the Rocky Mountain National Park, Colo., where he was assistant superintendent, to the position of superintendent of Hawaii Park, which, as you know, is located on two islands, Hawaii and Maul. There had been trouble in the on two islands, Hawaii and Maul. There had been trouble in the of superintendent of Hawaii Park, which, as you know, is located on two islands, Hawaii and Maul. There had been trouble in the park due to the presence of what might be called a public enemy. This person, at that time unknown, had caused trouble of different kinds and a ranger's wife had been assaulted, apparently by the troublemaker. It was impossible to fasten the crime on the individual who committed it.

The then superintendent of the park, who had been detailed from the United States Geological Survey, largely because of the intolerable conditions existing due to the failure of law-enforcement officers to cooperate with the park, asked to be relieved. Mr. Allen was sent to Hawaii in his place. He had a new car and much new furniture. Shortly after arriving at the Hawaii National Park he left his headquarters in the Kilauea section, on the island of Hawaii, to visit the Haleakala section, on the island of Maui, to transact official business in Honolulu. While he was gone some one entered his home as well as his office. Papers were taken from the files of the office and in the superintendent's home acid was

A full report of the incident was made to the Washington office, and at my own suggestion Mr. Allen was asked to submit a detailed statement regarding his losses. His report was carefully reviewed by several officers of the National Park Service, including myself, and the final list as sent to the committee was made up here in the Washington office with my full approval. I feel that the claim the Washington office with my full approval. I feet that the chain is very reasonable. It does not represent by a considerable margin Superintendent Allen's actual loss. The report contains a full list of the articles damaged and the values. After talking with you to-day and giving full consideration to your own views on this claim, based on your careful analysis of it, I again reviewed the whole record with my associates and we could reach no other conclusion than that the claim was just and fair.

clusion than that the claim was just and fair.

I might say also that the National Park Service has been very careful in the preparation of all claims to be submitted to Congress for consideration. Nothing that has come before us has received closer scrutiny than claims of this kind because we realize that abuses may creep into matters of this kind. A review of the statutes will assure you that only a few claims have been submitted and that these have been always fair and reasonable.

Mr. Allen is one of the most conscientious officers of the National Park Service. He is one of our ablest men. He was undoubtedly the victim of a revengeful act of an enemy of the Federal Government in Hawaii. There could have been no ground for personal animosity because Mr. Allen had just become superintendent of Hawaii National Park and had come from Colorado. He was not known to any person on the island of Hawaii before He was not known to any person on the island of Hawaii before his arrival. I earnestly hope that you will see your way clear to support this bill. I can not help but feel that the failure of Congress to pass the bill would be an act of injustice to a loyal, faithful public servant.

Sincerely yours,

HORACE M. ALBRIGHT, Director.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. EATON of Colorado. Will the gentleman further reserve his objection?

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? The Chair hears none, and the Clerk will report the bill.

Mr. COLLINS. Mr. Speaker, I object. My colleague [Mr. GRISWOLD] has already objected two times.

The SPEAKER pro tempore. The gentleman is too late. The Clerk will read the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas J. Allen, jr., the sum of \$2,183.50 for the total damage of his personal effects by vandals while superintendent of the Hawaii National Park.

Mr. BACHMANN. Mr. Speaker, I think there should be an amendment at least setting out the date in the bill, so that the bill will show on its face when this happened. There is no date here. We do not know when this happened. We do not know how long ago it was or anything about it. I offer an amendment in line 8-

Mr. COLLINS. Mr. Speaker, a parliamentary inquiry. The SPEAKER pro tempore. The gentleman will state it. Mr. COLLINS. Is the bill about to be considered No. 280?

The SPEAKER pro tempore. It is.
Mr. COLLINS. I objected to the bill. My colleague [Mr. GRISWOLD] objected to the bill twice. I can not understand how it is being read.

Mr. BLANTON. The Chair failed to hear either one of the gentlemen.

The SPEAKER pro tempore. The Chair will state to the House that the Chair put the question twice. Somebody said something, and the Chair put the question again, and nobody said anything. The gentleman got to his feet after the Chair had said there was no objection.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry. The SPEAKER pro tempore. The gentleman will state it.

Mr. BLANTON. Where a Member rises in his seat and objects, as the gentleman from Mississippi did, is it right thereafter for the Chair again to say "Is there objection?" and when the Member does not hear the Chair, for the Chair to go on with the bill as if no objection had been

Mr. CLARKE of New York. He does not need any guardian on the floor of the House. If he does, he should not be here.

Mr. BLANTON. I am addressing the Chair. Everybody here heard the gentleman from Mississippi [Mr. Collins]

Mr. PARKS. Mr. Speaker, I heard the gentleman.

Mr. BACHMANN. Mr. Speaker, I offer an amendment

The SPEAKER pro tempore. The gentleman from West Virginia offers an amendment, which the Clerk will report.

Mr. COLLINS. Mr. Speaker, I make the point of order that there is not a quorum present.

Mr. STAFFORD. Will the gentleman withhold that a moment?

Mr. COLLINS. I will.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that all proceedings whereby this bill was considered be vacated, so that we can go back to the objection stage.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The Clerk will again report the bill H. R. 2064.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Mr. Speaker, I object.

COL. RICHARD M. CUTTS, UNITED STATES MARINE CORPS

The Clerk called the next bill on the Private Calendar, H. R. 2084, for the relief of Col. Richard M. Cutts, United States Marine Corps.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I object to the bill because it carries an amount of \$14,198.08.

Mr. MOUSER. Will the gentleman reserve his objection? Mr. BLANTON. Certainly.

Mr. MOUSER. The author of the bill has met my objection, which was the same as the gentleman's objection as to the amount of the claim for the property that was lost in the fire, that the property was overvalued.

Mr. BLANTON. The bill was introduced for \$15,679.08. The gentleman agreed that it be reduced to \$14,198.08.

Mr. MOUSER. The gentleman has agreed now to accept an amendment reducing the amount to \$6,000.

Mr. BLANTON. If he does that, I do not think this kind of a bill ought to be passed under unanimous consent. There seems to be entirely too much margin on it.

Mr. PARKS. Mr. Speaker, I demand the regular order.

Mr. BLANTON. I object.

Mr. EATON of Colorado. Mr. Speaker, I make the unanimous-consent request that the gentleman from Indiana reserve his objection to No. 280.

Mr. PARKS. Mr. Speaker, a point of order.

The SPEAKER. The Chair will state to the gentleman from Colorado that the bill has been passed on the calendar. The Clerk will call the next bill.

CHARLES W. DWORACK

The Clerk called the next bill, H. R. 2296, for the relief of Charles W. Dworack

Mr. BLANTON. Mr. Speaker, reserving the right to object, is it understood that the gentleman accepts the proposed amendment to reduce this from \$10,000 to \$2,500?

Mr. HARLAN. Mr. Speaker, I will say to the gentleman from Texas that as a matter of expediency rather than justice I shall accept the amendment.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have this bill marked for objection.

Mr. HARLAN. I shall be glad to explain the bill to the gentleman from Wisconsin.

Mr. STAFFORD. The claimant in the bill, who was supposed to have been injured in 1922 at the time of the Roma accident, continued in the employ of the Government until

Mr. HARLAN. That is not the fact.

Mr. STAFFORD. He received salary from the Government except for three days. Now the gentleman is purposing to pay him \$2,500.

Mr. HARLAN. That is absolutely ridiculous. The man is an invalid and has been for years. As the gentleman will see from the record, Mr. Dworack was a very capable man, but the correspondence received shows the reasons for his resignation, and that he resigned very shortly after this.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I think the author of the bill should have an opportunity to explain the bill if he takes issue with me.

I call the attention of the gentleman to the statement of the chairman of the Employees' Compensation Committee. It also appears that Dworack received full pay from the Government for all time lost on account of his injury with the exception of two and a half days. He made application for relief under the employees' compensation act.

Mr. HARLAN. Is the gentleman through?

Mr. STAFFORD. I am examining the report and waiting for some enlightening information from the gentleman from

Mr. HARLAN. This man, I will say to the gentleman from Wisconsin, worked only a very short time after the accident. It is true he was paid for the time he was off in the hospital; but when he went back to work, he only worked a very short time and found himself unable to continue in his employment, and has not been employed for years. Prior to 1929 I believe he received a few intervals of very brief employment, but he has not done any real work since the accident.

Mr. STAFFORD. Will the gentleman from Ohio give the information as to when he left the employ of the Government?

Mr. HARLAN. I have it here in the correspondence. He left within a very few months after he returned to his employment. He is in a state of complete shock. This bill passed the last House.

Mr. STAFFORD. Will the gentleman inform the House as to the reason for his not making application under the employees' compensation act? Apparently he did make application and it was rejected.

Mr. HARLAN. At the time he made the application he was still working for the Government, and at that time the Government had paid him for the loss that he had sustained; but this condition he is in now has developed since he left the Government employ.

Mr. STAFFORD. Mr. Speaker, I believe I am in error in my statement that he continued in the employment of the Government until 1929.

I am willing to accept the statements of the gentleman from Ohio that he only remained in the service a few days.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to Charles W. Dworack, who was permanently injured in the Roma disaster on February 12, 1922, at the Army supply base, Norfolk, Va., while in performance of duty.

With the following committee amendment:

Page 1, line 5, strike out the sign and figures "\$10,000" and insert in lieu thereof the sign and figures "\$2,500."

The committee amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Blanton: Page 1, line 5, after the word "appropriated," insert "in full settlement of all claims against the Government of the United States."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. Blanton: Page 1, line 5, after the word "duty," insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in

connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM K LOVETT

The Clerk called the next bill, H. R. 3029, for the relief of William K. Lovett.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, reserving the right to object, it is understood that if the bill passes beyond the objection stage the amendment proposed by the committee is to be accepted, namely, that the amount carried in the bill is to be reduced to \$2,050.

Mr. MOUSER. At the proper time I have two amendments to offer.

The SPEAKER pro tempore. Is there objection? There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William K. Lovett, Wildwood, N. J., the sum of \$2,516.16 for loss of the motor sloop Edith and cargo while engaged in rendering assistance to the keeper and crew of the Holly Beach Life Saving Station at Cold Spring Inlet, N. J., on October 6, 1913.

With the following committee amendment:

In line 6, strike out the sign and figures "\$2,516.16" and insert in lieu thereof "\$2,050 in full settlement against the Government."

The committee amendment was agreed to.

Mr. MOUSER. Mr. Speaker, I offer the usual attorney's fee amendment.

The SPEAKER pro tempore. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Mouser: In line 10, after the figures "1913," insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

BERYL ELLIOTT

The Clerk called the next bill, H. R. 3551, for the relief of Beryl Elliott.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I object.

SOPHIA A. BEERS

The Clerk called the next bill, H. R. 3561, for the relief of Sophia A. Beers.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, reserving the right to object, it must first be understood that the gentleman from Oregon [Mr. Martin] will agree to an amendment reducing the amount carried in the bill from \$13,720 to \$5,100, that the usual attorneys' fee amendment be included, and that this amount be in full settlement of all claims against the Government of the United States.

Mr. MARTIN of Oregon. I will accept those amendments. Now, Mr. Speaker, may I say a few words about this bill? When a meek gentleman like myself starts to object-immediately my motives are impugned and I am jumped on with hobnailed shoes. Session after session I have seen bills objected to. I have been angry just as my friend from Wisconsin [Mr. Schafer] has been angry, because I know the labor that has been put on these bills. The gentleman from Wisconsin [Mr. Schafer] should not quarrel with me. I would like to see all of the bills passed which committees act on, because, as I say, I know the labor they put on them.

When I came here this afternoon I had this meritorious bill on the calendar. I am thoroughly familiar with it. However, I see it passed up like a white chip.

Mr. BLANTON. What kind of a chip?

Mr. MARTIN of Oregon. A blue chip. Fortunately, my colleague from Texas stated that the person involved here is a poor, starving woman, Sophia Beers. Her husband, who was a bright mechanic, during the war invented these pipebending machines. His resources were limited. After he had made this invention he went to the navy yard at Puget Sound and he asked them to have two of his machines put in the navy yard. The authorities consented that he should do this, and they were so placed. The efficiency of the machines were such that they ordered four more, making six in all. It took all the resources of that poor fellow to manufacture those six machines. The Government used the machines for one year. Evidence comes from the Secretary of the Navy that these were efficient machines and most valuable machines, and, as I say, they were used by the Navy Department in the navy yard at Puget Sound for one year. Then, when it came time to pay for them, this man ran up against some of this Government red tape which so many of the Members here condemn and rebel against, and which I rebel against. The Government said, "We can not pay for them because there was no advertisement for bids," and they refused to pay on these technical grounds. The man who invented these machines is dead and his poor widow has waited 10 years for her money. It is a most distressing case.

Mr. MOUSER. Mr. Speaker, reserving the right to object,

assuming that the report is correct-

Mr. MARTIN of Oregon. I am familiar with it.

Mr. MOUSER. Let me ask the gentleman this question: Under what authority did the foreman in the navy yard

contract for these machines?

Mr. MARTIN of Oregon. That is just the point. He was one of those men who came in the Navy during the war. He was not familiar with the red tape and did not advertise for bids. Of course, he did not have the technical authority to order these machines and, as I say, he did not advertise for bids. It is merely a matter of red tape, and it is merely a thing which they overlooked. I am perfectly familiar with this case.

Mr. MOUSER. It goes beyond a mere matter of red tape and technicalities when the question of open and competitive bidding is concerned. That is why so much money was thrown away during the war. They did not follow that procedure. They did not give the public an opportunity to bid so that they might get the lowest and best bids. Will the gentleman accept an amendment reducing this amount to \$2,000?

Mr. MARTIN of Oregon. Please do not ask me to do that. Mr. MOUSER. I will be compelled to object unless the

gentleman accepts such an amendment.

Mr. STAFFORD. May I say to the author of the bill that I am confronted with the same difficulty which has presented itself to the gentleman from Ohio. These machines were used for one year and then the owner was given notice that the Government would have no further use for them. Why did not the owner then remove them?

Mr. MARTIN of Oregon. He did remove them. Mr. STAFFORD. He did not. He left them.

Mr. MARTIN of Oregon. The poor man was broke. He had no resources and his wife has no resources. Why do you want to continue to deny her her just dues?

Mr. MOUSER. We feel sorry for the widow, but it is a question whether the Government of the United States has a legal liability or a moral obligation.

Mr. MARTIN of Oregon. It has both a legal and a moral obligation.

Mr. MOUSER. I can not see that the gentleman has satisfactorily explained that.

Mr. MARTIN of Oregon. The Government has had the obligation for 10 years.

Mr. MOUSER. Will the gentleman accept the amendment I have suggested?

Mr. MARTIN of Oregon. Two thousand dollars?

Mr. MOUSER. Yes; just simply paying her on a moral obligation that amount for rent of these machines for nine

Mr. MARTIN of Oregon. How can the gentleman stand up there and look me in the face and make such a proposition?

Mr. MOUSER. There is no legal obligation involved here and the Government only used them nine months, and \$2,000 would certainly be a fair rental. It is not the fault of the Government that they negligently left the machines there and they disappeared.

Mr. MARTIN of Oregon. Will the gentleman make it

Mr. MOUSER. I am not that kind of man. Will the gentleman accept the amendment? Two thousand dollars is a pretty good rental for nine months.

Mr. MARTIN of Oregon. I shall have to accept the amendment

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. If the Chair may have the attention of the gentleman from Oregon, the Chair will call attention to the fact that a similar bill has passed the Senate and is now on the Speaker's table. Without objection, the Senate bill will be substituted for the House bill.

Mr. MARTIN of Oregon. Does the Senate bill carry the same amount?

The SPEAKER pro tempore. Yes; \$5,100.

There being no objection, the Clerk read the Senate bill. as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sophia A. Beers, widow and the heirs at law of William H. Beers, deceased, the sum of \$5,100 in full compensation and settlement for all claims and demands of William H. Beers, deceased, growing out of, of arising from, the use, destruction, and loss of certain pipe-bending machines in the United States navy yard at Puget Sound,

Mr. MOUSER. Mr. Speaker, I offer two amendments; in line 9, change the amount of \$5,100 to \$2,000, and at the end of the bill add the usual attorneys' fee provision.

The Clerk read as follows:

Amendment offered by Mr. Mousea: In line 7, strike out "\$5,100" and insert in lieu thereof "\$2,000," and in line 11, after the word "Washington," insert a colon and add the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold or receive any sum of the amount appropriated collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon con-viction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

Mr. CLANCY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the revenue bill.

quest of the gentleman from Michigan?

There was no objection.

Mr. CLANCY. Mr. Speaker, the meanest and most merciless of all Federal tax bills! This is a fair and not extravagant description of the Senate tax bill as sent to conference by the House this noon.

Over one-quarter of the \$1,121,000,000 of the total revenue provided for in the bill is assessed on one industry—the automobile industry.

On top of that we have the cool suggestion of the Speaker of the House, Mr. GARNER, proposing additional tens of millions of dollars upon the automobile industry in the form of gasoline taxes to pay the cost of over \$2,000,000,000 worth of bonds which are to be issued to finance his \$2,309,-000,000 relief and unemployment bill.

With fine irony Speaker GARNER calls this cruel and ruinous additional tax on the automobile industry "mercy

The enemies of the automotive industry have always had great influence with Congress and with the administration, and they have dealt many underhanded blows to the automobile industry, but never have they been so successful and so destructive in their machinations as in the present annual revenue bill and in the Garner relief plan.

At last, by reactions of the terror and desperation which is menacing the country, the friends of the automotive industry in Congress have been powerless to get fair and adequate consideration for the key industry of the country. It is universally conceded in financial and business circles that the automobile industry had the finest opportunity to lead the country back to good times.

Rising to their responsibility, captains of the automobile industry have been risking their last dollar recently to bring back prosperity. They issued 217 new models for the annual automobile shows this past winter, which is illustrative of the daring and enterprise of the industry.

The automobile industry made its big gamble, only to be slapped down by a wildly desperate Congress, which apparently can not resist the attack of the enemies of the automobile industry.

This morning automobile men all over the United States were panic stricken and stood aghast at the cruel and unwarranted injuries that have been done to them in the revenue bill as it was sent to the House.

They saw their competitors in the transportation world triumphant and protected from ruinous sales taxes.

One has but to examine the bill to see how malevolent and malignant it is to the automotive industry.

The direct sales tax on automobiles, trucks, parts, and accessories has been raised from the 3, 2, and 1 per cent rates of the House bill to 3, 2, and 2 per cent.

A conservative estimate of this direct tax is \$55,000,000. The Senate inserted an entirely new and vicious tax on tires and tubes, amounting to \$33,000,000 per year, in the form of a 4-cent-per-pound tax on rubber tire cases.

In the last hours of the bill in the Senate the automotive industry was struck another deadly blow in the form of a 1 cent per gallon tax on gasoline, which the Senate estimated at \$150,000,000 but which is much closer to \$200,-000,000 per year, in my opinion, for the automobile industry alone used over 16,000,000,000 gallons of gasoline last year.

An extraordinary tax of 4 cents a gallon on lubricating oil is in the bill, and it is estimated this additional tax on the automobile industry will amount to \$35,000,000 per year.

This makes a total alone of \$273,000,000 per year.

But there are other unusual taxes in the bill, such as the import tax on gasoline and oil and copper, which undoubtedly bring the taxes in this bill alone on the automobile industry to over \$300,000,000 per year. The automotive industry is one of the biggest users of lumber and coal in the country and these additional tariff taxes will add to the burdens of the automobile industry.

Consider that the automobile is already the heaviest taxed of all commodities and is paying over \$1,000,000,000 per year now in State, county, city, village, and township taxes,

The SPEAKER pro tempore. Is there objection to the re- | and any fair man will readily concede that this Federal revenue bill is just what I called it in my opening statement of these remarks-"The meanest and most merciless of all Federal tax bills " considered by the American Congress.

We friends of the automotive industry in the House will fight this bill as best we can in conference and we will fight to get a vote on some of these items on the floor of the House. Certainly the House conferees should insist that the Senate's 2 per cent tax on parts and accessories should be put back to the House rate of 1 per cent.

We are imploring the House conferees to kill the \$33,000 .-000 tax on tires and tubes.

The Federal gasoline tax is altogether too high, and that should be cut down. Certainly the Ways and Means Committee never should pass out the Garner relief plan, providing for additional hundreds of millions of dollars in gasoline and automotive taxes.

For many years I have insisted to the leaders of the automotive industry that they should not take this persecution of high, unfair, discriminatory, and exorbitant taxes at the hands of their servants and public officials.

In 1923 and 1924 I helped organize the automotive industry into one of the most powerful political machines ever developed by any industry.

My personal advice to the leaders has been that they should stand by their friends among the Congressmen and Senators in their primaries and elections, and I have always insisted that they should let the voters who have automobiles and who are in any way connected directly or indirectly with the automobile industry know who their friends are in

It follows as the night the day that they should also let the voters know who the bitter and unrelenting enemies of the automotive industry are in the House and Senate, in the State legislatures, and in the other political units of the

No group of men in the history of this country have ever shown such daring and gameness and enterprise as the men who are running the automobile industry in this country to-day.

It remains to be seen whether they will lie down like cravens and cowards in the face of this merciless attack and persecution embodied in the two great bills now before Congress-the \$1,121,000,000 revenue bill and the \$2,309,000,000 Garner relief bill.

The leaders of the automobile industry have always been reluctant to engage in politics, but only the blindest of them can now deny that they are submerged almost over their heads in politics through the schemes and manipulations of their enemies.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD made to-day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

EULA K. LEE

The Clerk called the next bill, H. R. 3775, for the relief of Eula K. Lee.

Mr. STAFFORD. Mr. Speaker, I object.

DOUGLAS B. ESPY

The Clerk called the next bill, H. R. 3791, for the relief of Douglas B. Espy.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to inquire what obligation is upon an enlisted petty officer so far as insuring his property against fire is concerned.

Mr. MOUSER. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. MOUSER. I can not see any evidence in the report of negligence on the part of the Government. I think the amount is certainly excessive so far as the loss of clothing is

Mr. STAFFORD. I object, Mr. Speaker.

ROSAMOND B. M'MANUS

The Clerk called the next bill, H. R. 4059, for the relief of Rosamond B. McManus.

Mr. BLANTON. Mr. Speaker, reserving the right to object, with the understanding that this bill is to be reduced to \$5,000 and with the proper safeguarding amendment adopted. I shall not object.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rosamond B. McManus the sum of \$25,000 in full settlement against the Government for the death of her husband, Howard McManus, who was killed a Department of Commerce airplane on September 17, 1930,

With the following committee amendment:

In line 6, strike out "\$25,000" and insert in lieu thereof "\$5,000."

The committee amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer an amendment. At the end of the bill add the usual attorney's fee clause.

The Clerk read as follows:

Amendment offered by Mr. Blanton: In line 10, after the word "Illinois," insert a colon and the following:
"Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer another amendment. On page 1, line 7, before the word "against," insert "for all claims."

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 7, before the word "against," insert "for all claims."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHARLES HELLYER

The Clerk read the next bill on the Private Calendar, H. R. 4274, for the relief of Charles Hellver.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I object.

Mr. MONTAGUE. Will the gentleman withhold his objection?

Mr. STAFFORD. I will gladly do so. My objection is based on the fact that the injury occurred prior to the enactment of the employees' compensation act. It has been the consistent policy of this Congress to object to all claims of that character brought within the purview of that act.

Mr. MONTAGUE. I will relieve the gentleman from all responsibility in connection with the bill by saying that I have the sad duty to announce that the claimant is dead.

Mr. STAFFORD. I will say to the gentleman that notwithstanding his sarcastic remarks, under the provisions of this bill, the widow, if he left any, would be entitled to the compensation. I object.

JOSE O. ENSLEW

The Clerk read the next bill on the Private Calendar, H. R. 4405, for the relief of Jose O. Enslew.

Mr. STAFFORD. Reserving the right to object— Mr. SOMERS of New York. When the gentleman objected before to this bill, I got the impression that he did so on the ground that this accident occurred on a narrow street, and it was impossible to have an accident there without the fault lying with the claimant. During the past summer I was on this street and noted the conditions there, and I can see how one might encounter an accident of that sort without any fault on his or her part. Knowing that condi-

tion, I was wondering if the gentleman would not reconsider his objection.

Mr. STAFFORD. I based my objection a year ago, as well as to-day—and I wish to say that I have reexamined the report in the case, because I did not want to do any injustice to the claimant—because I believed that the claimant was at fault, that she virtually walked into the truck. and the eyewitnesses so testified, and that the truck was going at a reasonable speed. There is nothing in the record to show that the Government was at all at fault.

Mr. SOMERS of New York. This was a wet day, and the construction work of a new building had blocked the sidewalk, and this girl turned out, and when the automobile came down the street it struck her.

Mr. BACHMANN. How old is this little girl?

Mr. SOMERS of New York. Oh, about 20. She is a stenographer, a brilliant girl, well educated, and a responsible person in every way.

Mr. STAFFORD. I want to say that I went so far as to examine all the affidavits, and the entire report and testimony, and I came to the conclusion the Government was in

no way at fault. Mr. Speaker, I object. Mr. MOUSER. Mr. Speaker, my colleague the gentleman from Kentucky [Mr. Thatcher] was unavoidably called to the telephone at the time calendar No. 279 was called. It was objected to, and I think in fairness to the gentleman from Kentucky, owing to his unavoidable absence, that we should go back to that calendar number. I ask unanimous consent to return to calendar No. 279, in order that the gentleman from Kentucky may offer an explanation of that bill.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I have no objection, provided it is subject to objection.

Mr. COLLINS. Mr. Speaker, we have gone over this calendar twice. There is no man in the House for whom I have a higher regard than I have for the gentleman from Kentucky [Mr. THATCHER], but I think we ought to get along with the calendar. I object.

BUSCH-SULZER BROS, DIESEL ENGINE CO.

The next business on the Private Calendar was the bill (H. R. 5429) for the relief of the Busch-Sulzer Bros. Diesel Engine Co.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. I call attention to what the department says about this bill. I read from the report:

The claimant entered into the contract for the construction of the engines for the V boats with full knowledge that its orderly performance must depend upon appropriations to be made by the Congress. No general legislation has been effected for the payment of carrying charges in similar cases, except where the construction of vessels was suspended by reason of treaty limitations, and it is considered that it would establish a dangerous precedent to allow such charges on an isolated contract.

Further, the department says that the cost of the proposed legislation is \$38,007.74, and the bill itself carries \$15,-273.60. By stopping this bill I save \$15,273.60, and ultimately I save the sum of \$38,007.74 for the Treasury, because the department says this legislation will cost the people that sum. In these strenuous times it is worth while to save \$38,007.74.

On the recommendation of the department, I object.

LAWRENCE A. JETT

The next business on the Private Calendar was the bill (H. R. 5793) for the relief of Lawrence A. Jett.

The SPEAKER pro tempore. Is there objection? Mr. STAFFORD. I object.

HOWARD EMMETT TALLMADGE

The next business on the Private Calendar was the bill (H. R. 964) for the relief of Howard Emmett Tallmadge.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. This is a bill introduced by my colleague from Wisconsin [Mr. Schafer]. The record shows that this man

was dismissed from the service because of bad conduct; that | during his brief period of service he committed a number of serious offenses against naval discipline. In view of the President's position recently stated in his veto message to the House of the omnibus pension bill, of similar character, does the gentleman think that if this bill should be submitted to him it would escape a veto?

Mr. SCHAFER. Mr. Speaker, this bill is different from the ones that the President vetoed. If the President should veto this meritorious bill, he could not defend his position. The facts indicate that this man received a discharge that was not honorable during his Spanish-American War service by reason of the fact that he talked a little rough to a noncommissioned superior officer. When the World War broke out he voluntarily enlisted and served from January 21, 1918, to March 13, 1919.

Mr. STAFFORD. Mr. Speaker, I withdraw the objection. The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That in the administration of the pension laws Howard Emmett Tallmadge, formerly coal passer, United States Navy, shall hereafter be held to have been honorably discharged from services in the naval forces of the United States on October 13, 1902: Provided, That no pension, bounty, pay, or other emolument shall accrue prior to the enactment of this act.

Mr. BACHMANN. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Bachmann: On page 1, in line 7, after the word "provided," strike out the proviso and insert in lieu thereof the following:

"That no bounty, pension, back pay, or allowance shall be held to have accrued prior to the passage of this act."

The amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY DIXON LINEBARGER

The next bill on the Private Calendar was the bill H. R. 2599, for the relief of Henry Dixon Linebarger.

The SPEAKER pro tempore. Is there objection?

Mr. MOUSER. Mr. Speaker, I reserve the right to object. Mr. COYLE. Mr. Speaker, this bill was introduced by the gentleman from Texas [Mr. Sanders]. I heard the evidence in this particular case. There was no offense involving moral turpitude. This man very shortly after his alleged desertion was found to be insane. It is my opinion that the man's desertion was undoubtedly due to his mental condition at the time. He has been confined in the hospital a good deal of the time since his discharge. I am convinced that he was mentally unbalanced at the time he absented

Mr. MOUSER. And the gentleman considers his condition due to his mental condition?

Mr. COYLE. Entirely.

Mr. MOUSER. I withdraw my objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors, Henry Dixon Linebarger, who served as seaman, United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States on January 22, 1919: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this set. passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ARTHUR L. HACYKELL

The Clerk called the next bill on the Private Calendar, H. R. 3601, for the relief of Arthur L. Hacykell.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, this bill should not pass. The department says the disability did not occur in line of misconduct."

service and that it will cost the Government approximately \$600 each year, and the department recommends against the bill. I think that sum of money should be saved each

Upon that recommendation, I object.

HARRY MANNING LEE

The Clerk called the next bill on the Private Calendar, H. R. 5595, for the relief of Harry Manning Lee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws con-Be it enacted, etc., that in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sallors, Harry Manning Lee, who served as private, United States Marine Corps, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States on September 5, 1918: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this set. sage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

AUSTIN L. TIERNEY

The Clerk called the next bill on the Private Calendar, H. R. 6000, for the relief of Austin L. Tierney.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I object.

Will the gentleman withhold his objection Mr. COYLE. for a moment?

Mr. STAFFORD. Certainly.

Mr. COYLE. This is another case where I listened to the testimony, and I feel convinced that in this particular case the man was insane at the time he absented himself. All the medical evidence seems to bear that out.

He is apparently a charge on some community, and it would seem that in view of his service it might not be unfair to let the Pension Office assume that charge.

Mr. STAFFORD. There is nothing in the Medical Office of the Navy Department to show that he had any mental disorder.

Mr. COYLE. The moment that mental disorders show he unquestionably would be discharged from the Navy. That is the reason it does not show on his record.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. COYLE. I yield.

Mr. EATON of Colorado. Does the gentleman take the position that when these mental disturbances demonstrate themselves 10 or 15 years afterwards, we are to go back and forget their unsocial attitude and reinstate these men as good soldiers and good sailors? Is that what the gentleman is trying to do by this series of bills?

Mr. COYLE. It does not seem so to me.

Mr. EATON of Colorado. If it is called insanity, the elements were just as present then as they are to-day, and it is not recognized, as I understand it, as either a basis for damage or a basis for claim.

Mr. BLANTON. Will the gentleman yield?

Mr. COYLE. I yield.

Mr. BLANTON. The department recommends against this bill, yet it says it will place no additional charge on the Treasury.

Mr. EATON of Colorado. If the gentleman from Texas would read the next sentence-

It is probable that a Veterans' Administration charge will be involved now or in the future.

Mr. COYLE. The gentleman is sound in that statement. There undoubtedly will be a Veterans' Administration charge, but I submit that in all human probability that is the proper agency to take care of this man, because he has been insane practically from the time he was a deserter from the service.

Mr. EATON of Colorado. That is, if you call it insanity. Insanity is a defense every time a man commits murder or theft.

Mr. COYLE. If the gentleman will bear with me still further, this case was diagnosed as "psychosis, maniacdepressive, origin not in line of duty, and not due to his own

Mr. EATON of Colorado. Does the gentleman know what | those words mean?

Mr. COYLE. I have seen them frequently.

Mr. EATON of Colorado. Does the gentleman know what they mean?

Mr. COYLE. I have a general idea.

Mr. EATON of Colorado. And does the gentleman not join me in objecting to this bill?

Mr. COYLE. No.

Mr. EATON of Colorado. I object, Mr. Speaker.

THOMAS T. GESSLER

The Clerk called the next bill on the Private Calendar, H. R. 2284, for the relief of Thomas T. Gessler.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Reserving the right to object-

Mr. HARLAN. Mr. Speaker, this man enlisted in the Navy as he said he wanted to get better medical attention at the time, in his letter. He apparently was one of the border-line cases. His nervous system was suitable for ordinary life, but when he got into the Navy things just went to pieces. He was in the hospital 41 days of the 65 days that he was on sea duty. He went home to get treatment from his own doctors; and while there he was unable to get funds to get back, and he went to the naval-recruiting man, and he said he could not help him. Finally, his father borrowed enough money to get him back to his ship. He came back to the ship and surrendered himself and was charged with being away without leave, or deserting during war. He was sent to confinement, and it was discovered that he was physically unfit ever to return to the service, and they released him.

As shown by the report, the doctor who examined him during his confinement said:

been unable to work steadily, and he says he joined the Navy to get "doctored up." His history shows that due to his hypochondriacal ideas he has

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I object.

MARY A. COX

The Clerk called the next bill on the Private Calendar, H. R. 1174, for the relief of Mary A. Cox.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Reserving the right to object, the bill in its present form is not objectionable, except that it is not in the customary form in which we authorize these claims to be examined by the Compensation Commission.

Mr. LINTHICUM. Has the gentleman any amendment to suggest?

Mr. STAFFORD. Mr. Speaker, I know the gentleman from Maryland will have no objection to the substitute I am about to propose, because it carries out virtually the same purpose, and I will withdraw the reservation of objection and offer an amendment.

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, the gentleman understands, does he not, that no payment will commence until after the adjudication?

Mr. LINTHICUM. Yes. This is merely to grant authority to submit the claim to the Employees' Compensation Commission.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., title 5, secs. 767 and 770), are hereby waived in favor of Mary A. Cox, who claims disability as a result of employment under the United States Shipping Board in 1917 and 1918. The United States Employees' Compensation Commission is authorized to consider and act upon her claim, No. 112410, under the remaining provisions of such act, as amended, as if her claim and notice had been filed within 60 days after said alleged disability.

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word.

Will the gentleman advise the date the injury occurred, so I may incorporate that in an amendment?

Mr. LINTHICUM. The woman was employed in August, 1917.

Mr. STAFFORD. When did the injury occur?

Mr. LINTHICUM. She says:

The muscles of my right arm would ache, and on February 14, 1918, when I first consulted my doctor, the fingers of my right hand were badly twitching. However, I did not think it would amount to anything but a passing cramp, and believed when they caught up with my work and just worked along normally it would

She states that the serious trouble began about February,

Mr. STAFFORD. Then it would be agreeable to describe it as an injury purporting to have occurred in 1918 and thereafter.

Mr. LINTHICUM. Would the gentleman have any objection to saying "1917, 1918, and thereafter "?

Mr. STAFFORD. I will make it read "1917, 1918, or thereafter."

Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out all after the

enacting clause and insert:
"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Mary A. Cox for an injury purporting to have occurred some time in 1917, 1918, or thereafter, in the same manner and to the same extent as if said Mary A. Cox had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefit shall accrue prior to the enactment of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN S. SHAW

The Clerk called the next bill, H. R. 1778, for the relief of John S. Shaw.

Mr. EATON of Colorado. Mr. Speaker, I object to the consideration of the bill.

IRENE LUNGO

The Clerk called the next bill, H. R. 1861, for the relief of Irene Lungo.

Mr. EATON of Colorado. Mr. Speaker, I object.

SILAS B. LAWRENCE

The Clerk called the next bill, H. R. 2478, for the relief of Silas B. Lawrence.

Mr. MOUSER. Mr. Speaker, reserving the right to object, I would like to state to the author of the bill my objections. In the first place, this accident happened in 1897. I object because of the remoteness of the time of the accident in reference to the time this bill was introduced.

Secondly, I doubt very much whether this man when deputized by the United States marshal was actually in Federal service, in view of the reward of \$500 which had been offered for the apprehension of some alleged moonshiners, or that he was a Federal employee within the meaning and spirit of the law. It is quite evident that the posse went out more in view of the \$500 reward than they did for any act of Federal duty.

Mr. MILLER. The gentleman misunderstands the sitnation.

Mr. MOUSER. He went out after the \$500 reward. Mr. MILLER. The gentleman is mistaken as to the \$500 reward. The reward was offered by the Attorney General of the United States for the arrest of the bootleggers after they had shot two deputy marshals, Mr. Lawrence and another gentleman.

Mr. MOUSER. The reward was offered subsequent to Lawrence's injury?

Mr. MILLER. Yes. Since the claim was investigated and reported upon I obtained a report from the Attorney General and also photostatic copies of all the proceedings that were taken by the Attorney General for the apprehension ished. Some of them were hanged.

Mr. MOUSER. Was the reward paid?
Mr. MILLER. The reward was paid to other people.

Mr. MOUSER. This claimant did not participate in the reward, then?

Mr. MILLER. No.

Mr. COLLINS. Will the gentleman yield?

Mr. MOUSER. I yield. Mr. COLLINS. I do not have this bill down for objection, but I notice there is no report from any of the departments, and it seems to me to be rather unfortunate that some of these bills are coming in without reports from departments.

Mr. MOUSER. I agree with that statement of the gentlemen. I will say to the gentleman from Mississippi that the gentleman from Arkansas has just stated he has in his possession now photostatic copies of statements from the Attorney General, and if he will insert them in the RECORD that will make a complete report.

Mr. MILLER. I will be pleased to do that.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have had difficulty in subscribing to this claim for the reason the injury occurred so long ago. This claim has not been presented to the Employees' Compensation Commission. The injury occurred in 1897. If we are to be consistent we must object to this claim as we have to others.

Mr. MILLER. I will state to the gentleman that in a discussion with the old gentleman himself I asked him why he had never made a claim. He made this statement to me:

I have never asked my Government for a dime for anything, but I have reached the point where I am totally disabled, and the loss of my arm is largely responsible for it, and if you feel like the Government should pay me anything for the injury I will appreciate it.

Mr. STAFFORD. What does the report of the Attorney General show, because I have been consistently objecting to these old claims, and we must stop some time having the Treasury used as a vehicle for passing out Christmas presents?

Mr. MILLER. The report of the Attorney General states:

Further reference is made to previous correspondence concerning your bill for the relief of one Silas B. Lawrence, who was injured on August 29, 1897, while a member of the United States marshal's e in the eastern district of Arkansas.

There is inclosed herewith a copy of a letter from the United States marshal for that district, dated February 26, 1932, concerning this matter, and also copies of letters transmitted with his

report.

A further search of the records of the department at Washington shows that there were received from the marshal two telegrams dated August 30, 1897, and also a report dated September 3, 1897. The latter shows the names of the deputies who were killed and also the statement that Cy. Lawrence was "shot in the arm" and that "his arm has since been amputated." Copies of the telegrams and report are also inclosed herewith.

Although these reports definitely establish that Mr. Lawrence was injured while serving as a member of the United States marshal's posse, on the date above mentioned, the department would prefer not to express any opinion, at this time at least, as to whether the bill should be enacted into law.

to whether the bill should be enacted into law.

Mr. STAFFORD. Has the Government reimbursed these other officers who were injured or killed?

Mr. MILLER. I am not able to say, but they were officers of the Government.

[Here the gavel fell.]

Mr. MOUSER. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes in order that the gentleman may continue his statement.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. STAFFORD. If we have not recognized liability in these other cases, I do not think we should begin in this

Mr. MOUSER. May I suggest to the gentleman that this man might be excused for a lack of knowledge of the law as to the statute of limitations. Moreover, it appears from the position he occupies as a citizen that he could not have understood the technicalities of the law with reference to the statute of limitations, and I think he should be forgiven for laches upon his part. I certainly think the amount carried in the bill is not too high. I am rather

of the murderers. They were apprehended later and pun- sympathetic with the gentleman's bill in view of his explanation.

> Mr. MILLER. This man lived back in the mountains and could not know about the statute of limitations.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury, not otherwise appropriated, the sum of \$2,000 to Silas B. Lawrence as reimbursement for expenses actually incurred by him as a direct result of personal injuries received by him on August 29, 1897, while in the discharge of his duties as a member of a posse under the command of the United States marshal for the western district of Arkansas, and as full compensation for said injuries the transfer of the second states. sation for said injuries, the pain and suffering from the same, including loss of earnings and any permanent disability resulting

Mr. MILLER. Mr. Speaker, I offer an amendment. In line 10, strike out the word "western" and insert the word " eastern."

The SPEAKER pro tempore. The gentleman from Arkansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Muler: In line 10, strike out the word "western" and insert in lieu thereof the word "eastern."

The amendment was agreed to.

Mr. MOUSER. Mr. Speaker, I offer the usual attorney's fee amendment.

The SPEAKER pro tempore. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Mouser: In line 13, after the word "injury" insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

RALPH LAVERN WALKER

The Clerk called the next bill, H. R. 2535, for the relief of Ralph LaVern Walker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. RAMSPECK. Will the gentleman reserve his objec-

Mr. EATON of Colorado. I will.

Mr. RAMSPECK. I would like the gentleman to give me some indication of what his objection is. The War Department admits liability in this case.

Mr. EATON of Colorado. Will the gentleman read the words on which he relies in making the statement that the War Department admits liability?

Mr. RAMSPECK. In the report there is this language:

It is the opinion of the board that the preponderance of evidence warrants the conclusion that the dangerous materiel which caused the accident was War Department property.

Mr. EATON of Colorado. Those are the words on which the gentleman relies?

Mr. RAMSPECK. Yes.

Mr. EATON of Colorado. My objection to the bill is, in the first place, that there is absolutely no connection between the cause of this injury and the United States Government. It is so stated in the report, over the signature of Patrick J. Hurley, Secretary of War, notwithstanding the fact that there is an opinion to the effect that the particular item-that is, a bomb, or a detonator, it is called

in the report-which caused this explosion belonged at one | time to the War Department, but it is stated that the War Department, and no one connected with the War Department, was the owner of this property, this hand grenade or whatever it was, at the time it was brought into the yard of this boy who picked it up. This is a very distressing case, but there is nothing that ties it up with any liability, even any sympathetic liability, on the part of the United States.

Mr. RAMSPECK. The gentleman misunderstands the location. The boy's yard was a part of what was Camp Gordon during the war. The Government dismantled that camp; they advertised for bids and sold this property to the public. This family moved there. I do not know whether they owned the property or whether they were tenants, but the place where the boy found this bomb, or whatever you call it, was on the old camp site. Of course, it was left there by the Army. It failed to explode in their maneuvers there. This is a great big area of hundreds and hundreds of acres, about 13 miles from Atlanta, where they trained hundreds of thousands of men during the war. At all times they had there about 40,000 or 50,000 men. They had all sorts of matériel of that kind, and for several years after the war they had this camp there and had a lot of matériel there, a lot of ammunition. I do not know just exactly when the property was sold, but it was not so very long before this thing happened.

Mr. SCHAFER. Will the gentleman yield?

Mr. EATON of Colorado. Surely.

Mr. SCHAFER. In view of the fact that the board of officers which conducted this investigation held that-

It is the opinion of the board that the preponderance of evidence warrants the conclusion that the dangerous materiel which caused the accident was War Department property-

I can not see how the gentleman can object to this bill. The words they use are "preponderance of evidence." In view of the fact that it is unreasonable to expect that any private individual or corporation would have had these hand grenades, with detonators on them, on the property, I think the Government is properly charged with the ownership of the property and is responsible for the injury to this child. I certainly hope the gentleman is not going to take it upon himself to indicate that the entire Claims Committee, which spent about 30 minutes in considering this bill, erred in unanimously recommending it.

Mr. EATON of Colorado. I think the Claims Committee erred in not carefully reading the report, for if you read the language of the report, you will see that those making the report very carefully refrained from placing any responsibility on the Government. If you were to allow such a claim as this, you might as well say that when a soldier takes his issued revolver or rifle and commits suicide the Government should pay some indemnity, because the property which caused the death or caused the accident belonged to the United States Government.

Mr. SCHAFER. But the board of officers held hearings and carefully investigated all the facts, and that board holds that the preponderance of evidence indicates that the accident was caused by the War Department's matériel. Certainly, the gentleman is not going to take one line of a report from a man here in Washington in opposition to this meritorious claim and deny justice to this injured person.

Mr. RAMSPECK. Let me also call the gentleman's attention to one other statement in the report:

The accident was investigated by a board of officers, the findings of which are in part as follows: That the object which caused the injury was left as a menace to life through the carelessness of party or parties unknown.

Certainly, it must have been left there by the officers or by the enlisted men of the Army, because the only way it ever got on Camp Gordon property was because it was brought there by the Army when it occupied the property.

The report also states that in the activities of the War Department they did have dangerous material of the exact kind here in evidence on the site of Camp Gordon, Ga., where the accident occurred. If this is not an admission that the War Department brought the material there and after having been employed 14 months and those who sus-

that they left it there on the very site where the accident occurred, according to the findings of this board convened by the War Department, I do not know what an admission is.

Mr. EATON of Colorado. No one knows better than the gentleman who is speaking that that is no admission. It is simply a reference to a conclusion by some one who did not personally know anything more about the case than the gentleman from Georgia or myself. The thing that is proven there is that nobody knows how this boy happened to get in touch with the grenade that caused his injury or who is responsible therefor, and they are trying to charge the United States Government with such responsibility without having any proof.

Mr. SCHAFER. If the gentleman will permit, it must be assumed that the War Department issued these grenades because the War Department is the only agency that would have them, and they are issued just the same as rifles are issued for the enlisted men. We also have the report of this board of officers indicating that the preponderance of evidence shows that the injury was suffered by reason of War Department ammunition.

Mr. EATON of Colorado. Does the War Department recommend the payment of this money?

Mr. RAMSPECK. They do not recommend against it.

Mr. SCHAFER. We can not follow the recommendation of some one like Mr. Hurley, who came into the War Department two or three years ago, and use simply one line of his report to overturn the actual weight of the evidence in the case as reviewed in the report.

Mr. BLANTON. I will agree with the gentleman that you can not follow Mr. Hurley at all. His radio speech the other night was ridiculous. [Laughter.]

Mr. RAMSPECK. I do not want to become involved in that matter.

Mr. EATON of Colorado. Mr. Speaker, I object.

D. F. PHILLIPS

The Clerk called the next bill, H. R. 3621, for the relief of D. F. Phillips.

Mr. BLANTON. Mr. Speaker, the author of this bill is our good friend and our good neighbor, the distinguished gentleman from Georgia [Mr. TARVER], and he is a good neighbor and a good friend, and a most valuable legislator here, and I hate to object to the bill on his account personally, but this would establish a very bad precedent. Here is a rural carrier who served the Government 14 months and quit in 1920. Not a word was heard about any injury, and now after all these years, he comes in and claims an injury of hernia caused, he alleges, by his service in driving over a mountainous road.

This would set a very bad precedent and would culminate in thousands of similar claims being made against the Government. We are better to the rural carriers than to any other class of employees in the United States. They are getting good salaries and lots of them only work three or four hours a day. I am for them and I am their friend, but we ought not to let claims like this pass, and although the gentleman is one of my good friends and is a good neighbor and I like him, I object to his bill.

Mr. TARVER. Will the gentleman reserve his objection? Mr. BLANTON. Certainly. I reserve the right to object, Mr. Speaker, so that the gentleman may have an opportunity to be heard.

Mr. TARVER. Permit me to say to the gentleman that while I thank him for his expressions of friendship, no issue of that character is involved in the consideration of any of these bills. It is a question of justice.

In this case the facts are not distinctly different from those of many cases in which the gentleman has sat silent and permitted the passage of similar legislation upon the floor of this House.

Mr. BLANTON. No one has ever accused me of that before-sitting silent. [Laughter.]

Mr. TARVER. Let me finish my statement, please.

The employees' compensation act, passed in 1916, makes no distinction between employees who sustain injury in service

The only other distinction from other bills of like character to which he has not objected which the gentleman seeks to make is that this man is a rural carrier and that rural carriers, for some reason in his opinion, which is not clearly disclosed by his statement, ought to be treated differently and entitled to fewer rights than those which are provided by law for other employees of the United States.

I confess my inability to understand the gentleman's position. The evidence in this case clearly discloses that this man sustained a severe injury in the course of his duty, as a result of which he was compelled to resign as a rural carrier in 1920; and the fact that there are no records showing any complaint by him is accounted for by the report of the Postmaster General, who says that the records of this office were destroyed by fire on a date which he gives in his report, and thereby accounts for the failure of those records to disclose the injury of the man in service and his retirement on account of it.

This bill merely permits this man to have his claim considered under the terms of the law. He did not know, as he says, at the time he resigned anything about the employees' compensation law. It was a new thing.

The question is whether, because this man was a rural carrier, my colleague will object to his being accorded the same consideration which the gentleman has sat here and permitted to be accorded other Federal employees in like

Mr. BLANTON. Let me say that the report shows that Postmaster General Brown says:

While the card records of the department show that Mr. Phillips the term of the department show that Mr. Philips served as temporary rural carrier at Resaca from December 2, 1918, to January 31, 1919, was appointed regular rural carrier February 1, 1919, and resigned February 29, 1920, we have no record of an injury sustained by him during his term of employment, the correspondence files of the Resaca office prior to January 1, 1921, having been destroyed.

Then the correspondence shows that the files of the office prior to January 1, 1921, have been destroyed. When were they destroyed? It does not show when; they might have been destroyed last year or the year before that. The fact remains that this claim, if it accrued at all, accrued before the date in 1920 when he resigned. Why has not the claim been here in 1921, 1922, and 1923?

Mr. TARVER. Why has not my colleague objected to the hundreds of other bills for employees who were not rural carriers which provided for the consideration of claims just like this since the passage of the act of September 7, 1916?

Mr. BLANTON. I have objected to all bills I deemed unmeritorious. This is the first time I have ever been criticized for not objecting to bills. I have been criticized heretofore for objecting to too many of them. While I regret exceedingly to do so, I object.

PAUL I. MORRIS AND BEULAH FULLER MORRIS

The Clerk read the title of the next bill on the Private Calendar, H. R. 3628, for the relief of Paul I. Morris and Beulah Fuller Morris.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Reserving the right to object, will the author of the bill consent to striking out all of lines 3 to 11 on the first page, leaving in the bill only the reimbursement of the father and mother of the child?

Mr. TARVER. Let me say that I see no reason why that action should be taken. If my colleague will examine the report, and I presume he has, he will discover that the proposed legislation, which is somewhat identical in context with legislation which has heretofore been enacted by this House, provides for compensation to the dependent parents for the death of a trainee occurring because of disease contracted while in a citizens' military training camp.

This young man, according to the report of the War Department, contracted spinal meningitis while in attendance on the citizens' military training camp at Fort McClellan. Ala., dying as the result, and leaving dependent parents. Is there any reason why the dependent parents should not by the recommendation of the Secretary of War, Mr. Hurley,

tain such injury after having been employed during a term | be compensated according to the employees' compensation law? If there is, I would be glad to consider the gentleman's

> Mr. EATON of Colorado. Having in mind the statute applicable at the time of this deplorable death, unless the gentleman is willing to take what he otherwise would have been entitled to, and which is recognized by the War Department as the proper sum, I will have to object.

> Mr. TARVER. The gentleman will notice from the report that there was a bill enacted in the last Congress in an exactly similar case. Why should the gentleman think that this bill should be distinguished from that?

> Mr. EATON of Colorado. The bill the gentleman alludes to was for a definite amount, for an injury caused by an accident and was not a matter of sickness. The details of the two bills are as dissimilar as two bills could be.

Mr. TARVER. The compensation law makes no distinction between an injury and physical disease incurred in service, and there is no reason for excluding all cases of death by disease from remedial legislation.

Mr. EATON of Colorado. Let me say once more that the bill referred to by the gentleman was for the cost of medical attention and services, and there was a definite amount, about \$150.

Mr. TARVER. No; it was \$100 a month.

Mr. EATON of Colorado. I have the bill here. In this bill the amount these people would be entitled to under the statute at the time would be about \$400 or a little less. There has been added onto that, \$379.25. An attempt is made to make a comparison as between death by spinal meningitis and injury to an arm or a leg. They are not comparable. The point is that the War Department says the man is entitled to about \$400. The paragraph in the bill names \$764 as paying in full every detailed item which the War Department finds was asked for in accordance with the statute.

Mr. TARVER. The statute does not cover it at all. The gentleman is absolutely in error. There is no \$400 or any other sum provided for by statute.

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. TARVER. Unless the gentleman will permit me to make a full explanation, I shall be forced to make the point of no quorum. I am asking only an opportunity to inform the gentleman of facts that he evidently does not know; and if he refuses me that privilege, I must necessarily interfere with the business of the House by making the point of no

Mr. EATON of Colorado. If the gentleman wishes me to reserve the right to object so that he can make a further speech, I shall be glad to do so, and I shall listen to what he says, but I warn the gentleman not to go outside of the

Mr. TARVER. The gentleman has never been able to show me where I have been outside of the record, but I shall be able to show the gentleman that he has not read the record. The evidence in this case as disclosed by the report shows that the funeral expenses, doctors' bills, nurse hire, and hospital bills of this boy amounted to exactly the amount that is set out in the report, the sum of \$764. I have in the anteroom the receipts and canceled checks showing the exact amount which is claimed in the bill. Nor is there any basis for the gentleman's statement that some \$400 of this amount is recognized by the War Department as properly due. The law of 1928 which provides for the payment in cases not exactly similar but somewhat similar to this of doctors' bills and funeral expenses provides for the payment of such expenses only in cases where the sickness began in camp and the treatment began there and was continued after the trainee left camp. This is not such a case, and therefore the provisions of the law which the gentleman thinks applicable have no reference to it whatever. Further, I call the gentleman's attention to another case, which is only one of many, that of the bill proposed during the last Congress for the relief of Herbert E. Zook, in which,

a young man who was injured in line of duty at Camp Grant, Ill., was to be accorded the benefits of the employees' compensation act-not an adverse recommendation, such as the same Secretary makes in this case, but a favorable recommendation. Permit me to ask the gentleman why a trainee, who happens to be injured at Camp Grant, Ill., should have extended to him the provisions of the employees' compensation act of 1916, while the dependents of a trainee injured at Camp McClellan, Ala., should be denied the benefits of that law? I show the gentleman the report of the Claims Committee in the case to which I have referred, so that he may check up on the facts. If the gentleman simply intends to object irrespective of what the facts are, I have nothing further to say.

Mr. STAFFORD. Oh, the gentleman is rather unfair to the gentleman from Colorado [Mr. Eaton]. The gentleman from Colorado was willing to allow the parents the amount for hospitalization and medical services that the statute

allows.

Mr. TARVER. But nothing for his life.

Mr. STAFFORD. We do not grant anything for the life of a soldier killed in action. If we did, the Government would be bankrupt.

Mr. TARVER. The Secretary of War recommended it in this case for injuries to a trainee at Camp Grant, Ill.

Mr. STAFFORD. If there is such a case, it was a pure accident and should not be used as a precedent.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. EATON of Colorado. I have not heard the gentleman say whether he will consent to accepting the \$764.

Mr. TARVER. No; I will not consent.

Mr. EATON of Colorado. I object.

T. BROOKS ALFORD

The next business on the Private Calendar was the bill (H. R. 4227) for the relief of T. Brooks Alford.

The SPEAKER pro tempore. Is there objection?

Mr. MOUSER. Mr. Speaker, I reserve the right to object. Mr. McMILLAN. Mr. Speaker, this bill was introduced in the last Congress but failed to pass simply because it was not reached on the calendar. This man Alford was in the United States Consular Service for a period of more than

Mr. MOUSER. Permit me to ask the gentleman a few questions, and if he desires to elaborate upon his explanations, perhaps we can reach what I have in mind. As I understand it, this gentleman was assistant consul in Russia during the World War.

Mr. McMILLAN. That is correct.

Mr. MOUSER. He was then ordered to Copenhagen.

Mr. McMILLAN. Yes.

Mr. MOUSER. Prior to the close of the war he left the place where he was located, at Riga, and made no endeavor to take his property with him, or at least left nobody to

Mr. McMILLAN. I may say in reply that the gentleman was really lucky to get away with his life. That was during the revolution in Russia. In the hearings before the committee, of which committee the gentleman from Georgia, Mr. Ramspeck, was a member, in many instances it was shown that he was fortunate to get away with his life. Instead of returning home by the European ports, he was compelled to make his way through Asia, and finally was captured and sentenced to be shot, but he finally escaped and landed in Japan and then shipped over the Pacific. It is one of the most unusual cases I have ever encountered as a result of the war.

Mr. MOUSER. A part of his claim was based on the amount spent for medical service as the result of his nervous breakdown while stationed at Riga?

Mr. McMILLAN. Yes.

Mr. MOUSER. Notwithstanding that nervous breakdown he did later arrive in Copenhagen and served in the capacity of assistant consul and drew pay from the Government.

Mr. McMILLAN. In a letter in which he requested his resignation, the gentleman will find some evidence on that point.

Mr. MOUSER. If the gentleman will accept an amendment as to the amount of the medical expenses, I will not object.

Mr. McMILLAN. The gentleman will see in the report that he has a number of statements from several physicians who have examined and treated him since his return home.

Mr. MOUSER. I do not think there is any question that he had a nervous breakdown because of the pressure he was under in Russia, serving his country.

Mr. McMILLAN. Exactly.

Mr. MOUSER. Therefore, I think he should be compensated for his medical expenses, but I can not see where the Government owes him any obligation to pay for his property.

Mr. McMILLAN. May I say in explanation this gentleman offered his service under the draft act, and at the request of the State Department he was requested to continue his service in the consular service.

Mr. MOUSER. He was cited for meritorious service.

Mr. McMILLAN. He was cited for meritorious service. Mr. MOUSER. There is no question about his service.

Mr. McMILLAN. In the Seventy-first Congress H. R. 10919, an omnibus bill, was passed, including some 30 or 40

men in the Consular Service, covering just such cases as this. Mr. MOUSER. Will the gentleman accept the amendment which I suggested?

Mr. McMILLAN. What is the amount? Mr. MOUSER. The gentleman claims he spent \$5,000. Of course, the bill is only for \$4,000. There is no property listed here. We do not know what that was. Therefore it should be confined to the medical expenses.

Mr. McMILLAN. I am frank to say I could not accept that amendment, because here is a man whose health is ruined and he is to-day suffering as a result of that experience.

Mr. MOUSER. There is no itemized statement as to his property.

Mr. McMILLAN. And under other existing provisions of law the men who served in the military service have been protected. The men mentioned in this bill to which I have just referred have been compensated for their loss.

Mr. MOUSER. Will the gentleman accept an amendment

reducing the amount to \$3,000?

Mr. McMILLAN. It shows there was \$7,500 involved.

Mr. MOUSER. We have to go by what the bill says. The bill says \$4,000.

Mr. McMILLAN. Of course, if the gentleman is going to restrict me to a reduction of that character, naturally I will have to accept.

Mr. MOUSER. In view of the fact that there is no statement of the property, we can not consider that.

Mr. McMILLAN. I think it is a very reasonable amount. Mr. COLLINS. Mr. Speaker, I shall object to this bill. The State Department says:

The records of the department do not reveal any circumstances which would bring Mr. Alford within the scope of any existing law under which a recommendation for his relief could properly be

If this bill is passed, it means that thousands of claims that have been filed against the Government of Russia would be propounded against our Government, and we would have just the same obligation to pay one as the other. That is the first reason for objection.

The second is that our Government is not an insurer of the property of its officers, and we do not want to go into that field. If my house should be destroyed by fire, I would not expect the Government of the United States to reimburse me.

Mr. McMILLAN. Will the gentleman yield?

Mr. COLLINS. I yield, but shall object to the bill.

Mr. McMILLAN. I would like to say in explanation of the gentleman's inquiry that the State Department further said that under the facts surrounding this case it is one in which Congress alone can decide whether or not he is entitled to any compensation as a result of this experience, and, furthermore, if we had, under existing law, a provision to take care of a case such as this, then there would be no necessity of a private bill.

The SPEAKER pro tempore. Is there objection? Mr. COLLINS. Mr. Speaker, I object.

SOUTHERN RAILWAY CO.

The Clerk called the next bill on the Private Calendar, H. R. 4421, for the relief of the Southern Railway Co.

The SPEAKER pro tempore. Is there objection to the

present consideration of the bill?

Mr. BLANTON. Mr. Speaker, this bill would take \$29,000 out of the Treasury, and I must object. While \$29,000 is not such a tremendous sum of money, still it is more than the great majority of the people ever have had, have now, or ever will have in cash. Taken with other sums that are continually appropriated out of the Treasury aggregate the huge sum that causes deficits at the end of the year. While I regret to have to do it, I object to the bill.

LEBANON EQUITY EXCHANGE, LEBANON, NEBR.

The Clerk called the next bill on the Private Calendar, S. 944, for the relief of the Lebanon Equity Exchange, of

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MOUSER. Reserving the right to object-

Mr. STAFFORD. Reserving the right to object, at the opening of the consideration of private claim bills the Speaker of the House of Representatives called attention to the fact that it would involve the expenditure on the part of the Government of hundreds of millions of dollars if these refund claims were allowed.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I object.

Mr. MOUSER. Mr. Speaker, reserving the right to ob-

ject, I think the gentleman requested——
Mr. NORTON. The Lebanon Equity Exchange is a farmers' cooperative association at Lebanon, Nebr. For the year 1920 it paid Federal income taxes in excess of \$2,500. The Treasury Department decided in 1929 that said exchange was exempt from the payment of such taxes and was, therefore, not required to file returns for 1927 and prior years. Whereupon the exchange filed claim for refund of income taxes, which had been paid in error. The Government pleaded the statute of limitations. The Treasury Department states that the last payment of taxes was made February 24, 1925, and that the claim for refund was not filed until August 9, 1929, or a little more than five months over the four years provided by law.

The purpose of this bill is to authorize and direct the Commissioner of Internal Revenue to receive, consider, and determine in accordance with law, but without regard to any statute of limitations, the claim to be filed by the exchange within the time specified in this bill.

Mr. MOUSER. Will the gentleman yield?

Mr. NORTON. I yield. Mr. MOUSER. There is no question but what this amount has been paid to the Government and the Government has the money.

Mr. NORTON. Yes. Mr. MOUSER. The sole question is that the claim was not filed within nearly six months of when it should have been.

Mr. NORTON. That is correct. Mr. MOUSER. There is no interest included in this amount is there?

Mr. NORTON. None is asked.

Mr. STAFFORD. Mr. Speaker, I object.

NANCY H. ROUSE AND OTHERS

The Clerk called the next bill, S. 1357, for the relief of Nancy H. Rouse, Clara H. Simmons, W. H. Hays, Hallie H. Hamilton, and Bradford P. Hays.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the gentleman from Kentucky has just furnished me a supplemental report, or, rather, part 2 of the report, which was filed on April 18.

The original report, which the supplemental report does not dispute, shows that no one suffered any injury in this case except Mr. Carr. There was no real damage done these persons. They were deprived of the use of the road a part of the day.

Mr. VINSON of Kentucky. Will the gentleman yield? Mr. STAFFORD. I yield.

Mr. VINSON of Kentucky. No injury was suffered except the deprivation of the use of the road while the soldiers were engaged in artillery fire.

Mr. SWICK. The situation continues to-day just as it was then. They are deprived of the use of that road.

Mr. VINSON of Kentucky. In the supplemental report, on page 4, is a letter from the Secretary of War, dated March 18, 1932, which deals with the particular bill under discussion, whereas the original report from the War Department that the gentleman from Wisconsin now has deals with a bill of a different nature.

The present bill simply authorizes the parties to institute suit in the Court of Claims or in the district court of the United States to ascertain and recover such damages, if any,

as they may be able to show under the law.

There is more to the claim than a loss of the use of the road. The proof shows they are unable to get tenants to farm this tract of land because of artillery fire and riflerange practice.

Mr. STAFFORD. The owners of the land had the right to go to the Court of Claims to present their claims. There was an agency of the Government provided for that purpose. Now, long years afterwards they ask to be granted this right, probably because some claim agent in Washington suggested to them that perhaps they can get something out of the Government.

Mr. VINSON of Kentucky. May I say to the gentleman they have been endeavoring through the years to effect an adjustment with the War Department?

Mr. SWICK. What are they asking for?

Mr. CARDEN. They are just asking the right to institute

Mr. VINSON of Kentucky. Just the right to go into court. Mr. SWICK. They are not asking for any specific sum of money?

Mr. CARDEN. No.

Mr. STAFFORD. Their original claim was for \$35,000. Mr. VINSON of Kentucky. They are just asking the right

to take the matter into court.

Mr. STAFFORD. Mr. Speaker, on the ground that the original report which is applicable to the same state of

Mr. VINSON of Kentucky. The original report deals with a different bill.

Mr. STAFFORD. In which the department found that there was only one person who had any real claim, I shall not interpose an objection. I do not wish in the consideration of these cases to be obdurate and assert an objection where there is a possibility of a righteous claim. Therefore, I withdraw the objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Nancy H. Rouse, Clara H. Simmons, W. H. Hays, Hallie H. Hamilton, and Bradford P. Hays, owners of A certain farm consisting of 332 acres, more or less, near Camp Knox in Hardin County, Ky., are hereby authorized to bring suit against the United States of America to recover damages, if any, for loss or losses, which they may have sustained or suffered by reason of establishment, construction, or maintenance of Camp reason of establishment, construction, or maintenance of Camp Knox in the State of Kentucky. Jurisdiction is hereby conferred upon the Court of Claims of the United States or the District Court of the United States for the Western District of Kentucky to hear, consider, determine, and render judgment for the amount of any such damages, if any, as may be found to have been sustained or suffered by the above owners of said property, with the same right of appeal as in other cases, and not withstanding any lapse of time or statute of limitations: Provided, That such action will be brought within one year from the date that this act shall become effective. act shall become effective.

The bill was ordered to be read the third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RELIEF OF CERTAIN CLAIMANTS WHO SUFFERED LOSS BY FIRE IN THE STATE OF MINNESOTA

The Clerk called the next bill, H. R. 491, for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October, 1918.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I would like to have the gentleman from Minnesota explain the necessity of passing this bill.

Mr. PITTENGER. Has the gentleman had an opportunity to read the hearings on the bill?

Mr. BLANTON. Yes; and I have carefully considered the 23-page report made by the committee. It is a fact, is it not, that 10 per cent more than \$13,000,000 has already been paid?

Mr. PITTENGER. Those figures are probably approxi-

Mr. BLANTON. Mr. Speaker, this bill, if passed, will take the huge sum of \$10,000,000 out of the Federal Treasury and pay to claimants, and I shall object.

Mr. PITTENGER. Will the gentleman reserve his objection for a moment?

Mr. BLANTON. It would be a waste of time, for I could not let this \$10,000,000 be taken out of the Treasury in its present depleted condition. Ten million dollars is a large sum of money. It is hard to raise in taxes. If we allow this bill to pass this afternoon, we will have to levy further taxes upon the people to raise this \$10,000,000. Just how will we tax the people to raise it? The Senate has taxed picture shows and talking movies until the Publix and many other leading show houses have already closed down, and every American child who wants to see a 15-cent picture show will have to pay a tax. I am in favor of defeating this proposed tax on movies. It ought to come off. Attending a movie once in a while is about all the pleasure and recreation that many families who work hard all day have, and we want to make the admission as cheap as possible.

The first-class postage has been raised from 2 to 3 cents. That is outrageous. We ought to kill that provision. This House placed a tax on stock transfers on the gambling exchanges of New York and other large cities, and the Senate has stricken that provision out. If we will properly tax stock transfer in gambling transactions, we will not have to raise the postage from 2 to 3 cents and we will not have to tax the children's picture shows.

We have taxed the people just about all they are able to pay, and that is why I am not in favor of taxing them more to raise this \$10,000,000 that this bill would take out of the Treasury. I therefore object to the bill.

AMY HARDING

The Clerk called the next bill, H. R. 550, for the relief of Amy Harding.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. Without objection, Senate bill 154 will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Amy Harding on account of her personal-injury damages resulting from the Army airplane accident at Langin Field, Moundsville, W. Va., July 10, 1921, and to allow said claim in an amount not exceeding \$43.33, as recommended by the Comptroller General of the United States in his report to the Congress dated June 18, 1930, Seventy-first Congress, second session, pursuant to the act of March 5, 1928 (45 Stat. 1707). The sum of \$43.33, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the payment of said claim.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

A similar House bill was laid on the table.

LUCY MURPHY

The Clerk called the next bill, H. R. 632, for the relief of Lucy Murphy.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the

Treasury not otherwise appropriated, to Lucy Murphy the sum of \$5,000 as reimbursement to her for the loss suffered by her in the death of her husband, Maurice Murphy, now deceased, whose death occurred on April 21, 1929, without fault on his part or on her part, through the collision of a trimotored Ford airplane belonging to the Maddux Air Lines (Inc.), of Los Angeles, Calif., bearing factory number 5-AT-10, license numbered NC 9636, near San Diego, Calif., with an airplane belonging to the War Department of the United States, which was then and there operated in a wrongful and negligent manner by Lieut. Howard Keefer, a United States pilot, then and there flying under orders and in line of duty.

Mr. BLANTON. Mr. Speaker, I offer an amendment. On page 1, line 6, after the figures "\$5,000," insert the words "in full settlement of all claims against the United States Government."

The SPEAKER pro tempore. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Blanton: Page 1, line 6, after the figures "\$5,000," insert the words "in full settlement of all claims against the United States Government."

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, at the end of the bill I offer the usual attorneys' fee amendment.

The SPEAKER pro tempore. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Blanton: Page 2, line 6, after the word "duty," insert the following: "Provided. That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

WESTERN ELECTRIC CO.

The Clerk called the next bill, H. R. 692, for the relief of Western Electric Co. (Inc.).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I would like to hear from the author of the bill as to its merits, and a good reason for now passing it. Without such explanation, I shall be forced to object.

There are 809 bills on this Private Calendar, all seeking to take money out of the Federal Treasury. Some involve very large sums of money. Here and there you will find a bill on this calendar that seeks to appropriate several millions of dollars out of the Treasury. Some of these 809 bills are good and meritorious and ought to be passed, but some are wholly without merit, and to pass them would be almost a crime against the trusting taxpayers of this country.

Under the rules to-day, when each bill is called by the Clerk, unless some Member is upon his feet and promptly objects to its passage, it is passed in the twinkling of an eye, merely by the Speaker stating, "Without objection, this bill is considered, read a third time, and passed, and a motion to reconsider is laid upon the table," and that short but decisive action passes the bill.

To stop these bad bills from passing, it is necessary for some of us to carefully investigate each and every one of these 809 bills as soon as they are favorably reported and placed on the calendar, and to be prepared to be able to make timely objections, and to be here and promptly make the objection when the bill is called up. Otherwise you could not tax the people enough to keep any money in the public Treasury, for every dollar that goes in the Treasury comes out of the pockets of the people in burdensome taxation.

Mr. Speaker, I object.

CARL F. CASTLEBERRY

The Clerk called the next bill, H. R. 873, for the relief of Carl F. Castleberry.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. COOPER of Tennessee. Will the gentleman reserve his objection?

Mr. EATON of Colorado. I will.

Mr. COOPER of Tennessee. Will the gentleman kindly indicate the ground of his objection to this bill?

Mr. EATON of Colorado. I would like to hear what the gentleman has to say in favor of this bill. Apparently you are trying to collect damages. Here is a case where a man elected in 1922 to collect damages for an injury which he received as a railway mail clerk. He had his opportunity to make an application for compensation under the compensation law. He elected to take damages instead of the \$66.66 a month, and 10 years afterwards he wants to have everything in the past set aside and to collect compensation from that time until now. I was very much interested in noting that there is not a single offer by him or on his behalf to reimburse the United States for any amount he collected as damages. It looks like an unfair claim.

Mr. COOPER of Tennessee. The point involved is simply this: This man was in the Railway Mail Service and was injured by a wreck on the train while on active duty, and sustained an injury. He thought, and was so advised by the attending physician, that it would not be a matter of serious consequence, and he made a settlement with the railroad company for the injury sustained.

Mr. EATON of Colorado. One thousand five hundred dol-

Mr. COOPER of Tennessee. He did not file any claim with the Compensation Commission.

Mr. EATON of Colorado. But, on the contrary, he was advised of his rights time after time by the Compensation Commission, and at the end of a year he advised the Compensation Commission that he did not want to make a claim and instead he made a settlement with the railroad company.

Mr. COOPER of Tennessee. If the gentleman will kindly refer to the report, I think he will be impressed with the language used, as I have been, by the chairman of the Compensation Commission:

Should the proposed measure be enacted into law the limitations hereinbefore referred to would be removed and the commission would be able to receive and consider Mr. Castleberry's claim, which appears to have strong equities.

The only purpose of this measure is to allow this man an opportunity to file his claim with the agency of the Government constituted for that purpose, to consider his claim the same as it considers all other claims; in other words, to allow him the opportunity of having his day in court and an opportunity of receiving consideration by the Employees' Compensation Commission. This is all that is provided for in the bill, and this is all that is sought.

Mr. STAFFORD. Will the gentleman yield?

Mr. EATON of Colorado. I yield to the gentleman from Wisconsin.

Mr. STAFFORD. Here we have a case where a railway mail clerk immediately after the accident availed himself of the damages that he might recover from the railroad company and, also, perhaps received the benefits of insurance in the railway mail clerks' organization. If he had filed his claim then, he would have been entitled to monthly compensation dating from the time of the injury back in 1921. I know my friend from Tennessee will have no objection to providing that the measure shall not be retroactive, as we do in all such cases.

Mr. COOPER of Tennessee. I will say to the gentleman, very frankly, this is a bill of my colleague, the gentleman from Tennessee [Mr. McReynolds], who is unavoidably absent to-day, and I am simply undertaking to look after the matter in the gentleman's absence.

Mr. STAFFORD. There have been some instances where we have reinstated claims of this character, some of them where the claimant did not know of the law and others where, for some reason, they did not file the claim. In this case the Government has not been out any money by virtue of this man not having filed his claim originally. The claimant has not received any money from the Government, although he has received money from the railroad company, but the money he received from the railroad company would not have barred him from relief under the employees' compensation act.

Mr. EATON of Colorado. Only to the extent of repaying the Government and having deducted from the amount of money he got from the Government all money he received as damages.

Mr. STAFFORD. But this injury having occurred in 1921, under the law, the man would be entitled to the sum of \$66 a month, and the gentleman will readily see that in two years that amount would have entirely offset the amount received as damages. The Government has been the gainer. If this claimant, a former railway mail clerk, for some reason did not then wish to present a claim, or if, perhaps, he felt he could get along without making such claim, but is now in straitened circumstances, I think we should grant him the privilege of being accorded such rights under the customary stipulations which we generally follow.

Mr. COOPER of Tennessee. If the gentleman will permit, may I supplement the splendid statement of the gentleman from Wisconsin to this extent? All the records presented in the report very clearly indicate that this man has suffered a permanent injury. He did not know, and his physician did not know, at the time of the injury, that it would be a matter of such serious consequences.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., title 5, secs. 767 and 770), are hereby waived in favor of Carl F. Castleberry, who was injured while in the employ of the Railway Mail Service in a railroad accident on December 2, 1921, resulting in permanent physical and mental disability. The United States Employees' Compensation Commission is authorized to consider and act upon his claim, No. 104497, under the remaining provisions of such act, as amended, as if his claim and notice had been filed within 60 days after said accident: Provided, That no benefit shall accrue hereunder until after the enactment of this act.

Mr. STAFFORD. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Stafford: Strike out all after the enacting clause of the bill and insert in lieu thereof the following:

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Carl F. Castleberry for an injury purporting to have occurred while employed in the Railway Mail Service on or about December 2, 1921, in the same manner and to the same extent as if Carl F. Castleberry had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: Provided, That no benefit shall accrue prior to the enactment of this act."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RAYMOND NELSON HICKMAN

The Clerk read the title of the next bill on the Private Calendar, H. R. 5999, for the relief of Raymond Nelson Hickman.

The SPEAKER pro tempore. Is there objection? Mr. GRISWOLD. I object.

ASA G. AYER

The Clerk read the title of the next bill on the Private Calendar, H. R. 1843, for the relief of Capt. Asa G. Ayer. The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Reserving the right to object, I would | CHICO-WESTWOOD-SUSANVILLE AUTO STAGE CO., CHICO, CALIF. like an explanation of the bill from the author, the gentleman from Massachusetts [Mr. TINKHAM].

Mr. STAFFORD. I will be glad to act as proxy for the gentleman from Massachusetts, who has been called out of

Mr. BLANTON. I would like to know if the bill embraces any of the rigid provisions he had in his bill against birth control, which he said his secretary introduced for him by

Mr. STAFFORD. No; this is for the remission of a bond given by Captain Ayer for failure to appear as a material witness in a case in a district court and does not involve any midwife or maternity restrictions. [Laughter.]

Mr. BLANTON. The bill that the gentleman from Massachusetts [Mr. Tinkham] introduced, and which he sought to withdraw, was full of rigid restrictions against birth control, and I wanted to be sure that none of them had gotten into this bill.

Mr. MOUSER. Mr. Speaker, I object.

Mr. STAFFORD. Will the gentleman withhold his objection for a moment?

Mr. MOUSER. I will.

Mr. STAFFORD. We have the peculiar condition in this report, that a former attorney general, John S. Sargent, from the Granite State, very obdurate in his opinions, recommended favorable action on this bill. But the present Attorney General takes a counter position.

Mr. BLANTON. The gentleman from Massachusetts [Mr. TINKHAM] is always here on the occasions when we have a beer bill up, and he is always here on the occasions when we have a bill for repealing the eighteenth amendment. He comes in also and makes periodical speeches against Methodist Bishops and the representation of the South in Congress. Why is he not here when his bill comes up?

Mr. STAFFORD. As I stated to the gentleman, I was under the impression the gentleman from Massachusetts was called out of the Chamber.

Mr. BLANTON. Has he gone off on an elephant hunt? [Laughter.]

The SPEAKER pro tempore. Is there objection? Mr. MOUSER. I object.

CAPT. CHESTER J. DICK

The Clerk read the title of the next bill on the Private Calendar, H. R. 2063, for the relief of Capt. Chester J. Dick. The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Without objection, the Senate bill, S. 669, an identical bill, will be substituted for the House bill.

The Clerk read the Senate bill, as follows:

S. 669

An act for the relief of Chester J. Dick

Be it enacted, etc., That the Comptroller General is authorized Be it enacted, etc., That the Comptroller General is authorized and directed to credit the accounts of Chester J. Dick, captain, Finance Department, United States Army, in an amount not to exceed \$662.77, representing the amount of stoppage against the pay of the said Chester J. Dick ordered by The Adjutant General because of the embezzlement by Otto Melton, former civilian cashier, Fort Leavenworth, Kans., of funds for which the said Chester J. Dick was accountable.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Chester J. Dick an amount equal to the amounts paid by him to the United States in partial settlement of the said obligation of \$662.77.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table. The House bill was laid on the table.

EROOKHILL CORPORATION

The Clerk read the title of the next bill on the Private Calendar, H. R. 212, for the relief of the Brookhill Cor-

The SPEAKER pro tempore. Is there objection? Mr. STAFFORD. I object.

The Clerk read the title of the next bill on the Private Calendar, H. R. 3526, for the relief of the Chico-Westwood-

Susanville Auto Stage Co., Chico, Calif.

The SPEAKER pro tempore. Is there objection? Mr. STAFFORD. I object.

HOMER J. WILLIAMSON

The Clerk read the title of the next bill on the Private Calendar, H. R. 4162, for the relief of Homer J. Williamson. The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I object.

Mr. LUDLOW. Will the gentleman withhold his objection?

Mr. STAFFORD. I will if the gentleman will not indulge in a tirade about making socialists, as he did before.

Mr. LUDLOW. There will be no dissertation on socialism, but I would like to present the facts in this case. This is a righteous claim, if there ever was one before Congress. This young manufacturer of candy in the city of Indianapolis wanted to do the right thing in filing his income-tax returns. It occurred to him that the best way to make an honest, fair, and legal return would be to take the advice of the local officials of the Internal Revenue Bureau.

Then he did the very proper thing. He went to the Indianapolis Internal Revenue Office with his figures and laid all of his facts about his income before the officials there. They made out his return and not until five years later, after the statute of limitations had run, was he notified by an official of the Government that the return had been made out improperly and that he had been overcharged in the sum of \$1,045.81. There was no way in the world for him to know that this mistake had been made. His intent was perfectly good. The error was committed by an agent of the Government, and this bill is to refund to this business man in Indianapolis the amount which was erroneously overpaid in income taxes through no fault of his own and on a return that was made out for him by an agent of the Government. I do not believe there could be a more just claim against the Government than this one.

Mr. STAFFORD. Mr. Speaker, there are many instances where the taxpayers called on representatives of the Government for aid and where mistakes were made. Speaker of the House early in the session called attention to the fact that if we reopen these tax refund cases from his experience on the Ways and Means Committee it would involve an expenditure running into hundreds of millions of dollars. There may be merit in this case, but we should not adopt the policy of opening the door-in such a case as this: otherwise we would have to open it to many others. Mr. Speaker, I object.

RALPH E. WILLIAMSON

The next business on the Private Calendar was the bill (H. R. 4911) for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917.

The SPEAKER. Is there objection? Mr. STAFFORD. Mr. Speaker, I reserve the right to

Mr. COLLINS. Mr. Speaker, I had this bill marked down for objection myself, but I find that all of the others have been paid, and it seems to me in common justice that this one ought to be paid.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I thank the gentleman from Wisconsin [Mr. STAFFORD] for withholding his objection. Permit me to say that the amount involved in this bill is only \$525. A bill passed the Seventieth Congress for about \$70,000 involving the same circumstances. The name of Ralph Williamson was merely left out of the original bill inadvertently, through no fault of mine and through no fault of this claimant. Inasmuch as all the other claimants have been paid by this Government, and a thorough investigation was made by a former Congress, it seems that the gentleman from Wisconsin might withdraw his objection and permit this claim to go through.

If time permitted me to go into the history of the case, I am sure I could explain to the entire satisfaction of the gentleman that this is a just claim. If he will read the report of a previous Congress, as well as the report of the present Claims Committee, he will find that the Government was entirely at fault; and if the gentleman so desires, I shall be glad to give him all the information he wishes on this claim.

Mr. STAFFORD. I am more concerned with the statement made by the gentleman from Mississippi [Mr. Collins] that prior Congresses have enacted bills for the reimbursement of claims arising out of this situation.

Mr. JOHNSON of Oklahoma. That is true.

Mr. STAFFORD. And they have been enacted into law?

Mr. JOHNSON of Oklahoma. Yes.

Mr. STAFFORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$565 to Ralph E. Williamson, as compensation in full for loss of property destroyed by the fire on September 24, 1917, in the city of Lawton, Okla., such loss having been the result of the inability of the fire department of the city of Lawton to control said fire because of lack of water, all available water for fire-fighting purposes having been appropriated and being used by the War Department in connection with the training of soldiers at Fort Sill and Camp Doniphan: Provided, That before said claim is allowed and paid the Comptroller General of the United States shall make an investigation of said claim to determine the extent and amount of such loss and damage, and such claim shall be adjusted in amount not in excess of the amount set out herein and upon certificates not in excess of the amount set out herein and upon certificates issued to said claimant by the said Comptroller General of the

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FORMER REPRESENTATIVE BOIES

Mr. CAMPBELL of Iowa. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CAMPBELL of Iowa. Mr. Speaker, I wish to call to the attention of the membership of this House to the death yesterday of the Hon. William Dayton Boies, my immediate predecessor.

Judge Boies, as he was familiarly known, was a resident of Sheldon, Iowa. He served as judge of the fourth judicial district of Iowa for several terms, and in 1918 was elected a Representative in Congress from my district.

In his service as a public official he had a record as one who fulfilled that public trust honestly, fearlessly, and faithfully. He was a member of the Judiciary Committee, a position which, owing to his legal ability, he was well able to fill. For 10 years he served in Congress and voluntarily resigned by reason of ill health. Many Members of this Congress knew him well and appreciate the associations they had with

I shall never forget the helpful advice that he gave me as. his successor, and the news of his death will bring sadness to those of us who have had the pleasure of his personal association.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

ADJOURNMENT

Mr. COLLINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock p. m.) the House adjourned until to-morrow, Thursday, June 2, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, June 2, 1932, as reported to the floor leader by clerks of the several committees:

WAYS AND MEANS

(10 a. m.)

Hearings-Garner relief bill-Government officials.

PUBLIC LANDS

(10.30 a. m.)

Hearings-Grazing bill.

IRRIGATION AND RECLAMATION

(10 a. m.)

Hearings-Columbia River Basin project.

NAVAL AFFAIRS

(10.30 a. m.)

Hearings-Private bills.

LIBRARY

General hearing.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows: 596. A letter from the Secretary of War, transmitting a

report dated May 28, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Newagen Harbor, Southport, Me.; to the Committee on Rivers and Harbors.

597. A letter from the Secretary of the Treasury, in response to House Resolution 213, dated May 14, 1932, requesting information concerning the investigation conducted under the authority of the antidumping act in respect to the importation of ammonium sulphate and reporting that in his opinion the transmission of such information is not compatible with the public interest (H. Doc. No. 347); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. BANKHEAD: Committee on Rules. House Resolution 238. A resolution for the consideration of H. R. 10048, a bill granting to the Metropolitan Water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California, for an aqueduct, and for other purposes; without amendment (Rept. No. 1462). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 241. A resolution providing for the consideration of Senate Joint Resolution 41, a joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof; without amendment (Rept. No. 1463). Referred to the House Calendar.

Mr. MANSFIELD: Committee on Rivers and Harbors. H. R. 12202. A bill to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands; without amendment (Rept. No. 1464). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. House Joint Resolution 352. A joint resolution authorizing and directing the Secretary of Agriculture to request allocation of funds; also to establish a research laboratory for utilizing cotton, cotton hulls, seed, linters, and waste farm products; with amendment (Rept. No. 1465). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 9265. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.; without amendment (Rept. No. 1478). Referred to the House Calendar.

Mr. PARKER of New York: Committee on Interstate and Foreign Commerce. H. R. 12077. A bill granting the consent of Congress to the Niagara Frontier Bridge Commission,

its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y.; with amendment (Rept. No. 1479). Referred to the House Calendar.

Mr. PARKER of New York: Committee on Interstate and Foreign Commerce. H. R. 12078. A bill granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.; with amendment (Rept. No. 1480). Referred to the House Calendar.

Mr. COOPER: Committee on Interstate and Foreign Commerce. H. R. 12243. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Wellsburg, W. Va.; with amendment (Rept. No. 1481). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 12316. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Helena, Ark.; with amendment (Rept. No. 1482). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LOZIER: Committee on Claims. H. R. 2609. A bill for the relief of Anna Volker; with amendment (Rept. No. 1466). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 6150. A bill for the relief of William Wichmann; without amendment (Rept. No. 1467). Referred to the Committee of the Whole House

Mr. PITTENGER: Committee on Claims. H. R. 6235. A bill for the relief of Dr. Samuel A. Riddick; without amendment (Rept. No. 1468). Referred to the Committee of the Whole House.

Mr. LOZIER: Committee on Claims. H. R. 6890. A bill for the relief of the Northwest Missouri Fair Association, of Bethany, Harrison County, Mo.; with amendment (Rept. No. 1469). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 8710. A bill for the relief of Emerson C. Salisbury; with amendment (Rept. No. 1470). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 9215. A bill for the relief of E. C. West; without amendment (Rept. No. 1471). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 9284. A bill for the relief of Capt. J. O. Faria; with amendment (Rept. No. 1472). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 9964. A bill for the relief of Bonnie S. Baker; without amendment (Rept. No. 1473). Referred to the Committee of the Whole House

Mr. BUTLER: Committee on Claims. H. R. 11525. A bill for the relief of Charles G. Johnson, State treasurer of the State of California; with amendment (Rept. No. 1474). Referred to the Committee of the Whole House.

Mr. RAMSPECK; Committee on Claims, H. R. 12188. A bill conferring jurisdiction on the Court of Claims to hear and determine the claim of George B. Gates; without amendment (Rept. No. 1475). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 660. An act for the relief of Hamilton Grounds; without amendment (Rept. No. 1476). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 3344. An act for the relief of Maggie Kirkland; without amendment (Rept. No. 1477). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 11102. A bill for the relief of Mary One Goose; without amendment

(Rept. No. 1483). Referred to the Committee of the Whole House.

Mr. LOOFBOUROW: Committee on Indian Affairs. H. R. 11191. A bill for the relief of P. H. Palmer; without amendment (Rept. No. 1484). Referred to the Committee of the Whole House.

Mr. HOWARD: Committee on Indian Affairs. H. R. 11259. A bill for the relief of John E. Click; without amendment (Rept. No. 1485). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 11659. A bill authorizing the exchange of certain patented lands; with amendment (Rept. No. 1486). Referred to the Committee of the Whole House.

Mr. HALL of Mississippi: Committee on Indian Affairs. H. R. 11798. A bill to authorize the addition of certain names to the final roll of the Sac and Fox Indians; without amendment (Rept. No. 1487). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LaGUARDIA: A bill (H. R. 12406) to amend section 156 of title 8 of the United States Code, originally enacted as section 20 of the immigration act of February 5, 1917; to the Committee on Immigration and Naturalization.

By Mr. COCHRAN of Missouri: A bill (H. R. 12407) to prohibit discrimination against graduates of the United States Military Academy and the United States Naval Academy by reason of marriage after graduation; to the Committee on Military Affairs.

By Mr. BACHARACH: A bill (H. R. 12408) to reduce the rate of interest on loans upon adjusted-service certificates and to give such certificates a loan value immediately upon the issuance thereof, and for other purposes; to the Committee on Ways and Means.

By Mr. HAWLEY: A bill (H. R. 12409) to provide for advances to States for the relief of distress arising from unemployment, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H. R. 12410) to amend the Reconstruction Finance Corporation act to authorize loans for the purpose of providing additional employment through the construction of economically sound projects, and for other purposes; to the Committee on Banking and Currency.

By Mr. PATMAN: Resolution (H. Res. 243) to provide for an investigation of the monetary, banking, currency, and financial systems of the United States, the fiscal affairs of the United States Government, and the laws relating thereto, and for a comprehensive report concerning these matters to aid Congress in any necessary remedial legislation, and to assist in the recovery of moneys not properly accounted for which may be due to the Government and the people of the United States: to the Committee on Rules.

By Mr. BRITTEN: Resolution (H. Res. 244) for the consideration of H. R. 10236, an act to provide revenue, equalize taxation, and for other purposes; to the Committee on Rules.

By Mr. LaGUARDIA: Joint resolution (H. J. Res. 410) amending Public Resolution No. 12, authorizing the distribution of Government-owned wheat to the American National Red Cross and other organizations for the relief of distress; to the Committee on Agriculture.

By Mr. WOLCOTT: Joint resolution (H. J. Res. 411) to amend the tariff act of 1930; to the Committee on Ways and Means.

By Mr. COLLINS: Joint resolution (H. J. Res. 412) creating a joint committee to investigate and report upon matters respecting private claims; to the Committee on Rules.

By Mr. LANKFORD of Georgia: Joint resolution (H. J. Res. 413) authorizing the distribution of Government-owned cotton to the American National Red Cross and other organizations for the relief of distress; to the Committee on Agriculture.

FRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GREENWOOD: A bill (H.R. 12411) granting an increase of pension to Lucy E. Blevins; to the Committee on Invalid Pensions.

By Mr. GILBERT: A bill (H. R. 12412) granting a pension to Ellen McKinney; to the Committee on Invalid Pensions. By Mr. GRISWOLD: A bill (H.R. 12413) for the relief

of Charles C. Schilling; to the Committee on Military Affairs. By Mr. KELLY of Illinois: A bill (H. R. 12414) for the relief of Benjamin F. Gates; to the Committee on Military

By Mr. KNIFFIN: A bill (H. R. 12415) granting an increase of pension to Eunice Palmer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12416) granting an increase of pension to Mary Buhrer; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 12417) to correct the naval record of James William Boyd; to the Committee on Naval

By Mr. SUMNERS of Texas: A bill (H. R. 12418) for the relief of Harry Norfleet Legg; to the Committee on Naval

By Mr. SWING: A bill (H. R. 12419) granting a pension to Lucy McManning; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12420) granting a pension to Martha Katherine Hazelton; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8073. By Mr. ALMON: Petition of Nettie H. Walters, president, and Jessie Hill, secretary, Woman's Christian Temperance Union, Florence, Ala., together with 171 other citizens, supporting the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

8074. By Mr. CRAIL: Petition of John Howard Strain Post, No. 139, American Legion, Department of California, memorializing Congress to enact such legislation as may provide for the \$5,000,000,000 bond issue at once; to the Committee on Ways and Means.

8075. Also, petition of San Luis Obispo Post, No. 66, American Legion, San Luis Obispo, Calif., approving the passage of House bill 11550 for the best interests of veterans of all wars; to the Committee on Pensions.

8076. Also, petition of Templeton Post, No. 220, American Legion, Department of California, favoring the passage of House bill 11550 as the best pension bill as yet offered in justice to the ex-service men who paid so dearly for their service to their country in the late war; to the Committee on Pensions.

8077. Also, petition of Echo Park Post, American Legion of Los Angeles, Calif., petitioning Congress to enact and adopt at the earliest possible opportunity House bill 11550, also known as the uniform pension bill; to the Committee on

8078. Also, petition of David T. Nichols and several other citizens of Los Angeles County, Calif., favoring the passage of House bill 9891, the railway employees' bill; to the Committee on Pensions.

8079. Also, petition of Los Angeles Chapter, California State Master Chirotonsors Association, favoring the bill now pending in Congress providing for a \$5,000,000,000 publicimprovement loan and expenditure; to the Committee on Ways and Means

8080. Also, petition of L. A. Srygley and other citizens of Los Angeles, Calif., petitioning that the 12-hour day for radio operators be abolished; to the Committee on Merchant Marine, Radio, and Fisheries.

8081. Also, petition of Walter N. Thompson, of Huntington Beach, Calif., presenting his plan for terminating the 404; to the Committee on the Post Office and Post Roads.

depression and restoring good times; to the Committee on Ways and Means.

8082. Also, petition of board of directors, Kiwanis Club of Los Angeles, Calif., urging Congress to refrain from individual party politics and pass a tax bill which will balance the Budget at the earliest possible moment; to the Committee on Ways and Means.

8083. Also, petition of Keith Powell Post, No. 78, American Legion, Department of California, opposing all efforts on the part of debtor nations to promote any further moratorium or reduction of war debts to this Nation; to the Committee on Foreign Affairs.

8084. Also, petition of Matthias Gibson and many other citizens of Los Angeles County, Calif., urging opposition to House bill 6385, which would permit the substitution of a member of the crew for a licensed radio operator on any coastwise vessel of the United States not now required by law to be equipped with radio-telegraph apparatus; to the Committee on Merchant Marine, Radio, and Fisheries.

8085. Also, petition of David A. Nelson, of Los Angeles, Calif., presenting his plan for terminating the depression and restoring good times; to the Committee on Ways and Means.

8086. By Mr. HORR: Petition by telegraph of several hundred registered voters and business men of Tacoma, Wash., urging passage of the soldiers' bonus before Congress adjourns; to the Committee on Ways and Means.

8087. By Mr. LINDSAY: Petition of the Thirty-fourth Street-Midtown Association (Inc.), New York City, and other business organizations, urging the reduction of Federal expenditures, passage of a reasonable tax measure, balancing the Budget, and modifying the Volstead Act to provide an additional source of revenue; to the Committee on Ways and Means.

8088. Also, petition of the North American Coal Corporation, Cleveland, Ohio, favoring the reduction of Federal expenditures, a modified sales tax, and repeal of the prohibition act; to the Committee on Ways and Means.

8089. Also, petition of J. H. Shinn, 367 Lincoln Place, Brooklyn, N. Y., opposing the appropriation of \$300,000 for the Federal Trade Commission in the independent office bill for continuing the examination of public-utility companies; to the Committee on Ways and Means.

8090. Also, petition of Roger W. Allen, publisher, New York City, opposing the passage of House Joint Resolution 404. permitting advertisements to be placed on United States mail trucks; to the Committee on the Post Office and Post

8091. By Mr. MEAD: Petition of board of directors of the Philadelphia Chamber of Commerce, favoring a proposed expenditure of \$500,000,000 for the development of localized projects for the benefit of certain portions of the country; to the Committee on Ways and Means.

8092. Also, petition of Amalgamated Association of Iron, Steel, and Tin Workers, asking for the drafting of a bill to restore work opportunities for the millions of wage earners; to the Committee on Ways and Means.

8093. Also, petition of Kiwanis Club of East Aurora, urging retrenchment of expenses and appropriations and to provide necessary means to balance the Nation's Budget; to the Committee on Ways and Means.

8094. Also, petition of American Cotton Manufacturers Association, urging the balancing of the Budget: to the Committee on Ways and Means.

8095. Also, petition of Federation of Jewish Women's Organization (Inc.), regarding matters of legislation; to the Committee on Ways and Means.

8096. Also, petition of citizens of Buffalo, favoring House bill 10023; to the Committee on Interstate and Foreign Com-

8097. By Mr. RUDD: Petition of Workers Ex-Service Men's League, New York City, favoring the passage of the Patman bill, H. R. 1; to the Committee on Ways and Means.

8098. Also, petition of Roger W. Allen, publisher, New York City, opposing the passage of House Joint Resolution

8099. By Mr. SNOW: Petition of Lillian R. Ames and 23 other citizens of Exeter, Me., urging reduced Government expenditures, particularly in payments and pensions to veterans not disabled in time of war, and prompt action to balance the Budget; to the Committee on Economy.

8100. By Mr. SPARKS: Petition signed by W. H. Bobenhouse, of Rydal; Joseph Johnson, of Scandia; K. R. Higbee, of Formoso; A. R. Jacobson, of Montrose; and 52 others of Republic and Jewell Counties, all of the State of Kansas, favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8101. By the SPEAKER: Petition of citizens of the State of New Jersey, supporting the prohibition law: to the Committee on the Judiciary.

8102. Also, petition of Municipal Council of Aroroy, Province of Masbate, P. I., expressing congratulations to Representative Hare and the Members of the United States Congress for the passage of the Hare independence bill; to the Committee on Insular Affairs.

8103. Also, petition of Board of Supervisors of the City and County of San Francisco, urging Congress to enact a statute imposing a severe penalty for the crime of kidnaping; to the Committee on the Judiciary.

SENATE

THURSDAY, JUNE 2, 1932

(Legislative day of Wednesday, June 1, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 154. An act for the relief of Amy Harding;

S. 669. An act for the relief of Chester J. Dick; and

S. 1357. An act for the relief of Nancy H. Rouse, Clara H. Simmons, W. H. Hays, Hallie H. Hamilton, and Bradford P. Hays.

The message also announced that the House had passed the bill (S. 811) for the relief of Sophia A. Beers, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 632. An act for the relief of Lucy Murphy;

H. R. 873. An act for the relief of Carl F. Castleberry;

H. R. 964. An act for the relief of Howard Emmett Tallmadge:

H. R. 1174. An act for the relief of Mary A. Cox:

H. R. 2296. An act for the relief of Charles W. Dworack;

H. R. 2478. An act for the relief of Silas B. Lawrence;

H. R. 2599. An act for the relief of Henry Dixon Line-

H. R. 3029. An act for the relief of William K. Lovett;

H. R. 3460. An act for the relief of Caughman-Kaminer Co.

H. R. 4059. An act for the relief of Rosamond B. Mc-

H. R. 4911. An act for the relief of Ralph E. Williamson for loss suffered on account of the Lawton (Okla.) fire, 1917:

H. R. 5595. An act for the relief of Harry Manning Lee:

H. R. 5682. An act for the relief of Miles Thomas Barrett;

H. R. 6003. An act for the relief of A. L. Marshall;

H. R. 6855. An act for the relief of Sam Echols;

H.R. 7656. An act for the relief of William R. Nolan; and

H. R. 8174. An act to exempt from the quota fathers and mothers over 60 years of age of United States citizens.

CALL OF THE POLL

Mr. BYRNES obtained the floor.

Mr. FESS. Mr. President, will the Senator from South Carolina yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator yield for that purpose?

Mr. BYRNES. I yield.

Mr. FESS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Johnson	Robinson, Ark.
Austin	Dale	Jones	Robinson, Ind.
Bailey	Davis	Kean	Schall
Bankhead	Dickinson	Kendrick	Sheppard
Barkley	Dill	Keyes	
Bingham	Fess	King	Shipstead Shortridge
Black	Fletcher	La Follette	Smith
Blaine	Frazier	Logan	
Borah	George	McGill	Smoot
Bratton	Glass	McKellar	Stephens
Broussard	Glenn	McNary	Thomas, Okla.
Bulkley	Goldsborough	Metcalf	Trammell
Bulow	Gore	Moses	Tydings
Byrnes	Hale	211710 DOLD 1000	Vandenberg
Capper	Harrison	Neely	Wagner
Cohen		Norris	Walsh, Mass.
	Hastings	Nye	Walsh, Mont.
Connally	Hatfield	Oddie	Watson
Coolidge	Hayden	Patterson	Wheeler
Copeland	Hebert	Pittman	White
Costigan	Hull	Reed	

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. Swanson] is necessarily absent as a member of the Geneva conference and that the junior Senator from Louisiana [Mr. Long] is necessarily absent from the city.

Mr. FESS. I desire to announce that the following-named Senators are detained in a meeting of the Committee on Banking and Currency: Mr. Norbeck, Mr. Townsend, Mr. WALCOTT, Mr. CAREY, Mr. BARBOUR, and Mr. COUZENS.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

PETITION

The VICE PRESIDENT laid before the Senate the petition of the Philadelphia (Pa.) Board of Trade, praying for the adoption of House Resolution No. 214, submitted by Mr. Shannon, authorizing an investigation into the activities of the Government in competition with private enterprise, which was ordered to lie on the table.

CONSTRUCTION OF PROJECTS THROUGH THE RECONSTRUCTION FINANCE CORPORATION

Mr. BARBOUR presented a letter from D. J. O'Connor, manager of the Jackson (Mich.) Chamber of Commerce, which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

JACKSON, MICH., May 31, 1932.

Senator W. Warren Barbour,

United States Senate Office Building, Washington, D. C.

Dear Senator Barbour: I have very carefully gone over your bill which was introduced to expand the Reconstruction Finance Corporation and I believe that it is one of the most constructive

which was introduced to expand the Reconstruction Finance Corporation and I believe that it is one of the most constructive pieces of legislation with regard to the relief of the unemployed that has been devised to date.

I have had a great deal of experience in organizing of late, building and modernizing projects for the relief of the unemployed as well as stimulating the general business through the sale of building supplies and material.

Your bill should initiate such a movement nationally and should be of great assistance for the relief of the unemployed, especially in the sections or districts where the building of smallincome homes or resident property has heretofore been neglected. There is no doubt but that there is a great demand for projects of this character, homes that will fit the needs of individuals with an income up to \$2,500 to \$3,000 per annum.

As a suggestion, I would think that it is necessary, or at least advisable, for the Government or for private business interests, especially those connected with the building trade, to immediately initiate a national campaign upon the passage of your bill so as to have each section organized where there has been a need determined for this type and class of construction.

A survey could be made nationally that would illustrate the exact number of such projects in various sections of the country and the publicity gained from such a survey would be of material assistance in stimulating this type of construction.

Personally, if I can be of any assistance to you in the advisory capacity or otherwise, feel perfectly free to call upon me.

Thanking you for your courtesy and cooperation in sending me a copy of this bill as well as the opportunity to express my opinion of the same, I remain

Sincerely yours,

D. J. O'CONNOR. Manager Jackson Chamber of Commerce.

EXCHANGE OF TIMBERLANDS, YOSEMITE NATIONAL PARK, CALIF.

Mr. SHORTRIDGE. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by the board of supervisors of Tuolumne County, Calif., a telegram from the district attorney of that county, and also a letter addressed to me by the California State Chamber of Commerce, protesting against the passage of the bill (S. 4472) to provide for the restoration, through exchange, of certain timberlands to the Yosemite National Park, Calif., and for other purposes.

There being no objection, the matters were referred to the Committee on Public Lands and Surveys and ordered to be

printed in the RECORD, as follows:

Whereas information has come to the board of supervisors of whereas information has come to the board of supervisors of the county of Tuolumne, State of California, that an organization known as the Emergency Conservation Committee, and having its headquarters at 113 East Seventy-second Street, New York City, is advocating the acquiring of certain timberlands immediately outside of the west boundary of Yosemite National Park by the

grant in exchange thereof of an equal value of Stanislaus National Forest stumpage; and Whereas it is contended by said Emergency Conservation Committee that the lands in question will lie adjacent to the new Big Oak Flat Road, when the fact is that the said new Big Flat Oak Road, per present survey, will not traverse any portion of said lands, and literature being circulated by said committee is mis-leading in that the inference can and will be gained by many unsuspecting persons that the tree illustrations in said pamphlet are illustrative of quantity as well as quality of timber, when, as a matter of fact, isolated and scattered trees of such quality may be found outside of a great length of the border of said Yosemite National Park; and

Whereas the greater portion of the lands in question are privately owned and are now assessed for taxation purposes by the

county of Tuolumne; and Whereas since approximately 1,038,750 acres of the area of Tuolumne County do not appear on the assessment roll by reason of Government ownership, this board is of the firm opinion that no additional lands should be acquired by the Government unless

no additional lands should be acquired by the Government unless some substantial annual return therefrom in lieu of taxes be granted: Now, therefore, be it

Resolved, That the board of supervisors of Tuolumne County, Calif., asserts its stand and protests against the further acquisition of lands by the Government within the county of Tuolumne as hereinabove fully set forth unless some substantial annual return in lieu of taxes be granted; and be it further

Resolved, That a certified copy of this resolution be forwarded to the Hon. Arthur M. Hyde, Secretary of Agriculture, Washington, D. C.; Hon. Ray Lyman Wilbur, Secretary of the Interior, Washington, D. C.; Hon. Samuel. Shortender, United States Senate, Washington, D. C.; Hon. H. L. ENGLEBRIGHT, House of Representatives, Washington, D. C.; California State Chamber of Commerce, San Francisco, Calif.; Tuolumne County Chamber of Commerce, Sonora, Calif.; and to Emergency Conservation Committee, 113 East Seventy-second Street, New York City.

*Adopted by the board of supervisors of the county of Tuolumne

Adopted by the board of supervisors of the county of Tuolumne April 5, 1932.

Ayes: Supervisors Frank J. Talph, Frank J. Dondero, Ernest H. Hodge, Robert T. Simmons, and William K. Knoop.

Noes: Supervisors, none.

SONORA, CALIF., June 2, 1932.

Hon. SAMUEL M. SHORTRIDGE.

United States Senate, Washington, D. C .: United States Senate, Washington, D. C.:
Respectfully request your opposition Senate bill 4472. This bill pernicious move by chronic conservationists deprive this county more and more privately owned land from assessment roll. If proposed annexed land paid for by timber sales from Stanislaus National Forest, this county lose revenue 25 per cent. Timber sales Stanislaus Forest under present law used for support county schools and highways. This method of purchase would place county ridiculous position surrendering annual revenue from Stanislaus Forest to purchase land Yosemite National Park, which land when paid for and Government receive title would be taxland when paid for and Government receive title would be tax-free, and county would be making gift portion purchase price and then lose all tax revenues from land annexed. Establishes dan-gerous precedent, probably affecting all counties within which national parks located. Tax exemptions this county amounting

national parks located. Tax exemptions this county amounting approximately 90 per cent of value of county as follows:

National forest and park lands, San Francisco Hetchhetchy water project, three irrigation districts impounding waters and generating electricity this county and utilizing water and electricity in adjoining county, also all other public utilities generating electricity and other purposes. This same matter partly pre-

sented resolution by board supervisors this county, April 5, certified copy of which mailed you. Respectfully ask your opposition behalf this county and others similarly affected by precedent established. Any data desired gladly furnished. California Chamber of Commerce meeting this matter June 18.

C. H. GRAYSON, District Attorney of Tuolumne County.

California State Chamber of Commerce, Stockton, Calif., May 16, 1932.

Hon. Senator Samuel M. Shortridge

Senate Office Building, Washington, D. C.

My Dear Sir: You probably know of the activities of the emergency conservation committee, with headquarters at 113 East Seventy-second Street, New York City, which is advocating the acquisition of certain timberlands immediately outside of the western boundary of Yosemite National Park by the grant in ex-change therefor of an equal value of Stanislaus National Forest

stumpage.

It is the contention of the emergency conservation committee that the lands in question are adjacent to the Big Oak Flat Road, but the fact is that the proposed new Big Oak Flat Road will not traverse any portion of these lands.

The California State Chamber of Commerce has adopted a policy which opposes any further extension of national parks in California where there are natural resources involved which may be needed for the future development of this State based upon this policy and further, upon the belief that to take additional lands out of the tax roll of Tuolumne County would place an undue burden on the citizens thereof.

The Central Valley Council of the State chamber of commerce

den on the citizens thereof.

The Central Valley Council of the State chamber of commerce has gone on record opposing the acquisition of this land. The council area, which comprises the counties of Alpine, Amador, Calaveras, San Joaquin, Stanislaus, Tuolumne, and the fifth supervisorial district of Contra Costa County, urges that you exercise your power to defeat the announced program of the emergency conservation committee having to do with the acquisition of the above-referred-to timberlands.

You have probably received the resolution which was adopted.

You have probably received the resolution which was adopted by the board of supervisors of Tuolumne County, in which this council wishes to express itself as concurring in that resolution.

Yours very truly,

CHAS. H. SEGEESTROM, Regional Vice President and Chairman Central Valley Council.

SUBSIDIZING OF STEAMSHIP COMPANIES

Mr. McKELLAR. Mr. President, I ask unanimous consent to print in the RECORD as a part of my remarks a statement of the subsidizing transactions between the United States and the Franklin-Roosevelt-Dollar group of steamship companies, giving them over \$100,000,000, compiled from the official records of the United States Shipping Board and the Post Office Department as of May, 1932, by John Nicol-

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

SUBSIDIZING TRANSACTIONS BETWEEN THE UNITED STATES AND THE FRANKLIN-ROOSEVELT-DOLLAR GROUP, GIVING THEM \$100,000,000

(Compiled from official records of the United States Shipping Board and the Post Office Department, May, 1932, by John

The P. A. S. Franklins, the Robert Dollars, and the Roosevelts have a joint interest through stock ownership in one or more have a joint interest through stock ownership in one or more of the lines mentioned below, all of which are owned by one or more of this group, hence this combined statement of the financial aid they are receiving from the United States incident to sales of ships at very low prices, loans from the construction loan fund, and ocean-mail "contracts" under Title IV of the merchant marine act, 1928:

I. THE UNITED STATES LINES CO.

The Franklins, the Roosevelts, and the Dollars are all financially interested in this company; they own it. The line is greatly profiting at the cost of the United States through large concessions from true value in the sales prices of vessels sold it, in the loans made it for the construction of new vessels, and in postal

loans made it for the construction of new vessels, and in postal contracts given it.

(a) Sales prices: The vessels sold it include the Leviathan, the Roosevelt, the Harding, and seven others. Their total cost to the United States exceeded \$44,000,000. They were sold to this line for \$3,175,000, and as the part payments received from a previous defaulting purchaser was more than offset by unpaid accrued interest and by the loss resulting from taking back the steamships America and George Washington, the amount named (\$3,175,000) is all the United States will receive for these vessels, less than 10 per cent of their cost. While the "cost" does not represent present market value, the sales price is very much less than their true market value, the concession being made to promote their operation in foreign trade. To construct only the Leviathan now would cost over \$20,000,000. About eight

years ago the Shipping Board expended nearly \$10,000,000 in |

reconditioning her.

(b) Loans: The Shipping Board has lent this line \$15,700,000 in aid of building two new vessels. This large sum has been loaned it at the excessively low interest rate of one-half of 1 per cent, and for 20 years. The average interest rate on the public debt of the United States is about eight times greater. The interest loss on this one transaction will exceed \$5,350,000.

(c) Postal contracts: There have also been granted this line two ocean mail "contracts," the compensation under which greatly exceeds the transportation value of the mail in fact carried.

(1) Route No. 43, between New York and Hamburg, Germany, for 10 years, under which it will be given \$14,000,000.

(2) Route No. 44, between New York and London, for 10 years, under which it will receive \$10,500,000.

Total from both mail contracts, \$24,500,000.

II. THE ROBERT DOLLAR LINES

The Dollars also own three trans-Pacific lines, viz: One from San Francisco to Manila, one from Seattle to Manila, and one from San Francisco in "the round the world" service. With respect to each of these, also, it has received extensive financial

spect to each of these, also, it has received extensive financial aids from the United States in the low sales prices of vessels sold it, in the grant of loans at very low rates of interest, and in the award of ocean mail contracts at excessive rates.

(a) Sales prices: The board has sold it 15 vessels in all. These were built after the World War and are among the finest the United States has built. Their cost exceeded \$84,000,000. They have been sold to the Dollars for \$12,775,000. While construction cost does not represent market value, the sales price was hardly one third of their true market value, a concession being made to

cost does not represent market value, the sales price was hardly one-third of their true market value, a concession being made to promote their operation in foreign trade.

(b) Loans: Nearly \$13,000.000 has been loaned the Dollars—entirely apart, of course, from the unpaid purchase money on the vessels sold it. Of this amount, \$10,575,000 has been loaned for 20 years to aid in building two large vessels. One-half of it (i. e., \$5,287,500) has been loaned at the abnormally low rate of 1 per cent per annum, and the other half (i. e., \$5,287,500) at the ridiculously low rate of one-quarter of 1 per cent per annum. The average interest rate on the public debt of the United States is nearly sixteen times the one-quarter of 1 per cent rate. The interest loss to the United States will exceed \$2,450,000.

(c) Postal contracts: Three ocean mail contracts have been awarded them for 10 years: Route 25, between San Francisco and Manila; Route 26, between Seattle and Manila; and Route 27, the round-the-world service. The amount being paid at present will

round-the-world service. The amount being paid at present will be greatly increased in the future; but even on the basis of the present fleets they will be about \$38,000,000. The transportation value of the mail in fact carried, tested by results down to June 30, 1931, will be only about one-eighth of the compensation in

fact paid.

III. AMERICAN SOUTH AFRICAN LINE

This line operates between New York and South Africa. It was sold the Roosevelts and the Franklins by the Shipping Board.

(a) Sales price: The five vessels sold it are about 409 feet long and 5,600 tons gross. The total sales price was \$777,000. Their construction cost the United States over \$9,000,000. Hence the sales price is not 10 per cent of their cost. Their market value is less than their cost; but their market value greatly exceeded the sales price, a concession being made to promote their operation in foreign trade. foreign trade.

(b) Loan: This company has built one new vessel (the City of New York) in aid of which the board loaned it \$1,350,000 at 3% per cent for 20 years—a rate lower than the average interest cost of the public debt. The interest loss exceeds \$7,000 per

annum

annum.

(c) Postal contract: Route No. 6, New York to South African ports, for 10 years. This contract will yield the line over \$2,600,000. The transportation value of the mail, in fact, carried between October 27, 1928, and June 30, 1931, was \$43,237 at commercial rates paid by the International Postal Union, but the "compensation" paid for the same period was \$782,692.

IV. AMERICAN LINE STEAMSHIP CORPORATION

This line is owned by the Atlantic Transport Co., which in turn is owned by the International Mercantile Marine Co. and is thus controlled by the Franklins. The vessels were not sold to it by the board; the company built them, aided by loans from the

the board; the company built them, aided by loans from the loan fund of the board.

(a) Loans: The board loaned about \$11,000,000 for 20 years to aid the construction of the three vessels in this service. As it is a "coastwise" route, the interest rate was definitely fixed by law and is not at a loss to the United States. It has been with loans on vessels in foreign trade that unreasonable and abnormal rates have been applied.

have been applied.

(b) Postal contracts: Route 32, ostensibly a route between New York and Balboa. We say "ostensibly" because the visit to Balboa is a mere navigation incident in the transit of the Panama Canal. The contract is for 10 years and will yield the company the totally unexpected boon of over \$4,000,000. The three vessels built are not the result of this contract, either immediately or

V. THE ROOSEVELT STEAMSHIP CO.

(Baltimore mail line)

This line operates between Baltimore and Bremen. Its initial sale by the board was to the Franklins and the Roosevelts.

(a) Sales price: The five vessels sold it are about 440 feet long and 7,500 tons gross. The sales price was nominal; \$30,000 for

each vessel, total \$150,000. They were built by the board and cost more than \$9,000,000. Hence the sales price is less than 2 per cent of their cost. Their cost is not necessarily their market per cent of their cost. Their cost is not necessarily their market value. Their true market value, however, was nearly ten times the sales price; the concession was made to promote their reconditioning

ditioning and their operation in foreign trade. The board lent most of the cost of reconditioning.

(b) Loans: The loan is \$6,500,000 for 20 years at 3 per cent, to aid in the reconditioning of the five vessels sold. This low interest rate will yield less by \$500,000 than the average interest cost of the public debt, hence the interest loss will exceed \$500,000.

\$500,000.

(c) Postal contract: Route No. 46, between New York and Bremen, for 10 years, during which the line will receive not less than \$1,222,000 per year. The total will exceed \$12,000,000.

than \$1,222,000 per year. The total will exceed \$12,000,000.

That the annual compensation is excessive for the vessels used, is revealed by the terms of the contract, under which the Postmaster General may, after the first five years, require the contractor to build a new vessel, and it would cost the company over \$5,000,000 to do so. The right to require the new vessel is imperative; it is not a "mutual agreement" item. It is obvious the postal-contract compensation through the first five years was made higher than otherwise justified, to put the contractor in funds with which to build the new vessel if compelled to do so by the Postmaster General.

This interpretation is confirmed by the provision of the con-

This interpretation is confirmed by the provision of the conract, that, if the new vessel is not built, the compensation for the second five years will be reduced to a more nearly proper level for the old vessels. It is an incredible fact, however, that the contractor is thus (admittedly) compensated during the first five years on a scale covering a new building program, and yet, should the new vessel not be built, he is to retain all this surplus compensation intended for the cost of the new vessel.

compensation intended for the cost of the new vessel.

This feature of this contract prompts reference to another contract of this group, viz, the sales contract to the Dollars for the seven large, fine "President" vessels, operated in the "round the world" service. These vessels cost the United States over \$6,000,000 each to build, and they were sold to the Dollars within three years of their completion at the nominal price of \$550,000 each. This absurdly low price seemed explained by a stipulation in the preamble of the contract that "the buyer has agreed to establish with sald vessels and to maintain for a period of five years * * the round-the-world service." That is, that they were guaranteeing to do it, apparently, whether it paid or not. And that the great difference between sales price and market price was to compensate for this risk.

But the body of the contract imposed no such guaranty; they

But the body of the contract imposed no such guaranty; they were free to abandon the maintenance of the service; nor was the abandonment of that service to impair the contract of sale; the abandonment of that service to impair the contract of sale; the board could have taken the vessels to operate them, but only temporarily and at its own expense, and with obligation to return them in good condition to the Dollars not later than at the end of the 5-year period; and, of course, that period having passed, they would then be free of all limitations as to use—restoring them to their normal market price value—the excess above the low sales value being the Dollars'. This result is not based on any ambiguity of language, but by clear and express provisions of the contract.

The success members of this group have had in procuring terms and policies serving their purposes, as in obtaining a postal contract for an intercoastal service, in direct contravention of law and in the two instances just mentioned above, is further demonstrated by the successful opposition of the Dollars to the declared purpose of the Postmaster General to advertise as a postal route a direct service between San Francisco and Manila, P. I. This course had been decided on because the Matson Line had made known that if awarded a mall contract it would build fast, splendid vessels for the route and give a service about seven days shorter than the schedules of the Dollar vessels. The Matson vessels would have gone direct; the Dollar vessels go via Japan and China. The success members of this group have had in procuring terms

After extended hearings the Dollars were successful in their opposition, their success being largely explained by the fact (revealed in the records) that the chairman of the Shipping Board

veated in the records) that the charman of the Shipping Board supported the Dollars in their opposition, an amazing attitude in the light of the fact that the Shipping Board has recommended an extension of the coastwise laws to the Philippine Islands.

And thus was lost a direct passenger service with the Philippine Islands which would have saved seven days over present schedules, all to the end that traffic by the Dollar vessels, which take a route seven days longer, might not be impaired.

Recapitulation

FRANKLIN-ROOSEVELT-DOLLAR GROUP

Name of line	Losses on low inter- est rates	Postal con- tracts	Cost of construc- tion ex- ceeded sales prices by—	Sales prices less than market values by—
United States Lines Robert Dollar Lines American-South African Line American Line Steamship Corporation	\$5, 350, 000 2, 450, 000 70, 000	\$24, 500, 000 38, 000, 000 2, 600, 000 4, 000, 000	\$40, 825, 000 71, 225, 000 8, 222, 000	\$9,000,000 15,000,000 1,500,000
5. Roosevelt Steamship Co	590, 000	12, 000, 000	8, 850, 000	2, 000, 000
Total	8, 370, 000	81, 100, 000	129, 122, 000	27, 500, 000

Total aids received by the group

1. Interest losses on loans (compared with average rate on public debt)... \$8,370,000
2. Sales price concessions below market value at time of sale... 27,500,000
3. Postal contracts subsidizing payments. (This amount will greatly increase, which will more than cover the transportation value of the mail in fact carried). 81,100,000

_ 116, 970, 000

TAX ON ELECTRIC ENERGY

Mr. WALSH of Montana. Mr. President, in the discussion of the amendment offered by the Senator from Nebraska [Mr. Norris] to the revenue bill relating to the tax on electric energy, a difference of opinion was manifested as to whether the tax which is provided for will be passed on to the consumer. In view of that difference of opinion I ask that there be incorporated in the RECORD an article appearing in to-day's Journal of Commerce on that subject entitled "Electric Industry Not to Shift 3 Per Cent Tax-Utility Men Say Companies Will Absorb New \$55,000,000 Levy on Gross Income."

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the New York Journal of Commerce, June 2, 1932]

ELECTRIC INDUSTRY NOT TO SHIFT 3 PER CENT TAX—UTILITY MEN SAY COMPANIES WILL ABSORB NEW \$55,000,000 LEVY ON GROSS

The electric power and light industry is not expected to be able to pass on immediately to consumers any important part of the 3 per cent excise tax adopted by the Senate and include d in the new

revenue bill, it was indicated yesterday by local utility men.

The amendment to the tax bill, submitted by Senator Howell of Nebraska, provides that there shall be imposed upon energy sold by private companies a tax equivalent to 3 per cent of gross revenues received and that this tax shall be paid from net and "not

With gross revenues of approximately \$2,000,000,000 after allowing for an estimated 5 per cent decline in 1932 gross, the tax would raise in the neighborhood of \$55,000,000.

TWICE RAILROAD TAX

The utilities would enjoy a small partial offset, however, inasmuch as the 3 per cent payment would reduce net income on which their tax payments are computed. With the fact in mind which their tax payments are computed. With the fact in mind that the power industry last year paid out a sum greater than \$200,000,000 in taxes, equal to more than 10 per cent of gross revenues, it is indicated that a 3 per cent tax addition is a considerable burden. Under the new bill the companies, taken as a whole, would pay approximately 13 per cent of their total gross receipts in taxes, while the railroad industry, for example, pays only slightly more than 6 per cent

more than 6 per cent.

As an offset, it is said that in the long run, in view of the con-As an offset, it is said that in the long run, in view of the constitutional protection afforded the companies, the new tax might mean that rates will be held at present levels. It is this question of lower rates that has been much to the fore during the past several months, and if a tax on power sales means that rates will remain relatively unchanged, it is said likely that the industry will suffer little in the way of diminished income and at the same time the Government will receive a substantial return.

Meanwhile the question of reduced earnings is problematical. As numerous power companies have hardly begun to cut expenses

Meanwhile the question of reduced earnings is problematical. As numerous power companies have hardly begun to cut expenses to the extent of other industries, it was yesterday pointed out that much in the way of expense reductions could be accomplished. Wages, for instance, are at predepression levels for almost all leading companies. Further savings in maintenance due to cheaper materials and supplies is also a factor, while oil and coal, the biggest utility costs excepting labor, are cheaper than in many years. Depreciation provisions, liberal in the past, may also be altered. years. altered.

According to the wording of the Howell rider to the Senate bill, municipal plants would be exempt from the impost. Senator Howell is head of the municipally operated gas and water works of Nebraska

His amendment follows:

PRIVATE COMPANIES

"There is hereby imposed upon energy sold by privately owned operating electrical power companies a tax equivalent to 3 per cent of the price for which sold payable from net income, but not otherwise.

shares were liquidated rather heavily in yesterday's trading on the securities market. A number of holding-company common shares sold at new low level in anticipation of lower net income for operating companies, and hence reduced returns for the parent concerns, according to opinion expressed in some quar-ters. Companies where the equities for stocks are thin would be most affected by the measure, it was argued.

REDUCTION IN COMPENSATION OF FEDERAL EMPLOYEES

Mr. SCHALL. Mr. President, I have been presented with a memorial from the two cities of St. Paul and Minneapolis containing better than 20,000 names of citizens who are

opposed to the proposed wage cut. They protest in their own language, to wit:

This protest expresses the opinion of 20,000 Minnesota citizens. We are opposed to wage cuts and enforced lay off for Federal employees. Such legislation would have a serious effect on

Besides this protest of 20,000, I have been receiving daily hundreds of wires and letters to the same effect from my State. This morning's mail brought me better than 500 such wires and letters. Among them is a letter from the president of the American Federation of Labor, Mr. Green, which I ask leave to print. Also a letter from the president of the National Federation of Federal Employees, Mr. Steward, which I ask to have printed in the RECORD.

Charles E. Smith, president St. Paul Branch Railway Mail Association, wires in behalf of its members.

- J. W. Koktavy, Minneapolis, wires in behalf of the Minneapolis post-office motor-vehicle employees.
- C. M. Harvey, president tenth division, Railway Mail Association, St. Paul, wires in behalf of railway postal
- J. E. Hanslik wires in behalf of 5,000 members of property tax reduction clubs.

Margaret West, president Minneapolis Teachers' Federation, wires in behalf of thousands of teachers.

- H. P. Borgman, secretary, Local No. 125, National Federation, Post Office Clerks, wires in behalf of 550 members.
- C. H. Allender, secretary, Local 286, Cass Lake, wires in behalf of 70 employees.

Mr. Redpath, commander, Railway Mail Post, American Legion, St. Paul, wires in behalf of 150 members.

James H. Long, president Federal Employees, St. Paul, wires in behalf of its members.

W. A. Fish wires in behalf of Minneapolis postal employees, and hundreds of other such wires representing smaller groups, besides a great mass of individual protests.

Mr. President, there is undoubtedly a universal protest of the workers and producers of my State against this legislation who demand of me my opposition to the lowering of living standards and favor the preservation of the wages and conditions which Federal employees have gained through years of struggle and effort.

Minnesota has received only 75 per cent of the apportionment of civil-service employees she is entitled to, and under any plan there should be no dismissals of employees whose residence is in the State of Minnesota unless the reduction in personnel is more than 25 per cent.

There being no objection, the letters above referred to (with an accompanying table) were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., June 1, 1932.

Hon. THOMAS D. SCHALL,

Senate Office Building, Washington, D. C.

DEAR SIR: Because of the deep interest which the American Federation of Labor takes in the economic welfare of the Government employees we are deeply concerned over the provisions in the economy bill. For this reason I am taking the liberty of communicating with you to officially advise you of the position of the American Federation of Labor, and of labor generally throughout the Nation, so far as the American Federation of Labor can speak

for it.

It is the opinion of the officers and members of the American It is the opinion of the officers and members of the American Federation of Labor that a reduction in the salaries and wages of the Government employees would be economically wrong. Through such action a great injustice would be imposed upon thousands of Government workers without a corresponding benefit to the Government. Wage cutting on the part of the Government would aggravate the disturbed state of mind which already exists, would intensify a paralysis of buying power, which at the present moment is having such a disastrous economic effect, and would increase the social unrest and economic discontent which would increase the social unrest and economic discontent which is so noticeable in all sections of the land. Private employers have followed an unwise policy of wage cutting and have aroused feeling and passion in the minds of the masses of the people everywhere. They believe that wage cutting on the part of the Government will be the signal for further reductions in private

industry.

In my judgment a great service can be rendered the people by the Congress of the United States if it will officially declare itself in opposition to the lowering of living standards and in favor of the preservation of the wages and conditions which Federal employees have gained through years of struggle and effort. Such action would strengthen and encourage employers in private in-

Very sincerely yours,

WM. GREEN President American Federation of Labor.

NATIONAL FEDERATION OF FEDERAL EMPLOYEES,
Washington, D. C., June 1, 1932.

MY DEAR SENATOR: We are inclosing a tabular statement showing the number of civilian employees grouped by \$100 salary steps. This table was prepared in the Bureau of the Budget and

steps. This table was prepared in the Bureau of the Budget and is authoritative.

This table shows that a cut of 10 per cent on annual salaries of civilian Federal employees below \$1,000 would save \$4,330,902; below \$2,500 would save \$82,090,505; below \$3,000 would save \$92,574,817; and below \$5,000 would save \$102,687,787.

It is apparent that no Senator wishes to cut the pay of employees in the lower salary ranges. The bulk of the savings must be secured by cuts in this group. The savings effected by cuts in the higher-paid groups is so negligible as not to warrant the United States Government lowering employment standards.

Very truly yours.

Very truly yours,

LUTHER C. STEWARD, President.

Number and cost of salaries of civilian employees of the executive branch of the Government

[Compiled in January, 1932, from latest available information]

			Civil			
Annual salary	Number		Salary cost			
	Number in group	Cumula- tive total	Cost for group	Cumulative cost		
Total	732, 460	732, 460	\$1, 055, 970, 636. 55	\$1, 055, 970, 636. 55		
Up to \$1,000	124, 678	124, 678	43, 309, 021, 57	43, 309, 021, 57		
\$1,000-\$1,100	.1 56, 883	181, 561	18, 038, 396, 80	61, 347, 418, 37		
\$1,100-\$1,200	12, 157	193, 718	12, 319, 482, 44	73, 666, 900, 81		
\$1,200-\$1,300		231, 276	32, 243, 740. 84	105, 910, 641, 65		
\$1,300-\$1,400	20, 243	251, 519	21, 647, 211, 78	127, 557, 853, 43		
\$1,400-\$1,500	24, 643	276, 162	28, 273, 105, 49	155, 830, 958, 92		
\$1,500-\$1,600	24, 044	300, 206	32, 562, 998, 76	188, 393, 957, 68		
\$1,600-\$1,700	28, 389	328, 595	43, 120, 969, 84	231, 514, 927, 52		
\$1,700-\$1,800		348, 623	32, 712, 739, 90	264, 227, 667, 42		
1,800-\$1,900	35, 690	384, 313	62, 612, 587, 73	326, 840, 255, 15		
\$1,900-\$2,000		417, 089	60, 060, 268, 58	386, 900, 523, 73		
2,000-\$2,100	24, 186	441, 275	48, 530, 825, 91	435, 431, 349, 64		
52,100-\$2,200	116, 759	558, 034	242, 864, 839, 74	678, 296, 189, 38		
\$2,200-\$2,300		571, 112	28, 858, 487. 00	707, 154, 676, 38		
\$2,300-\$2,400		596, 486	57, 547, 533, 82	764, 702, 210, 20		
\$2,400-\$2,500		619, 711	56, 202, 844, 98	820, 905, 055, 18		
\$2,500-\$2,600		668, 849	22, 726, 480, 52	843, 631, 535, 70		
2,600-\$2,700		683, 965	39, 285, 484. 19	882, 917, 019, 89		
82,700-\$2,800		690, 458	17, 498, 195, 00	900, 415, 214, 89		
2,800-\$2,900		695, 505	14, 067, 523, 30	914, 482, 738. 19		
2,900-\$3,000		699, 489	11, 265, 440, 00			
				925, 748, 178. 19		
3,000-\$3,100		703, 001	10, 331, 218. 00	936, 079, 396. 19		
\$3,100-\$3,200 \$3,200-\$3,300		704, 804 709, 288	5, 459, 319, 44 14, 335, 643, 00	941, 538, 715, 63		
3,300-\$3,400	2, 343	711, 631	7, 692, 167, 00	955, 874, 358, 63		
3,400-\$3,500		713, 456	6, 199, 120, 15	963, 566, 525, 63		
3,500-\$3,600				969, 765, 645. 78		
		715, 443	6, 916, 494, 00	976, 682, 139. 78		
3,600-\$3,700		716, 801	4, 841, 023, 53	981, 523, 163, 31		
3,700-\$3,800		717, 737	3, 352, 002. 00	984, 875, 165, 31		
3,800-\$3,900		720, 612 720, 863	10, 864, 987. 00	995, 740, 152, 31		
\$3,900-\$4,000 \$4,000-\$4,100	1, 578	720, 803	976, 562. 00 6, 341, 012. 40	996, 716, 714. 31 1, 003, 057, 726, 71		

¹ Salary of civilian employees is gross salary and includes the value of quarters, subsistence, or other facilities or services furnished by the Government.

11790	CONGRESSIONAL	RECURD—SE	NAME	1		JUNE 2
maintain wages, to pr	voring with all the power they possess to revent reductions in salaries, and to enso that the Nation may early regain its	Number and cost of branch			n employees o	
normal course. We ca	n not bring back prosperity to the Nation croy buying power through the imposition		Civil Number Salary cost			
When the masses of	g to millions of dollars. I the people are compelled to accept less applied by sheer force of circumstances to	Annual salary			Salary cost	
buy. There is every r example to private in	not produce when workers are unable to eason why the Government should set an dustry. At least it should maintain an living commensurate with the require-		Number in group	Cumula- tive total	Cost for group	Cumulative cost
ments of American citieven though the mans a wage-cutting hyster effects upon the econoto see that the need of ing power. We can not covery by weakening a masses of the people. I sincerely hope Commize and reduce Gove without lowering the blow at those intangil most lasting and abidinand in behalf of the women employed both pose pay cuts for Gove that so far as the Fedemust cease so that the	zenship. Congress should be self-possessed gers of private industry are influenced by the cia which obviously is having disastrous smic life of the Nation. Sane men ought the hour is to build up and increase buyot, I assure you, bring about economic rend destroying the purchasing power of the gress will find ways and means to economic rement expenses without reducing wages, living standard, and without striking a ble human values which after all are the new of all. May I appeal to you in the name forking people of the Nation, the men and in public and private enterprises to operate Government is concerned wage cutting a standard of American life and living may shed and securely maintained.	\$4,100 \$4,200 \$4,200 \$4,400 \$4,400 \$4,400 \$4,600 \$4,600 \$5,600 \$5,000 \$5,600 \$5,500 \$5,000 \$5,500 \$5,000 \$5,600 \$5,600 \$6,500 \$6,009 \$6,500 \$7,500 \$5,000 \$7,000 \$7,000 \$7,000 \$1,000 \$1,000 \$1,000 \$1,000 \$1,000 \$11,000 \$11,000 \$12,000 \$15,000 \$13,000 \$15,000 \$12,000 \$15,000 \$13,000 \$15,000 \$13,000 \$15,000 \$13,000 \$15,000 \$13,000 \$15,000 \$13,000 \$15,000	374 311 905 303 698 309 244 150 133 40 138 134 6	722, 594 723, 466 724, 188 726, 438 727, 724 728, 643 729, 017 729, 328 730, 536 731, 543 731, 543 731, 787 731, 937 732, 070 732, 210 732, 243 732, 388 732, 489 732, 460	627, 204. 04 3, 613, 827. 50 3, 171, 917. 50 10, 259, 866. 00 6, 148, 193. 00 4, 573, 104. 00 1, 941, 870. 60 1, 679, 452, 80 5, 033, 770. 80 1, 778, 719. 80 1, 778, 719. 80 1, 1710, 830. 00 1, 111, 033. 00 1, 147, 672. 00 1, 243, 350. 00 1, 243, 350. 00 66, 000. 00 494, 900. 00 530, 500. 00	1, 003, 684, 930. 75 1, 007, 298, 758, 25 1, 010, 470, 675, 75 1, 020, 730, 541, 75 1, 028, 878, 734, 75 1, 031, 451, 838, 75 1, 033, 933, 709, 35 1, 035, 073, 162, 15 1, 040, 108, 932, 95 1, 041, 865, 651, 95 1, 048, 81, 851, 95 1, 048, 981, 855 1, 049, 792, 681, 55 1, 053, 938, 714, 55 1, 050, 903, 714, 55 1, 051, 951, 386, 55 1, 052, 295, 886, 55 1, 053, 389, 298, 55 1, 054, 879, 238, 55 1, 054, 879, 238, 55 1, 054, 879, 236, 55 1, 054, 945, 236, 55 1, 055, 940, 136, 55

LEGISLATION BY CONGRESS URGED

Mr. HASTINGS presented the following letter from H. S. Hayward, of Wilmington, Del., which was ordered to be printed in the RECORD:

WILMINGTON, DEL., May 31, 1932.

Senator DANIEL O. HASTINGS,

Washington, D. C.

MY DEAR SENATOR: Do you know that you are sitting on a political volcano? Do you know that your fellow Senators and Congressmen in the lower House are sitting on a political volcano? Do you know unless drastic relief measures in the way of increasing employment are taken in time that there will be a revolution were then the French or Pussian Revolution? lution worse than the French or Russian Revolution? Do you know that there will be thousands of eligible voters who will not know that there will be thousands of eligible voters who will not vote this year or, if they vote, will vote some one not in office rather than anyone who will increase their taxes in any shape or manner? Do you know that the best ammunition that your opponents will have for your defeat and their election will be your vote for the \$1,000,000,000 tax bill, whether the sales tax or other equally obnoxious taxes are written in it? Why don't you follow the plan formulated by Mr. Lammot du Pont, of the Du Pont Co. whereby the United States Government can save \$1,000,000,000 in taxes? Then there would be no need for any present \$1,000,000,000 additional taxes which are wholly uncalled for and unnecessary if the United States would cut its expenses to meet its present income like the individual, company, or corporation must do or go into bankruptcy or receivership. It would be nothing but plain common sense, just good horse sense if the United States Government would cut its expenditures by \$1,000,000,000. Why should a spendthrift Congress—Senators and Representatives—impose burdensome taxes upon a people suffering under a depression the worst they have known. Why do you alienate depression the worst they have known. Why do you alienate 17,000,000 investors in bonds and stocks already having terrible paper losses in their bonds and stocks by imposition of additional transfer taxes. Why don't you tax heavily the short sellers of wheat, cotton, stocks, and bonds, the criminal betrayers of our prosperity, who are prolonging this depression? Why don't you increase the tax on refined sugar and increase the employment in our sugar refineries rather than have them on part time or thrown out of work because more and more refined sugar is imported?

Why do you regulate the railroads to the point of starvation so that they would be bankrupt or in hands of receivers if it were not for the loans of the Reconstruction Finance Corporation? Why do you let the busses and trucks go unregulated, taking away business from the regulated railroads? Make the railroads prosperous and make the country prosperous. Why isn't there some constructive action in Congress rather than destructive in the \$1,000,000,000 tax program.

Yours truly.

H. S. HAYWARD.

REPORTS OF COMMITTEES

Mr. TOWNSEND, from the Committee on Banking and Currency, to which was referred the bill (S. 3346) to provide for the escheat to the United States of certain deposits in national banks, reported it with an amendment and submitted a report (No. 760) thereon.

Mr. NORBECK, from the Committee on Banking and Currency, to which was referred the bill (S. 4780) to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation

during the year 1932, reported it with an amendment and | submitted a report (No. 761) thereon.

Mr. WHITE, from the Committee on Commerce, to which was referred the bill (S. 2370) for the conservation of lobsters, to regulate interstate transportation of lobsters, and for other purposes, reported it with amendments and submitted a report (No. 762) thereon.

Mr. HEBERT, from the Committee on Patents, to which was referred the bill (S. 1301) to renew and extend certain letters patent, reported it without amendment and submitted a report (No. 763) thereon.

EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHORTRIDGE:

A bill (S. 4793) to grant compensation, disability allowance, or pension to enlisted men retired from the Army, Navy, Marine Corps, Coast Guard, and transferred members of the Fleet Naval and Marine Corps Reserve; to the Committee on Military Affairs.

By Mr. LOGAN:

A bill (S. 4794) for the relief of Homer H. Keffer; and A bill (S. 4795) for the relief of Charles Wilson; to the Committee on Military Affairs.

A bill (S. 4796) granting a pension to Maude Kinser Alexander:

A bill (S. 4797) granting a pension to Mary Burton;

A bill (S. 4798) granting a pension to Roscoe Johnson;

A bill (S. 4799) granting a pension to Mary A. Newkirk;

A bill (S. 4800) granting a pension to William Russell; to the Committee on Pensions.

By Mr. STEPHENS:

A bill (S. 4801) for the relief of A. L. Marshall; to the Committee on Claims.

By Mr. FLETCHER:

A bill (S. 4802) to amend section 5 of the Reconstruction Finance Corporation act; to the Committee on Banking and Currency.

By Mr. BINGHAM:

A bill (S. 4803) for the relief of Daniel C. McIntyre (with accompanying papers); to the Committee on Finance.

By Mr. GLASS:

A bill (S. 4804) to provide for the construction of a suitable approach to the Arlington Memorial Bridge connecting Lee Boulevard (route No. 711 of Virginia) with the Memorial Bridge; to the Committee on Public Buildings and Grounds. By Mr. BLAINE:

A bill (S. 4805) for the relief of Henry J. Westphal (with accompanying papers); to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 632. An act for the relief of Lucy Murphy;

H. R. 873. An act for the relief of Carl F. Castleberry;

H. R. 1174. An act for the relief of Mary A. Cox;

H. R. 2296. An act for the relief of Charles W. Dworack;

H. R. 2478. An act for the relief of Silas B. Lawrence;

H. R. 3029. An act for the relief of William K. Lovett;

H. R. 3460. An act for the relief of Caughman-Kaminer Co.

H. R. 4059. An act for the relief of Rosamond B. McManus;

H. R. 5682. An act for the relief of Miles Thomas Barrett;

H. R. 6003. An act for the relief of A. L. Marshall;

H. R. 6855. An act for the relief of Sam Echols; and

H. R. 7656. An act for the relief of William R. Nolan; to the Committee on Claims.

H. R. 964. An act for the relief of Howard Emmett Tallmadge:

H.R. 2599. An act for the relief of Henry Dixon Linebarger; and

H. R. 5595. An act for the relief of Harry Manning Lee; to the Committee on Naval Affairs.

H. R. 8174. An act to exempt from the quota fathers and mothers over 60 years of age of United States citizens; to the Committee on Immigration.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 26) to establish a commission to be known as the United States Roanoke Colony Commission to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C., was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

AMENDMENTS TO LEGISLATIVE APPROPRIATION BILL

Mr. GLASS submitted two amendments intended to be proposed by him to House bill 11267, the legislative appropriation bill, which were ordered to lie on the table and to be printed as follows:

On page 49, lines 19 and 20, strike out the words "the Administrator of Veterans' Affairs."

On page 46, line 18, subsection (f), strike out the words "insolvent bank receivers and bank examiners" and insert "public officials and employees."

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 45, strike out the last word in line 10 and all of line 11 and insert in lieu thereof the following: "as follows: Compensation to sum of \$1,200 shall be exempt from reduction; compensation on that portion above \$1,200 to \$2,000 shall be reduced by 5 per cent; compensation on that portion above \$2,000 to \$3,000 shall be reduced by 10 per cent; compensation on that portion above \$3,000 to \$5,000 shall be reduced by 15 per cent; and compensation above \$5,000 shall be reduced 20 per cent of the amount

Mr. JOHNSON submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

At the end of line 11, page 45, insert the following language: "Provided, however, That the said reduction shall not apply to the compensation or salaries herein described which are not in excess of \$2,500 per annum, and compensation and salaries herein described of said \$2,500 or less per annum are exempted from the provisions of this section."

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and a joint resolution, and they were signed by the Vice President:

S. 154. An act for the relief of Amy Harding;

S. 669. An act for the relief of Chester J. Dick;

S. 1357. An act for the relief of Nancy H. Rouse, Clara H. Simmons, W. H. Hays, Hallie H. Hamilton, and Bradford P.

H. R. 208. An act to authorize transfer of the abandoned Indian-school site and building at Zeba, Mich., to the L'Anse Band of Lake Superior Indians;

H. R. 1029. An act for the relief of Basil N. Henry;

H. R. 3691. An act for the relief of J. P. Moynihan;

H. R. 4143. An act for the relief of the Sherburne Mercantile Co.;

H. R. 4270. An act for the relief of Carroll K. Moran;

H. R. 4453. An act for the relief of Pasquale Mirabelli;

H. R. 4868. An act for the relief of George E. Casey;

H. R. 7305. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum

H. R. 9254. An act to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota; and

H. J. Res. 341. Joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.

THE SOUTH CAROLINA BAR AND PROHIBITION

Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from one of the leading dailies of South Carolina, the State, entitled "The South Carolina Bar and Prohibition."

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

[From the State, Columbia, S. C., June 1, 1932] THE SOUTH CAROLINA BAR AND PROHIBITION

The question is being raised as to the merit of the vote recorded at the meeting of the South Carolina Bar Association last week in favor of the repeal of the eighteenth amendment.

In comment on the report published in the Greenville News that the resolution favoring repeal was passed by "a very large majority," H. J. Haynesworth, Esq., writes that the vote was actually 50 to 42, and was taken when less than half those who had attended the association's meeting were present. Mr. Haynesworth adds that he wrote a letter in advance of the meeting to the chairman of the committee having the resolution in charge saving.

ands that he wrote a letter in advance of the meeting to the chairman of the committee having the resolution in charge saying:

"The committee of which you are chairman has given public notice of its purpose to offer a resolution at the approaching meeting indorsing the repeal of the eighteenth amendment.

"This is a subject involving certain moral, political, and economic considerations upon which the bar of this State is hopelessly divided.

nomic considerations upon which the par of this state is hopelessly divided.

"I question the propriety of entangling the association in controversies of this kind. Any resolution on the subject pro or con, if introduced, would be the subject of discord, and the result would not represent the sentiment of a united bar.

"I hope that your committee will reconsider its purpose to press this resolution."

The South Carolina bar is, as Mr. Haynesworth says, "hopelessly divided" on this issue, but whether that fact should debar it from raising the issue in its counsels, this layman regards as an open

We assume that the majority of the bar is personally wet; we do not believe a majority or even a large minority is politically

wet at this time.

These resolutions are really not important without knowing

something of the plans and program of the hereafter. What is to come after repeal—should repeal prevail?

As there is not one chance in ten thousand of South Carolina or three-fourths of the States consenting to repeal with no acceptor three-fourths of the States consenting to repeal with no acceptable substitute provided in advance, this splashing around seems rather purposeless and futile; especially by so potentially powerful and influential a body as is constituted by South Carolina lawyers. And there is so much which the South Carolina bar could do for South Carolina if it but put its hand to the plow. There is vitally important work to be done; there is crying need for it to be done, and only the members of the bar can do it.

WORLD ECONOMIC CONFERENCE

Mr. TYDINGS. Mr. President, I ask permission to print in the RECORD a short editorial from the Washington Daily News of this date entitled "A World Conference."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Thursday, June 2, 1932] A WORLD CONFERENCE

The Washington-London suggestion of a world economic conference is splendid. Two things have been taught this Nation and others by the depression. One is that the basic causes are economic. The other is that economic forces are not national but international. Drop a stone in our economic puddle and the ripples circle out across the seven seas to the ends of the earth. So when another nation puts its foot into it, we get the repercussions over here.

Such being the case, it is only a matter of very obvious intelligence for the nations to get together to eliminate causes which injure them all and to produce results which will benefit them all.

of course there is nothing new about the idea of a world economic conference. There was one at Geneva in 1927. There was another, though more limited in scope, in 1928. Neither of them improved the state of the world which, on the contrary, has grown

On the basis of this record one might consider another effort hopeless. That, indeed, was the attitude of President Hoover recently when he vetoed the Democratic tariff bill which carried a provision for a world economic conference. "The American Government has participated in several international economic con-

ernment has participated in several international economic conferences for these identic purposes since the great war," he said, and added: "They have resulted in very little accomplishment."

It seems to us fortunate that the President has become more hopeful. He has now accepted the idea, at least in a limited way, according to the State Department announcement. In fact, Foreign Minister Simon told the British House of Commons yesterday that this latest proposal originated in Washington, which means at the White House.

Just why Washington should announce that the idea originated in London and London should insist that it was born in Washington.

in London and London should insist that it was born in Washington is not clear. This confusion, however, is not important unless it means that the two governments are practicing the old diplomatic trick of discussing solutions which they have no intention of carrying out.

That was the trouble with these other two economic conferences about which Mr. Hoover was so discouraged. The fault was not in the conference method. Nor was it in the failure to discover causes and to find at least partial solutions. The trouble was the insincerity of the governments participating. They were not willing to abolish their own selfish trade restrictions against foreign commerce and to batter down their own tariff walls. They were not willing to cut down war debts and reparations to a point which necessity now imposes upon them.

which necessity now imposes upon them.

It is futile; however, to blame the other fellow as long as our own attitude is so unintelligently selfish. In the very breath that the State Department announced acceptance of the international-conference plan, it specified that the "conference would have nothing to do with war debts, reparations, disarmament, or any other than purely economic subjects." There may be some disagreement—though we can not understand it—as to whether disagreement is a conference would be a subject to the subject agreement—though we can not understand it—as to whether dis-armament is an economic question. But if debts are not an eco-nomic question, words have lost their meaning.

Tariff is another economic question which Washington appar-ently would shut out from the "purely economic" conference.

For many months there has been need of an economic confer-

ence on debts, disarmament and expense and tariff—the 3-in-1 economic issue which must be settled to stop the world depression. But a world conference which concentrated on results like the fall in commodity prices, without getting back to causes, would be just another conference.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting nominations, was communicated to the Senate by Mr. Latta, one of his secretaries.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933. and for other purposes, the pending question being on the amendment of the Committee on Appropriations, under the subhead "Schedule of Temporary Reductions," on page 45, line 6, after the word "reduced," to strike out "as follows: Compensation at an annual rate of \$2,500 or less shall be exempt from reduction; and compensation at an annual rate in excess of \$2,500 shall be reduced by 11 per cent of the amount thereof in excess of \$2,500" and insert "by 10 per cent of the amount thereof," so as to read:

Sec. 102. (a) During the fiscal year ending June 30, 1933, the compensation for each civilian and noncivilian office, position, employment, or enlistment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced by 10 per cent of the amount thereof.

The VICE PRESIDENT. The Senator from South Carolina [Mr. Byrnes] has the floor.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. BYRNES. I yield.

Mr. NORRIS. I assume the Senator is going to discuss the question of salary reductions?

Mr. BYRNES. I am. Mr. NORRIS. The Senator has given the matter so much attention that I would like to have the benefit of his discussion of an amendment which I have prepared. If he will yield for the purpose, I will offer the amendment. It can then be the pending amendment, and the Senator can discuss it.

Mr. BYRNES. I have no objection. Mr. NORRIS. I offer the amendment.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 45, line 7, amend the House text as follows:

Strike out the figures "\$2,500" and insert in lieu thereof "\$1,500"; and, in line 8, after the semicolon following the word "reduction," strike out the balance of the paragraph and insert in lieu thereof the following: "and that part of any annual compensation in excess of \$1,500 and not in excess of \$2,500 shall be sation in excess of \$1,500 and not in excess of \$2,500 shall be reduced by 5 per cent; that part of any annual compensation in excess of \$2,500 and not in excess of \$4,000 shall be reduced by 10 per cent; that part of any annual compensation in excess of \$4,000 and not in excess of \$5,500 shall be reduced by 15 per cent; that part of any annual compensation in excess of \$5,500 and not in excess of \$7,500 shall be reduced by 20 per cent; and that part of any annual compensation in excess of \$7,500 shall be reduced by 25 per cent."

Mr. BYRNES. Mr. President, I do not believe there could be assigned to any committee of the Senate a more disagreeable duty than that assigned to the so-called Economy Committee. It is pleasant to increase the salaries of employees and to increase appropriations for activities which result in larger salaries for employees. It is very unpleasant to take anything from employees. I would rather exercise the rôle of Santa Claus bringing gifts to people than to be charged with the duty of economizing when necessarily it results in decreasing the compensation of persons in the employ of the Government; but, Mr. President, we must not forget the situation existing in this country when the Congress convened last December and the situation existing to-day.

The necessity for this legislation has not arisen during the last few days. Throughout the Nation there was a demand for a reduction of taxation by all government. Decreasing dividends, decreasing employment, 5-cent cotton, 40-cent wheat, mortgages being foreclosed, farmers being driven from farms where they were born and where their ancestors were born, all caused the people of the Nation to demand that the cost of government—Federal, State, county, and city—should be reduced. States, counties, municipalities, have all responded with a reduction of taxation.

The Federal Government, however, responds by passing a bill taxing the people, who cry for a reduction, one and a quarter billion dollars, to be added to the burdens already placed upon them. On the other hand, throughout this Nation. States, without exception, have reduced their costs; salaries have been reduced by them; counties have reduced salaries; cities have reduced salaries. That condition is general. I shall refer to only a few instances where that has been done. The following municipalities, so far as I can learn as a result of a hurried investigation, during the fiscal year 1931, or during the current year, have reduced the salaries of employees in amounts ranging from 3 per cent to over 20 per cent: Chicago, Philadelphia, Detroit, Los Angeles, Cleveland, Baltimore, Pittsburgh, Buffalo, Minneapolis, Cincinnati, Newark, Kansas City, Indianapolis, Rochester, Portland, Oreg., Houston, Toledo, St. Paul, and Syracuse.

Even with the reductions we have made in some of the appropriation bills, what is the situation now confronting the country, and which has been confronting it during the last six months? Since last December I think I have consumed but 15 minutes of the time of the Senate: but I have listened with great attention to much of the discussion about appropriations. I know that every man who discusses the subject discusses it from a different angle. The President of the United States has referred to the reduction below the Budget estimates submitted last December. He refers in his statements to the reduction in what we call the regular annual appropriations and states that there was a reduction in the estimates submitted by him of approximately \$369,-000,000 below the expenditures for the current fiscal year. But, Mr. President, what are the facts so far as the taxpayer of America is concerned? The taxpayer of America wants to know what is the tax bill imposed by this session of Congress as compared with the tax bill of the session of Congress which adjourned March 4 last year. That tax bill he has to pay; it makes no difference to him whether appropriations be called regular annual appropriations or miscellaneous appropriations. Here are the facts as to the appropriations of the last session of Congress as compared with this session of Congress:

The last session of Congress, which adjourned March 4, 1931, appropriated \$5,178,524,967.95. Last December, at this session, the President submitted to the Congress from the Bureau of the Budget estimates for regular annual appropriations amounting to \$4,601,479,101. Since that time he has submitted supplemental estimates amounting to \$1,003,-456,647.64, which makes a total of \$5,604,935,748.64 submitted to Congress.

What is the status of the appropriation bills to-day? If at this date the President of the United States should affix his signature to the appropriation bills now pending in Congress, whether they are now in conference, in the Appropriations Committee of the Senate, or in the hands of sub-

Mr. BYRNES. Mr. President, I do not believe there could assigned to any committee of the Senate a more disagree-ble duty than that assigned to the so-called Economy Comittee. It is pleasant to increase the salaries of employees and to increase appropriations for activities which result in appropriations for activities which result in appropriations amounting to \$159,491,057.79, which would leave us in the situation, if we had to close down this minute and the President signed the bills as they stand, of appropriating \$266,-100,000 and to increase appropriations for activities which result in principles.

It is fair to say that involved in the aggregate amount are the so-called miscellaneous appropriations, including those for the Reconstruction Finance Corporation, the subscription to the capital stock of the Federal land banks, a deficiency appropriation for the Veterans' Bureau, an appropriation for the Employment Service, and several other items, all of which have combined to make this total. That, however, is not what the taxpayer wants to know. He says, "I do not want to become involved in any intricate set of figures; I want to know what the total bill is of this session of Congress as compared with the last." If we were to hand it to him to-day we would have to hand him a bill for \$266,000,000 more than was appropriated by the last session of Congress.

Mr. VANDENBERG. Mr. President, if the Senator will yield, just for information, will the Senator indicate how much the capital figures are in that estimate?

Mr. BYRNES. I can not give them in detail, but I think I can give the Senator the information he desires: That the decrease in the appropriations known as the regular annual appropriations as it stands to-day, by reason of the desire on the part of the Congress to economize wherever possible, amounts to \$159,491,000.

How has that been brought about? It has been brought about because the Senate undertook to reduce expenditures and thereby respond to the demand of the people of America. After the House had undertaken its economy program we resorted to a further 10 per cent reduction here. Because of the reductions by House and Senate, the Interior Department appropriation bill was reduced 33½ per cent, and as a result of it hundreds of people will have to be dismissed from that service. We have greatly reduced other appropriations and similar dismissals will have to take place in the many departments affected.

The Post Office appropriation bill is pending before the Appropriations Committee, and as to it a controversy exists. It is contended by one Member that we can reduce it 10 per cent without causing dismissals because we can reduce the ocean mail subsidies and the air mail subsidies. That, however, is dependent entirely upon whether or not those contracts can be violated. The United States can not afford to violate its contracts; it never has done so and it never will: and when the Appropriations Committee of the Senate goes into that matter and the Senate considers it, if it involves a violation of contract, such action is not going to be taken; and then, if the reduction shall be made, it will mean that men and women throughout the Postal Service must be dismissed; that rural routes must be consolidated; that carriers and clerks must be dismissed. That is the situation. This cut must be agreed to or else the Senate must retreat from its position in favor of a 10 per cent cut in the appropriation for the Post Office Department, otherwise hundreds will be dismissed.

Where else are we going to effect savings? The President of the United States in a very optimistic statement said that he thought, in addition to the approximately \$250,000,000 saving sought to be effected by this bill, we could hope for an additional \$150,000,000 cut in other appropriations. Can we deduct 10 per cent from the independent offices appropriation bill? That bill carries approximately \$1,000,000,000 for the veterans of the World War, the Spanish-American War, and the War between the States. We can not reduce it; and if we can not make a reduction in the appropriation for the veterans, manifestly we can not strike \$100,000,000 from that appropriation bill. It can only be done by going to personnel and dismissing employees, destroying the service, closing regional offices throughout the country. We may as well realize that situation.

There is another thing. We talk about saving in this bill \$238,000,000, and then say that we will add to that sum the savings effected in these other bills. If we should do that,

we would not be doing what the Economy Committee thought was right. I want to explain that to the Senate right now.

In the Interior Department bill, as I have said, we reduced the appropriation below last year by 33 1/3 per cent. That means the dismissal of employees who have been in the service for years; it means turning them out at a time when more than 8,000,000 men walk the streets seeking employment. No more inhumane thing could be done even under extremity. We do not believe that it should be done, and we have sought to prevent it not only as to the Interior Department but also as to the other departments. How have we sought to prevent it? In this bill we seek to apply a reduction of 10 per cent in salaries. If for the Secretary's office there was an appropriation of \$100,000-using that figure merely for mathematical purposes-and when the appropriation bill reached the Senate, by reason of the action of the majority of the Senate, under the McKellar motion we reduced that appropriation 10 per cent, then the amount left for personnel in the office of the Secretary of the Interior is \$90,000, a reduction to the extent of \$10,000, and to that extent employees will have to be discharged. This bill comes along, and we reduce by 10 per cent the salaries of the employees in that office, and when we reduce by 10 per cent the salaries paid to employees in the office of the Secretary of the Interior then he is able to keep in that office every employee now there. It is true they will all get 10 per cent less for this year, but not one employee will have to be dismissed. This is true because we have put into this bill a provision that the savings effected by this reduction of 10 per cent shall be available to apply in the departments and bureaus solely for the purpose of paying salaries. In other words, the head of the bureau can not take that reduction and use it to put up a building, but the head of the bureau, the Secretary of the Interior in the instance to which I have referred, can take the 10 per cent saving and apply it to the employees of that office and prevent the head of some family from being turned out upon the streets in this day of unemployment.

Mr. President, we did another thing. We thought that inevitably, by reason of the reductions and cuts heretofore provided by the Congress and those which are threatened, even with this 10 per cent reduction, there would necessarily be some reduction in the number of employees; and again, seeking to help them, we included a section, which has been the subject of criticism, but which was included for no other purpose other than to help them, providing that where, in any department, by reason of a reduction in appropriation made by Congress, after applying the 10 per cent cut, it is still necessary to dismiss men from the service of the Government, for this year the head of the department will have the right to furlough such employees instead of absolutely dismissing them from the service. The employee is furloughed without pay; he will not have to go through the procedure of reinstatement when normal times return when he asks for reinstatement: but he is continued as an employee. Solely for the purpose of helping him, we have placed in the bill the provision that the head of the department may furlough him without pay for the remainder of

But, Mr. President, we come right down to the question of salary reduction. If there is to be a saving on this score, we can not proceed, as did the gentlemen at the other side of the Capitol, to save, on account of salaries, \$9,000,000. No man wants to reduce the compensation of employees. I certainly do not want to do it; and yet what is the situation in business?

According to a report which the Department of Commerce has received from the National Industrial Conference Board of New York City—I do not know how accurate it is in its figures; I submit it only for what it is worth—salaries were reduced in the last two years by four out of five of all concerns in the leading fields of American business. Wages were cut by three out of every four firms, according to a statement which the Department of Commerce, on May 28, received from the National Industrial Conference Board.

Our own experience is just as good a guide to us as any figures submitted by that board. What is the situation in our homes? Is the income of the cotton farmer decreased? It is gone. Is the income of the wheat grower decreased? It is one of the forgotten things of the past. How about the industrial enterprises in our States? Yesterday I received a telegram from the president of a cotton mill in South Carolina indicative of the rather general conditions, saying that 30 cotton mills would be closed down, and the men are laid off for the next 60 days. In every other State similar situations exist.

With this situation, with the demand on the part of the people for some relief from the burden of taxation, this problem is submitted to us,

Within the last 24 hours we put into a bill a tax of an additional cent on gasoline. It was sent to the other end of the Capitol and sent to conference with cheers, cheering the imposition of an additional tax on gasoline. When the farmer to-day, out on some farm in a Western State or a Southern State, stops a rural carrier and asks, "What is the news from Washington?" he can be told truthfully that in Washington they have imposed an additional tax of a billion and a quarter dollars to add to the burden of taxation under which he was already groaning and suffering day by day. He, in turn, can say, "Has any reduction been made in the appropriations, in the salaries of Federal employees?" "No."

We put this provision in the bill with this thought: We had to make a reduction in the expenditures of the Federal Government for this year. Where can it be done except on personnel? The reduction must be made with personnel. When we make the reduction in personnel, shall we do it with an exemption, on a graduated scale, by the furlough plan suggested by the President, or by some new and original plan?

We canvassed every one of the propositions. We concluded that the only way that we could possibly save the amount of money which the exigencies of the occasion demand was to apply this reduction of 10 per cent from President to porter, from judge to janitor, throughout all the Government service. When we enter into the intricacies of the furlough plan we necessarily become involved in discriminations in favor of one as against another man. Here is one man in an office who the head of the department would say was essential and should be exempted from the furlough plan. Here is another man who says, "Why did you exempt him? I am just as important to the Government"; and he is dissatisfied.

Government employees are human beings. No man will ever hear me criticize them for complaining of any reduction at all, because they are human; but what they want, if I understand them, is that every man shall be treated alike. If we treat them alike, then they have no complaint.

Whenever we enter the field of exemptions, we run into this situation: Suppose we put the exemption at \$1,500. Pirst, from a legislative standpoint, let me be practical about it. I know what happens. If the Senator from Michigan bids \$1,500, the President of the Senate will immediately become an auctioneer. Whenever he says "Are there any other amendments?" some other Senator is going to bid \$2,000. "Are there any other amendments?" \$2,500, \$3,000, \$3,500—exemptions going up and reductions going down. The inevitable result will be that out of this there will be no saving to the taxpayers of America. That is because we are human. That is because it is necessarily our desire, if we happen to entertain those particular views, to go as far as we can, to please friends among the Government employees.

The committee represented both sides of this Chamber and practically all sections of the country. We had varying views. We sacrificed them. So far as I am concerned, I stand for every provision in the bill. I stand for them only because it is absolutely to grant relief to the tax-payers of America. Much as I may think of the people in the employ of the Government of the United States

when a rural carrier to-day leaves his post office to go 24 miles around his route, if he is a thoughtful man, he will know that every house he passes has in it a family which is now confronted with the necessity of eking out a living on 5-cent cotton or 40 or 50 cent wheat. He knows that the burden of taxation has made that homeowner wonder whether he will have a roof over his head for another 12 months. As the rural carrier drives by, receiving his salary, with his certainty of employment and his certainty of retirement. I think if he is a thoughtful man he will say, "I do not like to give up \$200 of my salary this year, but when the Congress of the United States and the President of the Nation say it is necessary that this reduction be made, when my common sense tells me, even if there never was a Congress or President, that some reduction should be made. I am willing to give it up for one year, knowing as I do that under the terms of the bill, at the end of the year, automatically my salary is restored, and all that I am asked to do is to give up 10 per cent of what I received last year." Then he has the knowledge that every other employee is giving up the same thing, and he can say, "Well, I am being treated just like the other fellow. If any other employee were being treated better than I am, I would feel differently about it." I have an abiding confidence in the patriotism and unselfishness of these employees and their willingness to make a sacrifice.

Mr. President and Members of the Senate, let me say that the theory upon which the committee acted in applying the 10 per cent cut was simply this: If a man is receiving \$1,200 this year, and we deduct 10 per cent from his salary, he will receive \$1,080 next year. There is not a man here who will not agree with the statement that for \$1,080 now he can buy as much as he could buy for \$1,200 last year or

the year before.

If that statement is not correct, then our conclusions are not correct. I have gone to some trouble to investigate it. It is unnecessary to go into consulting the figures as to the wholesale index in this city. It shows a reduction. It shows that the purchasing power of the dollar has increased every month for the last 18 months. It shows that a dollar to-day is equal to more than a dollar and a half two years ago.

We can say—and I know the arguments, because we have thrashed them out—that that might not affect rent; that might not be true of this thing or that thing. I have discussed it in my own home, and I know that there has been a reduction certainly in the expense of provisions and of clothing to an amount that more than offsets the 10 per cent reduction that is applied here.

Mr. NORRIS. Mr. President-

Mr. BYRNES. I yield to the Senator from Nebraska.

Mr. NORRIS. I should like to inquire of the Senator what consideration, if any, the committee gave to the question of rent, particularly in the city of Washington, where the largest number of Federal employees live. It seems to me that rent has not kept pace with the other necessities of life in the downward trend.

Mr. BYRNES. I will say to the Senator that the committee agrees with him, and that is why I mention it, because it is a subject that engrossed our attention for some time. The chairman of the committee, the Senator from Washington [Mr. Jones], nods his head, because we had a long discussion of it. It varies. In some instances there has been no reduction in rents, from what we could learn. In many other instances there has been a reduction. have even talked to one or two of my colleagues, and I learned from a colleague on this floor of a reduction of rental of the house occupied by him so that it now rents for much less than it was rented for last year.

I will say, however, that that is the worst of all of the items. I agree with the Senator from Nebraska that rents have been the one thing in which there has been little reduction; but offsetting that I say this: While we reached the conclusion that that was the one factor in which there had been no material reduction in so far as the city of Washington is concerned, elsewhere in the country you can rent a house anywhere for from 25 to 33 1/3 per cent less than That I know there has been a reduction of more than 10

who are my friends, I know it is essential. I believe that | its former rental. You can do it in the State in which I live, and every man knows that that is true in his own home. This city is the only place where there has been an effort to maintain rents along the standard of the last few years.

> Outside of rent, however, a 10 per cent reduction in pay will not seriously impair the purchasing power of the individual. We have to take into consideration clothing and food; and every man who is keeping house, by consulting the housewife and the boss of his establishment, will find out that that statement is justified as to food and clothing.

Mr. BLAINE. Mr. President-

Mr. BYRNES. I yield.

Mr. BLAINE. Has the Senator found that there is any reduction in the cost of fuel?

Mr. BYRNES. I did not inquire, and therefore I do not

Mr. BLAINE. Does not the Senator know that coal is just as high as it ever was, and that all forms of fuel are just as expensive?

Mr. BYRNES. I know there has been a reduction of soft coal. I know that throughout the country, by reason of the tax bill, there presumably will be, in so far as electric current and gas are concerned, some possible increase in those

Mr. BLAINE. There may be an increase in electric current and gas and fuel over the present price, which is no lower than the price that has prevailed for several years.

Mr. BYRNES. I will say to the Senator that I do not know that there will be an increase; but I say in response to it that if that is so, then this is the fact: The whole Nation must be considered; and if by our action here we are going to increase the price of the fuel of the man who lives in Wisconsin and the fuel of the man who lives in Nebraska and the fuel of the man who lives in Maryland, and we are going to tax everything else that he uses, then we should not say, "While we take more from you, we decline to reduce the salaries of employees of the Federal Government so as to lighten the burden. We are going to take more out of you by additional taxation, but we can not reduce the expenditure of the Federal Government."

Mr. BLAINE. Another item: Where the Federal employee lives in a city having street-car transportation, street-car fares are increasing instead of being reduced. That is a very important item.

Mr. BYRNES. In some cities, no doubt, that is true. I am not familiar with the statistics on it. If the Senator has investigated the matter, I will accept his statement

Mr. BLAINE. It is true.

Mr. BYRNES. It may be true in one place.

Mr. BLAINE. I know of no place where street-car fares, the common means of transportation, have been reduced.

Mr. BYRNES. I must say for the city of Washington that taxicab fares are about the lowest here of any place that I know of in the Nation. I rather have rejoiced that that is true, as I use them.

Mr. BLAINE. In that connection, it would cost an employee 40 cents a day to use a taxicab in going to and from his work.

Mr. BYRNES. Of course, if he did it without taking with him two or three other employees, that is true. If he took two or three others with him and paid the fare of 20 cents, it would be cheaper.

Mr. BLAINE. In the city of Washington, on a single ticket, it would cost a man 20 cents to go by street car to and from his work each day.

Mr. BYRNES. Yes; and in a taxicab it would cost 20 cents, but if he took two or three others with him they would ride for the same 20 cents.

Mr. BLAINE. I am just analyzing these elements of cost. What did the Senator say was the reduced cost of food?

Mr. BYRNES. I said I would not go into that, since it was not fair to take the wholesale index, because the retailer might not give the benefit of the reduction in every instance. But I say this from my experience with my own expenses:

per cent in the cost of food. It is one of these things which | employees of the Government but to say that if they are livit is impossible to reduce to an absolute certainty. If any man thinks that to-day a dollar does not buy more than it did last year, he can take the view that this proposal would result in a reduction. If any man will admit that the dollar to-day will buy as much as \$1.10 would heretofore, then he must agree that the salaried employee would not be hurt by the proposed reduction. That is the whole thing.

Mr. BLAINE. The Senator recognizes that commodity prices, in so far as raw materials are concerned, have been greatly reduced. It has not been my experience that there has been great reduction in the retail prices of a great many of the necessities of life.

Mr. BYRNES. That is the Senator's view. I took the trouble of inquiring of my wife, the purchasing agent in my own home, as to the prices of the necessities of life, and when I see my friend the Senator from Wisconsin after this debate, I will tell him where the purchasing agent in my home does the buying for the home so that he can get the

Mr. BLAINE. The Senator may have a special Piggly Wiggly store at which he buys, about which I know nothing. Mr. BYRNES. I suggest that I will consult the purchasing agent of my home first, and then I will advise the Senator, so that he may profit by the information.

Mr. NORRIS. Mr. President, I hope the Senator will give that advice to all of us.

Mr. BYRNES. I do not think it will be necessary in the case of the purchasing agent in the home of the Senator from Nebraska, whom I know very well.

Mr. TRAMMELL. Mr. President, will the Senator yield

Mr. BYRNES. I yield.

Mr. TRAMMELL. The Senator has referred to a salary of \$1,200 a year. Let us take the time two years ago. Does the Senator think the average employee, let us say employed in the District of Columbia, drawing \$1,200 a year, could enjoy anything like the comforts of living, of food, of clothing, of entertainment, of amusement, the Senator

Mr. BYRNES. Mr. President, I do not exactly understand what the Senator refers to. If he means to ask whether some employee of the Government here in this city could enjoy the comforts I enjoy, I would say that most of them enjoy more comforts and certainly more entertainment than I do. It depends on a man's mode of life. The standards of living have not changed. When my clerk hands me a notice of overdraft this morning, it is not my first experience. The same thing has occurred when I was in private life and had a larger income. My observation is that we all have our standards of living, and generally manage to spend what we have. As income increases, obligations increase, demands increase.

Mr. TRAMMELL. The point is that the committee propose to take a flat rate off everyone's salary, they propose to reduce the standard of living of people with lower salaries by that flat-rate reduction, and in placing only a flat rate on the higher salaries, they would not change or in any wise interfere with the living standards of persons getting the larger salaries.

Mr. BYRNES. Mr. President, in response to that, let me say this, that this is not permanent legislation, it is temporary legislation. It is only asking each and every employee of the Government of the United States, from President to porter, whether in this crisis he is willing to give 10 per cent of what he is making this year to the Government of the United States. We say we do not disturb the relative positions of the employees of the Government. If they are drawing \$2,000, or \$1,000, or \$3,000, there is no change in their status. If we make an exemption, we immediately begin to change the relative positions of the employees, and we do not want to do that. That would require permanent legislation. It would be saying some particular man should have a greater exemption because he has a larger family, or because he needs the money more. We thought it would be the wise thing not to affect in any way the relative positions of the 1

ing to-day in Washington and have an income of \$3,000, and the standard of living is based upon that \$3,000 income, just to give up 10 per cent of that, telling them that even with that reduction they can live just as well as they did two years ago. If that is true, they are not hurt. If it is not true. then to the extent to which it is not true, just to that extent and no more, are they hurt. But we do not attempt to interfere with the relative position of employees and say that the man drawing \$2,000 should take a bigger cut than the fellow drawing \$1,800, or \$1,500, or \$1,200. Let me direct my attention to that, because so many Senators have asked about it.

Mr. TRAMMELL. Mr. President, I would like to know why the committee proposes to change the policy in dealing with salaries from the policy which has always prevailed in levying taxes upon incomes. Why did the committee do that?

Mr. BYRNES. Mr. President, the committee has had nothing to do with levying taxes, and I am glad we have not had. The job we have had has been sufficiently difficult for me without entering upon that. The only question is whether we will proceed with the policy which has been pursued by the Senate of deducting 10 per cent from all appropriations, resulting in kicking thousands of people out of the employ of the Government of the United States, and turning them into the streets or take 10 per cent from the salaries of employees of the United States and let the Government use that money in order to keep all the employees on the rolls. The time has arrived when one of two things is essential, to deduct 10 per cent from all the appropriation bills, meaning that the men and women on the rolls would have to leave the service: and who knows what demoralization would result? There is only one way to avoid that, and that is to apply the 10 per cent reduction to salaries, and apply the money saved to keeping people in their jobs. We can do the other thing, cut them out entirely, go on kicking people out of the Government service, but I can conceive of no more inhumane thing than that at this very time. It is not the time to do it.

As to the poorly paid employee, every man must feel kindly toward him. I could not be as eloquent as some Senators in picturing the hardship that would come to the charwomen. Some Senators stated to me that they would hate to take 10 per cent from the pay of the charwomen. I would, too. I do not like to take 1 per cent from the pay of any man or woman in the service of the Government of the United States. But why should we discriminate?

When one Senator asked that question I sought the information, and we may as well know the facts. The chairman of the committee and I were informed that charwomen-if we are going to wreck this economy bill because of our sympathy for them-get 50 cents an hour, \$4 a day for an 8-hour day, if they work 8 hours, and the great majority of them work 8 hours a day. Of course, standards of living vary in all cities, and it may not be fair to make this suggestion, yet I say that in my State there are thousands of people being turned out of mills to-day, without a dollar to look forward to, who would rejoice at the opportunity to get on the Government roll at \$3.60 a day, knowing that it is but temporary and that at the end of the year they would go back to \$4 a day, to perform that service.

My friend the Senator from California [Mr. Johnson] asked yesterday for some information which the committee did not have, because it involved a mathematical calculation that was different from that upon which they had proceeded. He wanted to know the amount of salary reduction for the several groups. As I recall, the Senator's inquiry was directed particularly to what would be the amount of reduction for the group drawing from \$1,500 to \$1,800. The amount of salary reduction from the group getting from \$1,500 to \$1,800 would be \$12,370,000.

The amount of reduction in the group drawing from \$1,800 to \$2,000 would be \$13,210,000.

The amount of the reduction in the group drawing from \$2,000 to \$2,500 would be \$46,030,000.

I shall be glad to supplement it if I have the information.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. JOHNSON. Will the Senator repeat the last figure he gave?

Mr. BYRNES. The amount of the reduction for the group drawing from \$2,000 to \$2,500 would be \$46,030,000.

Mr. JOHNSON. When the Senator says that, does he mean that the \$46,000,000 represents all below \$2,500, or represents only the amount between \$2,000 and \$2,500?

Mr. BYRNES. Only between \$2,000 and \$2,500; but I will say to the Senator that this table shows that if there is added to that the amount taken from all those drawing below that, the inquiry the Senator now makes, the amount would be \$89,450,000.

Mr. JOHNSON. That can hardly be accurate, can it, if we start with those drawing from \$1,500 to \$1,800? There are some salaries below \$1,500, however, I suppose.

Mr. BYRNES. Yes.

Mr. JOHNSON. That accounts for the difference. Now. let me check these figures.

Mr. BYRNES. I shall be glad to turn this table over to the Senator.

Mr. JOHNSON. On those drawing between \$1,500 and \$1,800 the reduction would be \$12,370,000; from \$1,800 to \$2,000 it would be \$13,210,000; from \$2,000 to \$2,500 it would be \$46,030,000; the total for all under \$2,500 being \$89,000,000?

Mr. BYRNES. Yes; \$89,450,000.

Mr. JOHNSON. I thank the Senator.

Mr. BYRNES. Mr. President, of course there is a reason for these figures. When we looked into the reason for that large figure covering employees receiving between \$2,000 and \$2,500, we found that the largest number of employees is in that group. We can not make reductions where there are no employees. The greatest reductions must necessarily come from the group where the greatest number of employees are, and that group, according to the table, embraces the employees drawing from \$2,000 to \$2,500 a year. As we get beyond \$2,500, and go to \$3,000, the amount decreases to \$12,000,000; then, in the next group, drawing from \$3,000 to \$3,500, the amount is only \$4,988,000, because the number of employees necessarily is smaller as we go into the higher brackets.

Mr. TYDINGS. Mr. President, will the Senator yield? Mr. BYRNES. I yield.

Mr. TYDINGS. I have in my hand a table showing the range in salaries from a thousand dollars up, by hundreds, of all Government employees. I have just made a calculation, which shows that if all Government employees receiving \$2,150 a year or less were exempted from this reduction, it would mean that all who received \$2,150 a year or more would have to stand a 20 per cent cut to arrive at the same figure. In other words, the man who is getting \$2,400 a year, instead of losing \$240 a year, would have to lose \$480 a year, and that would be, in my judgment, with his rents and building association payments and the cost of his home going on, a greater hardship on that class than if there were a gradual reduction over the whole list.

Mr. BYRNES. Mr. President, I wish to proceed, because I do not want to take much more time of the Senate. We recognize the strong argument that can be made along the lines several Senators have indicated in favor of an exemption. On the other hand, whenever we draw a line, there we cause dissatisfaction on the part of the man who has to pay more. An exemption would necessarily have to be arbitrary. The figures I have just read to the Senator from California so indicate. Whenever you make an exemption, the man whose salary is cut says: "Why exempt some and not exempt me? I have a family to support. Look at that man over there. He is a bachelor, he has no dependents upon him, and by reason of the exemption he does not lose anything." But when we apply the reduction to all, there is no man who would not have to say, "I have not been changed in so far as my status, with relation to my neigh-

I think that covers the range of the inquiry. If not, | bor, is concerned. He gives up 10 per cent and I give up 10 per cent. I know I can live, on about the same standard, with 10 per cent less than I received last year."

I had hoped that throughout the entire service of the Government of the United States the employees might say, "The Congress is not making a permanent change in our law. It is not seeking to disturb our salaries in the future. The Congress has simply said that when our relatives at home are being driven out of their homes and off the farms and their places being sold, and when they are unable to pay taxes, we should be willing to make the sacrifice ourselves of 10 per cent for this year, knowing that at the end of the year our salaries will go back where they were."

Let us face the situation frankly. If we provide an exemption of \$1,500 and apply a 10 per cent cut, it will save only \$35,000,000. If we provide an exemption of \$2,000, the saving will be \$16,000,000, and that is all. The President of the United States has talked about saving by this bill \$238,-000,000. The Finance Committee had the Secretary of the Treasury sit in with them. He said, "When you talk about balancing the Budget, you will have to save \$231,000,000." Whenever we put in an exemption we might as well be frank enough to say that instead of saving through this reduction in salaries \$128,000,000, we are going to save only \$30,-000,000." The Finance Committee will then have to be called in session again. If we are not going to reduce expenditures, then we have to increase our revenues in some way. It means more taxes if the Budget is to be balanced.

If we do not take it off here the Finance Committee is going to have to raise more by taxation or else when the other appropriation bills come up we have got to say there must be a reduction not of 10 per cent but of 15 or 20 per cent, and that means dismissal of employees. If we do not make a reduction of some sort, postal employees must be dismissed, Government employees of Washington must be turned out on the streets. When they are turned out they will come to your office and mine and ask for assistance. They will ask that some other man or woman be dismissed. Remember, if you pass this bill, you may save them, because if you do this they can be kept in the service of the Government, even if they do get a 10 per cent cut.

We get many letters and telegrams to-day. Everybody is in favor of economy provided you do not reduce his salary or reduce the appropriation for some activity in which he is interested.

I do not quarrel with those people. That is human nature. But I have heard from many who patriotically say they recognize there must be some reduction in their salaries. My observation of employees of the Government in Washington is that the great majority of them are patriotic public servants who work overtime when necessary and never complain. There may be a few, and there always are, who try to reach the elevator before 4.30; but the vast majority of them are faithful workers. I ask the Members of the Senate to remember, when we receive protests from employees, that after all we never hear from more than 5 per cent of the people of our respective States. The 95 per cent we will never hear from. They rely upon us to consider their interests. They to-day can not pay the taxes levied upon them and they are asking for relief and rely upon us to try to bring about a reduction of Government expenditures in a fair and impartial manner.

Mr. CONNALLY. Mr. President-

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from South Carolina yield to the Senator from Texas?

Mr. BYRNES. I yield.

Mr. CONNALLY. I notice on page 46 of the bill the Economy Committee has provided an exemption for the enlisted personnel of the Army, Navy, and Marine Corps. I am wondering why that is done in view of the fact that many of the enlisted personnel receive salaries as high as \$2,200 a year?

Mr. BYRNES. I do not think they receive that much. The theory upon which that exemption is based, and it is the only exemption in the compensation provision, is that

a man in the Marine Corps or the Army and the Navy is there under enlistment. He can not resign. If I am in the Government service and want to get out, I can resign if I do not like the 10 per cent cut. But if I am in the Army or the Navy or the Marine Corps and leave, they can put me in jail.

Mr. CONNALLY. None of them will leave with the salaries they are drawing as high as \$2,200, and in addition to that getting allowances for quarters.

Mr. BYRNES. That exemption was included at the request of the President of the United States and for reasons which appealed to us as justifying the exemption.

Mr. LOGAN. Mr. President, I have listened to the Senator from South Carolina [Mr. Byrnes] with a great deal of interest. I must confess a very distinct disappointment in the report of the Economy Committee. I think the bill is but a delusion and a snare. I think it is a sham.

The hour has come which I have expected ever since I have been here, which has been only a brief time. I believe every vote I have cast and every word I have said would indicate that I am in favor of economy. I have felt the time would come when we would play the ostrich act by hiding our head in the sand, cutting salaries because the public thinks all the money which is expended goes for salaries, and that if we could apply our economy plan to the smallsalaried Federal employees, then we could go back home and say, "You know we have done the very best we could. Didn't we cut our own salaries?" And then we fool ourselves into trying to believe that our constituency would be satisfied. We are satisfied to take \$120,000,000 away from the employees of the Government, while horse leeches' daughters gnaw at the very vitals of the Republic. When it comes to economy we will never bring it about by reduction of small salaries.

I think that I shall probably vote for a reduction in salaries above \$3,000. When I cast that vote I shall do it, knowing that I am casting a vote I ought not to cast. There ought to be no reduction in salaries, because the salaries are not too high except in a few instances, where some men and women are working for the Government probably receive more than they are entitled to get.

I shall vote to cut my own salary, and when I do it I may make it necessary to go back home and go to work to make a living, because there is no Senator, unless he has an outside income of some nature, who can more than live on what is paid him, and every Senator knows it. If it be the desire of the people of the United States and of those who make up the Congress that the Senate shall only be made up of rich men who do not have to depend upon their salaries, I shall say well and good, although I may believe that it is not for the best interests of the Nation.

I have seen many men come out of the Senate after having served a number of years. I knew one of the most distinguished Senators that my State ever sent to this body who was buried by charity and whose grave is now unmarked. I know another distinguished Senator who had a long service in the House and in the Senate of the United States and his grave is also unmarked.

I have seen many men come from the Senate or the House of Representatives after long service and they have become derelicts, floating about, depending upon their relatives and friends to support them. Yet there are men in the Senate of the United States to-day who say that "I think only of my election to this body next time, and I believe that it is necessary to cut salaries because I will be a good fellow with my constituents when I go back home." Let me tell those Senators what their constituents think about it. They will think that you are not competent to represent them if you do not know any better than to believe that you can deceive them by such a fallacy as that.

But, as I said, I shall vote to make all of the Members of Congress dollar-a-year men, if that be their desire. I have no objection. I do not have to stay in the United States Senate. In fact, I never had any great desire to be here, and I have much less desire to be here now than I did before I came. [Laughter.]

Let me call attention to this reduction in salaries. Remember always that it is made for one purpose, so we can go back home and tell our people what a great thing we have done because we have reduced salaries. We are proposing to take from Government employees, the poorly paid Government employees who have always been poorly paid, \$121,000,000, so we can give a dollar each to the people of the United States. That is what we are going to do.

It is said by the Senator from South Carolina [Mr. Byrnes] that if we take \$300 from a man that it is not going to hurt him much. It may mean that his boy or his girl will have to stay home from school. It may mean that he will be unable to purchase books and clothing to keep his children in school. It may mean that he will be unable to make the payment on his little home. It may mean that he will be unable to contribute to the support of an indigent father and mother or brother and sister. It may mean infinitely more than it appears to some to whom money does not seem to mean very much.

But beyond all that, fellow Members of the Senate, let me say that we ought to approach this question of economy with intelligence and with good sense. I believe, and I said on the floor of the Senate some months ago, that there should have been a reduction of \$1,000,000,000 this year and I believe it, but I do not believe that we should leave the "pork barrel" untouched at the expense of Federal employees who have been giving their lives to the work which they have qualified themselves to perform. It is not fair.

It has been said, and I heard it said by a very distinguished Senator, that we can afford to reduce salaries because the cost of living is so much less than it has been heretofore. That is not true. Let us see whether it is true or not. Have your interest charges been reduced any? Not a cent; but increased, if anything. Have your insurance premiums, life and fire, been reduced any? Indeed, they have not. Have the expenses of sending your boys and girls to school been reduced? Not at all. Have the payments on your mortgage on your home been reduced any? Not a cent. Has your rent been reduced any? Not a cent. The only reduction that there has been, so far as I recall at this time, is that food and clothing have been reduced. What part of the Budget of the average family receiving \$3,000 a year does the food and clothing amount to? It amounts to about 20 per cent. If that item has been reduced by 20 per cent, as some Senators have said, then the total reduction in living costs has been only 4 per cent. So that claim falls to the ground.

Then I heard another distinguished Senator say not so long ago on the floor of the Senate that if we cut salaries the psychological effect it will have throughout the country will be wonderful. I thought at the time, although I did not say it, that it appears to me the trouble with this Government and its operations to-day is that we have been running it by psychology for the last year or two instead of by common sense. Let us not try any further to run the Government by psychology.

I have this idea about it. I am assuming that the bill is going to pass, and that nothing I can say and nothing any other Senator can say will prevent the passage of the bill. I probably shall vote for it in some form, boldly admitting that I am doing that which is unjustified when I cast the vote; but if we should exempt those employees receiving salaries below \$2,000 a year, as suggested, I think, by the distinguished Senator from Michigan [Mr. Couzens], that would reduce the amount of savings by \$40,000,000; that is all. I have the figures here, and I want to give them to the Senate because we have had so much difficulty in finding out from the committee just what it was all about.

In the case of salaries of \$1,000 and less the reduction in the estimated saving would be \$4,330,000; on salaries between \$1,000 and \$2,000 the reduction would be \$36,500,000, or a total of \$40,000,000 if we shall exempt those employees receiving salaries below \$2,000.

But it is said, "Where are we going to make it up?" It is claimed that we can not afford to fail in the passage of this legislation, because it is said, "Look what happened when the House refused to pass a similar bill!"

I am going back to just a little plain common sense. The reason this question has been so difficult is because we have been going at it in the wrong way. As I said some weeks ago, I do not believe much in the reduction of salaries, as Senators will see, but I do believe that there are many employees on the pay rolls of the Government in the different departments and bureaus who should be eliminated; some of them because they are inefficient, some of them because the services which they are rendering can be dispensed with, some of them, probably, for one reason and some for another. Suppose we cut out this \$40,000,000 by exempting those employees receiving salaries of \$2,000 and less, it is asked what are we going to do about it; where are we going to make it up? I will tell the Senate what we ought to do about the whole thing. My candid judg-ment is that we should throw this whole proposition into the wastebasket and then we could make it up in this way: If we reduce the appropriations for the departments by \$40,000,000, considering that item alone, then what will happen? The heads of the bureaus and departments will be compelled to make reductions. How are they going to make them? I assume these officials are honest, I believe they are honest American citizens, who desire to give the best government that it is within their power to give. They will go through the departments and will eliminate those employees whom they can best spare and who are least necessary. I have no doubt that in the departments there are men who have toiled throughout the years faithfully and efficiently; they need every cent they can earn; but there are others who have shirked at every opportunity, who probably do not need the money that they receive from the Government. I take it for granted that the heads of the departments will eliminate those whom it will hurt the least.

When they have done that they will have eliminated \$40,-000,000 in salaries, because it is our duty to cut the cloth; it is our duty to say how much the departments shall have, and it is the duty of the heads of the departments to use, to the best advantage, that which we give them. It is no business of ours to say that we are going to cut the salaries in the departments. We should furnish the money that we think the departments ought to have and allow the heads of the departments to distribute the money in a way that will bring about the most efficiency in service.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from New York?

Mr. LOGAN. I yield.

Mr. COPELAND. I was very much interested in the figures given by the Senator, but I did not quite retain them in my mind. Is it correct that if we were to cut 10 per cent the salaries below \$1,000 the saving would be \$4,000,000?

Mr. LOGAN. It would be \$4,330,000.

Mr. COPELAND. Can the Senator let me have the figures as to salaries below \$1,500?

Mr. LOGAN. I do not have those figures; I have the figures as to salaries between \$1,000 and \$2,000.

Mr. COPELAND. How much would the saving be in that bracket?

Mr. LOGAN. It would be \$36,500,000, and, adding that to those below a thousand dollars, the saving would be \$40.830.000.

Mr. COPELAND. The Senator has not the figures as to salaries of \$1,500.

Mr. LOGAN. As to those receiving \$1,500, I have the data, but have not made the computation.

Mr. BRATTON. If the Senator from Kentucky will permit me, I have those figures.

Mr. LOGAN. I will be glad if the Senator from New Mexico will furnish them to the Senator from New York.

Mr. BRATTON. Employees drawing salaries up to \$1,500 receive a total of \$127,557,853, 10 per cent of which would be \$12,755,785.

Mr. COPELAND. That is, if the salaries of employees were exempt up to \$1,500, the loss in the estimated savings would be \$12,000,000?

Mr. BRATTON. It would be \$12,755,785.

Mr. COPELAND. Then if we exempt salaries up to \$2,000, how much would the loss in the estimated savings be?

Mr. LOGAN. If we exempt all employees receiving salaries up to \$2,000, the loss would be \$40,830,000.

Mr. COPELAND. How much would it be if the exemption were applied to those receiving salaries of \$2,500?

Mr. LOGAN. If the exemption should be made as to employees receiving salaries up to \$2,500, that would add, I estimate, about \$26,000,000 more. I do not have from that up.

If an exemption were made as to salaries up to \$3,000, it will add to the loss by \$57,300,000; so that if we exempted all salaries below \$3,000, the loss in round numbers would be about \$100,000,000.

Mr. BRATTON. If we should exempt those up to \$2,500, the loss would be \$82,000,000 plus.

Mr. COPELAND. If we should exempt salaries up to \$2,000, how much would the loss be?

Mr. BRATTON. According to my figures, the loss would then be \$38,690,000.

Mr. LOGAN. That is correct.

Mr. COPELAND. Does that mean if the employee were receiving \$3,000, that \$2,000 of his salary would be exempt?

Mr. LOGAN. I have not so figured it. I have figured that if there should be provided an exemption up to \$2,000, then as to everyone receiving a salary over \$2,000 the 10 per cent reduction would apply to the entire salary.

Mr. COPELAND. I thank the Senator.

Mr. LOGAN. Mr. President, let me say a word further, and then I shall have concluded. We have heard a great deal about the furlough plan. This bill contains a provision that that plan may be put into effect if necessary. If we should reduce the amount that we expect to save by cutting salaries by \$40,000,000 or \$90,000,000 or \$100,000,000, whatever the sum might be, and cut the appropriations for the departments an equal amount, then is it not perfectly apparent that it would not be necessary to discharge anyone if the department heads did not desire to do so, because they could put into effect the furlough plan just as it is proposed by the pending bill to be authorized?

Mr. BRATTON. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from New Mexico?

Mr. LOGAN. I yield.

Mr. BRATTON. It was the purpose of the committee to make a cut in salaries of \$121,000,000, and then to reduce the several appropriation bills accordingly, so that no employee would have to be furloughed or dismissed permanently. The Senator will recall that as to many items in each appropriation bill-and, of course, the number is multiplied by the number of appropriation bills with which we deal-the appropriation provided is in part for salaries and in part for other purposes. We feared that, with the 10 per cent cut, we might fail to appropriate sufficient money to continue the pay roll, so if that should develop it would be necessary to dismiss some employees permanently, but by the furlough plan put into the bill, surrounding it with the best safeguards we could devise, it was intended to obviate dismissing even a small number of employees permanently. If that condition should arise through some miscalculation or oversight on the part of the Congress in failing to appropriate sufficient money to continue all the employees uninterruptedly at the 90 per cent basis-if I may so express it-we intended that the furlough plan should be brought into operation and the department head could say to a limited number of those drawing higher salaries, "I will let you go for 30 days and at the end of that period your job will be waiting for you."

Now, may I say to the Senator from Kentucky, that that was the system which we had in mind. It is the system we sought to create by the 10 per cent reduction and the furlough plan with the safeguards written into it.

Mr. LOGAN. It was the President's recommendation that the furlough plan should be the sole plan, as I recall. Mr. BRATTON. Yes.

Mr. LOGAN. If we should make these exemptions, and | 732,460 employees being reduced 10 per cent and having that should reduce the proposed saving a certain number of million dollars, then, if we deduct an equal amount from the appropriation, the furlough plan which has been provided could be put into operation just the same as under the illustration which the Senator gave.

Mr. BRATTON. Does the Senator mean the general furlough plan?

Mr. LOGAN. Yes; I mean the furlough plan. The Senator stated that if the appropriation should be reduced and the departments should not have enough money, they could put the furlough plan into effect. Now, if we made a less appropriation, the furlough plan could be put into operation, and it would not be absolutely necessary to discharge any employees unless it should be some that ought to be discharged.

Mr. BRATTON. If the appropriation were reduced and less money were provided, there would have to be more furloughs.

Mr. LOGAN. That is right.

Mr. BRATTON. That is the whole thing.

Mr. LOGAN. That is what I meant.

Mr. BRATTON. So that as the appropriations are reduced the use of the furlough plan will be increased, with the result that we will have more men and more women on

Let me say to the Senator that we thought a flat reduction was the most equitable plan after all. It does not subject a superior in a department to the temptation of partiality, or partisanship, on the one hand and discrimination on the other. It relieves every employee of any anxiety along that line. He knows that he is not subject to partisanship or discrimination on the part of some superior; he has the absolute assurance that throughout the year he is going to draw his salary, minus 10 per cent, and he can cut his cloth accordingly; he can budget his household accordingly. I do not approve of the furlough plan, and the committee was unanimously of the same view. It is filled with fallacies; it is filled with elements certain to produce uncertainty and doubt in the minds of the employees. I think, Mr. President, that the average employee had rather have the definite assurance that he is going to receive his salary, less 10 per cent, than to be subjected to abuse or to personal likes and dislikes in a department. However, I shall not trespass upon the Senator's time.

Mr. LOGAN. I agree fully with what the Senator has said: I do not like the furlough plan, but I do like the elimination plan. I believe that the heads of departments and the heads of bureaus are much better qualified to eliminate employees whom they have to get rid of because they do not have the money with which to pay them than the Senate is to determine what those department heads should do. I still adhere to the statement I have heretofore made that there is not a department of the Government that can not eliminate one-quarter of its employees and still operate more efficiently than at the present time.

Mr. BRATTON. Mr. President-

The VICE PRESIDENT. Does the Senator from Kentucky yield further to the Senator from New Mexico?

Mr. LOGAN. I yield. Mr. BRATTON. If I were not so devoted to the Senator I would express the hope that he might have the job at some time of overhauling the whole subject matter and deciding what employees should be discharged and from what departments, and so forth. I, too, thought that was a pretty simple matter until I undertook the job and devoted three weeks day and night to it. The truth is that we now have a government that is too big and too broad and too complicated; and it has grown in every direction. It is a bureaucracy, and there are commissions everywhere.

Mr. LOGAN. That is right.

Mr. BRATTON. It is an accumulation that has grown through the years, and perhaps we are all to blame for it, but it is a condition that now confronts us. If we were to undertake a comprehensive program of consolidating and abolishing departments and suspending bureaus and eliminating activities, the result would be that instead of all the

perhaps a living wage during this period of stress we would have scores of thousands of them without any income, with outstanding obligations incurred upon the strength of their employment, with homes mortgaged, with notes in the banks. and with other kinds of indebtedness. They would be permanently off the Government pay roll.

Mr. LOGAN. That is true of the private employee today, is it not?

Mr. BRATTON. Yes.

Mr. LOGAN. Why should the Federal employee be placed on any higher basis than the railroad employee or the . factory worker? Should we, at the expense of the people, make them more secure in their jobs than others?

Mr. BRATTON. Not at all; and I express the belief that Government activities must be retrenched. We will have to curtail

In the period from 1915 to 1930 the Government expanded just as families did, industries did, and all of us did. Times were good; we made money easily, and we spent it freely. The Government appropriated money by the millions without any hesitation, and we created bureaus and commissions right and left, and the Government did just what individuals and industries were doing.

Now, however, we have a different situation. The Government will have to retrace some of those steps. We will have to curtail. We will have to retrench. We will have to reduce, and I believe it is a process which is going to cover several years. Let me suggest to the Senator from Kentucky, however, that the process should not be so sudden that literally thousands be dismissed immediately without notice. It should not be by such a leap and bound, so severe that thousands and thousands of people will be thrown out of employment immediately, with no notice. That was what the committee thought; so we permitted the provision to remain in the bill authorizing the President to consolidate and merge and coordinate activities.

Mr. LOGAN. A mighty bad provision, too, as it is written in the bill.

Mr. BRATTON. Perhaps it is, but that can not be done by committee in a day, nor a week, nor two weeks.

Mr. LOGAN. No, sir.

Mr. BRATTON. And I dare say that the President will find it necessary to give the matter careful consideration. covering many weeks. But with a fair and reasonable administration of that provision Government activities can be reduced and should be reduced, and I express the hope that through an effective administration of that provision much of our expansion in Government may be eliminated. and much retrenchment achieved.

Mr. FLETCHER. Mr. President-

Mr. LOGAN. I yield to the Senator from Florida.

Mr. FLETCHER. I think the Senator is absolutely right in the statement that we have too many people employed in the different departments. They are in each other's way. A number of them ought to be eliminated. I would rather eliminate useless and ineffective employees on the pay roll than to reduce some of the others, especially those of the lower salaries.

It has been stated, and I think the statement is well founded, that we have, for instance, 150 bureaus in the Government, and at least 50 of them are without constitutional authority. Why not eliminate some of these bureaus? Why not eliminate some of this surplus number of people that are found about the different departments and different bureaus and pay those that we need sufficient compensation?

I do not think the salary of the ordinary Government employee is too high at all. It is no more than he needs for his living. He must make reductions, and perhaps Government employees are situated so that they ought to be called upon in this emergency to accept for the time being, at least, a reduction; but the fault lies very largely in what the Senator from Kentucky [Mr. Logan] has been saying, that we have an oversupply of employees in the different departments and we have an oversupply of bureaus and commissions. We have been setting up commission after commission at enormous Government expense. We began | that some years ago. We have been continuing it. That field, I think, might well be looked into.

I have before me, as I presume all Senators have on their desks, or at any rate in their offices, a table which shows that a cut of 10 per cent in annual salaries of civilian Federal employees below \$1,000 would save \$4,330,902; below \$2,500 it would save \$82,090,505; below \$3,000 it would save \$92.574.817; and below \$5,000 it would save \$102,687,787. A 10 per cent cut would mean that saving.

Mr. LOGAN. I thank the Senator. Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Virginia?

Mr. LOGAN. I do.

Mr. GLASS. We are discussing this problem from the standpoint of humaneness. The distinguished Senator from Kentucky expresses the belief that we could dispense with one-fourth of all the employees of the Government of the United States and still conduct the Government in a more efficient way, and I agree with him. If, however, we are to consider this problem from the standpoint of humaneness, I should like to inquire which would be the more humane, to discharge practically 200,000 Federal employees right offhand or to make a reduction of 10 per cent in the salaries of all of them?

Mr. LOGAN. The answer is obvious if we should consider the matter from a standpoint of humaneness or humanity. I am not considering it from that standpoint. Neither do I believe that we ought to hasten to discharge a great number of employees. I do think that if we would apply just a little old-fashioned common sense to the whole problem and not be carried away by hysteria and by the mob spirit which is aroused throughout the country from one end to the other

we would find a way to solve the problem.

I will tell you what I would do if I had the matter in charge. I would not cut the salaries of any of these smallsalaried employees. I think it is wrong. I do not think it is justified. I think it means that those who are most efficient, as soon as business is a little better-if it ever is-will hasten into private industry, and the Government will lose its best employees; so eventually we will have the Government run by inefficient employees, and we probably have some of them in the legislative branch, which is sufficient, without getting more of them in the executive branch. I am one of them, because I do not know what we ought to do. I am just doing the best I can; but here is my idea about it, let me say to the distinguished Senator from Virginia:

If Congress would do that which it ought to do, it would appoint or create or bring into existence in some way a committee, vesting it with full power to find out what the facts are, appropriate \$1,000,000 if necessary, and authorize that committee to select the best experts it can get in the country to find out what bureaus may be eliminated and what positions in the bureaus may be eliminated, so that when we attempt economy we will have somewhere to go to secure information which we know is reliable. Instead of trying to cut salaries now, or to eliminate one-fourth of the employees, which I have no doubt can be done, I think we should give somebody authority-not the President; the President does not have any time to do things of that kindwe should give somebody authority to employ the necessary expert assistants, so that in a few months, when we meet again, he can bring their report in here and place it before us and say, "Here are the facts. You ought to eliminate some of these bureaus and departments, and some of the employees that are unnecessary."

Mr. GLASS. Mr. President, if I may interrupt the distinguished Senator again, we have not the time to do that. We must balance the Budget by the 1st of July. Had we the time to do it, suppose we should set up a joint congressional committee with instructions to do that. Talk about existing hysteria! That would create more anxiety and distress and hysteria among the 700,000 employees of the Government than anything else that I can conceive of. Every man and woman would be wondering whether he or she was to lose his or her job.

Mr. LOGAN. And, to be on the safe side, he or she probably would be making arrangements before we met in December to find a job somewhere else.

Mr. GLASS. But the trouble is that they can not make arrangements to find a job somewhere else.

Mr. LOGAN. They can not do it now.

Mr. GLASS. No. Mr. LOGAN. But I do not see why we should have one group in the United States that should be supported by all the people of the United States when many of the others are starving. That is not fair.

Mr. GLASS. I agree with the Senator as to that; but this is an imminent matter that we must determine now. It is not something that we may deliberate about.

Mr. LOGAN. Why can we not deliberate about it? Mr. GLASS. I agree with the Senator that we ought to exercise common sense, but I assert that we have not any common sense left; and we have not done a sound economic thing since Congress convened last December.

Mr. LOGAN. I agree with the Senator almost wholly in what he says; but we talk about balancing the Budget here. Of course, that has become a hysteria. I suppose everyone knows that we have not balanced the Budget, and that we are not going to balance the Budget.

Mr. GLASS. Everyone has not known that, because the distinguished Senator from Pennsylvania [Mr. Reed] insists that we have balanced the Budget.

Mr. LOGAN. I understand; but I can not forget that Mr. Mellon-probably the most distinguished financier America has ever produced, or, at least, a good many people said that about him-two years ago gave out a statement, which he put in writing, signing his name to it, saying that at the end of the fiscal year 1931, on June 30, there would be a deficit in the Treasury of \$180,000,000, and at the end of the fiscal year on June 30, 1932, there would be a surplus of \$30,000,000, or a net deficit for the two years of \$150,000,000. He had the laws before him, he had the previous records before him, he had all the facts, and that was his judgment. Instead of that, we had a deficit of \$903,000,000 at the end of the fiscal year 1931, and we will have a deficit of more than \$3,000,000,000 by the last of this month, or at least that much. So, Mr. Mellon himself, as great as he is, missed it in his estimate nearly \$4,000,000,000.

When somebody says to me that we are going to raise a billion dollars by this tax bill we passed, and that is the estimate of Mr. Mills, I do not believe he is a greater man than Mr. Mellon. Of course, we are not going to raise anything like that, and every Senator here knows it; but we are governing the country by psychology, as one of my good senatorial friends said. The psychology is fine to send out the announcement to all the world that we have balanced the Budget; but when the 30th of June, 1933, comes around we will find out that we must do that which some of us thought we ought to do this time. We are going to have to go to some species of sales tax, because I do not know where

else we are going to get any money.
"Well, now," they say, "this economy bill must bring about a reduction of \$238,000,000." It is not going to do it. In the first place, the Senate is not going to vote to cut \$121,000,000 off the small salaries. When we get to the large salaries we can not save anything. I looked at the report of the committee myself. They made a permanent reduction in the big salaries, those above \$10,000, and what did they get? Ninety-seven thousand dollars. That is all they could find. That means that we relieve a thousand men of 1 cent in comparison with the total burden of taxation. If we get a thousand men of one group, we can say to them, "Boys, we have passed a wonderful law reducing salaries. On this particular group we have reduced your burden 1 cent," and the thousand men would go away happy.

Mr. WHEELER. Mr. President-

Mr. LOGAN. I yield to the Senator from Montana.

Mr. WHEELER. I am interested in what the Senator just said, and I agree with him entirely; but the other day I received a letter from the head of a large corporation suggesting to me that the thing we ought to do was to reduce the salaries of Members of the Senate and people working for | to vote to reduce every salary where a reduction is suggested. the Government and then adjourn. Yet the very corporation he was working for pays the president of that company, I will venture to say, four or five times as much as any Member of the Senate gets, and probably as much as the President of the United States of America gets.

The salaries of the employees of the United States are the smallest salaries of any business organization in the United

There is not a business organization in the United States to-day of any size that does not pay its president and other officers more than what the Government of the United States pays those who occupy similar positions in the Government.

Mr. GLASS. Mr. President, the Senator is treading on dangerous ground, if I may suggest it to him. The official to whom he refers may retort that he is worth more than the President of the United States or a Senator.

Mr. WHEELER. Yes; but the condition of his company would not indicate that he had earned the salary he had been drawing, or had been worth anything.

Mr. BRATTON. Was the budget of that institution two and one-half billion dollars out of balance two weeks ago?

Mr. WHEELER. I think it was out of balance, and it would have been more out of balance if it were an institution as large as the United States of America.

Mr. LOGAN. Mr. President, when it comes to cutting the salaries of Senators my position is simply this: I never had any money in my life, and I never expect to have any. I have been holding public office at intervals since I was 21 years of age. I probably have a record no one else can boast of, and I do not often boast of it; I have served the public to the best of my ability, and it has been said, I expect, that I have received much money from the Public Treasury, but I have never held an office yet that I did not have to resign and go back to work to make a living and try to pay my debts, but I kept venturing into politics and holding office until my debts grew so that I think my creditors are going to have some difficulty before I ever pay them. [Laughter.]

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LOGAN. I yield. Mr. LEWIS. I am greatly interested in the declaration of the distinguished Senator from Kentucky. I knew his eminence on the bench and the high place he occupied at home. I was both curious at and affected by the assertion that he had the misfortune that attends so many. He painted a picture in which I could seem to see myself as in a looking glass, that of a person who was always a debtor, never a creditor, unable to pay his debts, and public office was responsible for the unhappy catastrophe.

Mr. LOGAN. I have learned from long experience that men can live without very much money, and by living long enough those men, whom I used to envy a little, who had money, have all come to join me on my platform, and for the first time in my life I am on an equality with them so far as money is concerned.

I do not desire to take up the time of the Senate further than to say this, that if we are going to pass this bill and reduce the salaries of the Members of Congress and others, of course I shall vote for it, until we get down to the smallsalaried employees, and then I will not vote for it. We ought to find some other way to balance the Budget. This effort to balance the Budget is important; the Budget ought to be balanced. But I doubt whether we should select the few hundred thousand Federal employees, poorly paid, hard worked, and make them contribute \$120,000,000 toward balancing the Budget. They already are under the obligation to contribute to the retirement fund about 31/2 per cent of their salaries. We have already increased the income tax until it would take about 3 per cent. We have already heaped a good many burdens on them, and their salaries have always been small.

If we do what is suggested, we will satisfy our people back at home, because they are clamoring for us to reduce salaries. I know my folks down at home are. They want me

I can not do it unless I am convinced that the salary is not earned.

I shall join with others in bringing about such reduction as I think is fair, but I can not vote to take away from the families of those who work for the Government the actual necessities of life. I can not vote for a bill that will probably make them lose their homes. I can not vote for a bill that will force them to keep their children out of school. I can not vote for a bill which I know will bring great hardship on them. If it would do any good, if it were necessary to save the country, if the amount were so vast as that it would be of great help in this great economy plan, I would be willing to say that we would sacrifice them, that we would throw them before the Juggernaut, that we would offer them upon the altar of sacrifice, and say it was necessary to save the country. But the little that we would save by reason of this \$100,000,000 reduction, when we need several billion dollars, is so small that I am unwilling to have it on my mind and conscience that I helped to bring disaster to those people, when it was not necessary in order to help the country.

I adhere to what I said before, that the useless employees and the useless bureaus ought to be eliminated; and if I remain in the Senate, which I may not do, because my salary may be cut too much, as long as I am here, I shall continue to insist that there should be a reorganization of the Government, that useless bureaus and departments and boards and commissions should be abolished; and if that necessarily causes public employees to be separated from their jobs, it can not be helped. But let us not do this cruel thing when it is unnecessary, and when it will not help anvone.

Mr. DICKINSON obtained the floor.

Mr. BRATTON. Mr. President, I suggest the absence of

The VICE PRESIDENT. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Davis	Kendrick	Schall
Austin	Dickinson	King	Sheppard
Bailey	Dill	La Follette	Shortridge
Bankhead	Fess	Lewis	Smith
Barbour	Fletcher	Logan	Stelwer
Barkley	Frazier	McGill	Thomas, Idaho
Bingham	George	McKellar	Thomas, Okla.
Black	Glass	McNary	Townsend
Borah	Goldsborough	Metcalf	Trammell
Bratton	Gore	Moses	Tydings
Broussard	Hale	Neely	Vandenberg
Byrnes	Hatfield	Norbeck	Walcott
Capper	Hayden	Norris	Walsh, Mass.
Carey	Hebert	Nye	Walsh, Mont.
Cohen	Howell	Oddie	Watson
Coolidge	Hull	Patterson	Wheeler
Costigan	Johnson	Pittman	White
Couzens	Jones	Robinson, Ark.	
Dale	Kean	Robinson, Ind.	

Mr. BINGHAM. Mr. President, will the Senator yield? Mr. DICKINSON. I yield.

CORRECTION OF THE RECORD-GENERAL HINES

Mr. BINGHAM. Mr. President, I desire to make a correction of the RECORD. Yesterday I stated that General Hines receives retired pay amounting to something like \$4,000 a year. I knew that General Hines had been in the Army more than 20 years, and I assumed, without asking him, that he drew the retired pay due to his rank. I find that he receives no retired pay at all.

As a matter of fact, General Hines, who is one of the most efficient officers of the Government, and has taken over the duties of the combined services formerly of the Pension Bureau, the Veterans' Bureau, and the Soldiers' Homes, and has saved the Government several million dollars by his administrative measures, receives a salary at the present time of \$12,000, and does not get any retired pay. I regret to say that under this bill his salary of \$12,000 is reduced to \$10,000, and on that he will get a cut of 10 per cent, making the salary \$9,000, or a total cut of 25 per cent. He does not draw any retired pay.

Mr. GLASS. Mr. President

The PRESIDING OFFICER (Mr. Robinson of Indiana in the chair). Does the Senator from Iowa yield to the Senator from Virginia?

Mr. DICKINSON. I yield.

Mr. GLASS. I am glad to know the Senator from Connecticut has made this correction. I apprehend that the committee in this case acted upon the supposition that the statement made by the Senator from Connecticut yesterday represented the facts, and that therefore the committee included the Administrator of Veterans' Affairs in a classification of-I will not say utterly worthless commissioners and board members, but in a classification with commissioners and board members whose positions might well be abolished permanently. I give notice that while I am going along with the committee as a general proposition, perhaps in nearly every particular, I am going to offer an amendment to the section of the bill to which the Senator has referred eliminating what I conceive to be an injustice to perhaps the most responsible official of the Federal Government

Mr. BINGHAM. If the Senator will permit me, I should like to say in this connection that actually the committee did treat the Administrator of Veterans' Affairs a little better than the House did, because the House reduced his salary to \$10,000 and then put an 11 per cent cut on that. I agree entirely with what the Senator said about the injustice of reducing his salary by 25 per cent.

Mr. GLASS. If there is anyone in the Federal employment, from the President and the Supreme Court down, who earns his pay it is the Administrator of Veterans' Affairs. He has saved the Government millions upon millions of dollars and has had to endure annoyances that no other Federal official has to endure.

PERSONAL EXPLANATION

Mr. LEWIS. Mr. President, I desire to say a word in the presence of and in connection with the eminent Senator from Nebraska [Mr. Norris]. The Congressional Record contains a little persiflage which passed between us yesterday touching the national conventions, but there is an omission in the Record which I would like to have cleared up. Yesterday I stated to our learned colleague of the Senate, Senator Norris, that so far as I was concerned as to the Democratic National Convention it did not interest me to any great extent, certainly not to the extent where I thought I could either be an adornment to whatever arrangements they might have; nor did I hope to contribute anything that could be regarded as profitable, and added what I wish the Senator to understand, that our observations were in a humorous vein and aroused a flurry of laughter from the galleries. In this confusion on the floor the concluding observations were omitted in the report. I ended by saying, as I now say, that I agree with any other Senator who feels that public business calls us to remain in session. I agree that no demand of a mere political convention should call Senators away from a duty such as we have before us at this time, the providing for the great necessities now calling to us. Possibly what I insist on can best be described by the injunction of the Scripture, "That which thy hand finds to do, do it with all thy might."

RALPH E. WILLIAMSON

Mr. THOMAS of Oklahoma. Mr. President, on yesterday the House and the Senate passed identical bills, each being a copy of the other. The House bill is H. R., 4911 and the Senate bill is S. 2458. The House bill has reached this body and the Senate bill has gone to the House. In order to prevent complications I ask unanimous consent for the present consideration of the House bill; and if that request is granted and the bill is passed, I shall then ask unanimous consent to have a request sent to the House to return the Senate bill for indefinite postponement.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Chair lays before the Senate a bill from the House of Representatives, which will be read.

The bill (H. R 4911) for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917,

was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$565 to Ralph E. Williamson as compensation in full for loss of property destroyed by the fire on September 24, 1917, in the city of Lawton, Okla., such loss having been the result of the inability of the fire department of the city of Lawton to control said fire because of lack of water, all available water for fire-fighting purposes having been appropriated and being used by the War Department in connection with the training of soldiers at Fort Sill and Camp Doniphan: Provided, That before said claim is allowed and paid the Comptroller General of the United States shall make an investigation of said claim to determine the extent and amount of such loss and damage, and such claim shall be adjusted in amount not in excess of the amount set out herein and upon certificates issued to said claimant by the said Comptroller General of the United States.

The Senate, by unanimous consent, proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. THOMAS of Oklahoma. I desire to enter a motion to reconsider the vote on the passage of Senate bill 2458, and ask unanimous consent that the House of Representatives be requested to return the bill to the Senate.

The PRESIDING OFFICER. The motion will be entered and, without objection, the House will be requested to return the bill to the Senate.

AMENDMENT OF RECONSTRUCTION FINANCE CORPORATION ACT

Mr. BLACK. Mr. President, before the Senator from Iowa proceeds, will he yield to me for a moment or two? A report has to-day been made by the Committee on Banking and Currency. I had hoped to ask that it be taken up. I believe it will take only a moment. If there is objection to it from any source I shall not insist on its consideration.

Mr. DICKINSON. If it does not take any time, I am glad to yield for that purpose.

Mr. BLACK. I desire to ask unanimous consent to call up the bill and explain it; and if there is any objection from any source, I shall then withdraw my request.

Mr. JONES. Mr. President, I think the bill should be read.

Mr. LA FOLLETTE. Let it be read so we may know what it is.

The PRESIDING OFFICER. The clerk will read the bill. The Chief Clerk read the bill (S. 4780) to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation during the year 1932, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert:

That the first proviso in the second paragraph of section 2 of the Reconstruction Finance Corporation act is amended by inserting after the words "crop production" a comma and the words "crop planting, or crop cultivation."

Mr. BLACK. Mr. President, under the reconstruction act there was a provision for the loaning of \$50,000,000 to farmers. This does not affect that appropriation in so far as increasing it is concerned. This situation has arisen. Under the ruling of the department—which may or may not be correct, but it is the ruling nevertheless—some have been deprived of the privilege of borrowing from this fund who would be included if the amendment to the act should be adopted.

There are certain growers of strawberries in some States who suffered an entire loss of their crops by reason of the freeze at the beginning of the year. The beginning of the cultivation of this crop is in July and August. It is necessary to buy fertilizer and to do all the work on the crop during the year 1932, but the strawberries are not actually picked until after January 1. The result is that under the ruling these farmers, who do all the work during this year except the picking of the strawberries, which is done the first part of next year, are deprived of securing a loan. It affects a very small number of growers, but it does affect them very vitally in certain sections of the country.

Mr. BLAINE. Mr. President, I think it also applies to those crops which are sown in the fall and harvested the next winter, such as rye and wheat.

Mr. BLACK. I imagine it would. I gave strawberries merely as an illustration.

Mr. JONES. Mr. President, I hope that an amendment may be put in the bill. There is a section in our State where we raise wheat where there must be summer fallowing; in other words, the ground must be plowed this year for the planting of wheat for next year. If the Senator from Alabama will consent to add the words "and for summer fallowing," I would appreciate it very much.

Mr. NORBECK. Mr. President, while that matter was not brought up in the committee, I think a fair construction of the amendment would include that because it is for cultivation

Mr. BLACK. That is our understanding. Mr. JONES. It is the Senator's understanding that it would include summer fallowing?

Mr. NORBECK. It uses the words "crop planting" or "crop cultivation."

Mr. JONES. Would there be objection to putting in the words "including summer fallowing"?

Mr. NORBECK. I can not speak for the committee, but there would be no objection so far as I am concerned. I want to say in all fairness that this came up rather suddenly. The Senator from Alabama urged it as an emergency measure on account of the situation existing with some of the berry growers down in his section, who had been disqualified because the crop was not entirely harvested within the calendar year, but is barred for that reason. We have not had a written opinion from the department on it, but it was thought to be rather a minor matter, and the committee authorized a favorable report on the bill in the belief that it was not very wide in its application.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. TYDINGS. Mr. President, I shall not object at this time to the consideration of the matter, but I want to serve notice now that I think the next relief bill we pass ought to apply to the whole country. This business of doling out relief to different crops, as we are doing, is going to ruin the Government if we do not stop it. Any separate relief bills hereafter will meet with my opposition.

Mr. GLASS. Mr. President, as a matter of fact, I do not think there was any dissent in the committee to the proposion that the existing law was intended to include these very conditions, but that the decision of the department that production contemplated only those crops which were produced and harvested in the current year was a rather remarkable interpretation of the law. What is proposed is what was intended by the original law and what the committee unanimously insisted is a proper interpretation of existing law.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. FESS. Mr. President, reserving the right to object, I understood the matter was presented to the Banking and Currency Committee, discussed there, and that there was no serious objection to it.

Mr. BLACK. There was no opposition at all. It was unanimously agreed that that was the original intention.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

The amendment of the Senator from Washington [Mr. JONES] was, on page 2, before the period and after the word cultivation," to insert "including summer fallowing."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer fallowing, during the year 1932."

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. ASHURST. Mr. President, I have to-day received a large number—the word "large" hardly describes it—a vast number of telegrams, not only from Arizona but from other States as well, in relation to the so-called economy bill. It is impossible for my office force to reply to these telegrams. I do not like to reply "collect." I doubt the propriety at this time of sending replies at Government expense. I ask leave, therefore, to print in the RECORD a few of the telegrams from my own State, and I hope those of my constituents and others throughout the country who read the RECORD, as I am sure every citizen reads it daily, will thus understand that no offense or discourtesy is implied by my failure to reply to their telegrams. This is the only way I can make known to the country the number of telegrams I am receiving with reference to the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The telegrams are as follows:

TUCSON, ARIZ., June 2, 1932.

Hon. HENRY F. ASHURST.

Hon. Henry F. Ashurst.

United States Senate, Washington, D. C.:

Trust you and Senate colleagues will promptly repudiate counsel despair emanating from misguided proponents so-called economy, which would complete vicious circle of panic, encourage further wage cuts in industry, and through further decreases purchasing power American people increase unemployment throughout country beyond anything yet known. It is believed wage cuts and furloughs as proposed Senate Economy Committee will make bad situation infinitely worse. We rely on you defend interest wast. situation infinitely worse. We rely on you defend interest vast majority citizens Arizona and throughout country against powermajority citizens Arizona and throughout country against powerful economic forces which seem to desire paralysis Government service and destruction American standard of living.

Walter P. Taylor,

Fifth Vice President,

National Federation of Federal Employees.

PHOENIX, ARIZ., June 2, 1932.

Senator HENRY F. ASHURST, Washington, D. C.:

Phoenix letter carriers are very thankful to you for your stand in opposition to wage cut and hope in considering economy bill you will bear in mind that titles 1 and 2 constitute wage reduction in some form.

R. T. SOULE. Secretary.

Tucson, Ariz., June 1, 1932.

Hon. HENRY F. ASHURST,

Hon. Henry F. Ashurst,
United States Senate, Washington:
Depending on you to oppose Senate Economy Committee's report proposing 10 per cent salary cut, etc., for Federal employees.
Effect would be demoralizing on personnel of Government service and wage earners generally.

A. M. PHILIPSON, President A. S. F. of F. E. U.

NACO, ARIZ., June 1, 1932.

Hon. Henry F. Ashurst, United States Senate, Washington:

Federal employees here strongly protest against provisions of bill reported by Senate committee relative to decreasing salaries and curtailing annual leave. We know of no agencies in Arizona wherein granting full annual leave incurs additional expense. Earnestly request you oppose legislation relative to cutting salaries

WALTER F. MILLER President Federal Employees' Union.

TUCSON, ARIZ., June 2, 1932.

and leave.

Hon. Henry F. Ashurst,

United States Senate, Washington:

Proposed bill Senate committee grossly unfair. Urge your strongest support in opposing drastic salary cut, forced furloughs, loss of annual leave, and other unjust legislation imposed on Federal employees. May we continue to receive your whole-hearted convertion? cooperation?

First Vice President Local 81, National Federation of Federal Employees.

TUCSON, ARIZ., June 2, 1932.

Senator Henry F. Ashurst,

United States Senate, Washington:
This camp vigorously protests against radical change of policy affecting veterans which will surely result from the pauper clause

and radical reduction of pensions of certain veterans reinserted by Senate committee in the economy bill. We earnestly solicit your support in the final removal of these provisions from this bill.

T. F. McCall,

Commander Camp Ben Daniels, No. 8,

United Spanish War Veterans.

PRESCOTT, ARIZ., June 1, 1932.

Hon. Henry F. Ashurst,

United States Senate, Washington:
Informed Senate Economy Committee reported favorably bill to reduce compensation men in hospitals and other drastic slashes.
Hope you will use your influence in behalf of disabled veterans.

Lesle E. East.

LESLIE E. EAST,
Commander Arizona State Department,
Disabled American Veterans of World War.

CASA GRANDE, ARIZ., June 2, 1932.

Hon. Henry F. Ashurst,
Senate Office Building, Washington, D. C.:
Request your support in defeating salaries cut of employees and to retain 30 days' annual leave, also in keeping Personnel Classification Board a separate unit.

CHARLES LAUGHLIN, President

PHOENIX, ARIZ., June 1, 1932.

Hon. Henry Ashurst,

United States Senate, Washington, D. C.:

Ask that you oppose any bill reducing salaries. Also prosuspending automatic promotion and night-work pay.

J. L. BAMMERLIN,

President Local Also provision

President Local 93.

TUCSON. ARIZ., June 2, 1932.

Senator Henry F. Ashurst,
Senate Building, United States Senate, Washington, D. C:
Have just read of misnamed economy bill presented to the Senate for consideration. Sincerely hope that you will vote against this atrocity misnamed economy. Am surprised that such a reactionary measure could emanate from such an intelligent group of men as make up our Senate. Trust you will conscientiously be able to vote against this bill and hope you will work for its defeat.

TUCSON CENTRAL TRADES COUNCIL, JOHN J. DURKIN, Secretary.

PHOENIX, ARIZ., June 2, 1932.

Hon, HENRY F. ASHURST

Hon, Hevry F, Ashurst,

United States Senate, Washington, D. C.:

Phoenix Camp, No. 1, United Spanish War Veterans, by resolution paysed to-night vigorously protests against the inclusion in proposed economy or in any other bill of any provisions affecting the present pension status of Spanish War veterans. Spanish War veterans have received consideration at the hands of Congress war veterans have received consideration at the hands of Congress only in the past few years for very definite reasons, which as average age 58 practically barred from remunerative employment increasing disabilities with age and for the patriotic service voluntarily rendered in a war which brought not only enormous financial benefits but also world prestige to our country:

C. P. Lee, Commander.

ALBUQUERQUE, N. MEX., June 1, 1932.

Hon. HENRY ASHURST.

Hon. Henry Ashuret,

Washington, D. C.:

We, the 54 members of Albuquerque and Ashfork Railway Post
Office Associations vigorously protest the apparent discrimination
in the present Senate economy bill. A 10 per cent salary cut will
mean a loss of \$230 for the average clerk, the elimination of night
differential and one-third reduction of travel allowances will mean
an additional reduction income of \$187, making a total of \$417. an additional reduction income of \$187, making a total of \$417 per clerk per year. When this matter is considered by the Senate we trust you will bear in mind these inconsistencies.

JOHN M. COOK,

PHOENIX, ARIZ., June 1, 1932.

Senator Henry F. Ashurst,
Senate Office Building, Washington:
Continued assaults on Government employees' salaries and annual leave are increasing business gloom and upsetting the economic fabric of the Nation as well as overthrowing the splendid morale of the employees. An economy hysteria can be quite as suicidal as an extravagance hysteria. Such false and futile economies will actually offset the efforts of the Government to stimulate economic enterprise. Urge that you make every endeavor to defeat economy proposals injurious to Government employees, as their effect will also be harmful to the merchants and farmers of Arizona and of the Nation. Please give us telegraphic reassurance of your stand and action.

WILBERT T. ALLEN, President Local No. 65.

Douglas, Ariz., June 2, 1932.

Hon. Henry F. Ashurst,
United States Senate, Washington, D. C.:
We hope Budget can be balanced without such drastic action, deduction salaries. Reduction annual leave to 15 days will not mean saving locally.

D. C. KINNE, President Local 196, N. F. E. U.

BISBEE, ARIZ., June 2, 1932.

Hon. Henry F. Ashurst,

United States Senate, Washington, D. C.:

We urge you to use every means to prevent inclusion of pauper clause and reduction of pensions of certain veterans reinserted by Senate committee in economy bill.

G. P. LIGHT, Commander Rex Hall Camp, No. 7, United Spanish War Veterans.

SAN CARLOS, ARIZ., June 2, 1932.

HENRY F. ASHURST,

United States Senate, Washington:

That you oppose to utmost decrease in Government employees' salary, cut in annual leave, abolishment of Personnel Classification Board, and compulsory retirement is our earnest request. All of this, we feel, inimical to best interest of the Government as well as that of employees. Thirty days' leave necessary to efficiency and health. No appreciable decrease in living expenses in this locality at least. Kindly advise by wire what you feel you can do. SAN CARLOS LOCAL FEDERAL EMPLOYEES' UNION.

Mr. DICKINSON. Mr. President, the personnel pay roll of the Federal Government is about \$1,315,000,000; the total expenditures of the Government are about four and onethird billion dollars. The item for pensions of veterans of the World War and other wars obligates the Government to the extent of about a billion dollars. The two controversial items involved in this bill, therefore, have reference to salaries paid employees of the United States Government, on the one hand, and to the veterans' items, on the other, which will come up a little bit later in the consideration of the bill.

Objection is made on the ground that we are making reductions in the salaries of the lower paid employees. Luther C. Steward this morning sent to the desk of every Senator this statement:

It is apparent that no Senator wishes to cut the pay of employees in the lower salary ranges. The bulk of the saving must be secured by cuts in this group.

Therefore if we are not to include cuts in that group we might as well abandon our plan.

I have looked up the data with reference to the amendment offered by the Senator from Nebraska [Mr. Norris]. I do not know that I have tabulated the figures correctly, and if the Senator has any tabulation that does not correspond with the figures I shall present I shall be glad to have them, and I want permission to revise and correct the figures I have because I have made them hurriedly. I want, however, to suggest the difference between the type of amendment suggested by the Senator from Nebraska and that recommended by the committee.

In the range of salaries from \$7,500 to \$10,000 and up, there are 673 people involved; the amount paid them is a little over \$6,000,000; the suggestion of the Senator from Nebraska is that a 25 per cent reduction be made in such salaries; the savings which would thereby be effected would be \$1,554,000 plus.

In the group receiving from \$5,400 to \$7,500, there are 2,770 employees; the total amount of their salaries is \$16,-398,000; a 20 per cent cut in those salaries would amount to \$3,279,000.

In the group from \$4,000 to \$5,400, there are 8,404 employees; the total amount of their salaries is \$37,654,000, and a 15 per cent cut would amount to \$5,648,000.

In the group receiving salaries from \$2,500 to \$4,000, there are 100,902 employees; the total amount of their salaries is \$231,038,000, and a 10 per cent cut would amount to \$23,038,000.

Mr. JONES. Mr. President-

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Washington?

Mr. DICKINSON. I yield.

the amendment proposed by the Senator from Nebraska. While it increases the rate on salaries in certain groups, the entire salary does not bear the increased rate, but only that portion of it in excess of a certain amount. So there is the portion of such salaries between two amounts which bear one rate and the portion in excess another and different rate. Has the Senator taken that into account?

Mr. DICKINSON. No, I have not taken that into account; I do not have the information so that I can take it into account.

Mr. JONES. That is the character of the amendment which has been offered.

Mr. DICKINSON. I wanted simply to suggest the total.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. NORRIS. The Senator will not arrive at the correct total.

Mr. DICKINSON. No; I will not get the correct total, and that is why I said I wanted the privilege of revising and correcting my figures.

Mr. NORRIS. The Senator will reach a wrong result when he gets through because, as the Senator from Washington has said, he has started on a false basis.

Mr. DICKINSON. I am simply giving these figures to prove the point that, regardless of how much the rate of reduction is on the higher salaries, we can not thereby make up for the loss incident to the exemption of the lower

Mr. NORRIS. The Senator does not want to prove it by figures that are incorrect, does he?

Mr. DICKINSON. Does the Senator say that my figures are too high?

Mr. NORRIS. No; I say the Senator is miscalculating; he is basing his calculation on a false assumption. For instance, he is basing his calculation on the assumption that a salary, let us say of \$10,000, is decreased by 25 per cent. That is not true under the amendment which has been offered. In the case of a salary of \$4,000, the Senator is basing his calculation, as I understand his figures, on the theory that that salary is reduced 15 per cent; but that is not true. For instance, in the case of a salary of \$4,000, \$1,500 of it would be exempt; as to that portion of it there would be no reduction; on the next \$1,000 the reduction would be 5 per cent, and on the next \$1,500 the reduction would be 10 per cent.

Mr. DICKINSON. Then I suggest that what the Senator says proves the point I am trying to make. The amendment of the Senator from Nebraska would reduce the savings greatly beyond the figure I have suggested, which is a little less than \$60,000,000. We would be sacrificing one-half of the savings under the economy program in the case of personnel if we were to adopt the theory of making greater reductions in the higher salary brackets and exempting salaries up to \$1,500. In other words, the statement of Mr. Steward is correct that the bulk of the savings must be secured by the cuts in the lower-salaried group.

I believe it was Lincoln who said that the Lord loved the common people because he made so many of them. I think there is no question but that if we do not apply the proposed reduction to the group receiving the lowest salaries we are not going to secure any economy so far as Federal expenditures for services are concerned.

Mr. NORRIS. Of course, if we do that, if the Senator will permit me, we will add a good many to the class to which the Senator referred and of whom Lincoln spoke; we will have more poor than we had before.

Mr. DICKINSON. We are getting more poor all the time. Mr. NORRIS. And we are getting more money out of the poor all the time.

Mr. DICKINSON. Here is the situation as I see it: I do not believe the Federal Government can say, regardless of the reduction of wages and salaries in the various grades of employment all over the country there is not going to be a reduction in the salaries of the large number of persons now employed by the Federal Government. I think the Govern-

Mr. JONES. I rather think the Senator is misconstruing | ment is going to be subjected to an attack that will be very far-reaching and very unwholesome so far as the Government's interests are concerned unless we show a disposition to meet the situation that is now so acute in the country, and in order to do so, I believe we have got to share and share alike all along the line.

Mr. NORRIS. Mr. President-

Mr. DICKINSON. I yield.

Mr. NORRIS. Does the Senator think he will meet that condition if he says to the country, "I have voted to reduce the salary of the clerk who is getting a thousand dollars a year by the same percentage that I have voted to reduce my own salary of \$10,000 a year.

Mr. DICKINSON. I think that it is true that people all along the line obligate themselves to about the extent of the salary they are drawing and that per capita, there will be just as large a percentage in the larger salary brackets who are going to be embarrassed by the salary reduction as there will be in the lower brackets, for the reason, if you please, that those in the lower brackets are largely of two classes: A good many of them are younger people, who have not obligated themselves for the maintenance of homes; many of them have not reached out as others have in the matter of purchases; many of them are here attending school or college as well as earning salaries. I am a friend of those, but I want to say that the person who a while ago could live here in Washington on \$120 a month can now live here for 10 per cent less than that under existing conditions so far as living expenses are concerned.

Mr. BORAH. Mr. President-

Mr. DICKINSON. I yield to the Senator from Idaho.

Mr. BORAH. I am quite in sympathy with the desire of the Senate to reduce salaries; but does not the Senator think that when we reach down into the lower grades, say, salaries of a thousand dollars, we meet with another question than that of economy on the part of the Government? I refer to the question whether people who receive such low salaries can live in Washington on any less amount. So an economic problem enters into consideration, and that is the question of wholesome living.

It is true that we are not going to save nearly so much if we do not cut the lower salaries, but there are appropriations, such as those for the Army and Navy, where we can reduce expenses on a tremendous scale, and, in my judgment, there is where we have got to go if we are going to make any headway at all. I favor also making heavier cuts in the larger salaries.

Mr. DICKINSON. I do not presume the Senator has given much consideration to the propaganda that is now going on all over the country to restore the 2,000 Army officers who were eliminated by the appropriation bill in the other House. The claim is being made that it is going to interfere with the national defense if we adopt that provision of the House bill.

Mr. BORAH. Yes; I have given a good deal of consideration to that propaganda, and I have answered it in my own mind.

Mr. NORRIS. Mr. President, I do not want to interrupt the Senator unless with his consent.

Mr. DICKINSON. I am perfectly willing to yield.

Mr. NORRIS. I am seeking like the Senator to get information. I should like to ask this question: The only reason that has been given, so far as I know, by the representatives of the Economy Committee, of which the Senator is a member, for making the cut in the low salaries is that it is necessary in order to save the money. Now I want to ask the Senator if there is any other reason beside that?

Mr. DICKINSON There is no other reason, so far as I know, and I want to suggest that the necessity exists, and if we can not save money in that direction we might as well abandon the economy bill.

Mr. BORAH. No. Mr. President; I do not think that is

Mr. DICKINSON. The House committee went through these items; it considered the proposition; it went on the floor of the House with a bill providing a saving of \$260,-

000,000, and it came out with a saving of \$47,000,000. The | Senate committee has considered the situation all along the line, and has come here with a bill providing a saving of \$238,000,000. It may be that we have neglected some opportunity of effecting savings that the Senator believes could be availed of, but any method of saving in order to be adopted has got to be of such a character that there can be an agreement on it. For instance, one person may say, "Let us reduce the Army"; on the other hand, there will be a great many who will say, "We can not reduce the Army; it is not safe to reduce the Army." Therefore, in working out an economy bill we reach the point where we have to have a meeting of minds or at least a meeting of a sufficient number of minds so that there can be secured some unity of action.

I believe that if every Member of this body were to write an economy measure, we would have represented all phases of the differing views and opinions, and that there would not be many Senators who would agree upon very many items that ought to be included in such a bill.

Mr. BORAH. Mr. President, I am not criticizing the committee, for I think the committee has done a splendid work. I may not agree with it in detail, but it has shown courage and a willingness to meet the issue. But if it be said that we can not economize and can not reduce the expenditures of the Government unless we make a reduction in salaries of \$1,000 and less, and there is nowhere else we can save, of course, we might just as well abandon the effort, because I do not believe that the Government is going to ask people

to work for less than \$1,000 a year.

Mr. DICKINSON. The number of people who are working for a sum below a thousand dollars a year is considerable. In this period of unemployment as we go down the scale we find that in one of our leading cities it is possible to obtain stenographers to work for \$65 a month, while in the Government service I think the pay in the lowest grade is \$1,440 per year. We find that situation to exist all along the line. Domestic servants who in Iowa used to get \$10 a week now get three and a half or four dollars a week, and are glad to have the positions. As we go down the scale we find that the competition is keener for the position; and even though it may be said that they can not maintain themselves on these low-grade salaries, it is true that those people are occupying positions that are desired and are wanted, and would be occupied by hundreds of other people if they had the opportunity.

Mr. NORRIS. Mr. President-

Mr. DICKINSON. I yield.

Mr. NORRIS. What the Senator says is true, of course, about reductions outside of Washington; but it seems to me we can not close our eyes to the fact that a very large percentage of these people who are drawing salaries of from ten to twelve hundred dollars a year, and some of them less, live and must live in Washington, and that the cost of living in Washington is higher than at almost any other place on earth. It may be that when we fix a reduction according to the cost of living in Washington we will not be doing justice to the country in some other locality, because the cost of living there is not so great; but we must fix it in accordance with the cost of living at the most expensive place, for otherwise it would be an impossibility to conduct the Government in Washington.

I inquired of another member of the committee whether the committee had taken into consideration the question of rents. He said it had not. I do not know that they would have had any jurisdiction. It seems to me that if they had made an investigation they probably could have given us some very important information on rents. I think, from what little investigation I have been able to make, that while rents on an average in the city of Washington may have decreased to some extent, they have not come anywhere near decreasing at the same rate as rents have decreased in practically every other section of the country about which I have been able to get any information. So that the great bulk of these people have to meet these conditions that still exist, and they have to live here in order to do the work; and it

seems to me that it is unreasonable to take a hundred dollars off the salary of a \$1,000 clerk.

The Senator said a while ago that many of these people are young. That is true. Many of them, he said, are going to school. That is true; some of them are. The great bulk of them, however, are not. A large percentage of them are paying for homes on the installment plan. There are some, perhaps, that do not deserve the consideration that others do; but we have to deal with them as a class, and it seems to me that in dealing with them we ought to give consideration to the most meritorious of the class.

An employee of the Senate who, if he is listening, is within the sound of my voice now, told me to-day of what happened in his family. I happen to know him very well. I know his wife very well. They are fine people. His wife is one of the school-teachers of the city of Washington, a finely educated woman, who has spent a good deal of her earnings in preparing herself for her work. Just recently, within the last three months, they bought a home. They are obligated for it. They are both drawing salaries, neither one of them very large. I have a great deal of consideration for that class of people, and there are thousands and thousands in that class.

Mr. DICKINSON. Mr. President, may I answer the Senator now?

Mr. NORRIS. Yes.

Mr. DICKINSON. As a matter of fact, the large percentage of our employees who are drawing under \$1,000 do not come within the class suggested. There has also been a great reduction in rents in the lower type of rental property. The rents that are higher in Washington are the rents of what might be called the upper-class type of tenants. On top of that, the District of Columbia Committee is now investigating that very question under the leadership of the Senator from Kansas [Mr. CAPPER]. We did not think we had any jurisdiction of that matter, and therefore we did not think we should go into it.

The next suggestion is this: Rents are going down in other sections of the country. Out of the 700,000 employees on the Government pay roll, only 10 per cent live in the District of Columbia. Therefore we ought not to hold up 10 per cent and say, "This is the group that has to be protected," while, as a matter of fact, they can get lower rents in practically every other city in the United States. There are some 70,000 employees in the District of Columbia in the Federal service. There are over 700,000 employees in the Federal service the United States over. Therefore, are we going to let the 10 per cent here be the criterion on which we are going to establish this policy all over the country? I want to say to you that out in the country, over the United States, where there are post-office clerks and post-office employees and different types of Federal services, there is no question but that those sections are subject to the depression that exists all over the country, and that they have the benefit of a 10 per cent reduction in practically every line of expenditure they have to make.

Mr. WHEELER. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Montana?

Mr. DICKINSON. I yield.

Mr. WHEELER. I appreciate the force of the Senator's argument, and I likewise appreciate the effect upon the people living in the various farm sections and how they feel toward the Government employees who are drawing down higher salaries and have not had their salaries reduced; but I want to ask the Senator this question:

What is the most important thing, in his opinion? Is it to deflate further in this country, or should we try to bring up the commodity price level for farm products?

Mr. DICKINSON. Oh, there is no question but that we ought to inflate and bring up farm prices, if we can; but we must meet the situation that is facing us. We can not turn around and say that because another question is confronting us therefore we ought to ignore this thing. We must carry on in the meantime. I should like to see farm prices advanced; there is no question about that; but, on the other

hand, I know that we must carry on until the time comes when farm prices do advance.

Mr. WHEELER. Let me say to the Senator that if the statesmen who compose the body of this Congress had had the courage of their convictions, and if the man in the White House had had the courage to go ahead and do something to bring up the price of farm commodities by increasing the currency and otherwise, it could have been done, instead of resorting to this foolish policy of further deflating by reducing the compensation of Federal employees. I think it is foolish economy and absolutely a foolish economic policy

Mr. DICKINSON. That argument was used when we were trying to maintain the price of labor all over the United States, but the crisis became too keen. It was found that it could not be done. Therefore, we have to meet the situation as it confronts us now, and not as we should like to have it confront us. The fellow who thinks we can wait until we do something to-morrow, and thereby meet the crisis of to-day, is just one day late.

Mr. NORRIS. Mr. President-

Mr. DICKINSON. I yield.

Mr. NORRIS. If the cost of living has gone down as greatly as it has in Washington and Iowa and all the balance of the country, what excuse can we as Senators give, what excuse can the Senator himself give to the country and to his people for reducing his own salary only \$1,000, while he is taking pretty nearly half of the salary of a good many of the lower-paid employees? If the man who is working for \$1,000 can get along on \$900, why can not the Senator get along on \$5,000 instead of \$10,000? [Applause in the galleries.]

Mr. DICKINSON. Let me answer the Senator. I practiced law out in Iowa for 20 years. I had more money at the end of the year saved up in my bank than I have ever had since I went into public life; and to say that a Senator can live and meet the obligations that are imposed upon him at a very low salary is absolutely wrong. It can not be done. I live no differently now than I did in the earlier years, and I am living in the same house.

Mr. NORRIS. The same thing ought to apply to the clerk who is getting the thousand dollars. If the Senator applied to himself the same argument that he applies to the clerk, he never could defend this motion, in my judgment, to reduce his own salary only \$1,000.

Mr. DICKINSON. The argument has been presented here. I am not going to be diverted on that particular phase of it. I do not believe that there is a feeling in this country that the men who carry the burdens that the members in public life carry are excessively overpaid. If it were just a matter of livelihood, that is a different thing.

Here is some of the sentiment that is coming from States like mine. I think every Senator is getting letters of this type. This is a letter from Robert R. Macbeth, an attorney at Keokuk, Iowa. I have known him for 30 years, and I am quoting from a part of his letter. He says:

It does seem to me, therefore, that I should appeal to you to use your influence to the fullest extent in supporting such measures as will reduce the cost of operation of the Federal Government, cut out needless bureaus and useless investigations and all that sort of stuff, and help to get down to an economic, reasonable, and sound basis. Unless something effective is done, and quickly done, along this line our people are going to revolt. Right out here in southeastern Iowa, supposedly staid and conservative, there is an undercurrent of distrust and revolt which is not only distressing but ominous. Reduction of the tax burden by reduction of the cost of government is one of the most potent barriers that may be interposed in the face of this avalanche.

We talk about reduction in Government expenditures. The Economy Committee has brought in a report. I am one of those who have voted against the 10 per cent reduction resolution on every appropriation bill that has come on the floor of the Senate; and I want to suggest to you that one of the reasons why I voted against those resolutions was because I thought they would force Federal employees out of their positions.

I noticed what the junior Senator from Kentucky [Mr. Logan] said about how he would abolish bureaus and how he

would abolish commissions. Remember that when we abolish bureaus and abolish commissions we are dealing with the very personnel that we are dealing with here. The difference in the way we are dealing with them is that there they would have no salary and would be cut off from the Federal service, while here we are asking for a 10 per cent reduction for one year until we try to make some adjustment of the difficulties that are now facing us.

The next thing I want to suggest is simply this: If we can abolish bureaus, if we can make reductions, we had better take a year in which to do it; and whether it is done by taking away appropriations or whether it is done by Executive order or whether it is done by legislative repeal, we ought not to put these people out of a job completely at the present time. Therefore it seems to me that we are up against the proposition of either accepting a reduction of 10 per cent or putting the 10 per cent reduction on every appropriation bill; and if this economy bill is defeated, I expect to support the 10 per cent reduction from now on. Why? Because we must have these reductions.

I do not believe there is any way out of it. We have been struggling around here now for two or three weeks trying to find enough money to assure the continuance of the Government. It is an easy thing for a man to get up and say, "Why, of course, we can save a great deal of money if we will just put ourselves to the task"; but if you give him a pencil and a pad of paper and ask him to sit down and see where he is going to make the savings he will find that it is a very difficult task to do it.

Every bureau that has been created and is now in existence in this country was formed because some Members of the Senate and some Members of the House and some other people in the United States asked for the creation of that service, and used it for some benefit to themselves.

As a matter of fact, we find, when we come to consolidate bureaus that it is not an easy thing. I was amused at the suggestion that we ought to appoint a commission to make a thorough investigation of all the bureaus of the Government and see where consolidations could be made. We had a commission of that kind at one time. It spent two years on the task, and its report is getting moldy now. It has never been acted on by anyone, and it contains all the information we could possibly get if we reinvestigated the situation now.

As a matter of fact, reducing Federal services is going to be a slow, long-drawn-out process. We are not going to succeed in abolishing any particular bureau automatically and all at once. It is going to be a curtailment and a shrinking. The Government is just like an individual. Individuals thought a few years ago that they could ride in Cadillacs. Now they have found that their incomes are such that all they can afford is a Ford car or a Chevrolet, and we find that reduction is coming all along the line in personal services. Only last night I noticed in the paper that a million people in the United States who have heretofore been using automobiles are going to do without them the next year. That is one step forward, in my judgment, because it is the proper thing to curtail ourselves to meet the problems that confront us.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. VANDENBERG. Many of us who have not had an opportunity to come intimately in contact with the problem have been preferring the philosophy of the so-called furlough plan, which apparently has been entirely dismissed by the special committee. Will the Senator, for our information, address himself, at least briefly, to the question as to why the furlough plan has had to be entirely abandoned and the straight cut substituted?

Mr. DICKINSON. Mr. President, the furlough plan has many advantages which appeal to me, but the reason for the abandonment of that plan seems to be that there are a number of phases and a number of services in which the furlough plan would not operate successfully. The next thing is that it would work a disorganization of service. It

would have to do with some one going on a furlough, and everyone would be looking for a furlough.

The next thing we find is the fact that there are a great many people who have bought homes, as the Senator from Nebraska has suggested, who could not go for a month without the pay check. They have their obligations, and therefore they want the pay checks distributed over the year. If we adopted the furlough plan, we would have to make a monthly reduction from the payroll in percentage which would be practically the same that we have here. The difference in the amount of the reduction, as I recall it, would be somewhere between \$80,000,000 and \$120,000,000. In other words, the furlough plan would not get the results, and, in the second place, there seemed to be even more objections to it than to the 10 per cent cut plan, if it can be applied.

The next point is this: The furlough plan applies to the low grade as well as the high grade. There is exactly the same argument against it that there is against the 10 per cent cut, because the persons getting only a thousand dollars or less simply can not get along through the year without having their pay coming in regularly once a month.

That brings me to another thing. There is no question but that every salary reduction involves hardship, and, in some cases, distress. I do not see how we can get away from that thought. But when I go into some of the other cities of the United States and find there men who were getting \$20,000 and \$25,000 a year now looking for anything that will give them even a meal ticket for the day, I want to say that I am convinced that the distress that we will force here is no way near as severe as the distress that is being forced on the outside by reason of the distressed conditions.

A couple was in to see me the other day. They are very fine young people, whom I admire very much, and they said to me, "We have bought a home and if we get a 10 per cent cut we can not meet all of our obligations." I said, "No; and that is true of everybody." Many times we are obligated clear up to where we can not afford to assume an additional dollar, and can not afford to have a single dollar taken away from us, but when you meet this situation, the only hope you have is to go to the man from whom you bought your home and say, "I have received this cut. You will have to share part of it." That is the only way they will be able to get relief.

Mr. NORRIS. What assurance can the Senator give us that the real-estate man would do that?

Mr. DICKINSON. The same assurances that the insurance companies are giving out in the Senator's State and in my State, where, instead of foreclosing, taking possession of all the land, they are saying, "We will carry your interest coupon for you. We are not going to foreclose this year. We are going to try it through another year with you, and see if you can not work it out."

This cut is for only one year, and there are very few realestate men in this town or elsewhere who are going to foreclose, and have another piece of property on their hands, rather than permit the Government employee to reduce the payments 10 per cent, or the amount necessary to cover the present reduction.

There is no question but that this reduction is going to impose hardships. I have had letters from Federal employees. I have been very friendly toward Federal employees. I do not believe I ever voted against a solitary measure in which they had a keen interest. Very much to my disgust, this morning when I came to my office I found pinned on my door a letter with this plea:

Will you please support American Federation of Labor in their efforts to prevent a drastic and unfair pay cut bill being put on the already overburdened Government employee?

I am perfectly willing to have anyone come and present that argument to me, and I make no criticism of it whatever. The next was this:

Many are already supporting relatives back home in the States.

There is no objection to that statement; but this is what it said further:

If such a bill is passed, we, our relatives, and friends are going to support the Federation when the day of reckoning comes.

I want to suggest that if I could find out who the committee was that pinned that on my door, and if they were Federal employees, I would see whether or not there could not be found a method whereby their services could be dispensed with from now on. I do not believe we ought to accept a mandate of that kind in seeking to prevent a man from doing what he thinks should be done in the circumstances we are facing.

Mr. NORRIS. Mr. President, will the Senator yield? Mr. DICKINSON. I yield.

Mr. NORRIS. Of course, I agree entirely with the Senator that that intimated threat is entirely out of place, entirely wrong, and I agree with the Senator when he censures it. But I do not agree with the Senator when he says that if he could find out who did it he would have them discharged. Too much of that kind of work has been done in our Government, where men high in office, with great political influence, use their influence sometimes to elevate somebody in violation of law; sometimes to have somebody discharged.

Mr. DICKINSON. What would be the proper censure, in the judgment of the Senator from Nebraska?

Mr. NORRIS. The proper censure would be silence. [Applause in the galleries.]

Mr. President, I am getting letters a thousand times worse than that every day from people who are making all kinds of threats. There always will be unreasonable and unfair people in the world. People who make any kind of a threat against a Senator or anybody else are entirely out of place. But there are millions making threats every day. They are not in the luxurious circumstances of a United States Senator, and it seems to me we ought to close our eyes and say nothing about them. We will never come to the time when we will get away from that kind of criticism as long as we are in public life, and while it is wrong, and I do not agree with it, we can not accomplish any good by doing the same thing they are doing, trying to censure somebody else's conduct.

Mr. DICKINSON. Mr. President, I want to suggest to the Senator from Nebraska that I have no objection to any person who is interested in any legislation coming to me and expressing his views, but when a matter of this kind is being considered on the floor of the Senate, and when one is a member of such a committee as this committee, it does not seem to me that it requires silence when a group of Federal employees will say, "We are going to see what we can do to reflect our interest back home against you when the next election comes." Although the Senator from Nebraska may approve it, I want to say to him that I do not agree to that type of ethics in matters of this kind.

Mr. NORRIS. I distinctly said that I did not approve it. But the Senator says it was a group of Federal employees. How does he know it was a group? It may have been written and put on the Senator's door by some silent, unfortunate person recently escaped from St. Elizabeths.

Mr. DICKINSON. I suggest to the Senator that the note is signed "A group of employees."

Mr. NORRIS. Very well; that does not prove anything. The Senator said he was a lawyer, and used to practice law. He ought to know that that does not mean anything. I could write a paper and sign it, "A million of your constituents," but that would not mean anything, and I do not think anybody would pay any attention to it.

Mr. DICKINSON. I want to suggest to the Senator that I do not believe in that type of tactics, even though the people do not sign their names to it. I would welcome a committee of the Federation of Labor, or of Federal employees, at any time, to discuss any of their problems, but I do not believe those who signed this paper belong to the American Federation of Labor, at least I hope they do not,

and if they do, I hope the Federation will take recognition of such action, which I think would be clearly justified.

The question is, What is the necessity for economy? We have been discussing a tax bill here all these weeks, and we find that in the economies we must not only make them in the economy bill, but that we must make them in the Federal appropriation bills which are yet to follow. I am of the opinion that if this economy bill can be passed, we can then work out a program whereby the Federal appropriations will be made in such a way that practically no one will be severed from the Federal service, and that has been my strongest hope in this whole argument. If that is not done, and the 10 per cent reductions are made, it will mean that some are going to be severed from the Federal service.

I know that there are a good many people who say, "Well, we can find 10 per cent in this item, we can find 10 per cent in that item," but in the end, labor and service is so much a factor in practically every one of the appropriation bills, that if we come to reduce the total 10 per cent, and think that it will not reflect on the personnel, we are entirely wrong, because it will. I believe that we will find that practically every reduction that has been made will be reflected in some way in the personnel of the bureau affected.

My theory is simply this, that if we can reduce 10 per cent, if we can make this reduction, it will be carried for a year, and in the meantime the vacancies which occur will not be filled, departments will be in a position to adjust themselves on an even basis, and at the end of the year, when we come along to take up the appropriation bills for 1934, we will be in position to adjust the situation so that, if the conditions permit, we can reestablish the old rates all along the line, which I think ought to be done.

I have voted for increases for Government employees. I have never voted for a reduction before, and I am sorry we have to do it now. But I want to suggest that if we can not find a way whereby we can reduce, and if we do come to the point where we have to assess war taxes, then we are going to have a serious complication all along the line.

Mr. SMITH. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from South Carolina?

Mr. DICKINSON. I yield.

Mr. SMITH. We have been devoting several weeks here hunting for places where we might find some hope of getting additional revenue. The economy bill is in different form, but in all effect it is a tax bill, an excise bill. We have just passed another excise tax bill. The Senator's State is no different from all the other States in the Union. They can not balance their own budgets, because the people from whom they must get their revenues are in a condition where that from which they get their revenue has ceased to be. Commodities are selling away below the cost of production. Commerce of all sorts has shrunk to where there is practically no revenue. The paradox is confronting us that in the midst of abundance we are starving, naked, bankrupt.

Does not the Senator think that if we would spend more of the zeal and energy trying to rehabilitate trade and commerce that we are spending here trying to add \$1,400,-000,000 of indebtedness upon an already prostrate Nation, we would be more justified in the eyes of the American people?

The paradox that confuses me is that we all recognize that the whole commercial and economic structure of the country has collapsed. Things are still going down, and in order for us to arrest the downward tendency we add \$1,400,000,000 to the already insupportable load, and we are now about to discuss an appropriation of billions for the unemployed, and yet about to adopt a plan to add to the unemployed. What kind of paradox is it with which we, as the representatives of the American people, are confronted? We ought to stop now and take stock of the situation, and see to it that there is enough currency put into circulation that labor may find employment and that this terrible load

may be lifted from their shoulders rather than more added to it.

As the Senator from New Mexico [Mr. Bratton] said the other day, when we were confronted with the war we never thought of balancing the Budget. We had an objective, to win the war, and every American citizen responded, and in the hour of destruction we constructed. To-day in profound peace, with the greatest abundance America ever saw of real wealth, we have not the statesmanship or the courage to meet the situation and gladden the hearts of the American people, but instead we spend weeks adding burdens to their already broken backs. I should like to see us resolve ourselves into a Committee of the Whole and see if we can not find some way to give employment to those now unemployed and to revive commodity prices.

Mr. DICKINSON. The only trouble with trying to revive commerce is that there is none. Nobody knows where to start to revive it.

Coming back to the bill, I want to suggest that if we are not going to have an economy bill that is one thing. If we are to have an economy bill, I believe the only way we will get it will be to take the findings of the committee and do the best we can, as we did in the tax bill, sustaining the Economy Committee all the way through. We as a committee have been a jury trying to find a way by which we could adjust these various matters. The committee have made real research. We have gone into these matters very carefully. The findings we have made are the best we know of to meet the present situation.

I do not believe we can afford to say that if we can revive commerce, we will not need to reduce expenses. We have got to reduce expenses in order to revive commerce and put things on an even keel again. We are not going to proceed in a way by which we will revive the commerce of the United States unless we meet the situation that now confronts us, and that is to reduce expenditures to the point where we will have sufficient current funds to meet our expenditures. This is one source in the expenses of the United States Government, and, therefore, I can not see how we can shut our eyes, in view of all that is happening all over the United States so far as employment is concerned, and say we can not reduce the salary roll of the Government of the United States.

Therefore it is my hope that the committee bill will have the concurrence of a majority of the Members of the Senate. Mr. BRATTON obtained the floor.

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from New Mexico yield for that purpose?

Mr. BRATTON. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bailey	Costigan	Hull	Robinson, Ind.
Bankhead	Couzens	Johnson	Sheppard
Barkley	Cutting	Jones	Shipstead
Bingham	Dale	Keyes	Shortridge
Black	Davis	King	Smith
Blaine	Dickinson	Logan	Stephens
Bratton	Dill	McGill	Thomas, Idaho
Broussard	Fess	McKellar	Thomas, Okla.
Bulkley	Fletcher	McNary	Townsend
Bulow	George	Moses	Trammell
Byrnes	Glenn	Neely	Tydings
Capper	Gore	Norris	Vandenberg
Carey	Hale	Nye	Walsh, Mont.
Cohen	Hatfield	Oddie	Watson
Connally	Hayden	Patterson .	Wheeler
Coolidge	Hebert	Pittman	White
Copeland	Howell	Robinson, Ark.	

Mr. FESS. I desire to announce that the Senator from New Jersey [Mr. Kean] and the Senator from Vermont [Mr. Austin] are detained at a meeting of the Committee on the District of Columbia.

I also wish to announce that the Senator from South Dakota [Mr. Norbeck], the Senator from New York [Mr. Wagner], the Senator from New Jersey [Mr. Barbour], and the Senator from Virginia [Mr. Glass] are detained in a meeting of the Committee on Banking and Currency.

The VICE PRESIDENT. Sixty-seven Senators have answered to their names. A quorum is present.

Mr. COSTIGAN. Mr. President-

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Colorado?

Mr. BRATTON. I yield.

Mr. COSTIGAN. The Senator from Nebraska IMr. Norrisl this morning introduced an amendment to the pending bill. It provided for a graduated salary reduction, and undoubtedly sound economics and justice support the Senator in his effort to preserve decent living conditions by exempting lower Government incomes from wage reductions. May I ask the Senator from Nebraska whether he is prepared to estimate what amount of savings will result from the various graduated reductions?

Mr. NORRIS. Mr. President, I have been told by the clerk of the Committee on Appropriations, who has been in conference with the so-called experts of the departments, that my amendment would bring about a reduction in salaries and therefore a saving of about \$23,000,000.

May I be permitted to say, since I have been asked the question, that in drafting the amendment and offering it I have not been moved by the amount of money that could be saved, because I knew it would not save as much as though we took something off the salaries of the lower paid employees; but I have been moved to prepare an amendment which, in my judgment, would go as far as in all consciousness and honesty I felt we had a right to go in reducing the salaries of the lower paid officials and employees of the Government.

Mr. COSTIGAN. May I say to the Senator that the purpose of my inquiry has been to secure for the Senate the benefit of this information at the earliest possible moment.

Mr. BINGHAM. Mr. President-

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. BRATTON. I yield.

Mr. BINGHAM. May I ask the Senator from Nebraska whether he makes any provision in the amendment for making up the difference between the savings which he suggests and the saving suggested by the committee, which is nearly \$100.000.000?

Mr. NORRIS. I do not. I am simply going on the theory that, as I look at it, it would be practically highway robbery to take this vast amount of money out of those who are getting the least amount of pay. In other words, as I understand it, half of the savings that we propose to make through this so-called economy proposition would come out of employees and be taken away from employees who are drawing the smallest salaries.

Mr. BRATTON. Mr. President, when this measure came from the body at the opposite end of the Capitol and was referred to the special committee of 6, 3 from the majority and 3 from the minority, and I was named as a member of the committee, I entertained no hope that whatever the committee did, whatever report it made would meet with popular favor from those affected. I am not surprised that the report of the committee is meeting with stubborn opposition. Neither do I think that one side is altogether right and the other side is altogether wrong.

Mr. President, we have labored now for weeks undertaking to solve the problem of balancing the Budget and thus to maintain the stability of the Government's credit in the meantime. I am not one of those who have believed that the Budget must be balanced within 6 months or 12 months. I have never believed that that was indispensable to the maintenance of Government security. I am equally certain that the Budget can not remain out of balance to the extent of two and one-half billion dollars indefinitely and meantime maintain the stability of the Government credit. I hold to the view, Mr. President, that we must evolve a program which contemplates the restoration of the Budget to a balanced basis within a reasonable period of time, whether that be one year or two years or some other period which may be regarded a reasonable time.

Mr. President, the accomplishment of that end involves two parts—income and outlay, revenues and expenditures. For several days, aye, for more than two weeks we have dealt with the revenue phase of the problem. We completed that feature of our task night before last at 12 o'clock. Now we turn to the other phase of the problem—that is to governmental expenses.

Let me say, Mr. President, that while I supported virtually all of the rates in the revenue bill which I believed necessary and indispensable to the safety and perpetuity of the Government, I think economy and methods of reducing expenditures are more important than means of raising revenue, because in my opinion the Government has expanded far too widely during recent years. Its activities have been projected on too many lines and too far out in every direction. The time has come when the people of this country will demand with increasing determination that the Government retrench in its activities and curtail in its expenditures. So we now approach that phase of the problem.

The House sent us a bill that embraced economies of \$52,272,740. Our committee worked for more than two weeks, morning, noon, and evening, in an effort to effect additional economies without visiting undue hardship upon any class of our people or any category of our activities. The committee reported a bill which effects economies of \$238,605,606. In order that those who read the Congressional Record may have a picture of the respective sources from which these economies come, I shall ask to have printed at this point in the Record the table which is contained in the committee's report.

The VICE PRESIDENT. Without objection, that order will be made.

The table is as follows:

Statement of savings for fiscal year 1933 contained in economy amendment to legislative appropriation bill as passed the House and reported to the Senate

Description of item	Bill as passed House	Bill as reported to Senate	
11 per cent reduction in salaries in excess of \$2,500. 10 per cent reduction in all salaries (except active	\$9,000,000		
enlisted personnel of the Army, Navy, and Marine Corps)		\$121, 050, 000	
Permanent salary reductions—Members of In- ternational Joint Commission, Federal Farm	Tall Sanga	unalist of	
Board, and Board of Mediation		97, 500	
tion.	3, 090, 000	3, 090, 000	
Suspension of administrative promotions Prohibition against filling of vacancies	16,700,000	16, 700, 000	
Compulsory retirement for age	3, 056, 500		
tionLimitation on amount of retired pay	6, 381, 000	6, 381, 000 Indeterminate.	
Limitation on annual leave with pay Disbanding of Philippine Scouts Limitation on expenditures for printing and bind-	Indeterminate.	22, 109, 166	
ing. Limitation on expenditure for paper	4,000,000		
Limitation on expenditure for stationery	25, 000		
Elimination of West Potomac Park heating plant	250,000	250,000	
Reorganization of Shipping Board	2, 362, 240	2, 362, 240	
Superintendent of Documents	32, 000		
Increase in patent fees			
merce	420,000		
Statistics concerning hides, skins, and leather	3, 368, 000	20,000	
Vocational Education Rate of interest on judgments and overpayments Temporary reduction of fees of witnesses and ju-		5, 250, 000	
Reorganization of executive departments.	Indeterminate.	775, 000 Indeterminate.	
Public Works Administration. Consolidation of Bureau of Navigation and	Indeterminate.	Omitted.	
Steamboat Inspection	Indeterminate.	Indeterminate.	
Civil Service Commission. Abolition of International Water Commission. Transfer of Radio Division, Department of Com-		No saving. 25, 000	
merce, to Federal Radio Commission	Indeterminate.		
General adjustment of veterans' benefits		13, 315, 000	
Veterans in institutions		5, 370, 000	
Emergency officers' retired pay		3, 386, 000	
Repeal of per diem allowances. Limitation of retroactive benefits.		300, 000 13, 694, 000	
Transfer from compensation to pension rolls. Restriction on the revival of Government insur-		3, 649, 000	
Limitation upon attorney's fees in insurance suits		9, 000, 000	
Total	52, 272, 740	238, 605, 606	

one of the principal items in the bill deals with reductions in salaries of Federal employees. I address myself to that matter. There are 732,460 persons employed by the Federal Government in Washington and in the field in some form or another.

Mr. LOGAN. Mr. President, will the Senator from New Mexico yield to me?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Kentucky?

Mr. BRATTON. I yield.

Mr. LOGAN. The Senator's statement does not include any employees except those in the executive department, does it? There are many more than the number he mentions who are employed in the whole Government services.

Mr. BRATTON. The Senator is perhaps right. I am dealing now with the table relating to the 732,460 persons in executive departments, whose annual salaries total \$1,055,-

Mr. President, much has been said about opposition coming from the Federal employees affected. There is no doubt that they strenuously oppose the proposed reduction, and I am not disposed to criticise them for doing so. Self-preservation is the first law of nature. It manifests itself in the breast of every one of us, those of us here and those elsewhere. That was discussed by the committee during long hours. The committee reached the conclusion that the best way to effect a reduction in Federal salaries was to make a horizontal slash that applied to every person alike.

I for one was not willing to adopt the furlough system which would subject some subordinate in perhaps some remote Government post to the whim, the pleasure, or displeasure of a superior. I was not willing to have a husband, with a wife and children dependent upon him for a livelihood, subjected to the mental anxiety from day to day that through partisanship or discrimination he might be dismissed from the service permanently and added to the ranks of the unemployed. I believed then, and I believe now, that it is vastly better for employees, high and low alike, to have a definite assurance under the civil service law and under all other laws enacted in the past and under this measure that they will be retained in Government service during this period of stress and strain even though their salaries may be reduced 10 per cent. So, Mr. President, the measure that we have proposed relieves Government employees from that anxiety and that strain and that uncertainty which would be manifested by wear and tear as the months of the coming fiscal year advance.

Mr. President, it has been said that we should not cut the low-salaried employees 10 per cent and the high-salaried employees the same percentage. We must assume, however, that the present wage scale, from top to bottom, is fair and equitable, because it has been built up through the years with care and deliberation; we must assume that the salary paid to the employee in the lower brackets is fair as compared with the salary paid to the employee in the higher bracket, and conversely. If that be true, a 10 per cent cut is fair, because the reduction in the salary of each employee will bear the same ratio to the whole reduction that his salary bears to the whole salary pay roll of the Government.

Mr. FESS. Mr. President, will the Senator from New Mexico yield to me?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Ohio?

Mr. BRATTON. I vield.

Mr. FESS. When this subject was first discussed, I raised the question as to the wisdom of cutting the salaries of the employees in the lowest grades, for the reason that the Senator and the rest of us have in mind. I took the position. however, that the Senator now occupies, that if the salaries are equitable, then a cut in the one case would not be inequitable as compared to a cut in another. I recognize, however, the suffering that might come from cuts in the lower brackets. I wondered whether the committee had considered a smaller cut in the lower salary brackets with-

Mr. BRATTON. It will be observed, Mr. President, that | out exemption? I think the exemption question is going to defeat the whole purpose; but instead of an exemption, why could there not be a cut of 5 per cent in all salaries up to, say, \$1,500, and then a 10 per cent cut above that?

Mr. BRATTON. Let us see as to that. If we should make a cut of 5 per cent in salaries up to \$1,000 and a 10 per cent cut in salaries above that, then if one employee is drawing \$950 and another is drawing \$1,050, when the reduction was applied the employee drawing \$950 would have a larger income than the one drawing \$1,050. So it would be at every step-up of the system; it would involve discrepancies of which the employees would complain, with much justification and much force; it would involve what they would characterize as discrimination. Some will say, "Here is one working by my side who has drawn less than I drew heretofore, and now, by reason of the larger percentage of reduction applied to me, I draw less than he does." It will be so all the way from top to bottom.

It occurred to our committee, if we assume that the present system is fair and equitable from top to bottom and apply a rule that will require every employee to stand a cut which bears the same ratio to the whole that his salary bears to the whole salary pay roll, nothing fairer could be devised as a means of meeting an unfortunate situation which every one of us deplores.

Mr. BINGHAM. Mr. President-

The VICE PRESIDENT. Will the Senator from New Mexico yield to the Senator from Connecticut?

Mr. BRATTON. I yield. Mr. BINGHAM. May I remind the Senator that, as pointed out in the House report, if an effort were made to be fair in the exemption and to exempt the first \$1,000 of all salaries, so that a person getting \$1,000 would pay nothing and the person getting \$1,050 would pay only a percentage of \$50, the saving then would only be \$61,000.000, or only one-half of what the committee has provided? May I say at this time that I was opposed entirely in the beginning to the pay cut and hoped that necessary economies might be effected in some other way, but the committee has shown so conclusively that the only way that the saving can be made is either by a pay cut or discharging between 50,000 and 100,000 employees, that it seems to me it would cause less suffering to ask every employee to take a 10 per cent cut than to ask 90,000 or 100,000 employees to go entirely without their jobs.

Mr. COUZENS. Mr. President, will the Senator from New Mexico yield to me?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. BRATTON. I yield. Mr. COUZENS. I should like to ask the Senator to explain further the furlough system. I did not get his point that there might be discrimination in the application of the furlough system.

Mr. BRATTON. That was the view of the committee, because under that system it would be left to a superior in a department to say which employee should be furloughed and which should not. It would be left to the judgment of a superior to conclude that inasmuch as so many employees must be furloughed so long he would select those to be furloughed and retain those who were not to be

Let me say to the Senator from Michigan before he addresses his next question to me that letters came to me from various parts of the country expressing the view that the system was laden with opportunities for partisanship, partiality, and discrimination; indeed, that it could be saturated with those considerations, so much so that some employees wrote saying that political considerations would govern the administration of the system. While I did not entertain that view, it being almost inconceivable that a superior in a department would stoop that low, yet the minds of many, many employees throughout the service were disturbed by that thought. I think the system is defective and unworkable and is subject to abuses from which this proposal is free.

were made mandatory, how there could be preferences and discriminations?

Mr. BRATTON. The employees, of course, are graded in classes, and they are in different bureaus and different departments. If it became necessary, out of a group of 40 in one department, to furlough 10 at a time or 20 at a time-not all-it would be incumbent upon the superior to designate those who should be furloughed and those who

Mr. COUZENS. Yes: but at some time or other all would have to be furloughed, would they not?

Mr. BRATTON. Perhaps. Perhaps some would be furloughed more than others.

Mr. COUZENS. Yes; but, as I understood, the President's program was a month's furlough for each employee. I do not just get the point as to how there is any inequity in it.

Mr. BRATTON. If the Senator will study the system, I think he will find that some employees might be furloughed two weeks and some six weeks; at least, the system could be administered in that way.

Mr. COUZENS. Assuming that we put in the bill a stipulation that each one was to be furloughed one month, how could that be abused?

Mr. BRATTON. If we put in the bill a provision that each one should be furloughed one month, no more and no less, probably that would not enter into it; but to make it elastic and to make it meet conditions as they arise during the year, we must leave it to the judgment of some one to administer. There is where the danger of the system inter-

Mr. COUZENS. I agree with the Senator on that; but I still do not see why Congress itself can not specify a furlough of one month for each employee.

Mr. BRATTON. Let us take it this way. Suppose he is furloughed one month without pay: That would be onetwelfth, which is less than one-tenth. One twelfth is 81/3 per cent; and that would reduce the saving that much, by the difference between 81/3 per cent and 10 per cent.

Mr. COUZENS. That is true; but it would not take quite so much out of the employee.

Mr. BRATTON. Quite true.

Mr. COUZENS. And the Government would still be getting its value, if present salaries are proper and adequate. In other words, whether we follow the system suggested by the Senator from Connecticut or not, the employee is not doing some work for which he is getting no pay.

Mr. BRATTON. At the end of the year, under the furlough plan, the Federal employees would be restored to their present situation, their present status, their present level. Under the 10 per cent cut here proposed at the end of the year they would be restored to their present situation, their present level, and their same status, so that the furlough plan has no advantage over the present system when viewed from that standpoint.

Mr. COUZENS. But under the furlough plan the employee would have one month in which he could do something else.

Mr. BRATTON. That is the trouble: we have so many on the pay roll that they could take an extra month off and not hurt the Government service. There are too many in Government service, and we are trying to deal with them with the least hardship.

Mr. JONES. Mr. President-

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Washington?

Mr. BRATTON. I do.

Mr. JONES. What would be the effect of a furlough with reference to a rural free-delivery carrier?

Mr. BRATTON. Of course, it will not fit in certain cases. It will not fit in the case of school-teachers here in the District of Columbia. It will not fit universally as well as a horizontal slash will serve the purpose; and the horizontal slash does not permit any injustices or discriminations

Mr. COUZENS. May I ask the Senator, if the furlough | among the several employees, if it is to be assumed that our present wage scale is fair.

Mr. BINGHAM. Mr. President-

Mr. BRATTON. I yield. Mr. BINGHAM. May I say to the Senator from Michigan in connection with what he has just said, and which sounds very reasonable-that to take a month off would give the employee a chance to earn money somewhere else-that in the first place there was no suggestion on anybody's part that the furlough would come all at once. That would disrupt the Government service entirely, and we would have to hire some one else to do the job. The suggestion was that they take a day now and a day later, two days here and two days there; and that would not give them an opportunity to earn anything else, even if there were not 8,000,000 other people looking for that job.

Mr. BRATTON. Mr. President, the employees should understand that this is not a permanent cut. It is a temporary cut of one year. It is a contribution to the Government's financial situation.

Upon that point, Mr. President, let me say that there are a number of employees in the galleries. They are representative of the thousands upon thousands of others elsewhere. Their salaries have been built up by successive steps during the last several years. I voted for every one of those measures. I favor every worker in this country living according to American standards. I favor every laborer in this country, whether upon the Government pay roll or elsewhere, being so situated that he may educate his son or his daughter for useful citizenship in the American arena called life. I have never subscribed to the belief that the workers of this country should be required to compete without some protection against the laborers of other countries whose living standards are lower than ours. Accordingly, Mr. President, I have supported every increase in Government salaries since I became a Member of this body.

But this Government, with all of her power and her prestige and her prowess at home and abroad, with her record of which we are so proud, with her strength that has challenged the admiration of the world, finds itself now in a financial condition which requires sacrifice on the part of every citizen, whether he be on the Government pay roll or not; and I appeal to the Federal employees throughout the country, from patriotic motives and patriotic sentiment, to contribute this 10 per cent of their salaries during the ensuing 12 months as a means of aiding in the solution of the problem that is challenging the ingenuity of American

Mr. COUZENS. Mr. President, will the Senator explain how it is that some of the night extras are cut off, thereby bringing about a greater percentage of cut in income in the case of those employees than others? There have been quite a number of complaints along that line.

Mr. BRATTON. Yes; I will explain that.

Under the present law if an employee works his full time and then works at night he draws extra pay. It was the belief of the committee that during this period when an employee had worked his full time during daylight hours the incentive to work at night at extra pay should be removed, so that some substitute perhaps without bread and meat or a meal ticket might do that night work.

In other words, we regarded the situation something like this: If the Government found a thousand of its citizens marooned upon an island, destitute and hungry, and the Government was able to reach them with only 500 meals. instead of dividing the people into two parts and giving 500 of them a full meal and the others nothing, it would be better to give the whole of them a half meal each. We believed that it was better to let the man who drew his regular pay work in the daytime and let some other citizen, perhaps with a family depending upon him, work at night and draw that much from the financial reservoir of the Government.

Mr. COUZENS. Mr. President, will the Senator yield

Mr. BRATTON. Yes.

Mr. COUZENS. I may be disclosing a lot of ignorance | with respect to how these employees are compensated, and I confess that I know little about it; but are there not some of the employees who work all night, and get higher pay for working at night than others do for working in the daytime?

Mr. BRATTON. Yes. Mr. COUZENS. Is not the higher wage for night work cut off, and, in addition to that, do they not have their 10 per cent reduction?

Mr. BRATTON. I think there are some injustices of that kind. If so, they should be corrected.

Mr. COUZENS. That is what I wanted to get at. I understand that if a man works at night, he gets higher pay; so we are going to cut off the higher pay for the night work, and then we are going to cut him down 10 per cent besides.

Mr. BYRNES. Mr. President-

Mr. BRATTON. I yield to the Senator from South Carolina.

Mr. BYRNES. May I say to the Senator from Michigan that that matter was called to the attention of the Senate yesterday in the absence of the Senator from Michigan? The purpose of the committee was to do exactly what the Senator from New Mexico has stated; and in order to make certain that nothing more than that will be done, an amendment will certainly be agreed to, so far as the conference committee is concerned, making certain that it does not apply except in the cases that were spoken of by the Senator from New Mexico.

Mr. COUZENS. I am in entire accord with that.

Mr. BYRNES. What the Senator from Michigan says is true, and we are going to correct it.

Mr. BINGHAM. Mr. President-

Mr. BRATTON. I yield to the Senator from Connecticut. Mr. BINGHAM. That is going to be corrected, may I say to the Senator. The only object of the section to which the Senator refers was to make more jobs, not to cut anyone at all. It needs an amendment in order to correct that injustice, and that amendment will be offered by the committee.

Mr. BRATTON. Mr. President, so anxious was the body at the other end of the Capitol, so anxious was our committee, that everyone should be treated alike and everyone should contribute his proportionate share to this reduction, that we have in the bill a provision which authorizes those drawing salaries that can not be reduced under the Constitution-the President and the members of the Federal judiciary-to remit voluntarily any part of their salary that they see fit. I have a memorandum showing that if the Federal judges, from the Chief Justice of the United States down, make a 10 per cent remittance in their salaries by voluntarily paying that amount into the Treasury, that will effect a saving of \$56,550, because they receive an aggregate of \$565,500 annually.

Mr. CONNALLY. Mr. President, will the Senator yield? Mr. BRATTON. I yield.

Mr. CONNALLY. While I agree with the fine spirit of this offer of the Treasury to accept the money from the Federal judiciary, has the Senator any idea that they will

Mr. BRATTON. Mr. President, I have. If the members of the judiciary, who are immune from the power of Congress to reduce their compensation during their terms, fail to respond in pace with others who are engaged in public service. I shall be both surprised and disappointed in the judiciary of the Nation.

Mr. CONNALLY. Let me say to the Senator that unless they all respond, it probably would be unfair to accept refunds from some of them. My inquiry was prompted by the decision of the Federal courts which held that their salaries were exempt from income tax under the clause of the Constitution which says that we shall not reduce their

According to my view, that was not a correct decision. and was absolutely in the face of the spirit of the Constitution, because the levy of an income tax on a judge, when everybody else bearing the same relationship to the Government, receiving the same pay, has to pay that tax, is not a reduction of his salary. I hope the Senator's faith in the Federal judiciary is greater than mine in respect to the return.

Mr. BRATTON. Mr. President, I express the faith that the members of the Federal judiciary, from the Chief Justice down, will respond to the call of the country, because I should feel greatly disappointed, if, when an employee drawing a thousand dollars is required by Congressional mandate to accept a reduction of \$100, and a charwoman drawing \$600 is required by congressional fiat to contribute \$60 annually, if the members of the Federal judiciary should fail to respond willingly to the call of the Nation. I do not expect to be subjected to that disappointment, because I believe the personnel of that department are men of such high type that they will respond readily to the call of the country by turning back into the Treasury 10 per cent of their

Mr. CONNALLY. Mr. President, will the Senator vield again?

Mr. BRATTON. I yield.

Mr. CONNALLY. May I say to the Senator that, frankly, I regard that clause in the bill as being in violation of the spirit of the Constitution, really, because while we can not reduce the salaries of judges by law, the committee is seeking to bring pressure to bear upon them to do the very thing which the Constitution prohibits. That, in effect, would be making the judiciary subservient to Congress through the power we have over their salaries through appropriations. I think this is the time when we all ought to sacrifice, but I doubt the wisdom and the propriety of that clause in the bill which seeks to highjack the Federal judiciary into making a contribution which we can not require under the

Mr. BRATTON. Mr. President, it is not an effort to highjack the judiciary. It is my understanding that the Treasury could not receive a remittance of this kind without express authority. So we inserted the provision in the bill authorizing the Secretary of the Treasury to receive any such rebate. Call it an invitation to the Federal judges to make that contribution if you will; I am perfectly willing to extend the invitation to them, with the confident belief that they will accept it; but if they fail to do so, I, as one Member of this body and as one citizen of this country, shall be deeply pained and deeply grieved, because they will prove themselves to be men of a different kind from what I now regard them to be.

Mr. SHIPSTEAD. Mr. President, it seems to me that the only benefit the country would derive from a contribution from the judiciary would be in the form of a graceful gesture. The savings would not amount to anything; and if it were done upon invitation, it would lose its value.

Mr. BRATTON. The saving would be \$56,500, if the judges make the contribution to the amount of 10 per cent of their salaries to the Treasury, and \$56,500 is worth saving.

Mr. BINGHAM. Mr. President, will the Senator yield to

Mr. BRATTON. I yield.

Mr. BINGHAM. The Senator will remember that we were told by one or two of the judges that they felt that it would be very embarrassing to them for their clerks and the officials of their courts to be cut 10 per cent, and they go right on with their salaries, that they would gladly and would prefer to put themselves on the same basis with all the employees of the courts; and under the present law the money could not be received by the Treasury.

Mr. BRATTON. That information was brought to the committee. By another provision of the bill we group the United States Shipping Board, the members of the Federal Farm Board, except the Secretary of Agriculture, the members of the Board of Mediation, the commissioners of the Interstate Commerce Commission, the Administrator of Veterans' Affairs, the commissioners of the United States Tariff Commission, the American commissioners of the General Claims Commission, United States and Mexico, and the

Commission, United States and Germany, and fix their salaries at \$10,000 per annum, and provide further that, after June 30, 1932, no officer or employee of the Federal Farm Board, the United States Shipping Board, the Merchant Marine Corporation, or of any governmental function named in this section, shall receive a salary at a rate in excess of \$10,000 per annum.

Then we provide that the 10 per cent reduction elsewhere provided in the bill shall apply to the salaries as thus reduced. In other words, a member of a commission who is now drawing \$12,000 a year is first reduced to \$10,000, and then the 10 per cent reduction is applied to that figure, which reduces the salary to \$9,000, which means a reduction of \$3,000 to members of certain commissions heretofore drawing \$12,000 a year. The savings from that aggre-

We have gone through the bill with a view of curtailing expenditures and of effecting economies the very best we could in the short period of time available to us. Some people throughout the country seemed to believe that we were a committee that would sit for months canvassing the entire machinery of the Government with a view of effecting permanent economies. I think we need that kind of a committee. I believe it could accomplish a great deal. But our committee did not occupy that position. This measure was attached as a rider to the legislative appropriation bill; the body at the other end of the Capitol sent it to us in that form; and, accordingly, it had to be dealt with promptly. We devoted two weeks to it. We effected these economies. We knew they would be unpopular in certain quarters. We recognized that they would meet stubborn opposition in this Chamber and elsewhere, and we were not deceived in that belief.

Mr. President, there arises in the equation the paramount consideration of protecting the Government, of maintaining its stability, of maintaining its credit, of maintaining its steadfast course; and I have the belief deep in my mind that every Federal employee, if he realized the seriousness of the situation, would be willing to contribute his 10 per cent during the next 12 months as a means of aiding the Nation in this time of stress and strain.

I do not call their unwillingness to do so selfishness, I do not characterize it as that, but I think they fail to appreciate the situation. I express this belief, too, that if we proceed without some curtailment in Government expenses, without some reduction in Federal salaries, the sentiment for economy throughout the country will become so strong that in less than 12 months the Federal employees will find themselves confronted with a deeper cut than 10 per cent. It requires no prophetic vision to realize that, and I say that as a devoted friend of the Federal employees throughout the country, many of whom in my own State have supported me in every way. When I stand for this cut of 10 per cent I hold to the belief that I am rendering them a real service. because I would rather see them take a temporary cut of 10 per cent than to see them required to take one much larger in 12 months or so hence, and, perhaps, thousands upon thousands of them dismissed from the service altogether.

Mr. COUZENS. Mr. President-

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. BRATTON. I yield.

Mr. COUZENS. I was wondering what information the committee had to justify the belief that the salaries would be restored within a year.

Mr. BRATTON. The provision in the law limits it to 12

Mr. COUZENS. The committee must have made up its mind that the salaries would be restored after 12 months. and I would like to know what information the committee had to justify it in reaching the conclusion that the salaries could be restored after 12 months.

Mr. BRATTON. Of course, it will take an act of Congress to prevent the restoration to the present level. In other |

umpire and American commissioners of the Mixed Claims | words, unless Congress takes further action, the salaries will be restored automatically. The committee expressed the hope that our condition would be improved so that we might return to the present level at the end of 12 months.

Mr. COUZENS. So that it was only a hope; we have no assurance?

Mr. BRATTON. It was only a hope, because no one of us, not even the Senator from Michigan, can foretell with certainty what will be the condition 12 months from now; but he hopes, and I hope, and every other devoted citizen of this country hopes, and earnestly hopes, that our condition will be improved at the end of 12 months, so that we may return to the present levels. But we will not contribute to that restoration, we will not contribute to that return to the higher levels unless we protect this Government and maintain the stability of its credit.

The greatest blow we could strike in the present situation, the greatest contribution we could make to its continuance would be to let our financial situation continue with our Budget out of balance to a substantial extent.

Mr. President, I know it is going to work hardship upon many Government employees to take this 10 per cent cut. Any man who would argue otherwise, here or elsewhere, should have his mental condition investigated. Many employees have bought homes and placed mortgages upon them, many employees have obligations at banks and elsewhere, many employees have arranged their financial affairs so that this cut will handicap and embarrass them tremendously. I realize that. But practically every citizen in this country, high and low alike, is unable to pay his obligations promptly. The Federal employees will be in no worse condition after this cut is applied; they will have no more mortgages upon their homes that they can not meet currently than hundreds of thousands, aye, millions of other citizens who are caught unawares and unprepared in this hour of crisis.

Mr. President, where are we going to get the money to furnish the Federal employee to pay the mortgage on his home, to liquidate the note in the bank, if the taxpayer is unable to pay the mortgage on his home and liquidate his note at the bank, and otherwise discharge his obligations? Everybody is caught in this situation alike, and it is untenable to urge that we continue the wage scale of Federal employees at 100 per cent and rely upon a depleted reservoir, namely, hard-pressed taxpayers, for the money with which to pay such salaries.

I say that with as deep sympathy for the Federal employees and the workers of this country as any man here or elsewhere. But we are confronted with a situation, and it is for every Member of this body to deal with it as his judgment dictates. My judgment is that a flat, horizontal cut, whatever we make it, is the best method for approaching the situation. If 10 per cent is too high, reduce it. If 10 per cent is too low, increase it. But whatever it is, let it be a flat, horizontal cut, which will apply to every employee alike, so that his contribution will bear the same proportion to the whole contribution that his salary bears to the total sum of salaries paid by the Government. Do not have the man with the low salary urging that his cut is out of proportion with that of the man higher up.

Mr. COUZENS. Mr. President, will the Senator yield again?

Mr. BRATTON. I yield. Mr. COUZENS. The Senator from Florida a while ago spoke about the graduated income tax being applied on the principle of ability to pay.

Mr. BRATTON. Yes. Mr. COUZENS. I wondered what the committee's viewpoint was about cutting a \$15,000 Cabinet officer 10 per cent, and cutting 124,000 employees who receive under a thousand dollars 10 per cent.

Mr. BRATTON. We thought that when Federal salaries are compared one with the other, the whole structure of our pay roll was equitable; at least we have said so in the past because Congress fixed it; and that when the cut does exactly what I have stated, namely, the share borne by each

bears to the whole salary expense that is fair. That is the fairest way we can make the reduction, and it rests most equitably upon all alike.

Mr. COUZENS. I believe there is some proper basis for a graduated reduction.

Mr. BRATTON. If we were dealing with it as a permanent proposition, there might be much justification in that view; but we are dealing with it as a temporary matter, as a humanitarian problem. We believe, in view of the reduction in commodity prices, that the fairest way to do it is to cut them alike on a horizontal basis. That is my conviction. I think it will work out best in the long run.

As I pointed out a while ago, we will always have in a graduated scale what might be called ragged tops. It has been suggested that we exempt all employees up to \$1.000. Let us take that proposal. One employee is drawing \$1,000 and another drawing \$1,100. Applying the 10 per cent above the \$1,000, the \$1,000 man afterwards would be drawing more money than the \$1,100 man. We would have innumerable complaints of discrimination and injustice in every such step-up in rates.

Mr. COUZENS. I believe there is legislative language that we could use to obviate that. I do not think that is a very serious objection to the graduated scale.

Mr. BRATTON. Perhaps the Senator from Michigan could do that. If he can, I regret seriously that the whole task of effecting these economies was not tendered him. [Laughter.]

Mr. COUZENS. I thank the Senator for his sarcasm. Mr. BRATTON. Not at all, Mr. President. It was intended in a vein of humor.

Speaking seriously to the Senator from Michigan, it is easy to look at it and say we will make these economies without doing any injustices, but I express the belief that if the Senator had devoted two and one-half weeks to it as the distinguished Senator from Washington [Mr. Jones] and others of us did, he would have concluded long ago that any proposal we may undertake will present many complications difficult to solve and difficult to overcome.

Perhaps this proposal is not right. Perhaps it is inequitable. Perhaps it can be improved upon. But our committee devoted themselves to it during many hours. We were of one mind that this is the best way to do it, that it is the fairest way to do it, that it is the way freest from inequities and injustices that we could devise. It is only a temporary proposal. It calls upon the Federal employees to respond with a degree of patriotism to the country at this time. I addressed myself a while ago to the patriotism of the Federal judiciary. I have the same confidence in the Federal employees in this country that they will rise to the challenge which presents itself to them and will respond to it in true American fashion, and will make their contribution to the solution of the problems which confront our whole country in a most vital way.

Although there may be complaints and outcries now, although meetings may be held, although some voices may be heard, yet if the measure passes with this flat 10 per cent cut in it, I believe it will be accepted by a large, yea, an overwhelming majority of Federal employees throughout the country. Husbands will say to wives and wives will say to husbands, and it will be said around the family circle, that the cut visited hardships upon us, but we are willing to respond to the needs of the Government in what has been characterized as an economic war. I believe that young and old alike will be stalwart soldiers in this time of economic war and will acquit themselves with that degree of manhood and womanhood, bravery of manhood and bravery of womanhood, fidelity to the country, that has been typical of our citizens in all walks and in all places and under all conditions and circumstances, including those whose names now stand upon the roster of Federal employees. I believe they are as loyal and patriotic to this country as those on the outside.

In conclusion I express the confident belief that when we have written this measure, whatever it may be-and I

individual bears the same ratio to the whole that his salary | hope the committee amendment will stand—that an almost unanimous voice will be heard from Federal employees, saying that hardships though it involves, disappointments though it means, deprivations though it casts upon them, they will accept those hardships, those disappointments, those deprivations, for a period of 12 months as their contribution to the solution of the problem and the maintenance of their Government and its safety and security, both at home and abroad.

> I have here a letter from Hon, Luther C. Steward, president of the National Federation of Federal Employees, to which are attached certain tables relating to salaries paid Federal employees. I ask unanimous consent to have the letter and tables printed in the RECORD at this point.

> There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

> > NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Washington, D. C., June 1, 1932.

My Dear Senator: We are inclosing a tabular statement showing the number of civilian employees grouped by \$100 salary steps. This table was prepared in the Bureau of the Budget and authoritative.

This table shows that a cut of 10 per cent on annual salaries of civilian Federal employees below \$1,000 would save \$4,330,902; below \$2,500 would save \$82,090,505; below \$3,000 would save \$92,-

574.817; and below \$5,000 would save \$102,687,787.

It is apparent that no Senator wishes to cut the pay of employees in the lower salary ranges. The bulk of the savings must be secured by cuts in this group. The savings effected by cuts in the higher-paid groups is so negligible as not to warrant the United States Government lowering employment standards.

Very truly yours,

LUTHER C. STEWARD, President.

Number and cost of salaries of civilian employees of the executive branch of the Government

Total 732, 460 732, 460 \$1, 055, 970, 636, 55 \$1, 055, 970, 638. Up to \$1,000 124, 978 124, 678 43, 369, 021, 67 43, 309, 021, 81,000 \$1,000 122, 157 193, 718 12, 319, 482, 44 73, 666, 900. \$1,100-\$1,100 5, 56, 883 181, 561 18, 638, 396, 80 61, 347, 418, \$1,100-\$1,200 12, 157 193, 718 12, 319, 482, 44 73, 666, 900. \$1,200-\$1,300 37, 558 231, 276 32, 245, 740, 84 105, 910, 641. \$1,300-\$1,400 20, 243 251, 519 21, 647, 211, 78 127, 557, 853, 1,400-\$1,500 24, 643 276, 162 28, 273, 105, 49 155, 830, 988. \$1,500-\$1,600 24, 644 300, 206 22, 662, 998, 79 188, 303, 98. \$1,600-\$1,700 28, 389 328, 595 43, 120, 999, 84 231, 514, 927. \$1,700-\$1,800 20, 028 348, 623 32, 712, 739, 90 244, 227, 678, 818, 303, 81, 900-\$2,000 32, 776 417, 689 60, 600, 268, 58 386, 800, 523, 278, 900-\$2,000 24, 168 441, 275 48, 530, 825, 91 435, 431, 349, \$2,100-\$2,200-\$2,000 116, 759 588, 634 242, 864, 839, 74 678, 296, 182, 200-\$2,300 13, 078 571, 112 28, 888, 887, 00 707, 154, 678, 22,300-\$2,400 25, 374 596, 486 57, 547, 533, 82 764, 702, 210, \$2,200-\$2,000 34, 138, 668, 849 22, 726, 480, 52 842, 600-\$2,500 24, 225 619, 810, 608, 849 22, 726, 480, 52 842, 600-\$2,500 349, 138, 668, 849 22, 726, 480, 52 842, 600-\$2,500 34, 600, 458 17, 468, 195, 00 900, 415, 214, 82, 200-\$2,300 35, 000 34, 368, 563 39, 848, 51, 365, 440, 30, 914, 482, 738, \$2,600-\$2,700 25, 900 64, 433 669, 458 17, 468, 195, 00 900, 415, 214, 82, 200-\$2,300 36, 300, 300, 300, 300, 300, 300, 3				Civil	
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\$1,200-\$1,300. \$7,558 231,276 22,243,740.84 105,910,461. \$1,300-\$1,400. 20, 243 251,519 21,647,211.78 127,557,853. \$1,400-\$1,500. 24, 644 300,206 32,562,998.76 188,393,998. \$1,500-\$1,700. 28, 289 325,595 43,120,969.84 231,514,927. \$1,700-\$1,800. 20, 228 345,623 32,712,739,90 204,227,627. \$1,700-\$1,800. 20, 228 345,623 32,712,739,90 204,227,627. \$1,700-\$1,800. 32,776 417,089 60,060,268.58 326,900,523. \$2,200-\$2,200. 24, 186 441,275 48,530,825.91 485,431,349. \$2,200-\$2,200. 116,759 558,034 242,864,899.74 678,296,189. \$2,200-\$2,200. 116,759 558,034 242,864,899.74 678,296,189. \$2,200-\$2,200. 116,759 558,034 242,864,899.74 678,296,189. \$2,200-\$2,200. 23,275 649,711 56,202,844.98 820,905,055. \$2,500-\$2,700. 24, 186 441,275 48,530,825.91 48,530,825.91 48,530,825.91 48,94.84 41,875. \$2,300-\$2,500. 24, 186 441,275 48,530,825.91 48,5431,340. \$2,200-\$2,000. 116,759 558,034 242,864,899.74 678,296,189. \$2,200-\$2,000. 24, 186 441,275 48,530,825.91 485,431,340. \$2,200-\$2,300. 13, 078 571,112 28,858,487.00 707,154,676. \$2,500-\$2,500. 44,138 668,849 22,726,480.82 820,905,055. \$2,500-\$2,700. 15,116 683,965 39,285,484.9 882,917,019. \$2,700-\$2,800. 44,138 668,849 22,726,480.82 843,631,531. \$2,900-\$3,000. 3, 984 699,489 11,265,440.00 925,748,178. \$2,900-\$3,000. 3, 984 699,489 11,265,440.00 925,748,178. \$3,000-\$3,000. 3, 844 709,288 14,335,643.00 936,677,368. \$3,000-\$3,000. 4,894 715,443 6,916,494.00 976,682,139. \$3,000-\$3,000. 1,803 704,804 716,494.00 976,682,139. \$3,000-\$3,000. 1,803 704,804 717,377 3,3,52,002.00 984,875,189. \$3,000-\$3,000. 1,803 704,804 709,208 14,835,643.00 976,682,139. \$3,000-\$3,000. 1,803 704,804 709,208 11,265,440.00 925,748,178. \$3,000-\$3,000. 1,803 704,804 709,208 11,265,440.00 976,682,139. \$3,000-\$3,000. 1,803 704,804 709,208 11,265,440.00 976,682,139. \$3,000-\$3,000. 1,803 704,804 709,208 11,265,440.00 976,682,139. \$3,000-\$3,000. 1,804 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,204 709,2	\$1,000-\$1,100				61, 347, 418. 37
\$ \text{8} \text{8} \	\$1,100-\$1,200	12, 157	193, 718	12, 319, 482, 44	73, 666, 900. 81
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\$3,300-\$3,300. 4 494 709, 288 14, 335, 643, 00 955, 874, 358, 300-\$4, 400. 2 343 711, 631 7, 692, 167. 00 963, 566, 525, 53, 300-\$3, 600. 3, 500-\$3, 600. 1, 825 713, 456 6, 199, 120, 15 969, 765, 645, 53, 500-\$3, 600. 1, 987 715, 443 6, 916, 494, 00 976, 682, 3163, 383, 700-\$3, 800 83, 700-\$3, 800 936 717, 737 3, 352, 002, 00 984, 875, 165, 33, 800-\$3, 900. \$3, 800-\$3, 900. \$2, 875 720, 612 10, 864, 987, 00 995, 740, 152, 83, 900-\$4, 000. \$4, 000-\$4, 100. \$4, 000-\$4, 100. \$4, 100-\$4, 200. \$4, 100-\$4, 200. \$54, 200-\$4, 400. \$72, 724, 406 \$72, 724, 406 \$72, 724, 406 \$72, 724, 406 \$72, 724, 406 \$73, 194, 870, 90, 100, 470, 70, 641, 845, 900-\$5, 90, 70, 641, 90, 90, 90, 90, 90, 90, 90, 90, 90, 90	\$3,100-\$3,200	1,803			941, 538, 715. 63
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\$\frac{94,000}{41,000}\$ \frac{1}{2},000\$ \frac{1}{2},000\$ \frac{1}{2},000\$ \frac{1}{2},000\$ \frac{1}{2},000\$ \frac{1}{2},000\$ \frac{1}{2},200\$ \frac{1}{2},000\$ \frac{1}{2}					
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$\begin{array}{cccccccccccccccccccccccccccccccccccc$	\$4 100-\$4 200		722 594	627 204 04	1 003 684 930 75
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$\begin{array}{cccccccccccccccccccccccccccccccccccc$				3, 171, 917, 50	1, 010, 470, 675, 75
\$4,800 \ \\$5,000 \ \\$5,000 \ \\$7,724 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		2, 250		10, 259, 866, 00	1, 020, 730, 541, 75
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$\begin{array}{cccccccccccccccccccccccccccccccccccc$			728, 643		1, 031, 451, 838. 75
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e10,000 and up	\$15,000 and up	31	732, 460	530, 500. 00	1, 055, 970, 636, 55

¹ Salary of civilian employees is gross salary and includes the value of quarters, subsistence, or other facilities or services furnished by the Government.

Mr. JOHNSON. Mr. President, I want first to congratulate | the Senator from New Mexico [Mr. Bratton] upon his very able and very eloquent speech. He has presented the matter in a fashion, in its presentation at least, that commends itself to every man who heard him. I feel that it could not be better presented to this body than the Senator from New Mexico has presented it, and I want him to know that I am in absolute sympathy with the work in which he has been indulging. I feel that that work has been performed with studious care, appreciated by all of those who are interested in the present finances of the Government.

What little I say I do not wish to be construed in the slightest degree as critical of the committee. I recognize their difficult task, a difficult task, sir, such as seldom has confronted a committee in the Senate. I recognize, too, that there is a difficult task presenting itself to-day to the Senate itself, a difficult task such as seldom has been presented to us.

This thing that confronts us to-day has many facets and many angles. It can not be answered in an instant by a suggestion of the necessity for money by the Government of the United States, because it involves possibilities, contingencies, future relationships, which must be considered as well. Ours is a Republic. Ours is a peculiar Government, different from any other upon the face of the earth. Ours is a Government which rests practically upon its citizenship and, sir, the Government will be just as good in the days to come as we permit its citizenship to be. If we contribute in any degree to the destruction or to the lessening of the morale, the esprit, that we love to believe is a part of the citizenship of this country, then, sir, there is no sum of money that can compensate the United States of America for the harm which we have done.

I thought the other night when we finished with the tax bill that we were over the greater part of our troubles. I fear, from what I have heard since, we are not. You have heard the whisperings, just as I have heard them, concerning the necessities of the Government and the obligation which rests upon us willy-nilly, and without regard to the merits or demerits of any proposition to pass this bill. I thought as I listened to the distinguished Senator from Pennsylvania [Mr. Reed] the other night and then the day following that although all the nations of the earth were looking to us to see what we would do, and that various geographical subdivisions in Europe were listening to hear from the sounding board of the United States Senate what it might accomplish in the way of raising the taxes and the balancing of that mysterious Budget that changes like a chameleon from day to day under the ministrations of the Treasury-I thought then when we had balanced that Budget that we had escaped the many of the evils that were presented to us and that we had laid some of the bogey men that had been conjured up upon this floor and paraded up and down in front of us as bogey men who would catch us if we did not look out-bogey men local, national, and international, who but 'ay in wait to destroy us unless with celerity and dispatch we acted exactly as they desired.

I would like, sir, to put into the RECORD before I conclude my remarks certain telegrams which I have received of late from those abroad who are so interested in our welfare, and who have so impatiently awaited our action. There is, sir, a most reassuring dispatch from the Ahkund of Swat and another from the Majaharajah of Ratholee from their retreats in the Balkans, saying that having balanced the Budget and having passed the tax bill as was required of us, they finally could draw a full breath; that they had been waiting in the fastnesses of their retreats only to learn whether or not we had balanced the Budget and passed the tax bill that was presented to us by our friends upon the Finance Committee. They rejoice now in southeastern Europe. Again they raise their heads that were bowed in shame before, if we are to believe the Senator from Pennsylvania in the remarks that he made, and they have regained their confidence in the United States of America.

Then southeastern and southwestern Europe unite in hosannas of praise and peans of victory because we passed States Government to set the example to all the world, to

our tax bill and balanced our Budget. They say apparently to us now again perhaps, unless we reduce the salaries of those who receive little in the Government of the United States, the same bogey men are going to catch us; we will have the same difficulty. I have confidence in the United States of America, and I do not believe the stability of this Republic rests upon reducing the salaries of those who receive less than \$1,500, \$2,000, \$2,500 from the United States Government. It is said to us: Oh, that rate of 10 per cent reduction is just and equitable, applying alike to the high and the low, the rich and the poor, to those who are a part of the Congress of the United States, to those who sit in high places in the Government, and to those who have less than \$1,500 a year upon which to live. The same reduction of 10 per cent to all is just and fair and equitable, it is argued.

Not so, Mr. President; not so, at all. When we take 10 per cent from a man with \$1,000, \$1,500, \$2,000, or \$2,500 as an income, what do we take from him? We take from him in part food and clothing. We take from him in part shelter and light. We take from him in part the right to bring up his children as American children are entitled to be brought up. We take from him, sir, the very necessaries of life.

When we take from those who are high up in the salaries of this Nation 10 per cent as well, what do we take? We do not take from them the absolute necessaries of life that we take from the poor. We take from them the luxuries to which they have been accustomed, and, of course, in a time like this, where the bogey man walks up and down the Chamber and is about to get us all, they, of course, will be perfectly willing to yield those luxuries and yield a greater percentage of income.

I do not believe, sir, in taking 10 per cent of incomes of \$1,000, \$1,500, \$2,000, or \$2,500. I realize that what little I may say upon the subject is of no consequence here or elsewhere, but if mine is the only such vote in this Chamber, I will not vote to take 10 per cent of the salary of a man who has little to live upon and has been accorded him in the past from a Government that has been none too grateful for services he may have rendered.

Take 10 per cent from a man with a salary of \$1,500, say gentlemen who object to an exemption of \$1,500—take from him \$150 and say to me that it is as just as to take 10 per cent from a \$15,000 salaried man! Not a bit of it, sir. No men with salaries in the lower brackets such as we have seen in the tables that have been brought here for us ought to have taken from them 10 per cent of their salary or any other amount under a measure of this sort or of any other

There is an answer to what I say. Of course, the answer that gentlemen repeat again and again and again is, Where is your substitute? There must be somewhere in the Government of the United States places where economies may be accomplished, places in departments of the Government where economies may be effectuated which will relieve us of the necessity of being so cruel as to take 10 per cent out of salaries that are so small as are those which are taxed by

Mr. President, the question goes much further than mere money. A query was propounded to-day to the distinguished Senator from Iowa [Mr. Dickinson] if this were a question of money alone, and the answer was, "Yes; it is purely a question of money." There is something else, sir, involved, and, thank God, with some of us there is something else in life as well. To tell me that this country is going to the bowwows unless we take 10 per cent of the small salaries of small people I can not for a moment accept, and I can not for a moment put any particular credence in it. Something else is involved, something in our economic life. It is the right to live as Americans can and ought to live; it is the right to have children, as every right-thinking man and woman pray for; it is the right to have light and air and heat and a bit of comfort in this life of ours; it is the right, sir, to have some of God's sunlight that has been denied to many of our people; it is the right of the United protect and build its citizenship that the Republic may dollar has reached such a high point that the people are tempted endure. So, sir I am opposed to taking from these small to convert all their holdings into dollars to avert further endure. So, sir, I am opposed to taking from these small salaries any part of them.

I do not care what may be done with the upper brackets. Go ahead with them if it be desired and let every man in this body, if we are going to make a gesture of reducing the upper brackets make a gesture that is real. Take from the upper brackets every penny of salary if you wish; I will not complain and I would vote for that; but I decline to vote for taking it from those little able to pay it and those from whom it ought not to be taken.

It is not a question merely of Government employees who have their positions and ought to contribute to the emergency. Far beyond that it goes. It goes, sir, to the flowing of the national life in the fashion in which we wish it to flow; it goes to the perpetuity of American citizenship as we would like American citizenship to be maintained. It goes, sir, to the very justice of this great Government to those who have been its employees and have rendered it service and who receive but pitiful salaries in return.

So, sir, in the teeth of all the propaganda and the various articles that are presented to us throughout this land, I hope that we shall have nerve enough, I hope that we shall have the courage to stand here and do no injustice to those who really are unable to protect themselves and who need the protecting arm of those who represent them upon this floor.

Mr. JONES. Mr. President, I want to make a request for unanimous consent. I ask unanimous consent that when the Senate concludes its business to-day it take recess until 10 o'clock to-morrow morning.

Mr. JOHNSON. Mr. President, I suggest to the Senator from Washington that he change his request and ask that the Senate meet at 11 o'clock a. m. to-morrow. Ten o'clock is an extremely difficult hour if we are going to do any of the other work that is piling up for all of us.

Mr. JONES. I know that there is a great deal of work to do; but I hope we can get through with this bill as rapidly as possible. We will probably have to take more time on it.

Mr. LEWIS. Mr. President-

Mr. JONES. I yield to the Senator from Illinois.

Mr. LEWIS. May I take the liberty of agreeing with the Senator from California and of saying that our real difficulty is because of the many people who come here and want to visit members of the Cabinet and the Capitol on business matters at just about 10 o'clock.

Mr. JONES. They will have a hard time getting such matters before the members of the Cabinet in the morning.

Mr. President, I will change my request and ask that the Senate meet at 11 o'clock to-morrow morning.

The PRESIDING OFFICER. Is there objection to the request that when the Senate concludes its business to-day it take a recess until 11 o'clock to-morrow morning? The Chair hears none, and it is so ordered.

Mr. WHEELER. Mr. President, I desire to state at the outset that I intend to vote against the proposed reduction of 10 per cent in the salaries of Government employees or any other reduction in salaries at this time. Although I appreciate that perhaps the popular thing to do in the eyes of the country at this time is to slash wages of employees, particularly Government employees, I am going to vote against it, because I think it is not the thing that we ought to do at this time in view of present economic conditions.

I want to call the attention of the Senate to an editorial which appeared in the Washington Post of April 11 entitled "The Underlying Problem." I will read a portion of the editorial, as follows:

On April 1 a group of 110 representative commodities were selling for 17½ per cent less than they brought a year ago. This is superimposed upon a decline of 20 per cent in the previous year. So long as this condition remains unchanged business will be paralyzed. All the credit in the world can not induce business to go deeper into the red.

Value in the United States is being slowly concentrated into

money. The dollar increases in value every day, while everything else loses some of its relative worth. In spite of the antihoarding campaign and the liberalizing of credit this situation encourages the liquidation of all other forms of wealth. The value of the

to convert all their holdings into dollars to avert further shrinkage.

Unless this vicious movement is checked it will result in panic. The extension of credit will not be sufficient. Heroic emergency measures that will arrest the fall of prices seem to be in order. How that can be done without unwarranted inflation of the currency is not clear, but every fresh wave of deflation makes more urgent the necessity of restoring some measure of balance between money and commodity prices.

The heat brains of the country and the latest price of the country and the country an

The best brains of the country ought to be concentrated on this problem. This economic malady has reached a point where it can not be expected to cure itself without leaving horrible scars. problem. Palliatives will not yield the desired effect. Business can not turn toward stability unless the whole tendency toward lower price levels is reversed. Some powerful agency must be thrown into the breach to restore the value of goods and services against the exaggerated value of money.

That, Mr. President, states the underlying problem that confronts the United States to-day. Yet nothing has been done by the Congress, nothing has been advocated by the President of the United States to strike at the root of the real underlying cause of present economic conditions. The only thing that has been suggested to the Congress is to reduce wages. It is the same old story; when the head of a great corporation finds that he can not do anything else he immediately says, "We must reduce wages." So far as I am concerned, Mr. President, I want to say that I am not going to cast my vote on the floor of the Senate to reduce the wages of Government employees when we appropriate millions upon millions of dollars for battleships with which to kill people and which in a few years are going to be of no value whatsoever to the Government or the people of the United States. I am not going to vote to reduce the wages in the United States when I see on my desk a bill, that is on the general program of business, proposing an appropriation of \$125,000,000 out of the Treasury of the United States to be given to some private banking corporation. I am not going to vote to reduce wages when I see legislation pending and proposed in the Congress of the United States designed to take millions upon millions of dollars out of the Treasury, and when I know that, instead of further trying to deflate wages and trying further, if you please, to deflate the economic situation, we ought to be reversing the order and ought to be doing everything under the sun to inflate our currency and to put more money into circulation, rather than to keep it out of circulation.

Mr. COSTIGAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I yield. Mr. COSTIGAN. In line with the interesting newspaper extract the Senator from Montana read, may I ask whether the Senator also examined a discussion reported in the last day or two in the press, and attributed to Sir Arthur Salter, who until recently long supervised the economic studies of the League of Nations, in which it was, in effect, urged that an important international contribution might be made by the United States to relieve general distress if this country might succeed in raising the present low price level in the United States?

Mr. WHEELER. I did not see the article, Mr. President; but, of course, there is not any question about it. Let me say that the British colonies are going to meet in Ottawa, I think, some time in June, with the specific purpose of trying to do something to raise the commodity price level upon the world market; and how are they going to do it? They are going to do it by inflating the currency, and that brings me to this problem:

While I have spoken on numerous occasions with reference to the problem of silver, I did not rise for that purpose at this time; but I do say that some means will have to be found to cheapen the American dollar, and I have proposed a bill for the remonetization of silver, which unquestionably would do that, and would absolutely bring up the world commodity price level.

Further than that, the question has been asked upon the floor of the Senate, "If we do not reduce these wages, how are we going to get the money to balance the Budget?"

Mr. President, let me say frankly that I am not particularly interested in whether the Budget is balanced or not. I do not think it is of very much importance whether the Budget is balanced or not. I say that in the face of all of the propaganda that has been sent out from one end of this country to the other that unless the Congress of the United States balanced the Budget at this time we were going to the bowwows; and they say, "Why, you are going off the gold standard unless you balance the Budget."

We will not go off the gold standard whether we balance the Budget or whether we do not. It will have very little effect upon the gold standard. Let me call attention, however, to the fact that France has not balanced her Budget in the last two years, and nothing very serious has happened to the great French Government. In fact, economic conditions in France have been better than they have been in almost any other country in the world; and, as I say, they have not balanced their Budget in over two years. Yet we are told in the Senate and through the press and through the propaganda that unless we cut wages, unless we balance the Budget, this whole great Government of ours, with all of its wealth, just can not last.

It is the cheapest kind of nonsense that has ever been spread throughout the length and breadth of this land. I do not know just exactly where it emanated from, and I do not know just who is responsible for it, or what the purpose of it is; but I do want to stand here upon the floor of the Senate and say that it has done us immeasurable harm for the propaganda to go forth to the world, first, that we could not balance the Budget, and then, if we did not balance the Budget, that the Government of the United States was in a frightful position.

Where could we get the money? The Senator from Maryland [Mr. Tydings] and the Senator from Connecticut [Mr. Bingham] have both introduced into the Senate bills with reference to manufacturing beer. I am not a propagandist for the manufacture of beer; but I do say that as far as I am concerned I would vote, as I have voted, to raise, as we could raise, according to all the figures that have been furnished here, \$350,000,000 if the Congress of the United States and the President of the United States had the courage to come out and advocate a tax upon beer.

Why do we not do it? It is because of the fact that a lot of people are afraid of the Anti-Saloon League. That is the reason why we do not do it. We are afraid of the propaganda from the Anti-Saloon League; we are afraid to raise \$350,000,000 in that way; and we would be taking it from whom? Who is getting the benefit of it now? The racketeer and the bootlegger in Chicago, in New York, in Philadelphia, in Pittsburgh. We would put a stop to that racketeering, and we would put \$350,000,000 into the Treasury of the United States, if we would do what is proposed by these Senators.

We talk about threatening letters; and the Senator from Iowa [Mr. Dickinson] told about somebody pinning a message upon his door. What the labor people put on the door of the Senator from Iowa has not been a marker to the propaganda that the Anti-Saloon League have sent out and the threats that they have made against Congressmen and Senators and every public official in the United States.

So, Mr. President, I want to repeat what I said a while ago: As long as we have not the courage to raise the revenue in the way that it ought to be raised, as long as we stand here and are afraid to vote to put a tax upon beer, as we can do under the Constitution of the United States; as long as we are afraid to raise revenue in that way, just so long will I refuse to vote to reduce wages 10 per cent or any other sum. As long as we are going to appropriate millions of dollars for battleships, just so long shall I refuse to vote to reduce wages. As long as we appropriate money out of the Treasury of the United States for a lot of other useless things, just so long will I refuse to vote for a reduction of wages; and, Mr. President, so long as this Government is afraid to face the real economic problem that confronts this country, and to do something with reference to cheapening

the dollar so as to raise the commodity price level for the farmers and the other producers of this country, just so long will I refuse to vote to balance the Budget by taking money out of the wage workers of the Government of the United States.

Mr. JOHNSON. Mr. President, I wish to inquire of the Presiding Officer what is the pending motion?

The PRESIDING OFFICER. The amendment on page 45, which will be stated:

The CHIEF CLERK. On page 45, line 6, after the word "reduced," strike out "as follows: Compensation at an annual rate of \$2,500 or less shall be exempt from reduction; and compensation at an annual rate in excess of \$2,500 shall be reduced by 11 per cent of the amount thereof in excess of \$2,500" and insert "by 10 per cent of the amount thereof," so as to read:

SEC. 102. (a) During the fiscal year ending June 30, 1933, the compensation for each civilian and noncivilian office, position, employment, or enlistment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced by 10 per cent of the amount thereof.

The PRESIDING OFFICER. There is an amendment to the House text offered by the Senator from Nebraska [Mr. Norris].

Mr. JOHNSON. That is why I inquired, to see what is pending.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska to the House text will be stated.

The CHIEF CLERK. On page 45, line 7, it is proposed to amend the House text as follows: Strike out the figures "\$2,500" and insert in lieu thereof "\$1,500"; and in line 8, after the semicolon following the word "reduction," strike out the balance of the paragraph and insert in lieu thereof the following:

And that part of any annual compensation in excess of \$1,500 and not in excess of \$2,500 shall be reduced by 5 per cent; that part of any annual compensation in excess of \$2,500 and not in excess of \$4,000 shall be reduced by 10 per cent; that part of any annual compensation in excess of \$4,000 and not in excess of \$5,500 shall be reduced by 15 per cent; that part of any annual compensation in excess of \$5,500 and not in excess of \$7,500 shall be reduced by 20 per cent; and that part of any annual compensation in excess of \$7,500 shall be reduced by 25 per cent.

The PRESIDING OFFICER. That is the amendment. Mr. JOHNSON. The amendment of the Senator from Nebraska is the one that is pending?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON. I desire to offer a substitute, provided the Chair rules that it may be offered as a substitute. It was originally written as an amendment.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be stated.

The CHIEF CLERK. At the end of line 11, page 45, it is proposed to insert the following language:

Provided, however, That the said reduction shall not apply to the compensation or salaries herein described which are not in excess of \$2,500 per annum; and compensation and salaries herein described of said \$2,500 or less per annum are exempted from the provisions of this section.

Mr. JOHNSON. I ask, as a parliamentary question, if the Chair will permit me, can that be offered as a substitute for the amendment?

The PRESIDING OFFICER. Under Rule XVIII, that is in order.

Mr. JOHNSON. I do offer it, then, as a substitute and ask that it lie on the table.

Mr. NYE. Mr. President, I rise to discuss quite another question than the one I find occasion now to speak of briefly in view of what has been offered here on the floor this afternoon.

I have heard Senators ask, I have heard other Senators promise, or try to promise, how long this temporary cut in pay might have to continue. There has been offered some prophecy that this 10 per cent cut would continue for only a year. One Senator, the Senator from New Mexico [Mr. Bratton], however, frankly declares that such an expression is merely a hope. I insist that we might well look forward

in what we do now to the possibility of having to repeat or | go even farther than we go now a year from this time in effecting governmental economies.

We are going to have to continue such a program as we are engaged in now so long as there is continued ignoring of the needs of more than half of the people of these United States. For 10 or 12 years there has been persistent appeal for a rallying on the part of the Government to the needs of the agricultural people, who are seeking only a fair deal and a fair chance to enjoy that measure of equality and that measure of blessing which was flowing from the Government to industry in general here in the United States.

On yesterday there appeared in the daily press a little account of the developments in commodity prices which is only a picture of a continuation of the severe decay that set in to agriculture several years ago and has not been diminished in any degree. So long as we permit agriculture to continue on that downward trend, that long are we going to have to deal with unemployment, with inability to create such incomes as will enable us to draw in the way of taxes the needed revenue for the Government.

This article of which I speak appeared yesterday morning in the Washington Herald and is as follows:

NEW LOW SET IN PRICES FOR FARM PRODUCE—3-POINT DROP REPORTED AS AVERAGE—MEAT ANIMALS SHOW 7 PER CENT DECLINE

The index of prices of farm products on May 15 was at a new

The index of prices of farm products on May 15 was at a new low of 56 per cent of pre-war as compared with 59 per cent on April 15, according to the United States Bureau of Agricultural Economics yesterday. Price declines for all farm commodities except potatoes, apples, and eggs accounted for the 3-point drop. On May 15 a year ago the index was 86 per cent of pre-war.

Meat animals recorded the most striking price change during the past month, the index for hogs, cattle, calves, sheep, and lambs being reported as 59 per cent of pre-war on May 15, compared with 66 per cent on April 15. The average farm price of hogs declined 20 to 80 cents per 100 pounds in practically all States; prices of cattle and calves reached a record low on May 15; sheep prices were down 8 points, and lamb prices were down 8 points, and lamb prices were down 6 sheep prices were down 8 points, and lamb prices were down 6

Mr. President, our present-day difficulties in an economic way, and our difficulties in collecting revenue, are traceable directly to our continued ignoring of the needs of the agricultural people. One-third of our American population is living on the farms and dependent upon prices to be paid for their commodities. Another third of our population is residing in small communities, conducting the ordinary lines of business which every agricultural community knows.

The grocer, the dry-goods dealer, the harness maker, the doctor, the lawyer, all of the many who occupy places in professional life and in business life are dependent directly upon those agricultural people. When the farm people are unable to buy the things they want, when they are unable to get a price for their products that will enable them to go into the marketing places and purchase the things they need and want, these merchants, these business people, are in turn going to be without a buying power, and as a result they let the supplies on their shelves diminish, they do not try to keep them up to the order which was once their practice, and as a result wholesale houses and jobbers are hard pressed for business; and because there is a press there for business, mills and factories close their doors and turn onto the streets millions of unemployed men, business enjoys not its usual income, and we do not have access to the returns which ordinarily come from our levies in the way of taxation upon business and income-tax payers of the

If we want to continue our present condition, if we want to go from bad to worse evermore, all we need to do is to continue to shut our eyes to this agricultural situation, where very nearly two-thirds of our entire population look for their first and last success in an economic way.

That, however, is hardly what I rose to say, Mr. President. I have listened this afternoon to some splendid arguments offered in support of the 10 per cent cut. I have heard other arguments in support of the amendment offered by the senior Senator from Nebraska [Mr. Norris]. Much as I should like to concur in the work accomplished by the Economy Committee, which has been devoting itself most unselfishly for several weeks, I can not bring myself to a

point where I can support a proposition which deals as severely with the man and the woman who are trying to get along on an income of \$1,000 or \$1,500 a year as it deals with those who are enjoying larger incomes as a result of their employment by the Federal Government.

If we are now going to make a straight slash of 10 per cent upon all governmental employees, mark my word, if conditions continue as they are now, we are going to come back a year from now and ask that those \$1,000 and \$1,500 employees accept another slash. It may be that we will have ultimately to come to that. I hope not. In any event, I think we err grievously if we now make that sort of a slash against those who are enjoying only that size of income which enables them to get by in some fashion.

If later on, a year from now, we must resort to such drastic action, well and good, but for now I am not ready to say that the individual Government employee with an income of \$1,000 or \$1,500 a year is as able to sacrifice 10 per cent of his salary as I am able to sacrifice 10 per cent of my salary. For that reason, while interested in economy, while knowing that we must effect economies, I think while we are effecting economies we had best beware against doing a thing which would be a grave injustice to say the least.

In view of the fact that something like 276,000 Federal employees are drawing salaries of \$1,500 a year or less, I wish we might at least postpone the day when we would have to effect our economies upon those who can so ill afford the sort of sacrifice which is demanded in the committee's recommendations

I would be the last one to suggest that the people of the United States did not have a right to demand and expect economies of the Congress. However, some two or three weeks ago I addressed myself to a certain measure then pending in the Senate and showed how inconsistent we were in our demand for economy in passing the bill that was then pending, namely, the naval construction bill.

During the course of my argument I undertook to reveal the part which had been played by certain selfish interests in this country in agitating the people by misrepresentation and by falsehood, which was occasioning their writing to their Members of Congress and demanding this, that, and the other thing in the name of economy. I mentioned names in that address, and also in that talk to the Senate I revealed the matter of expenses and economy that were being involved in the then pending measure.

Of my address the newspapers the following day carried perhaps an article of a column, not one portion of it given over to anything which I had said as to economies or my own attitude upon the question of effecting economies, but every line of it given over to what was alleged to have been my attack upon Mr. Merle Thorpe, the editor of Nation's Business, the organ of the United States Chamber of Commerce. The thought was left with those who would read that I had declared myself opposed to the program of economy which the Congress was engaged in.

Before I proceed with what I have to say to-day, in continuation of my remarks of about three weeks ago. I want to say very emphatically that I will continue to lend myself whole-heartedly to any program which will accomplish economies without working gross injustices upon those people who can least afford them.

When, some weeks back, we first began to hear from over the country, our attention was called to the fact that Mr. Merle Thorpe and other spokesmen for the larger business interests of the land were urging upon the Government all measures of economy, were selling to the public the thought that we were a most extravagant Congress, were selling to the country the thought that there were very material savings which might be effected in every department of governmental activity.

It occurred to me at the time that it would be most interesting to know whether Mr. Thorpe and the Chamber of Commerce of the United States were practicing what they preached. These people have pointed the way to where we might effect economies. They are among the leaders of those demanding this straight cut of 10 per cent upon Federal employees. If they could have their way there would be abandonment, complete abandonment, of the employment of thousands upon thousands of the men and women who are on the Federal pay roll at this time.

How consistent are they, Mr. President? They are not particularly consistent. They, the United States Chamber of Commerce, are doing anything other than practicing what they are preaching. They are not approximating, in the way of effecting economies, the work which Congress is doing.

I wish the public might know the truth. I wish the public might have more ready access to the expenditures of the Federal Government. I wish the public could know just what the Congress is aiming to accomplish through the various expenditures authorized. If they did know they would be less subject to the appeal and to the argument and to the propaganda offered by men like Merle Thorpe through their editorial efforts and through their broadcasts over networks covering the entire country.

Mr. Thorpe has little sympathy, seemingly, for the Federal employees. To him a 10 per cent cut would mean nothing if it were made to apply upon every Federal employee. Perhaps one is not to be surprised at this attitude on his part, because he seems to be rather snugly taken care of himself. He need not be alarmed about any reaction growing out of a serious pay cut.

In the Washington Daily News of January 19 of this year, under the column regularly appearing in that paper known as "9.00 to 4.30," by C. A. F., there appeared a rather interesting article, which I am going to ask to be permitted to read at this time:

required \$\leftharpoonup an increase of \$\leftharpoonup or per cent." (Fill in the blanks with any names and figures you wish; I don't want this letter to be technical.)

A few years ago the United States Chamber of Commerce got along with a few rooms in the Mills Building, and with a few people—Elliott Goodwin, Dave Skinner, and a few clerks. Today it has a 4-story, \$2,000,000 building, with several hundred employes, all supported by levies on business. Merle Thorpe gets \$75,000 a year. Others are well paid—all by business.

Let me remark, Mr. President, that where we are responding to the economic urge now in aid of business in the United States, whatever expense is occasioned by the expense of the United States Chamber of Commerce is a tax likewise upon American business. The article continues:

Where does Thorpe, with his presidential salary, get off in criticizing Government employes receiving from \$1,200 to \$12,500? You may say Thorpe's salary is his own business, but is it when you consider the function of the United States Chamber of Commerce and the manner in which, through Thorpe, it is attempting to beat down wages?

Mr. Thorpe has made many addresses this last winter on the matter of governmental economy. Some of his declarations, as they relate to Federal expenditures, have been badly misshapen, to say the least. I have before me an address which he made during the winter, and which is reported verbatim in the March, 1932, issue of the Way-Bill, an industrial organ. I am not going to read at length from this address of his, but I do want to call to the attention of the Senate some of his statements, in that they may indicate the trend of thought of the man, and the thing which may be at the bottom of his demand, and the demand of those he represents, for Federal economies. He says:

First, the legislative department, Congress. spent in 1924, \$14,000,000. It is spending this year \$30,000,000: A large factor in that increase is the 33½ per cent increase in the salaries of Senators and Congressmen. The State Department in 1924 spent \$14,000,000. Now it spends \$16,000,000. The Treasury Department in that year spent \$260,000,000. Now it is \$310,000,000. The Department of Commerce spent \$21,000,000. Now it is \$53,000,000.

Some time before the adjournment of the Congress, or perhaps before this economy matter is out of the way, I shall address myself to the facts as they relate to some of these increases with reference to different departments.

In the case of the Commerce Department, for example, it is altogether unfair to recite that the costs of that de-

partment have increased from \$21,000,000 to \$53,000,000, without revealing that bureaus and commissions which were once a part of another department of the Government have since that time been transferred to the Department of Commerce.

He went on to state that the Department of Labor spent \$6,000,000 in 1924 and now its expenditures are \$14,000,000. He tells about the Department of Agriculture increase. Of the Interior Department increase he says that the department spent \$328,000,000 and dropped to \$78,000,000 due only to the fact, not to economies, that three of the large bureaus were transferred to other departments. The Veterans' Administration in 1924 cost \$409,000,000 and this year \$784,000,000. He recites the Board of Tax Appeals as another example of increase in Government expenditures; likewise the Radio Commission, the Federal Board of Vocational Education, and the Federal Farm Board.

Then, Mr. President, he comes down to those features of Federal expenditures upon which he harps most freely—the Federal Power Commission, the Interstate Commerce Commission, the Federal Trade Commission, and the Tariff Commission—all of which Mr. Thorpe and the United States Chamber of Commerce would be delighted to see dumped bag and baggage into the Potomac River. He points out that in the case of the Immigration Service there has been an increase in expenditures and shows his spleen, however, further on in his address by coming back and attacking the increased expenditures of the Interstate Commerce Commission, staying upon that subject through almost the balance of his address. He attacks, too, the Bureau of Public Health, the Children's Bureau, and other units of Government which have been set up to perform a service for the people.

Understand me, please, Mr. President, I am not one who will argue that there is not room for economies in each and every one of these departments. I think very material economies can be effected, should be effected, and are being effected with relation to all these units of our Government. I am merely reciting these assertions by Mr. Thorpe in order that I may show how thoroughly inconsistent are this man and those he represents in their great urge for economies in the Federal Government. If the United States Chamber of Commerce practiced in only a small way the economies which they would have the Federal Government practice, we might with some reason stop and listen to them.

Let me point out just how the expenditures of the United States Chamber of Commerce have grown since 1924, the same period to which Mr. Thorpe resorts in presenting the terrible growth of expenditures on the part of the Federal Government.

Mr. President, in 1925, the total expenditures of the United States Chamber of Commerce were \$2,096,000. In 1930 they were \$4,061,000. Of course, after 1930 we would expect the United States Chamber of Commerce to be retrenching, just as the chamber of commerce is asking Congress to retrench in the matter of Federal expenditures. We find what the chamber of commerce is doing to accomplish this retrenchment to reduce its own expenses. The chamber of commerce is understood to have discharged only 4 men and 10 girls—and they are to be congratulated for that. The men and some of the girls were let out last fall, the rest of the girls very recently.

No salary cuts were made up to March 1, 1932, when there was put into effect a salary cut relating to all employees of the United States Chamber of Commerce. But, Mr. President, that cut which was made effective by the United States Chamber of Commerce does not compare with the cut which is being demanded of the Federal employees in the bill which is before us at this time. Just observe how severely they are dealing with their employees. This March 1 cut is one of 5 per cent as relates to all United States Chamber of Commerce salaries ranging between \$1,200 and \$5,000. Those employees enjoying salaries of \$5,000 to \$10,000 must take a cut of $7\frac{1}{2}$ per cent. Then poor Mr. Thorpe, who is numbered among those employees enjoying salaries between \$10,000 and \$25,000, or more, will suffer a cut of 10 per cent

under the schedule. In other words, those with salaries of \$75,000 a year are going to suffer the infliction of a 10 per cent cut which is not different from the 10 per cent cut which is going to be laid upon the Federal employee who is drawing a salary of less than \$1,500 a year.

I look upon this entire program, which has been engineered so skillfully this past winter by the United States Chamber of Commerce, as being one of the most vicious, unfair undertakings ever known in American public life. I repeat that if the United States Chamber of Commerce would practice what they preach we might with some cause listen to their advice. But here we are to-day bent upon reducing the salaries of Federal employees enjoying salaries of only \$1,500 a year or less, in the same degree and with the same severity that we would use in cutting the salaries of those Federal employees who are drawing pay in the higher brackets. I hope with all my heart that we shall not have to do it now, though that matter may have to come back here to another Congress, though we may have to resort to these drastic cuts as relates to Federal employees in the lower brackets. Let us levy a larger cut on those drawing salaries in the higher brackets, including ourselves and the Members of Congress, but let us not inflict at this time, of all times, that 10 per cent cut upon particularly those Federal employees residing in Washington who are having an exceedingly difficult time "getting by," if I may use that expression, upon their very limited salaries.

Mr. SHORTRIDGE. Mr. President-

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from California?

Mr. NYE. I vield.

Mr. SHORTRIDGE. Has the Senator estimated what the loss of revenue would be if we exempted from the proposed reduction the salaries of all Federal employees now receiving \$1.000 or less?

Mr. NYE. I have not, but I have heard the estimate which has been presented. One must admit that to exempt \$1,500 salaries from any cut at this time is going to destroy a very large part of the saving that has been effected in the committee proposal before us at this time.

Mr. SHORTRIDGE. My immediate question is this: Suppose we exempted from reduction all salaries of \$1,000 or less, what loss in revenue would we suffer?

Mr. NYE. I have not heard that estimated.

Mr. SHORTRIDGE. If we exempted all salaries below \$1,500, what is the estimated loss?

Mr. NYE. As I recall the figures, it is \$57,000,000.

Mr. SHORTRIDGE. I have heard a far less sum suggested.

Mr. NYE. Perhaps the Senator from New Mexico [Mr. BRATTON] may be able to give us that information.

Mr. SHORTRIDGE. May I say to the Senator from New Mexico that I was propounding this question: Suppose we exempt from any reduction in salaries employees receiving \$1,500 or less, what amount of revenue would we lose?

Mr. JONES. Mr. President, may I answer for the Senator from New Mexico? We would get \$35,691,000 with the \$1,500 exemption. If we exempt the \$1,500 class then our revenues from the plan would be as I have stated.

Mr. BRATTON. In other words, instead of saving \$121,-000,000 we would save \$35,000,000.

Mr. SHORTRIDGE. Subtracting one from the other means that we would fail to receive \$86,000.000. How many employees has the Government who receive \$1,500 or less?

Mr. BRATTON. Mr. President, may I say to the Senator from California that I placed in the RECORD a while ago a table giving all that information.

Mr. SHORTRIDGE. Very well. Mr. COPELAND. Mr. President, I have in my hand a resolution adopted by the citizens of Buffalo protesting against the salary cuts carried in the bill, and I ask unanimous consent that it may be inserted in the RECORD and referred to the Committee on Appropriations.

The communication was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY CITIZENS OF BUFFALO IN PROTEST AGAINST GOVERNMENT WAGE CUTS

Resolved, That this meeting, consisting of citizens of the city of Buffalo, assembled this 29th day of May, 1932, in the Teck Theater, at Buffalo, N. Y., do hereby oppose the policy or doctrine that the circumstances of the day require wage cutting on the part of the Federal employees or other wage earners.

Resolved further, That it is the sense of this meeting that such

a policy, in instances where the same has been adopted in the past two or three years, has not proven of value nor has it furnished any contribution toward the restoration of good times.

any contribution toward the restoration of good times.

Resolved further, That we believe such a policy has had just the opposite effect; that by reason of lowered purchasing power of the wage earner resulting therefrom that such a policy did not hasten the return of good times, but retarded the same.

Resolved further, That this meeting assembled this 29th day of May, do hereby register its support of the Hon. EDMUND F. COOKE, Hon. James M. Mead, Hon. Royal S. Copeland, and Hon. Robert F. Wagner in their unswerving opposition to a policy of wage cutting agitated at Washington.

Resolved further, That a copy of this resolution be sent to those Members and to the several other Members of Congress who supported our local national representatives in opposing a policy of wage cutting now being urged at Washington.

rage cutting now being urged at Washington

Mr. TRAMMELL. Mr. President, I do not know whether the Senator in charge of the bill desires to have a recess soon or whether he prefers to have the Senate remain in session some time longer.

Mr. JONES. I should like to remain in session at least

until half past 5, if not later.

Mr. TRAMMELL. Mr. President, I think a very large majority of Senators have a common purpose to effect as much economy in all activities of the Government and in salary expenditures as may be made commensurate with efficiency of the service and the maintenance of the necessary governmental activities. I do not believe there is any great difference of opinion or sentiment among the Senators in that regard. I am sure that my attitude has been and my votes on the different questions which have arisen have been favorable to the elimination of useless expenditures, trying to strike from the burden of Government duplications in the different departments and bureaus, and this has been my policy not only for this session but as well in all the years past.

As the question has heretofore arisen from time to time during past years, and especially in more recent years, I have been impressed with the problem of the wage earners, either in the Government service or in private industry and activities. To my regret, those who are drawing only a small wage have not always had friends and advocates at court.

Mr. President, I have witnessed in the Senate in days gone by, even during the prosperous days of the country, active and intense opposition to increases of \$50 or \$100 per annum in the salary of some employee who was only on the pay roll for probably \$1,000 or \$1,100 or \$1,200 per annum, and yet at the same time or within probably one or two days of such strenuous resistance to the poorly paid employee receiving a little increase of \$50 or \$100 per annum in his salary, I have witnessed the same Senators rise on this floor and, with all the vigor and eloquence at their command. advocate an increase of salary of two, three, or four or five thousand dollars to some one who already was receiving eight, ten, twelve, or fifteen thousand dollars per annum. Of course, my desire to defend the Government's interests, to adjust salaries, and to effect economies has never yet led me into that character of attitude which I believe almost anyone would consider rather or even glaringly inconsistent.

In raising the additional revenue made necessary by the depressed condition which exists in this country, I think we all desire to raise whatever may be necessary from those who are able to pay. I have heard that phrase uttered and reuttered and reiterated in the Chamber time and time again during the present session of Congress and in previous sessions.

In considering and adopting the income-tax provisions, as an illustration, a majority of the Senate-and I shared in that view-took the position that the income tax should not begin to apply to a person until after an exemption of income sufficient to enable single men and women and men who might be the heads of families, with wives and children,

writing the income-tax provisions it was provided that single persons should have an exemption of \$1,000 free of tax.

We may call the pending question a question of salary or something else, but in its effect and in its operation it is one of the means by which we hope to balance the Budget, by which we hope to make money by saving money. We are going to contribute to the Government exchequer by a course of salary reductions. In framing the income-tax provisions of the revenue law we provided that there should be an exemption, which was reduced to \$2,500, as compared with \$3,500 in the old law for heads of families and for an exemption of \$400 for each dependent minor. In proposing now to reduce salaries I see no reason for changing the policy and not allowing employees to have a reasonable allowance upon which to live before the reduction shall begin to apply.

I believe, of course, that in these times which are distressing beyond all description there should be a reduction in salaries that are a little greater than actually necessary for ordinary, everyday plain living. I am favorable to a substantial reduction; but I do not mean by this I am in favor of taking from the person who makes only \$50 a month \$5 a month or that I wish to take from the person who makes only \$60 or \$70 a month \$6 or \$7 as a deduction; I am not in favor of exacting from the person who makes a hundred dollars a month \$10 a month. In the case of salaries over \$1,200 or \$1,400 per annum, I would favor making a certain percentage of reduction, but I believe that if we are going to reduce salaries-and we should-the reductions should be made upon a graduated basis as set forth in the amendment submitted by the Senator from Nebraska [Mr. Norris].

If we are to appeal, as the Senator from New Mexico [Mr. BRATTON] did, to the patriotism of the Government employees, let those who draw salaries of \$5,000, \$6,000, \$8,000, \$10,000, \$12,000, and more per annum rise to that higher degree of patriotism he so eloquently pictured and ask for a reduction in their salaries which will make a worth-while contribution to the total sum and which, forsooth, will not deprive them of, at least, a reasonably comfortable existence.

If we take 10 per cent away from a person with a salary of \$500 or \$600 or \$1,000 a year, he or she, of course, can exist, but his or her problem is made just that much more difficult. In reference to salaries of \$100 a month, a Senator said, "Well, a person in the humble walks of life could get along all right on that; let us take \$10 a month from him." I said, "Oh, yes; of course I know one's station makes some difference in the demands upon him, but if you think it is easy for a person at the present time in the city of Washington and in other of the large cities throughout the country to live, except under the most circumscribed and humble conditions, on \$100 a month, go out and take \$100 a month and try it yourself; you will find yourself in a \$20 or \$30 room, with some one rooming with you, in a section of the city in which you would not care to live; you will find yourself buying your meals at the poorest class of café and often at 'Cheap John' eating places where you can get meals for 25, 30, or 50 cents; and you will find yourself having to purchase all your articles of clothing and other necessary wearing apparel at the very cheapest places where they can be purchased." So I invite those who would arbitrarily cut salaries of \$50 to \$100 a month as much as 10 per cent to go out and try the experiment a little while themselves and ascertain what the result is from experience. Yet there are those who want to take the 10 per cent toll from these small salaries. Many of those who advocate such policy think that a man with a salary of \$4,000, \$5,000, on up to \$12,000 or \$15,000, should only have the 10 per cent reduction applied to him. It is a drive for revenue by the route of salary reductions. Why such tender consideration for more fortunate and a heartless treatment for those with scarcely a living wage?

I would rather be fair with those employees who are getting such small salaries and reduce by more than 10 per cent the salaries of those receiving eight thousand, ten thousand, twelve thousand, and fifteen thousand dollars per annum.

to support themselves and their families. Consequently, in | That is what could be done. I made a little calculation of the proposal of the Senator from Nebraska [Mr. Norris] and I find that a person receiving \$10,000 a year would have his or her salary reduced \$1,450 per annum. That would still leave one receiving a salary of \$10,000, \$3,500, in round numbers, on which to live and meet the demands upon him. I think that would be a more righteous policy.

Mr. THOMAS of Oklahoma. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Oklahoma?

Mr. TRAMMELL. I yield. Mr. THOMAS of Oklahoma. Will the Senator analyze the Norris amendment?

Mr. TRAMMELL. I have not the statistics for the entire amendment.

Mr. THOMAS of Oklahoma. The Senator is reading from

Mr. TRAMMELL. No; I just made a calculation under the Norris amendment on a \$10,000 basis. The Senator will understand that the amendment is on a graduated basis and the rate of reduction increases on the larger salaries.

Mr. President, my good friend from New Mexico [Mr. BRATTON] appealed to the patriotism of those who now have scarcely sufficient salary upon which to live in a very ordinary and simple way. I appeal to the patriotism of those who are to-day drawing salaries of from \$5.000 to \$25.000 and appeal to them to make their contribution toward balancing the Budget and toward a reduction in Government expenditures, which all realize is essential at this particular time

Of course, only a blind man could not have realized what has been going on throughout the country for the past few months on the question of reducing small wages and salaries. Everyone knows the appeal for reduction has not come from the average, everyday American citizen; everyone knows the request has not come from the unemployed of the land that we should slash the salaries of Government employees down to a point where those who to-day are living in the most commonplace surroundings should have their salaries still further cut. That propaganda has been circulated and spread throughout the country in most instances by people who are enjoying incomes not of \$600 to \$1,200 a year-I will guarantee there is not one of them who receives an income of only \$1,200 a year-but, in the main, this propaganda has been directed by people who are enjoying incomes, I will say by way of illustration, of from \$10,000 to \$100,000 per annum.

Mr. President, none of the unemployed are going to get any of the benefit of this reduction. There is no citizen back home, who is having a struggle with his little business. who is going to get any benefit from it. We have been in session for five or six months, and I have not seen or heard of the enactment of any legislation that has been of any material assistance or that there was any sound reason to believe would be of any material assistance to the unemployed of the country, or to those who are having a struggle to gain an honest livelihood.

We must and should make a big reduction in Government expenditures, but let us do the job with perfect fairness.

There is nothing new in this issue, Senators. Ever since my entry into public life there have been more or less of warring forces, one saying that those higher up should have greater compensation, and that those lower down in the salary scale or wage scale were getting too much, and their wages should be reduced. We know what a struggle we have had in America, covering a period of a quarter of a century and more, to get a reasonable wage for those in private employment, who for many years were compelled to labor for a mere pittance that was not sufficient to feed their families with reasonably sustaining food or to provide ordinary wearing apparel for their families, much less to give to them an opportunity to educate their children as those who were more fortunate in the matter of salary and of a competency were able to do.

I recall that when in my teens that was quite an issue. Some people thought that men who were making only \$1.50 a day, who went forth at dawn to labor and worked until twilight, were receiving all the wages they ought to have, possibly in bricklaying, in carpentering, in painting, in various other lines of work; possibly some one who was working upon a railroad as a brakeman or as a fireman. Those people, good citizens, said, "We have had pressed down upon us for all these years and years a system of absolutely inadequate wages. We have had no opportunities. We feel that we are entitled to a little of opportunity"; and they began the struggle for better wages. They had to resort to organization. A great many who desired to preserve for themselves the great accumulations of wealth, and others who desired to preserve for themselves exorbitant salaries, opposed the efforts of these men to get a living at a reasonable wage. Finally, due to the patriotic sentiment of a great majority of the people of the country, not restricted to those who were directly interested but to the great body of the American people who believed in justice and in fairness and believed in building up the standard of living, the laboring people of the country, whether in the factory, in railroad employment, or what not, reached the point prior to the present panic where they were getting reasonably good

Now, of course, this depression has come along and has upset the situation very much; and the whole trend now on the part of a great many is just as it was of old, except reversed. Previously it was a matter of trying to check these workers, trying to prevent them from getting a reasonably good wage. Now, since conditions have gotten worse, the first thing that happens is that those of whom I have spoken want to pounce upon the people who are making only a small wage and reduce their wages and cause them to return to the old condition of insufficient compensation upon which to live in reasonable comfort. So when we come to the question of reduction of Government salaries they rush madly in and say, "We must make a reduction of 10 per cent flat," without taking into account and distinguishing between the lowest salaries and the highest.

They demand and insist upon taking the pound of flesh; so they say, "We will reduce even the very low salaries of \$600 a year, \$300 or \$1,000 a year." When we get above these low salaries I want to make some reduction upon a graduated scale. I am not willing, however, to take just as great a proportionate amount from those in the lower brackets as from those in the middle and high salary brackets.

Some one said that the only fair way was to take from them proportionately. If we go into a restaurant to get a meal, upon one table we find a pound of steak provided for only one person. Upon another table we find only 2 ounces provided for another person. Somebody says, "We will take some of that away from each of them. We are going to reduce them"; so they take 10 per cent off of the 2 ounces and they take 10 per cent from the pound. Ten per cent of 1 pound leaves nine-tenths of a pound. That is a pretty good meal, in fact, too much, for almost anyone; but when you take 10 per cent off the 2 ounces, which was insufficient to begin with, you are liable to cause some suffering and some hardship to the person you deprive of 10 per cent of that small amount of food, while you have caused no hardship to the other person; you have caused no hunger or suffering.

If we were going to treat everybody alike, why was not that the policy heretofore in dealing with the question of salaries? I have seen an effort to get a little increase of fifty or one hundred dollars a year in a \$1,000 salary or an eleven or twelve hundred dollar salary—not over 5 per cent increase, or certainly not over 10 per cent—and I have seen that brushed aside with indifference. Upon the next day, or a few days following, I have seen an effort to raise a salary of \$8,000 to \$12,000 a year, which represented 50 per cent increase in the salary; and that was cheerfully and cordially and zealously done, and the increase of 50 per cent in the salary was made, though it was already \$8,000 a year.

What I am endeavoring to do is to represent those who have heretofore been unfortunate and discriminated against, whether intentionally or not, and are still in the very low salary brackets—six hundred, eight hundred, one thousand, eleven or twelve hundred dollars a year. Some people talk about increases in salaries, but those in the low-salaried brackets have not had any increases of any consequence. It is in the middle and higher brackets that the salary increases have been made, and not in these lower brackets.

I am very anxious to effect all possible economy. I think we can make, and should make, substantial reductions in the salaries above the actual ordinary living expenses. I am anxious to do that. I will support a policy of that character, but we must view the entire picture.

In this debate we have heard much about the maintenance of the Government, its credit and its security.

We did not hear anything of that kind when, in the early part of this session of Congress, we were pledging the credit of America for \$2,000,000,000. I do not think we have ever heard it yet with regard to that particular legislation; yet that argument is used here. At that time I suppose most of those who are supporting this 10 per cent slash on the small salaries—and those only are the ones I am endeavoring to befriend, not the others; I want that distinctly understood. At that time almost everybody said it was a very patriotic thing to use the credit of the Government to the extent of \$2,000,000,000. Of course, there were all kinds of rainbows of hope held out. Somewhere along this rainbow we were going to have ushered in prosperity for everyone; but, as it turned out, it was merely a hope.

There have been some benefits. I supported the measure. There have been some benefits in our financial circles, and for this I am thankful. I share the opinion that we have to do what we can to maintain our financial institutions, because our people generally and our industries throughout the country can not be segregated from our financial institutions. Under our system of business enterprise and of operation they are all interwoven, and if we injure one we injure the other. If we help one we indirectly, at least, assist the other

So I supported that legislation. The point I am making is that we must view the entire picture and see what has been the attitude in deliberating upon other situations here.

Senators, if we do justice as we see it by these poorly paid employees and refuse to make a flat cut of 10 per cent against them, I do not think it is going to have any effect whatever upon our financial stability or the condition of the country in any regard, except that it will be disappointing to a few people who have tried to propagandize this country into a frame of mind where it was disposed to pounce upon everybody connected with the Government.

From Members of the Senate and the House down through the Government service no one has been immune from this effort which has been made throughout the country. It is quite general. I think the standing of the average public official, wherever he is, in whatever capacity he may be serving, is at rather a low ebb, largely due to the absolutely vicious, wicked, and false misrepresentations which have been circulated throughout the country for selfish reasons.

Some one was talking to me the other day about what we see in the press, and I said, "I have always been a friend of the press, I believe in freedom of speech, and I never complain but let it go unnoticed." He said, "I tell you what I heard the other day. Whenever you read anything about a public official, divide it by 10 and believe about one-tenth of what you read and disbelieve about nine-tenths, and as a rule you will be right." I said, "I do not know that it is that bad, but, of course, they put their own color on everything. They leave out some things, and they say some things that probably will not be sustained by the record."

Anyway, this propaganda has been going on, not for the good of the country, but in the main for selfish reasons, so that some one could dominate and control and direct legislation of every character which may come before Congress.

Everyone has a right to his views. I would accord everyone that privilege, but wherever we differ on public matters, let us differ honestly, carrying on our advocacy of a policy in a fair way and in a manner considerate for those who may oppose us. Unfortunately, Congress has not had that consideration during this time of trouble. The focus of the vision has been very largely of a selfish character, and restricted to the views of the particular person or the particular interest seeking favors or to escape a public duty.

I have had in one mail, or possibly through a telegram, an appeal to me to balance the Budget, from certain people representing certain interests. The next day I would have a communication from the same source saying, "We do not think you ought to place any tax upon this particular commodity, or this particular business, or this particular industry."

Some people denounce Congress upon the one hand for the plan for balancing the Budget, after they appeal for action in haste, and in the next breath denounce the national lawmakers for putting something in the Budget-balancing revenue bill that affects their own particular interest.

We have had a lot of that kind of thing to contend with. I merely mention it as illustrative, and in order that I may emphasize the fact that a great deal of the sentiment may have been aroused throughout the country on the question of salaries, carrying it to the point of causing Congress to make a reckless salary reduction upon a flat basis of 10 per cent as affecting those in the smallest salary brackets, who practically have not a living to-day.

I do not mean the person with a two or three or four thousand dollar income, but I am speaking of the people

with salaries in the lower brackets.

Mr. President, we did not know until yesterday what the Economy Committee was going to report. I expected that it would report some reductions in salaries, and I intended to support very substantial reductions in the higher and medium salaries, and I have so stated a number of times within the past two or three months upon the floor of the Senate.

To-day in thinking of economy I said, "I think probably there is some other direction in which we could also effect some economy," and I just glanced over the hearings upon the naval appropriation bill in the House. The bill was passed by the House, and the Senate committee has not reported it, so that we have not taken it up for consideration in the Senate.

I saw in those hearings that upon inquiry of the chairman of the Ways and Means Committee in the House a representative of the Navy Department, in connection with a question relative to automobiles, an item for buying automobiles, for paying the expenses and the outlay for chauffeurs for public automobiles furnished to officials, said that the Secretary of the Navy had a Lincoln automobile paid for by the Government; that each and every one of his Assistant Secretaries had a Packard automobile, paid for by the Government; that the head of every bureau in the Navy Department had for his use a Government Packard automobile.

This representative of the department said that the Secretary of the Navy had a chauffeur paid by the Government about \$1,200 or \$1,400 a year; that two or three of the Assistant Secretaries had chauffeurs paid by the Government. However, the House agreed to the appropriations for that purpose.

I say, Mr. President and Senators, that we should strike those appropriations out and reduce by \$110,000, at least, the amount we propose to take from people getting only six or seven hundred dollars or a thousand dollars a year. The same condition in regard to the Government furnishing automobiles applies to the Secretary of War, the Secretary of Agriculture, and all other department heads.

In these times of depression I want to commend to the country and to the Senate, in connection with furnishing Government automobiles to officials, the patriotic action and position taken by Speaker Garner, of the House of Representatives. He said that under the circumstances he did not care to use the Government automobile and have a chauffeur furnished him for that purpose. I do not know that I would have done that; but I think it was a patriotic thing for him to do, and I honor him.

I think those getting larger salaries ought to have their salaries reduced, under the circumstances, but I can not understand why it is that some of them have not tried to cut out such items as these automobile items. I can not quite appreciate that.

I am going to offer an amendment to the bill to strike from the appropriation bill for the Navy Department the appropriation for furnishing automobiles to any official in the department, except probably the Secretary of the Navy, and really he should not be allowed this luxury at Government expense. The same thing applies to the other departments. The Government is giving away probably a half million dollars annually for people to ride around here in Lincolns and Packards at Government expense, and they have but little use for them, as far as official business is concerned. These officials get large salaries. Why should they not buy their own automobiles and pay their own expense for operating them?

I want to see the spirit of economy made general, made indiscriminate, and applied to luxurious contributions, as it is here proposed to apply to those receiving a wage that is scarcely sufficient upon which to live.

Mr. JONES. Mr. President, I want to ask the Senator not to charge that up to the Economy Committee, for it did not have to do with that. I am in sympathy with the Senator's position in regard to that matter.

Mr. TRAMMELL. I have the place marked, and will call it to the attention of the chairman of the committee when we take up the naval appropriation bill.

Mr. JONES. I agree with the Senator.

Mr. TRAMMELL. We will cooperate. We cooperated yesterday to save \$25,000 which was recommended for the purchase of periodicals for the Supreme Court. We will cut out probably \$100,000 in the naval appropriation bill to cover the furnishing of Lincolns and possibly some Rolls Royces to people who have no use for them as far as official business is concerned. And if we go into all departments we can probably cut expenditures along this line by a half million. I am glad the chairman of the committee displays the spirit he does.

I am not criticizing the committee, but I think that every Senator should give this matter rather serious consideration. I am merely expressing some of my own views.

Sometimes in the day of panic and of distress we just run pell-mell and roughshod in dealing with public problems, and though our intention be the best do injustices. I think that in this instance 10 per cent cut in the salaries of people receiving six or eight hundred or a thousand or twelve hundred dollars a year would really be unwarranted, and, on the other hand, substantial cuts should be made in the salaries that can stand a reduction.

Probably the course of least resistance would be to swim along down stream with this propagandized sentiment all over the country, but I do not propose to let anything of that character influence me to do what I consider would be an injustice toward those receiving small salaries, and which would not be in the interest of the Government or of the people of the country generally.

Again I repeat, no unemployed is going to get the benefit of such action. The everyday citizen back home is not going to be helped by such action. The only thing is that such a policy would tend psychologically to cause a little more despair and a little more gloom throughout this country, not merely with the person from whom we take the money, but the psychological effect of it on the country would not be good.

It would probably affect assistance some people are extending to relatives and friends or needy people, because they will be deprived of that privilege. What I would like to see is a little more cheer and a little more optimism, and not so much pessimism. We can not bring a return of prosperity by optimism, but we can work a very destructive course by indulging day in and day out in pessimism.

Down in my State of Florida we had a rather disastrous time following the great boom in 1925. Almost everywhere one would go people were expecting to make a fortune over-

they had succeeded. Then a year or two later deflation set in; the boom was all over, and calamity spread abroad throughout the entire State, everybody was more or less depressed and more or less affected. There was nothing to cheer one wherever he went. Enterprising, courageous, and progressive as the people of my State are, after about five or six months it dawned upon them that it was foolish to keep discussing these unpleasant experiences, and thereby making a bad situation worse.

I do not think any ordinances were actually passed by the city governments throughout the State, but by common consent throughout that enterprising Commonwealth word was passed from one end of Florida to the other, "We are going to quit talking about this disaster we have undergone, we are going to turn our faces about and march forward in the direction of progress, development, and recovery." That became the spirit—a spirit of optimism instead of a spirit of pessimism.

When this general depression came on Florida was just at the threshold of a new development; the people were becoming active in the different industries; our general conditions were greatly improved. Agriculture was reviving, not to a satisfactory degree of prosperity, but it was improving. Many of our cities and towns had begun to grow and develop, and general business conditions were getting decidedly better. Of course we have been affected more or less by the general depression, though I hope not so badly as has some other sections of the country. It is pathetic, of course, to have the terrible conditions that prevail in other parts of America; but had the people of Florida gone on groping around, complaining, and scattering despair and thinking there was nothing but a forlorn hope, they would not have made the recovery that was made before the general depression came on; and that is also true of all America as a Nation.

We have, of course, an actual condition to contend with; I realize that: but I believe the constant emphasizing of our unfortunate situation has assisted in making it far worse than it otherwise would have been. I hope the time has about arrived when our people generally will say, "We have a great Nation; we have inexhaustible resources; we have a patriotic people, a people of courage, who can combat any situation; the spirit of the forefathers has not yet entirely passed from the bosoms of the people of the present day and time; we can do something toward rescuing business and bringing back prosperous conditions in our country." I am sure that that will not detract from recovery. We have had entirely too much of the other kind of attitude. Almost every day in the Senate we hear it.

I am not going to mention the names of Senators, but just the other day a Senator who had not obtained exactly what he wanted in the tax bill, who probably preferred one particular source of taxation to another, when we thought we had about finished up a good day's work arose and made a speech of despair and despondency, and the stock market the next day broke from one to three points, not on account of his great influence on the financial world, though he is a splendid Senator and an able man; but things were rather wavering anyway, and when a very prominent Senator got up in the Senate and said that if we did not do so-and-so there was going to be some terrible disaster-that is the substance of what he said-it had an effect. His statement furnished a golden opportunity the next day for the short sellers to 'sell short; the stock market broke from one to four dollars a share. Such speeches do not do any

It is much more difficult now, of course, to bring about a better sentiment than it is to throw fuel on the fire and add to the general feeling of depression that prevails; but I think we have had a little too much talk about our troubles. When we had the tax bill about finished the other night one or two very patriotic and able Senators rose in their seats, after it had been stated that according to all the statistics that had been gathered from the experts the bill would balance the Budget, and began to occupy the attitude

night and the next morning they woke up and thought that of doubting Thomases and said, "Well, now, you say we have provided revenue to balance the Budget, but will not this bill be two or three hundred million dollars short?" I am not lecturing anybody; I am merely saying that that kind of attitude in the country has not been conducive to any revival of business or any spirit of happiness to the American people.

I should like to see everybody gather in one common concord in every line of business and enterprise, including those representing the Government, and endeavor to remedy the situation and get our country once more going in its old way of prosperity, of happiness, and of contentment. If we make the public feel that the Government has become panicky and that there exists in the case of almost every Government official, legislative and executive, a perfectly maddening hysteria, how does the Senate expect the people of the country to have very much courage or to endeavor to restore better conditions?

I wish again to say that I am in favor of substantial reductions in the salaries, I will say, ranging from \$1,500 up, but I am not in favor of a flat cut of 10 per cent in the salaries of \$600, \$800, \$1,000, or \$1,200 per annum, because I do not think it would be just.

Some Senators, in advocacy of this policy, have said, "You can cut them and the people will run here from all over the country to get the positions." I said, "Yes"—this occurred in the cloakroom but I am going to repeat it on the floor-"and if we should cut the salary of Senators to \$5,000 per annum, it would take the Capitol and all the Government buildings in Washington and many of the parks in the city of Washington to hold the people, and able and capable ones, too, who would come here to take our places." So there is nothing in the argument that people would rush here to get the places. In these unfortunate times a great many people would rush to find shelter and food even if no salary were paid. I know I would if I were so unfortunate as to be without employment. I think it is the duty of those who are fortunate enough to hold positions which afford them salaries more than what is required for the ordinary necessities of life to make a contribution in the way of a substantial salary reduction.

I think the patriotic duty in that respect should be manifested in a greater measure on the part of those receiving larger salaries, because they can better afford the contribution. Therefore, I favor the amendment proposed by the Senator from Nebraska, which fixes the reduction upon a graduated basis, upon the theory that those who are best able to pay should make the greatest contribution, which is the policy which has controlled very largely congressional action for years.

REFINANCING OF FARM MORTGAGES-LETTER OF LOUIS B. MAGID

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. Louis B. Magid, a large grower of apples and maker of apple products in northeastern Georgia, in which he outlines a plan for the permanent refinancing of farm mortgages and discusses that question in an interesting manner.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Senator Walter F. George, Senator John S. Cohen, Congressman Charles R. Crisp, Congressman John S. Wood, Washington, D. C.

Washington, D. C.

My Dear Sirs: During the present session of Congress newspapers from time to time carried statements of discussions in Congress of the great need for farm relief. To the best of my knowledge, no real farm relief is in evidence so far, and, as the session of the present Congress is drawing to a close, and since undoubtedly it is the desire of Congress to really provide farm relief, I respectfully submit the following suggestion and hope that it meets with your approval, and that you will interest the present Congress in this plan in enacting same as a law.

I realize in submitting my plan that it is a very brief one, but I am sure that the details can be worked out to make it a workable and stable plan.

PLAN TO PERMANENTLY FINANCE AMERICAN FARMERS

1. The United States Government should create and sell a bond issue sufficient to refinance mortgage-distressed farms which are likely to be lost to the owner farmers by foreclosure or otherwise, the proceeds from the bond issue to be loaned to farmers on a long-time basis (possibly 50 years) at a low rate of interest, or the same that the Government will pay on its bonds, plus an additional one-half per cent to be paid by the farmers and to be placed into a sinking fund to take care of any losses the Government

into a sinking fund to take care of any losses the Government might sustain on some of the loans.

In that way, the bond issue sold by the Government will be self-liquidating and self-sustaining, as the interest that the Government would collect on the farm loans would pay the interest on the bonds, and the annual amortization of 2 per cent paid by the farmers on the loan would likewise be the amount of money with which the Government could amortize its bonds.

For an example, Farmer Jones in Iowa owns a farm that is reasonably valued at \$10,000. Jones should be able to secure a loan of at least 80 per cent of the value of the farm lands and 60 per cent of the insurable buildings and improvements, or in all \$7,500. Assuming that Farmer Jones owes \$6,000 to a bank, mortgage company, insurance company, or some individual, he would be able to pay off his mortgage and have enough left for crop production and at the same time be properly and permanently financed with the Government loan at a low rate of interest, and at a small annual rate of amortization to retire of interest, and at a small annual rate of amortization to retire

The benefits of this plan would be numerous and permanent in contrast to the present unstable financial condition and the great predicament and suffering to which the American farmers are now subject.

2. The bond issue which will aggregate several billion dollars should be in long-time bonds (possibly 50 years) and bear rate

				Per	cent
For th	e first	5 years	not	exceeding	21/2
For th	e next	5 years	not	exceeding	23/4
					3
				exceeding	31/4
For th	e next	5 years	not	exceeding	31/2
				exceeding	33/4
				exceeding	4
		A CONTRACTOR OF THE PARTY OF TH			

THE BENEFITS

1. Farmer Jones would be enabled to retain his farm, which may have been in the family for a long time, and he will be enabled to continue living on the farm, operate the same, and make a decent living. It will enable him to remain a good citizen in his community, support his family, as well as civic and municipal institutions, besides being a producer of food and raw material needed by the American people for their sustenance and manufacturing operations.

2. As the farmers would be able to pay off their present mort-gage indebtedness to the banks, mortgage companies, insurance companies, or individuals, this would release these institutions from holding frozen assets, present over-due and maturing farm mortgages, and enable them to use this released capital in indus-

trial channels, more quickly revolving than farm mortgages.

3. By the release of this enormous sum from frozen assets (farm mortgages), banks, mortgage companies, insurance companies, or individuals would be enabled to use their funds in newer channels for developing and carrying on home and foreign commerce.

4. It would enable banks, insurance companies, mortgage companies, and other institutions to collect the principal and over-due interest (on farm mortgages) and become solvent institutions in which the public would again have the confidence they once

enjoyed.
5. The proceeds from the bonds sold by the Government would draw a considerable part of funds that are now hoarded, hidden and unused, unprofitable both to the people at large and the people who are hoarding this great amount of money. In other words, untold millions of dollars would be put back into circulation by the above plan or instrumentality.

6. The Government takes very little, if any chance of losing money by this undertaking to permanently finance American agriculture, and it is better to carry the above plan by simply lending the Government's credit to the farmers to create a dole system or the Government's credit to the larmers to create a dole system or stand by and see every respectable American farmer lose his farm and become a burden to the community. This would be especially true in the large cities where most of them flock or will do so, and so compete with the city people for the now almost non-existent jobs or employment. Since the plan is self-sustaining, it is the duty of the Congress of the United States to put this plan into operation at the earliest possible moment.

SAFEGUARDS

1. One-half of 1 per cent, or any other sum that would reasonably insure a sinking fund, should be paid by the farmers in addition to the low rate of interest which would create a sinking fund to take care of such losses as the Government might sustain

crops, or of reducing the same below the cost or investment necessary to prepare or make the crop, by the many unforeseen occurrences, such as (a) late spring or early fall frosts, (b) drought, (c) hail and windstorms, (d) floods.

The insurance should merely cover the actual investments of the crop making for that year, and a reasonable premium should be paid by each and every farmer being refinanced under this plan. As the hazards would be so widely scattered, the premium for the insurance would be very nominal, at the same time giving the farmer a chance to recoup the money invested in the attempt to make the crop should he fail for any of the above reasons. This would enable him to make a new start for the crop making the next year without being compelled to further incur additional indebtedness as heretofore.

the next year without being compelled to further incur additional indebtedness as heretofore.

The only hazard in the undertaking is the possibility that Farmer Jones, having borrowed \$7,500 on his farm, is removed by death, is unable or is unwilling to pay the annual amount to reduce the loan and the small amount of interest on his loan. In that case the Government or the agency representing the Government could easily sell the property to some capable farmer that might be looking for a place exactly like that. Since the terms of payment for the property are so nominal and the rate of interest so low, it is believed that the Government would have no trouble to transfer the property or contract to some other capable farmer. capable farmer.

That the Government can not lose anything under this plan is shown by the following:

For example, the total loans made by the Government amount to \$5,000,000,000. If the farmers will pay to the Government one-half of 1 per cent of this amount during the next 50 years, the amount the Government would collect in the sinking fund to take care of losses would be as follows:

to take care of losses would be as follows:

One-half of 1 per cent annually for 50 years would aggregate a total of \$1,250,000,000, or 25 per cent of the total original loan. I do not think the Government would lose that much money in refinancing the American farmers.

Since the plan of permanently financing the American farmers is to amortize 2 per cent annually, each year the security to be held by the Government will increase in value. Besides the natural increment of property values when properly financed, uniformly operated, by self-respecting farmers owning the farms, and having no worry as to the indebtedness because of the small annual amortization, it would be a great inducement to each and every farmer to improve his place for himself and for his children's tuture.

In the past most farmers were financed under heavy annual interest charges, plus heavy annual amortization, and were under a constant financial strain to the detriment of his property operating and managing his farm property.

ONE HUNDRED PER CENT FARM RELIEF ABSOLUTELY NECESSARY FOR PERMANENT SUCCES

The colossal growth of this country began with the energetic efforts of the American farmer that built a prosperity and fortune in this country unparalleled in the history of man in any other country in the world.

It being true that the prosperity of this country started with the farmer, why not repeat this successful and positive past? Rehabilitate 100 per cent financially the American farmer to make a sound new start and when this is carried through, financial progress and stability will come to all lines of endeavor.

sound new start and when this is carried through, hnancial progress and stability will come to all lines of endeavor.

Many were the attempts made prior to and after the panic to rehabilitate the American farmers' financial condition, but of what did most of these undertakings consist? Nothing but patchwork, and the result has been accordingly a mass of confused uncoordinated efforts such as land banks, intermediate banks, Farm Board, and Reconstruction Finance Corporations to rehabilitate the financial chaos of this great country with practically no

tate the financial chaos of this great country with practically no satisfactory, definite, or permanent results.

The present mortgage indebtedness of the American farm property is approximately \$11,000,000,000. This is a large sum of money, but only a fraction of the real value of the farm property

money, but only a fraction of the real value of the farm property mortgaged.

The mortgages are held principally by the farm-mortgage companies, insurance companies, banks, etc. All of these institutions have already foreclosed or are contemplating foreclosure that would practically place in their control the majority of the farming property of this country, and by this process leave millions of individual farmers paupers and beggars, and without a home or a visible plan of support for themselves and their dependents.

If this was all, it might be said, "It is just too bad for these millions of individuals who have for years and years been the mainstay and backbone of this country and made up the rural community that has provided the main purchasing power of the American manufacturers of needful and even articles of luxury." But the catastrophe does not end there.

The very mortgage company, insurance company, bank, and other

ably insure a sinking fund, should be paid by the farmers in addition to the low rate of interest which would create a sinking fund to take care of such losses as the Government might sustain in the handling of these farm loans.

2. The Government should create a mutual insurance company where all the buildings subject to fire hazards would be insured and the insurance policy assigned to the Government, together with the mortgage.

3. In that way the farmers would receive a low rate of insurance, and as the hazard would be scattered all over the country, the rate of insurance would be very low.

4. The Government should create a crop-insurance company to protect the farmers from the hazards of losing all or part of their mortgage foreclosure.

But the catastrophe does not end there.

The very mortgage company, insurance company, bank, and other institutions holding these mortgages who are taking or will take possession of the millions of acres of farm lands and improvements thereon are just as bad off as the individual whose property they have confiscated by legal process, perhaps unwillingly but believed the mortgage company, insurance company, or bank have loaned money not belonging to themselves, but money belonging to stockholders, policyholders, and depositors, it immediately drags down to a par these people who lose their greatest savings intrusted to the mortgage company, insurance company, bank, and other institutions holding these mortgages who are taking or will take possession of the millions of acres of farm lands and improvements thereon are just as bad off as the individual whose property they have confiscated by legal process, perhaps unwillingly but believed in it necessary to do so in order to protect themselves. Since the mortgage company, insurance company, or bank have loaned money not belonging to themselves, bolders, policyholders, and depositors, it immediately drags down are taking or will take possession of the millions of acres of farm lands and improvements thereon are just as bad off

Here we have not mere millions of farmers made to become paupers but millions of other people who, by economy and self-sacrifice, saved and then intrusted their savings to these institutions to finance the farm mortgages.

If the verdict was that the American farmer has squandered the borrowed money, \$11,000,000,000, in nothingness, then they should be left to their present state. But did they do that? No. The \$11,000,000,000 was used intelligently and economically to improve the farm property, but because the farmer was never intelligently, economically, and sufficiently financed, he was defeated in his endeavors to maintain the mainstay of this great country by operating his farm under handicaps such as: ing his farm under handicaps such as:
1. Lack of proper and intelligent financing.
2. High rate of interest.

High annual reduction of his borrowing.
 High rate of taxes.

5. High cost of everything he bought.
6. High freight rates.
The spasmodic attempts to assist the farmer have done nothing

6. High freight rates.

The spasmodic attempts to assist the farmer have done nothing but lead the farmer to beggary. What the American farmer needs is a chance to save himself and leave him to his own resourcefulness of farm production with unhampered financial conditions and obliterate the greatest crime committed against the American farmer, which I now set forth.

When Congress passed the first bill authorizing the organization of national banking system, it said to the national banks "You are authorized to receive deposits from anybody and everybody and by no means overlook the deposits from the American farmer." It further said to the national banking system, "After you have taken the deposits from the farmer, do not lend him any money but you are at liberty with a free hand to lend money to every scheme, including the financing of so-called Wall Street speculation. It was then that the American farmer was doomed. It is a fact that ever since that period the American farmer was humbugged, tricked, and kept down to a point of slavery, because of the lack of proper financial credit to farmers.

He was compelled to purchase his supplies at a high cost and borrow his permanent and operating funds from whatever source possible, except from the protected banking system under the Government's control.

JUSTIFICATION OF PLAN POR SOUND AND PERMANENT REFINANCING OF

JUSTIFICATION OF PLAN FOR SOUND AND PERMANENT REFINANCING OF AMERICAN AGRICULTURE

Ambassador Mellon, while Secretary of the Treasury and head of the Debt Funding Commission, made the following statement before the House of Representatives Committee on Ways and Means January 4, 1926:

"Europe is our largest customer. Unless the finances of Europe can be restored, her currency placed on a sound basis, and her people able to earn and to spend, this country will not be able to dispose of its surplus products of food, materials, and goods."

Then he added:

Then he added:

"The entire foreign debt is not worth as much to the American people in dollars and cents as a prosperous Europe as a customer."

This being true, what is it worth to the United States to have the American farmer properly, permanently, and soundly financed, as the American farmer was and can be made again the best and largest customer of the American manufacturer, and bring about a change in the present deplorable condition of industry, unemployment, yes, even starvation and suffering of many millions of American citizens. In cents and dollars the American farmer is a much better and larger customer to United States commerce and is worth several times Europe's trade. And besides there is nothing like a home customer. ing like a home customer.

LOANS TO FOREIGN AGRICULTURE-WHY NOT TO THE AMERICAN FARMER?

In an essay published in 1927 in the American quarterly known as Foreign Affairs by the late Dwight W. Morrow, former United States Senator and at one time partner in the international banking house of J. P. Morgan Co., after careful investigation Mr. Morrow found that 128 bond issues of foreign governmental subdivisions, cities, corporations, and for agricultural enterprises, aggregating \$15,000,000,000, were sold to the American investor in the space of a few years. (This exclusive of loans made by the United States Government to foreign countries and subdivisions thereof.) thereof.)

These loans were made to countries scattered the world over. Some of the names of these countries are known only to a few Americans and there was no security for these loans except the moral obligations of these cities, states, and governments. In fact, a great portion of the \$15,000,000,000 was taken from the American investor and a great share from the American farmers, who are now in the greatest plight, to help agriculture in these foreign countries. That is why American surplus agricultural products can not be sold since we furnished money to produce wheat, cotton, and other products to these foreign countries and they compete with our American farmers. This stopped the sale and exports of our surplus of wheat, cotton, and other farm products. products.

Are the American people, through their Congress, going to vacil-Are the American people, through their Congress, going to vacilate for a moment in the fact of the above loans to foreign countries with no security whatsoever of their repayment to provide a small amount of loans to American farmers with an absolute 100 per cent security? And by doing so start the wheel of commerce in every line of industry in this country because the purchasing power of the American farmers of 30,000,000 people, according to our authoritative published figures, is approximately

\$25,000,000,000 annually. This is over twice the amount of money suggested in the positive plan to rehabilitate American agriculture. Not only for the farmer but for every American citizen, and a permanent help at no cost to the American taxpayers, as the plan of refinancing the American farmer is self-liquidating

and a permanent neip at no cost the plan of refinancing the American farmer is self-liquidating and self-sustaining.

The loans we have accorded to foreign countries were not only for improving the pressing financial structures as balancing their annual budgets; I recall a loan granted to the Dutch East Indies of \$150,000,000. To do what? To pay off its floating debt. It is not necessary to enumerate all the other loans made to help agriculture, but not to the American farmer. In fact, help was given to foreign agriculture to compete with American agriculture.

It is hard to comprehend the American Government and American bankers combining to lend large sums of American credit for the purpose of extending, improving, and financing Europe's agriculture when our own was, and is, in such distressful need.

If that was proper and good business, certainly it is even better business to extend the same credit to the American farmer, who is the best customer for American commerce. In fact, without the American farmer, commerce is what it is to-day—dead.

The purchasing power of 30,000,000 American farmers is our stake. For every conceivable article of home manufacture that can be sold to farmers in turn will have every whistle and every factory calling the unemployed back to work. This is what sound

factory calling the unemployed back to work. This is what sound financing rehabilitation to the American farmer means to this

Inhancing renabilitation to the American farmer means to this country!

The proposed refinancing of the American farmer is for productive purposes, with a constant recurring wealth to be produced from American acres for man and animal sustenance, as well as raw materials for the mills and factories. And if every American farmer was refinanced and rescued from his present hopeless plight, it would only require some \$11,000,000,000.

In the words of Lloyd George, when the American people joined with European nations who "stumbled and staggered" in the World War, we find the United States spent \$28,000,000,000,000 in money and more than 100,000 American lives and 200,000 wounded. The above was America's part in a destructive undertaking. Can it be possible that this great country would hesitate to help itself by refinancing on a positive-repayment basis with legal interest and mortgage protection for every penny advanced in mortgage loans to the major industry of American agriculture the beggarly amount of \$11,000,000,000 in comparison to the extravagant, wasteful, and destructive expenditure of \$28,000,000,000,000 plus the loans made to European countries which, perhaps, we will never collect, as we have no security. And for the proposed loans to American farmers, we will obtain excellent security.

CONSTRUCTIVE BUSINESS PROPOSITION

Reduced to a strictly business conservative proposition, all that is proposed in this plan is for the United States Government to assemble every available unemployed dollar through the means of an obligation to be issued and sold to the public in the open market that will carry a fair rate of interest to those who buy and invest in these bonds, and the proceeds from the bond-issue loan on a conservative basis and in a safe manner to rehabilitate the first and greatest and most necessary industry—agriculture. In on a conservative basis and in a safe manner to rehabilitate the first and greatest and most necessary industry—agriculture. In this plan no gifts, doles, no favoritism is contemplated, nor is there the remotest chance in evidence that one single dollar will be lost by our Government. Outside of the human consideration in the matter, it is a sound and businesslike proposition that will not only place the American farmer on a sound and self-respecting basis but will immediately open wide the flow of purchasing power of our manufactures, our trade, and our commerce in every conceivable line of industry that is now idle, stagnant, discouraged, and hopelessly at a standstill.

I am sure our Congress will see the wisdom of this plan enacted

and hopelessly at a standstill.

I am sure our Congress will see the wisdom of this plan enacted into law, and many of the present ills will vaporize, and we will find ourselves a prosperous and busy Nation as before. It is absolutely vital to this country that the farmer be restored and the farming industry be made prosperous, secure, and self-reliant. Since the American farming industry is the backbone of the country, why not start rehabilitating that fundamental and major industry first in a substantial 100 per cent way?

Assuring you in advance of my appreciation of your efforts in this matter, and, too, you will have the appreciation of many millions of distressed farmers. With personal regards, I am, Sincerely yours,

Sincerely yours,

LOUIS B. MAGID.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. Fess in the chair), as in executive session, laid before the Senate a message from the President of the United States, submitting nominations in the Regular Army, which was referred to the Committee on Military Affairs.

RECESS

Mr. JONES. Pursuant to the unanimous-consent agreement heretofore made, I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until to-morrow, Friday, June 3, 1932, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 2 (legislative day of June 1), 1932

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES The following-named cadets, United States Military Academy, who are scheduled for graduation on June 10, 1932:

To be second lieutenants with rank from June 10, 1932

CORPS OF ENGINEERS

- 1. Cadet Rush Blodget Lincoln, jr.
- 2. Cadet Stanley Tanner Wray.
- 3. Cadet Ellsworth Ingalls Davis.
- 5. Cadet George Kumpe.
- 6. Cadet William Ruthven Smith, jr.
- 7. Cadet Frank Schaffer Besson, jr.
- 8. Cadet Richard Roberts Arnold.
- 9. Cadet Herrol James Skidmore.
- 10. Cadet Francis Ray Hoehl.
- 11. Cadet Julian David Abell.
- 15. Cadet Allen Fraser Clark, jr.
- 16. Cadet Thore Fritjof Bengtson.
- 18. Cadet William Francis Powers.
- 19. Cadet James McCormack, jr.

SIGNAL CORPS

- 41. Cadet Kenneth Frederick Zitzman.
- 65. Cadet Charles Michael Baer.

- 39. Cadet William Burns Fraser.
- 43. Cadet George Robinson Mather.
- 50. Cadet Frank Hamilton Britton.
- 111. Cadet John Reynolds Sutherland.
- 113. Cadet Richard Tide Coiner, jr.
- 131. Cadet Karl Laurance Scherer.
- 132. Cadet Charles Hardin Anderson.
- 137. Cadet John Ramsey Pugh.
- 145. Cadet Bogardus Snowden Cairns.
- 152. Cadet Byram Arnold Bunch.
- 154. Cadet Gerard Charles Cowan.
- 168. Cadet William Whitfield Culp.
- 176. Cadet Charles Marvin Iseley. 178. Cadet Sam Houston Wiseman.
 - FIELD ARTILLERY

4. Cadet Andrew Hero, 3d.

- 26. Cadet John Henry Weber.
- 27. Cadet Roger Derby Black, jr.
- 33. Cadet John Campbell Street.
- 35. Cadet Alexander Graham.
- 37. Cadet William Mencher.
- 38. Cadet George Wilson Power.
- 40. Cadet James Aloysius Cain, jr.
- 45. Cadet Stanley Sawicki.
- 49. Cadet Frank Lester Howard.
- 58. Cadet Samuel Watson Horner, 2d.
- 60. Cadet Robert Augur Hewitt.
- 63. Cadet Edwin Simpson Hartshorn, jr.
- 64. Cadet James Forsyth Thompson, jr.
- 68. Cadet Roland Francis Bower.
- 70. Cadet Joseph Edward Gill.
- 72. Cadet Frederick William Ellery.
- 73. Cadet Loren Boyd Hillsinger.
- 74. Cadet Horace King Whalen.
- 75. Cadet John Paul McConnell.
- 80. Cadet Walter Parks Goodwin.
- 82. Cadet John Abner Meeks.
- 86. Cadet John Clifford McCawley.
- 88. Cadet Edward Gibbons Shinkle.
- 93. Cadet Harry Cecil Porter.
- 94. Cadet Dwight Edward Beach.
- 97. Cadet Arthur Walter Blair.
- 100. Cadet Theodore George Burton.
- 103. Cadet Dale Eugene Means.
- 104. Cadet Hugh Willard Riley. 106. Cadet Ray James Stecker.
- 107. Cadet Curtis Alan Schrader.
 - LXXV-745

- 114. Cadet Floyd Allan Hansen.
- 115. Cadet James Edward Godwin.
- 119. Cadet John Brinton Heyburn.
- 121. Cadet Harald Simpson Sundt.
- 122. Cadet Horace Freeman Bigelow.
- 123. Cadet Charles Albert Clark, jr.
- 125. Cadet James Bates Rankin.
- 126. Cadet David Emory Jones.
- 127. Cadet Harvey Porter Huglin.
- 129. Cadet Bernard Thielen.
- 130. Cadet George Dowery Campbell, jr.
- 136. Cadet Todd Humbert Slade.
- 139. Cadet Charles Ratcliffe Murray.
- 141. Cadet Francis Garrison Hall.
- 142. Cadet Charles Louis Williams, jr.
- 144. Cadet William Russell Huber.
- 156. Cadet Gordon Whitney Seaward.
- 158. Cadet Walter Marquis Tisdale.
- 160. Cadet Charles Albert Piddock.
- 161. Cadet Nelson Landon Head.
- 162. Cadet Walker Raitt Goodrich.
- 166. Cadet David Hamilton Kennedy.
- 177. Cadet Edwin Guldlin Simenson.

COAST ARTILLERY CORPS

- 13. Cadet Frederick Raleigh Young.
- 14. Cadet John Chandler Steele.
- 17. Cadet Christian Frederick Dreyer.
- 20. Cadet Russell Manly Nelson.
- 21. Cadet Stanley Ronald Stewart.
- 22. Cadet Arnold Sommer.
- 23. Cadet Charles Kissam Allen.
- 24. Cadet Sam Carroll Russell.
- 25. Cadet James Hutchings Cunningham, ir.
- 28. Cadet Archibald William Lyon.
- 29. Cadet Edward Ellis Farnsworth, jr.
- 30. Cadet Daniel Stickley Spengler.
- 32. Cadet Norman Robert Ford.
- 34. Cadet Milton Leonard Ogden. 42. Cadet John Earl Metzler.
- 44. Cadet Harrison Alan Gerhardt.
- 46. Cadet Leo Peter Dahl.
- 47. Cadet Howard Raymond Martindell.
- 48. Cadet Edgar Northrop Chace.
- 51. Cadet Byron Leslie Paige.
- 52. Cadet Torgils Grimkel Wold.
- 53. Cadet John Bevier Ackerman.
- 54. Cadet Charles Ray Longanecker.
- 55. Cadet Irving Donald Roth.
- 57. Cadet Lauri Jacob Hillberg. 59. Cadet Philip Vibert Doyle.
- 61. Cadet Benjamin Jepson Webster.
- 66. Cadet William Alden Call.
- 69. Cadet Dwight Benjamin Johnson
- 76. Cadet Preston Steele.
- 77. Cadet Robert Douglass Glassburn.
- 79. Cadet Walter Allen Rude. 81. Cadet Erven Charles Somerville.
- 83. Cadet Clifford McCoy Snyder.
- 84. Cadet Gilbert Nevius Adams. 85. Cadet Aaron Meyer Lazar.
- 89. Cadet Robert Lockwood Williams, jr.
- 90. Cadet John Joseph Hutchison.
- 91. Cadet Robert Earl Schukraft.
- 92. Cadet Carl Morton Sciple.
- 96. Cadet William Massello, jr. 101. Cadet Stephen Michael Mellnik.
- 105. Cadet William Sammis Coit.
- 109. Cadet William Fletcher Spurgin.
- 112. Cadet Donald Linwood Hardy.
- 124. Cadet Francis Arkadjusz Liwski.
- 128. Cadet Robert Folkes Moore. 133. Cadet Dwight Drenth Edison.
- 140. Cadet Wallace Hawn Brucker.
- 148. Cadet Charles Edward Wheatley, jr.

157. Cadet Henry Graham McFeely. 164. Cadet Thomas Henry Harvey.

INFANTRY

36. Cadet Ralph Hemmings Davey, jr.

56. Cadet James Karrick Woolnough.

62. Cadet Earl Gilmore Wheeler.

67. Cadet Roger Barton Derby.

71. Cadet Everett Wayne Barlow.

78. Cadet Joe William Kelly.

87. Cadet John Morgan Price.

95. Cadet William Little.

98. Cadet Daniel Stone Campbell.

99. Cadet Richard Johnson Hunt.

102. Cadet Louis Watson Truman.

108. Cadet Charles Leonard Hassmann.

110. Cadet Kenneth Burton Hobson.

116. Cadet Harold Walmsley.

117. Cadet Gerald George Epley.

118. Cadet Bernard William McQuade.

120. Cadet Ashton Herbert Manhart.

134. Cadet Jefferson Davis Childs.

135. Cadet John Aloysius Gavin.

138. Cadet Joseph Edward Stearns.

143. Cadet William Barnes Moore.

146. Cadet Delbert Abraham Pryor.

147. Cadet Willard Sterling Garrison.

149. Cadet Meyer Abraham Braude.

150. Cadet Chester Hammond.

151. Cadet John George Ondrick.

153. Cadet Isaac Sewell Morris.

155. Cadet Hunter Harris, jr.

159. Cadet Ira Webster Porter.

163. Cadet William Harvie Freeland, jr.

165. Cadet William Halford Maguire.

167. Cadet Merle Robbins Williams.

169. Cadet Kenneth Edward Tiffany.

170. Cadet Nicholas Earnest Powel.

171. Cadet Norman Herbert Lankenau.

173. Cadet William Bing Kunzig.

174. Cadet Robert Bruce McLane. 175. Cadet Andrew Meulenberg.

179. Cadet William Gordon Beard.

180. Cadet Harvey Herman Fischer.

181. Cadet Robert Haynes Terrill.

182. Cadet Avery Madison Cochran.

183. Cadet Samuel Arthur Daniel.

184. Cadet Franklin Vines Johnston, jr.

185. Cadet Albert Edward Reif Howarth.

186. Cadet James Lee Massey.

187. Cadet Albert Edward Stoltz. 188. Cadet Thomas Connell Darcy.

189. Cadet Edmond Michael Rowan.

190. Cadet Edward Green Winston.

191. Cadet Milton Skerrett Glatterer.

192. Cadet William Henry Mikkelsen.

193. Cadet Hugh Thomas Cary.

194. Cadet Sewell Marion Brumby.

196. Cadet Clifford Harcourt Rees.

197. Cadet Arnold Leon Schroeder.

198. Cadet Graves Collins Teller.

199. Cadet Richard Henry Smith.

200. Cadet Roscoe Constantine Huggins.

201. Cadet Francis Deisher.

202. Cadet Eugene Porter Mussett.

203. Cadet Lon Harley Smith.

204. Cadet Edward Willis Suarez.

205. Cadet Paul Delmont Bunker, jr.

206. Cadet Edward Joseph Burke. 207. Cadet Walden Bernald Coffey.

208. Cadet George Reynolds Grunert.

209. Cadet James Ellison Glattly. 210. Cadet David Peter Schorr, jr.

211. Cadet William George Davidson, jr.

212. Cadet John Clinton Welborn.

213. Cadet Edwin Charles Momm.

214. Cadet Herbert Bishop Thatcher.

215. Cadet Charles Salvatore Dorsa.

216. Cadet Frederick Milton Hinshaw.

217. Cadet Robert Broussard Landry.

218. Cadet Luigi Giulio Guiducci.

219. Cadet William Hvatt Bache.

220. Cadet William Anderson McNulty.

221. Cadet Joe Edwin Golden.

222. Cadet Eldon Frederick Ziegler.

223. Cadet Frank Greenleaf Jamison.

224. Cadet James Winfield Coutts.

225. Cadet Dan Gilmer.

226. Cadet Wilfred Joseph Lavigne.

227. Cadet George Thigpen Duncan.

228. Cadet Harry Celistine Quartier.

229. Cadet Roy Edwin Moore.

230. Cadet Harley Niles Trice.

231. Cadet James Ernest Beery.

232. Cadet Arville Ward Gillette.

233. Cadet Harold Edward Shaw.

234. Cadet Charles Gates Herman.

235. Cadet Charles Alexander Carrell.

236. Cadet Lawrence Bartlett Babcock.

237. Cadet William Roy Thomas.

238. Cadet Loris Ray Cochran.

239. Cadet Robert Lynn Carver.

240. Cadet Henry Chesnutt Britt.

241. Cadet Thomas Randall McDonald.

242. Cadet Orville Wright Mullikin.

243. Cadet Romulus Wright Puryear.

244. Cadet David Harrison Armstrong.

245. Cadet Earl Sipple Eckhart.

246. Cadet John William Keating.

247. Cadet John Garnett Coughlin.

248. Cadet Thomas Robertson Hannah. 249. Cadet William Madison Garland.

250. Cadet William Elwood Means.

251. Cadet George Louis Descheneaux, jr.

252. Cadet Thomas Charles Morgan.

253. Cadet John William Bowen.

254. Cadet Frank Ward Ebey.

255. Cadet James Walter Gurr. 256. Cadet James Madison Churchill, jr.

257. Cadet Robert Lee Scott, jr.

258. Cadet Lewis Ray Briggs.

259. Cadet Harold Randall Everman.

260. Cadet Keith Allen Thompson.

261. Cadet Thomas Benjamin Spratt, jr.

262. Cadet Erskine Clark.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 2, 1932

The House met at 12 o'clock noon.

Rev. Simpson B. Daugherty, D. D., pastor of the National Memorial United Brethren Church, Washington, D. C., offered the following prayer:

O God, we thank Thee that in spite of all of the testing circumstances through which we are passing this day Thou art still on Thy throne; Thou art still calling out the great hearts of men and women to carry forward that program that shall bring confidence and renew faith in the principles of our Nation, and in our lawmakers and in this great body in particular.

We pray, O God, that Thou wilt be in this session; that Thou will lead these, Thy servants, in the way of Thy choosing, and that out of their great work there shall come that plan that shall bring us out of darkness into the light, and that we shall be encouraged and challenged to go forth and bring the hand of the Great Physician to the fevered pulse of the world, and bring order out of chaos, and usher in a reign of righteousness and peace. In His name we ask it. Amen.

THE JOURNAL

The Clerk read the Journal of the proceedings of yes-

Mr. PITTENGER. Mr. Speaker, before the Journal is approved, I would like to have the Record show something with reference to yesterday's RECORD. A part of yesterday's RECORD is not correct as to what took place. I refer to page 11780 of the RECORD, in connection with the bill H. R. 491. I tried to explain that bill yesterday and was not permitted to do it. There is a lot of stuff that appears in the Record that was not said on the floor yesterday. I asked my distinguished colleague the gentleman from Texas, the Democratic leader, for an opportunity to explain it. He chopped me off. That was his privilege. I asked the gentleman if he had read the hearings and, consciously or unconsciously, he said that he had not. Now the RECORD shows that the gentleman said he read a 23-page report. Then, without giving me an opportunity to explain the bill, the gentleman said he would have to object because of the amount involved, and now I find a lot of stuff about taxes. I find stuff about 15-cent picture shows and 3-cent postage that was not said on the floor at all. I want the RECORD to show that if a bill is to be objected to, without opportunity to explain to this House, there are 20,000 people in my State that are interested, and if the Democratic leader from Texas wants to take that responsibility, it is his, but I want to say the RECORD is not correct in the above particulars.

I was denied the privilege by the distinguished Democratic leader from Texas of telling the Members of this House something about the bill and explaining the merits of the bill.

Mr. BLANTON. Mr. Speaker, in order to show my reasons for objecting to that and other bills, I asked and obtained unanimous consent to extend my remarks on same.

Mr. PITTENGER. I did not hear it.

Mr. BLANTON. That is granted in the Record and is so shown on page 11771 in the Record, as follows:

Mr. Blanton. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record made to-day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The RECORD shows that the gentleman asked and received unanimous consent to revise and extend his remarks.

Mr. BLANTON. I did it to explain my reason for objecting to the bill.

The SPEAKER. Without objection, the Journal will stand approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 208. An act to authorize transfer of the abandoned Indian school site and building at Zeba, Mich., to the L'Anse Band of Lake Superior Indians;

H. R. 3691. An act for the relief of J. P. Moynihan;

H. R. 4143. An act for the relief of the Sherburne Mercantile Co.:

H. R. 4270. An act for the relief of Carroll K. Moran;

H. R. 4453. An act for the relief of Pasquale Mirabelli;

H.R. 7305. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products;

H. R. 9254. An act to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota; and

H. J. Res. 341. Joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8031. An act to provide for expenses of the Crow and Fort Peck Indian Tribal Councils and authorized delegates of such tribes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 276. An act for the construction and equipment of a hospital on Crow Indian Reservation;

S. 361. An act for the relief of Mary E. Stebbins;

S. 933. An act to amend section 1025 of the Revised Statutes of the United States:

S. 1594. An act for the relief of Albert Gonzales;

S. 1673. An act for the relief of Charles C. Bennett;

S. 2352. An act amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States," approved February 6, 1921 (41 Stat. 1097);

S. 2375. An act for the relief of Roscoe McKinley Meadows:

S. 2458. An act for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917;

S. 2960. An act for the relief of the estate of Anton W. Fischer:

S. 2987. An act providing for the construction and equipment of a hospital upon the Blackfeet Indian Reservation in the State of Montana;

S. 3786. An act to provide that the United States extend to foreign governments invitations to participate in the International Congress of Architects to be held in the United States during the calendar year 1933, and to authorize an appropriation to "ssist in meeting the expenses of the session;

S. 4020. An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict;

S. 4372. An act for the relief of John E. Click;

S. 4379. An act for the relief of Yvonne Hale;

S. 4443. An act for emergency relief of Palo Verde Valley, Calif.;

S. 4491. An act amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal;

S. 4495. An act amending section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454);

S. 4525. An act providing for the transfer of the duties authorized and authority conferred by law upon the Board of Road Commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes;

S. 4635. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance, and operation of said bridge:

S. 4636. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Cairo, Ill., and permitting the Commonwealth of Kentucky to act jointly with the State of Illinois in the construction, maintenance, and operation of said bridge; and

S. J. Res. 113. Joint resolution to commemorate the one hundredth anniversary of the first public singing of "America."

BOARD OF VISITORS, UNITED STATES MILITARY ACADEMY

The SPEAKER laid before the House the following communication, which was read by the Clerk.

House of Representatives. COMMITTEE ON APPROPRIATIONS, SEVENTY-SECOND CONGRESS Washington, D. C., June 1, 1392.

The SPEAKER

The Speaker,

House of Representatives, Washington, D. C.

My Dear Mr. Speaker: Pursuant to the act of May 17, 1928 (45 Stat. 597), I have appointed the following members of the Committee on Appropriations of the House as members of the Board of Visitors to the United States Military Academy: Ross A. Collins, William C. Wright, Tilman B. Parks, Henry E. Barbour, and FRANK CLAGUE.

Respectfully yours,

JOSEPH W. BYRNS. Chairman.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. Gregory for an indefinite period on account of serious illness of his wife.

MEMORIAL EXERCISES AT TOMB OF UNKNOWN SOLDIER

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the Record a speech delivered by Hon. J. H. Shepherd, an employee of the House, at the memorial exercises held at Arlington Cemetery on

Mr. STAFFORD. Reserving the right to object, what was the address and where was it delivered?

Mr. SANDLIN. It is an address delivered by Hon. J. H. Shepherd, an employee of the House, an ex-Union soldier, and was delivered at Arlington Cemetery at the memorial services.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. SANDLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. J. H. Shepherd, of Berwyn, Md., over the National Broadcasting Co., on the occasion of memorial exercises at the Tomb of the Unknown Soldier in Arlington Cemetery on May 30, 1932:

My fellow countrymen, it is a blessed privilege to give a message from this hallowed spot where thousands who served their country in her hour of need have their final resting place, in sight of the Capitol and under the flag of the Republic. It is fitting that the Nation should honor on this day not only those who gave "their full measure of devotion" on the battlefield, but also the survivors of the years of weary marches under burning suns who suffered hunger and cold, heard the thundering artillery, the shrieking shell, and the whistling bullet.

An English historian, describing a memorial monument erected by a city whose people had suffered a loss of 4,000 out of 7,000

An English historian, describing a memorial monument erected by a city whose people had suffered a loss of 4,000 out of 7,000 people by withstanding an enemy through siege and battle, said:

"A people which takes no pride in the achievement of remote ancestors will not achieve anything worthy to be remembered by remote descendants." The English people have received their greatest inspiration for great accomplishments in military, scientific, and literary excellence and their long struggle for liberty from that temple of silence and reconciliation, Westminster Abbey, where for centuries a grateful people have honored, in marble, their noble and great. The inspiration from the contemplation of these worthles has steeled the nerves and inspired the souls of her sons in the stress of battle to die for the glory of the empire.

Thousands have received inspiration for patriotic service to country from the contemplation of the noble shaft on Bunker Hill, which commemorates the spot where 1,500 American farmers repulsed again and again thrice their number with a loss of but 450, while 1,050 trained British regulars fell, in the first battle for freedom.

After more than 100 years of neglect the National Government

After more than 100 years of neglect the National Government has erected a shaft in commemoration of Jackson's victory, on January 8, 1815, over Wellington's veteran infantry, trained in conflicts with Napoleon's battalions in Spain. The British losses were 700 killed, with the commander, and a frightful loss of officers, 1,400 wounded, and 500 prisoners. The American losses were 8 killed and 13 wounded. Thousands who visit the beautiful city of New Orleans can now see this shrine of victory. But a few years are Tayas took over the Alegne for a persetual monument.

of New Orleans can how see this shrine of victory. But a few years ago Texas took over the Alamo for a perpetual monument, where 150 Americans held at bay for weeks an army of 6,000 Mexicans and laid down their lives to insure Texas independence.

Mount Vernon and the Lincoln Memorial receive a constantly increasing number of visitors who can not fall to be impressed with the debt we owe to the father and to the preserver of the With the dept we owe to the lather and to the preserver of the Union. As they read the words carved in marble of Lincoln's first inaugural they will now realize that his prophecy has been fulfilled. "We are not enemies but friends. We must not be enemies. Though passion may have strained, it must not break our bonds of affection. The mystic chords of memory, stretching from every battlefield and patriot grave to every living heart and

hearthstone all over this broad land, will yet swell the chorus of the Union when touched, as surely they will be, by the better angels of our nature."

As the great war neared its close in 1865, with all its bitterness, with a near triumph in view, he says, "With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive to finish the work we are in; to bind up the Nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan—to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

The fame of Abraham Lincoln has widened with the circling

The fame of Abraham Lincoln has widened with the circling years; more books have been written about him than any other man who ever trod this earth, more monuments erected by people of other lands than to any other man, honored for the noble sentiments which touched the hearts of the struggling masses seek-

ing government by the people.

ments which touched the hearts of the struggling masses seeking government by the people.

Reconciliation between the people who expended four weary years and their best blood and treasure in that mighty conflict is now complete. The generation of sixty-one inherited the bitter controversies which began in the dawn of the Republic. The great armies, who displayed their dauntless courage, their patience, their suffering, melted back among their people and exercised their mighty influence in building a nobler and stronger Nation to bless not only their future generations but all mankind.

Let it never be forgotten that the war was fought by volunteers—a goodly number of boys in their teens. Those in the North utilized that training in obedience, reverence for law, ability to endure hardships and misery of body and soul to the building of a greater nation by a conquest of the prairies and mountains of the West. Thousands took up the trail to the West. The homestead act of 1862, signed by Lincoln, offered free lands to all who had the courage to brave the perils of the savage who ranged over this vast domain, and who, by tomahawk and scalping knife, determined to retain it. In covered wagons, with naught but the plough and a trusty rifie, in the course of 40 years they reduced the fertile prairies into productive farms. Great railroads were built. Cities sprang into active life. Public schools multiplied. They delved into the mountains and converted their treasures of gold, silver, and other minerals into use for man. These veterrans were the pioneers of the 10 flourishing States added to the Union. They delved into the mountains and converted their treasures of gold, silver, and other minerals into use for man. These veterans were the pioneers of the 10 flourishing States added to the Union. The men who followed the leadership of the incomparable Lee and Jackson returned to wasted homes, their entire labor system destroyed, the social system completely disorganized. Trained to obedience, reverence for authority, to look beyond the clouds and never despair, they took up the mighty task of a reconstruction made more difficult by legislation arbitrarily imposed on them and denied any voice in the Government by an arrogant and powerful majority. majority.

Robert E. Lee, recognized among military critics of other lands as one of the greatest military commanders in all ages, was offered the presidency of an insurance company at a large salary. Duty had been his guide in his stainless life. He took up the nobler task of the presidency of a university at a mere pittance to train young men. The keynote of his efforts to build character for patience, loyalty to truth, and an integrity which could withstand temptations of every sort, with unselfish consecration to labor for the common good. The few years, too few for the task but long enough to point the way to the people whose undying affection made his word as great in peace and as ready to obey as his order at the head of a great army. The veterans of the Confederacy by many thousands, in covered wagons with a few scant belongings, poured into that empire State of Texas and which has become one of the brightest stars of the Union.

North Carolina, availing itself of the privilege of placing two statues of its most illustrious men in Statuary Hall of the Capitol filled its long vacant place with the statue of Governor Aycock, son of a Confederate soldier. He gave his State a life of devotion to the cause of education. Robert E. Lee, recognized among military critics of other lands

filled its long vacant place with the statue of Governor Aycock, son of a Confederate soldier. He gave his State a life of devotion to the cause of education.

After years of labor he overcame the prejudice of his people against public education and placed on its statutes laws providing for the education and taxation for it of both races. It was North Carolina's spirit of resurrection from poverty to prosperity. Alabama placed in the same hall a brave Confederate soldier, J. L. M. Currey, honored, not for his valor in war but for the patriotic and unselfish devotion of his great organizing ability and intellect to the cause of public education of both races from the Potomac to the Rio Grande. He was an orator, statesman, and educator.

The Woman's Relief Corps of Washington, a few months ago, presented to Vice President Curris and Speaker Garner a silk flag of our country. The first a son of a Union veteran, the second that of a Confederate, each reared in the hard school of poverty, but taught by work at an early age self-reliance, endurance, loyalty to truth, courage to stand by their convictions at all hazards. Both taught in the home the principles of the Divine Master as the surest guide in life, and the immortal life beyond. Each by continued contact with the common people and in the school of experience and by 30 years of actual service in Congress knows the practical needs in every department of this great Government. Each a thorough master of parliamentary rules of procedure, although opposed in politics. Each by absolute fairness and impartiality and by their genuine sincerity and amiability are today not only the best qualified for their often complicated and onerous duties but the most beloved presiding officers of both Houses of Congress in the past 50 years.

The mania of denouncing the Government, especially Congress, has been with us from the first session of the first one held.

There never was a more intelligent, sober, industrious, and patricic body than the present one now sitting day and night, wrestling with the gravest problems that ever confronted a people. Do not expect the Government to cure all your afflictions. Get busy at home to suppress lawlessness, spend the evening with your children, studying the history of your fathers, who, by courage, patience, and self-reliance, wrought out their own salvation and conquered for you the many blessings you enjoy.

Let the veterans of the late wars cherish Memorial Day, not as a day for sports but a day for honoring the glorious men of the past. A day of reconsecration to the principles of justice and of righteous living. To those veterans we of the Grand Army of the Republic commit the sacred duty of keeping Memorial Day sacred to holy memories of their illustrious fathers, who, by their blood and sacrifices, built this glorious fathers, who, by their blood and sacrifices huilt this glorious fathers, who, by their blood and sacrifices of peace will be greater than those of war, and you will leave as a heritage to your children something more worthy of remembrance than silver and gold.

Let us in the language of Pope's Universal Prayer be guided in this hour of sorrow by his appeal:

"Let not this weak unknowing hand

"Let not this weak unknowing hand Presume thy bolts to throw, And deal damnation round the land, On each I judge thy foe.

Teach me to feel for others' woes, To hide the faults I see, That mercy I to others show. That mercy show to me.

"If I am right, thy grace impart,
Still in the right to stay,
If I am wrong, Oh! teach my heart
To find the better way."

COST OF GOVERNMENT

Mr. JOHNSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of economy.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JOHNSON of Missouri. Mr. Speaker, the question of a reduction of the cost of government is of such vital importance that it should challenge the interest and best thought of every Member of this body in order that the burdens now so heavily pressing upon the backs of the American taxpayers may be lessened.

I say to you, Members of Congress, there is no justification for the present enormous governmental deficit which necessitates an increase of the tax burdens of the people. Such deficit is solely the result of a mad orgy of wild spending of the people's money by those having charge of the Government.

The cost to the American taxpayer of the present bureaucratic government has become so burdensome that it is unbearable. Useless and extravagant bureaus, which have accomplished nothing but the expenditure of public funds, must be abolished. There must be a consolidation of departments to prevent the ever-present overlapping and duplication of activities.

A comparison of certain items of expenditure of public funds by the Sixty-seventh Congress, in 1923, with appropriations made by Congress under the present Hoover administration for 1931, reveals a vast increase in the cost of Government. I submit the following as a fair example of such increase:

OFFICE OF THE PRESIDENT

(a)	Salaries to the Secretary of the President and personal services in the office of the President: Sixty-seventh Congress Appropriations, 1931	\$74, 280 126, 120
	Increase	51, 840
(b)	Contingent expenses of President, including stationery, etc.:	
	Sixty-seventh Congress	36,000
	Appropriations, 1931	43,500
	Increase	7, 500
(c)	Salaries of White House police:	
	Sixty-seventh Congress	55, 540
	Appropriations, 1931	103, 200
5	Increase	47,660

DEPARTMENT OF COMMERCE

(a) Salaries and other personal services in the District of Columbia;	
Sixty-seventh Congress Appropriations, 1931	201, 250 348, 095
Increase	146, 845
DEPARTMENT OF AGRICULTURE	BRX IN
(a) Salaries and personal services in the District of Columbia:	
Sixty-seventh CongressAppropriations, 1931	472, 520 736, 000
Increase	263, 480
(b) Miscellaneous expenses:	
Sixty-seventh Congress	
Appropriations, 1931	198, 000
Increase	42,000

Under the last Congress of President Wilson's administration the total appropriation for the Department of Agriculture amounted to \$31,475,386, but under the present administration, in 1931, the Department of Agriculture received appropriations in the total sum of \$220,288,164, an increase of \$188,812,796. The farmer has received practically no benefit from this enormous increase, for he is now receiving only about one-sixth as much for his products as he received under the Wilson administration.

The following is a comparison between certain appropriations for the years 1925 and 1931:

	1925	1931	Increase
Legislative establishment Independent offices Department of Commerce Department of Justice Department of State Department of the Treasury	\$14, 648, 136 411, 216, 020 24, 123, 472 24, 277, 141 15, 246, 097 269, 354, 848	\$29, 520, 710 1, 169, 249, 797 61, 300, 936 42, 247, 989 18, 778, 462 372, 556, 973	\$14, 872, 574 758, 033, 777 37, 177, 464 18, 020, 848 3, 532, 365 103, 202, 125
Increase of the 6 departments under the Hoover administration			934, 839, 153

The total appropriations by Congress for 1931 for the various governmental organization units, exclusive of appropriations for interest on the public-debt retirement, amounted to \$4,129,015,062.95. It has been estimated if the cost of local and State governments be added it would make a total of more than \$12,000,000,000 which the people are compelled annually to pay to support the various arms of the Government. That means that the per capita expenditure for governmental expenses in 1931 was \$100 for each of our 120,000,000 of people, or \$400 for each average American

It is thus seen that the sum of \$380 was expended by the American people during every second, night and day, in 1931 for the purpose of maintaining and supporting government.

The fact is that the administrators of our Government have ruthlessly and unnecessarily expended the people's money. In the last four decades our population has increased 100 per cent, the national wealth has increased 450 per cent, but the cost of government has increased 1,000 per cent.

The public was shocked by the recent announcement that 11 luxurious limousines had been purchased with the people's money for the use of the White House.

When the new Department of Commerce Building was constructed, without reason or justification, the Government provided a private elevator for the exclusive use of the Secretary of Commerce to keep him from coming into contact with the people. The public is now paying a girl to operate and a guard to protect this private elevator. It has been stated that this building contains 12 bronze doors alleged to have cost \$5,000 each, or a total of \$60,000. There are 60,000,000 of people in our land each of whom is worth less than the cost of one of these doors. I say to you, ladies and gentlemen of the Congress, the people are justly aroused and they will not longer stand this unjustifiable expenditure of their money.

Thus the reason for the present deficit and the necessary tax increase is explained by the enormous increase of the cost of government under the present administration.

THE ECONOMY BILL

In a sincere effort to effect economies in the Government and to reduce the burdens of the people, the Democrats in the House introduced the economy bill recently passed by Congress.

Personally, I believe this question which so vitally affects the welfare of the Nation should be considered by the people as Americans rather than as politicians, and it is to be regretted that the President has seen fit to make a political football out of this tragedy he brought upon the Nation. By misleading statements he would confuse the minds of the people in an effort to divert their attention from the present terrible distress into which they have been plunged by his administration of the Government, but the people will not be fooled.

When Congress convened the first of December, the President appealed for the cooperation of both political parties in passing legislation providing for a moratorium on foreign debts and the Reconstruction Finance Corporation sponsored by him. At the time of the passage of the moratorium act, the President failed to advise Congress of the critical condition of the Treasury. I voted against the moratorium because I felt that it was solely for the benefit of the international bankers, and that the amount of such debts would be saddled upon the American taxpayers.

The President later informed Congress that his administration of the Nation's business had caused a governmental deficit for the fiscal year ending June, 1931, of over \$900,-000,000; for the year ending June, 1932, a deficit of more than \$2,000,000,000; and for the year ending June, 1933, an estimated deficit of slightly less than \$2,000,000,000. The deficits for 1931 and 1932 were fixed and could not in any way be changed by the present Congress. They had been caused solely by previous Congresses under the present administration, and the present Congress had nothing whatever to do with causing them. Notwithstanding the President's party had complete control of both branches of Congress and all departments when the deficits for 1931 and 1932 were caused, no effort was made to provide for such deficits nor to cut appropriations to prevent the further mounting of such deficits. Not one word was ever uttered about balancing the Budget until the Democrats had obtained a bare paper majority of only one House of Congress. The President merely placed the deficits for 1931 and 1932, which he had been three years in creating by his extravagance, at the door of this Congress without any concrete suggestions and asked it in one month to rectify his three years' mistakes.

Under an act of Congress of June, 1921, there was created what is known as the Bureau of the Budget. This law gives to the President the authority to request the bureau to make a detailed study of the departments and establishments for the purpose of enabling him to determine what changes (with a view of securing greater economy and efficiency in the conduct of the public service) should be made. Saturday morning, May 7, 1932, I called Col. J. Clawson Roop, Director of the Budget, and he informed me that President Hoover had never called on the bureau for any such study and report. It is at once apparent that his plea for economy coming after Congress had already passed on appropriation and economy bills is nothing but a political gesture.

Although there was nothing that could be done to change the enormous deficits for 1931 and 1932, the Democratic House determined to hold the 1933 deficit as low as possible. The law requires the President, through the Budget, to make an estimate and request for the various appropriations. The appropriation for the Department of Agriculture was the first considered. The amount requested by the President called for an appropriation of \$186,264,405. The committee began to cut out items that might be dispensed with in times of stress like the present. When the committee began to make these reductions, the President's Secretary of Agriculture protested.

In spite of this opposition the House reduced this appropriation \$14,171,120 below the amount asked by the President in the Budget. The Congressional Record, May 6, 1932,

page 10018, contains a detailed report showing the savings effected on each of the appropriation bills thus far considered by the House. The appropriations by this Congress in the bills already passed have been over one-half billion dollars less than 1931 and over \$200,000,000 less than President Hoover requested in his Budget.

These reductions were made over the opposition of the President's official family. If Congress had given just the departments already considered the amount President Hoover requested, it would have cost the people \$200,000,000 more. The present administration has caused the largest deficit and the present Congress has reduced appropriations in the largest amounts in the history of the Nation.

I was, of course, disappointed that certain major economies in the economy bill were defeated. The largest item of economy in the bill—the consolidation of the Army and Navy Departments—was strenuously opposed by President Hoover and the Republican leaders in the House, who worked against, voted against, and secured its defeat. This was the major proposal of the economy bill, carrying with it savings of more than \$100,000,000. In this crisis it was a tragedy for the President and his party, in the first attempt of Congress to effect real and permanent economy by consolidation of departments, to defeat such effort.

Since the President in his political message given to the press seeks to blame Congress for failure to pass the economy bill, it might be elucidating to look at the vote of the members of the President's party on this major economy in the bill. The record shows that 150 Republicans and 60 Democrats voted against this consolidation with a saving of over \$100,000,000, and 109 Democrats and 48 Republicans and Progressives voted for same. I am glad to say that the record shows that the 12 Democratic Congressmen from Missouri, namely, Barton, Cochran, Lozier, Dickinson, Johnson, Romjue, Fulbright, Williams, Shannon, Milligan, Cannon, and Nelson, all fought and voted for this, the greatest saving in the bill, as well as for the many other economies in such bill.

I and the other Missouri Democrats voted for the law passed by this Congress reducing our own salaries as Congressmen. I thought that we should evidence a desire on our own part to economize.

The Hoover administration proposes to continue its wild orgy of spending of the people's money by obnoxious taxes upon the people including an increase in postage, a stamp tax on bank checks, and other burdensome taxes. I am opposed to, and voted against, these taxes. Personally, I believe that what the country needs is a wise reduction in governmental expenditures rather than an increase in taxes.

The Democrats have only a bare paper majority in the House, and in order to effect economies or pass remedial legislation they must have the cooperation of the Hoover administration, which controls the Senate and all other departments of the Government. The record shows that it is not receiving such cooperation. The tariff bill passed by both Houses of this Congress for the purpose of removing some of the iniquitous provisions of the present tariff law to revive commerce met with a presidential veto, and the bill passed by the House to restore commodity prices is now threatened with similar final defeat.

I say the time has come when we must apply the axe at the very root of governmental extravagance and stop all useless activities. For my part, I intend to vote for measures to effect such results regardless of what course others may pursue.

Let us return to a plain, simple, judicious, economical administration of the Government in the interest of the people.

Mr. Speaker, may I say it is to be regretted that it has been necessary for Congress to consume so much time in an effort to efface the deficit caused by the present administration, for there are many other serious conditions facing the country which must be remedied.

It is said by some that if remedial legislation were passed, it would meet the same fate and defeat as the tariff law passed by this Congress. Let us pass such legislation and let the President answer to the country for his veto. Our

farmers, our laborers, and the average business man are in ruin and despair, and it is our duty now to enact legislation which will relieve them in their terrible distress.

PERMISSION TO ADDRESS THE HOUSE

Mr. GOLDSBOROUGH. Mr. Speaker, I am very anxious to discuss, if possible, the Glass substitute for the Goldsborough stabilization bill; and with that in view, and also in view of my desire not to interfere with the Private Calendar, I ask unanimous consent to address the House on that subject to-morrow afternoon after 4 o'clock, at which time the consideration of the Private Calendar will probably be concluded.

The SPEAKER. The Chair will say that the custom has been not to grant unanimous consent for a future date to address the House. The Chair feels confident that if the gentleman will ask that permission to-morrow morning it will undoubtedly be granted to him.

Mr. SNELL. I agree to what the Speaker has said. There will be no objection to doing that to-morrow.

FRANK P. ROSS AND EARL A. ROSS

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from consideration of the bills H. R. 12065 and H. R. 12066, and that these bills be referred to the Committee on the Public Lands.

The SPEAKER. Is that agreeable to the chairman and the ranking member of each committee?

Mr. JOHNSON of Washington. Yes; I have consulted the chairman and the ranking members, and it is agreeable to them

Mr. STAFFORD. Reserving the right to object, may I inquire what the subject matter with reference to these two bills is?

Mr. JOHNSON of Washington. They are minor bills with reference to claims of two young men, in an effort to correct some homesteading errors. The bills were referred to the Committee on Agriculture, because the text would make it appear that it had to do with forest-reserve lands. The Senate is changing the bill to make it public lands, which would naturally go to the other committee.

The SPEAKER. Is there objection?

There was no objection.

THE LATE HON. CHARLES NEWELL FOWLER

Mr. STEWART. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. STEWART. Mr. Speaker, I wish to call to the attention of the membership of this House the death of the Hon. Charles Newell Fowler, a former Representative of the fifth congressional district of New Jersey.

Mr. Fowler served as a Member of the Fifty-fourth and seven succeeding Congresses, his service covering a period of 16 years. Mr. Fowler was a distinguished member of the Committee on Banking and Currency, and served as its chairman.

ELECTION OF MEMBERS OF COMMITTEES

Mr. SNELL. Mr. Speaker, I present two privileged resolutions electing minority members to committees.

The Clerk read as follows:

House Resolution 246

Resolved, That Hugh I. Shorr, of West Virginia, be, and he is hereby, elected a member of the Joint Standing Committee on Printing.

The resolution was agreed to.

Mr. SNELL. Mr. Speaker, I present a further privileged resolution.

The Clerk read as follows:

House Resolution 245

Resolved, That JOHN E. WEEKS, of Vermont, be, and he is hereby, elected a member of the standing Committee on Patents.

The resolution was agreed to.

HON. FRANK MURPHY

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, I would like to call to the attention of the constituency of the gentleman from Ohio, Mr. Frank Murphy, something which I consider one of the finest things which has come to my attention since I have been in Congress.

Mr. Murphy called me about 20 minutes ago from his hotel, where he has been very sick for the past few weeks, and he said the doctor had allowed him to dress, and he was able to get downstairs this morning and telephone. He said: "If you need my name to complete that petition for the soldiers' bonus, I will be glad if you will give me an hour's notice to get out of my sick bed and come down and sign the petition."

Now, I want to say to the membership of this House that I was not surprised at Mr. Murphy's attitude, because I know his fine courage and gameness as well as his interest in the veterans. He has always been in favor of the bonus. I want the veterans in his district particularly to know that he is willing to get out of his sick bed to come down and help them.

Mr. BLANTON. FRANK MURPHY, of Ohio, is for everything that is good. I indorse every word the gentleman has said about him.

CLYDE SHELDON

The SPEAKER. The Clerk will call the Private Calendar. The Clerk called the first bill on the Private Calendar, H. R. 5053, for the relief of Clyde Sheldon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the United States Treasury not otherwise appropriated, the sum of \$250 to Cldye Sheldon, the same being remission of a fine paid by the said Clyde Sheldon on October 9, 1929, for fishing in a closed area contrary to the form of the statute whereas it was not discovered until too late that there was no fish stream in the closed area and consequently the facts charged in the information did not constitute a crime.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ANTHONY PETER DE YOUNG

The Clerk called the next bill, H. R. 1185, for the relief of Anthony Peter De Young.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors Anthony Peter De Young, formerly a water tender, United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a water tender on the 25th day of September, 1918: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GEORGE DEWEY HILDING

The Clerk called the next bill, H. R. 1190, to provide for the advancement on the retired list of the Navy of George Dewey Hilding.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I may say to the gentleman from Pennsylvania who reported the bill that I have objected to other bills of similar purport even from the Committee on Naval Affairs, and also from the committee on which I have the honor to serve.

Unless there is some special merit in this case I shall be constrained to object.

Mr. COYLE. Mr. Speaker, if the gentleman from Wisconsin would ask the gentleman from Michigan who introduced the bill to give him the reasons behind the bill, I feel quite certain he can do so.

Mr. STAFFORD. I am not concerned as to who gives the information. I have objected to similar bills. I would like to give the gentleman an opportunity to advance any reasons why a bill of this character should pass. Otherwise I shall object.

Mr. COYLE. Will the gentleman reserve his objection and give the gentleman from Michigan an opportunity to explain the bill?

Mr. MAPES. Mr. Speaker, I have no desire to take up the time of the House if the gentleman is going to object to the bill. The facts are fully and clearly set out in the report.

Mr. STAFFORD. Then, Mr. Speaker, I object.

FRANK E. EVANS

The Clerk called the next bill, H. R. 2087, for the relief of Col. Frank E. Evans, United States Marine Corps. Mr. STAFFORD. Mr. Speaker, I object.

AGNES C. REDER

The Clerk called the next bill, H. R. 9004, for the relief of Agnes C. Reder.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue a patent to Agnes C. Reder for lands embraced in her enlarged homestead entry, Billings 029518, and her stock-raising homestead entry, Billings 029541, upon fulfillment of the usual requirements, but without reference to the limitations of the act of August 30, 1890 (26 Stat. 391).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HARVEY COLLINS

The Clerk called the next bill, H. R. 2213, for the relief of Harvey Collins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Harvey Collins, late of the United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States: Provided, That no pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendments:

On page 1, line 6, strike out the words "held and considered to have been honorably," and insert the words "deemed to have been."

Page 1, line 7, after the word "discharged," insert the words "under honorable conditions."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ELMO K. GORDON

The Clerk called the next bill, H. R. 2844, for the relief of Elmo K. Gordon.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Elmo K. Gordon, former seaman, first class, the sum of \$648, being the amount due him for salary for one year at the rate of \$54 per month, and said amount is hereby appropriated out of any money in the Treasury not otherwise appropriated: Provided, That no back pay, allowances, or emoluments shall become due because of the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

LAKE B. MORRISON

The Clerk called the next bill, H. R. 4166, to correct the military record of Lake B. Morrison.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Lake B. Morrison, late of Captain Horner's company, Third Regiment Potomac Home Brigade, Maryland Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 29th day of September, 1862: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

HELEN H. TAFT

The Clerk called the next bill, H. R. 5385, granting a pension to Helen H. Taft.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I have consistently objected to bills granting pensions to the widow of Theodore Roosevelt and to the widow of Woodrow Wilson, although the Congress did finally pass them, and I object to this bill. I think it is a bad practice.

Mr. STAFFORD. Will the gentleman withhold his objection?

Mr. BLANTON. If the House is willing; yes.

Mr. STAFFORD. Mr. Speaker, notwithstanding the statement of the gentleman from Texas that he has been opposed to the granting of a pension of \$5,000—

Mr. BLANTON. Five thousand dollars each year for life. Mr. STAFFORD. To the widows of former Presidents—Mr. BLANTON. She not being indigent and not in neces-

sitous circumstances.

Mr. STAFFORD. Notwithstanding that, we have granted a pension to the widow of former President Roosevelt, and during a Republican administration, to its credit, we granted a pension to Edith Bolling Galt Wilson. It is generally known that Mrs. Wilson was not in the position Mrs. Taft is, that she had an estate of her own and is interested in a large jewelry store on the Avenue; yet, carrying out the established policy of the Government, we granted her that honorarium. Now, as to the widow of President Taft, it is well known that when he ran for the Presidency of the United States his half-brother, Charles P. Taft, financed his campaign. It is well known that after he had been defeated for the Presidency he had to undertake private employment, and that he left no large estate.

Mr. BLANTON. His brother, Charles P. Taft, has one of the large landed estates in Texas, down in the district of the Speaker, in the Rio Grande Valley, some of the finest property in the world.

Mr. STAFFORD. But Mrs. Helen Taft and the former Chief Justice were not the recipients of that inheritance.

Mr. BLANTON. Oh, but this widow of our former distinguished Chief Justice is in comfortable circumstances.

Mr. STAFFORD. On what does the gentleman base that statement?

Mr. BLANTON. Just on my investigation; and I want to ask the gentleman one question.

Mr. STAFFORD. I am very pleased to yield.

Mr. BLANTON. Is the gentleman in favor of granting a pension of \$5,000 a year as long as they may live to every good widow in the State of Wisconsin? If the gentleman is in favor of that, I shall withdraw my objection.

Mr. CLARKE of New York. Regular order, Mr. Speaker! Mr. STAFFORD. It is rather unfair for the gentleman to demand the regular order on a proposition of this kind. It is only fair, in view of the precedents already established, that we have a little discussion of the matter.

Mr. CLARKE of New York. I withdraw the demand for the regular order, if we are going to have general debate.

Mr. BLANTON. So far as I am concerned, I want the gentleman to put everything in the Record he can to support this unwarranted proposition.

Mr. STAFFORD. I realize that my advocacy of this proposal, perhaps, is not popular in my district but when the Government of the United States has established a policy,

as we have with respect to the widows and near relatives of Members of Congress, granting them an honorarium of \$10.000—

Mr. BLANTON. I am against that, too, and I hope it

soon will be stopped.

Mr. STAFFORD. Nevertheless, we have adopted such a policy, and it is not fair to single out one widow for disadvantageous consideration, as we are doing in this case. We have adopted the policy—and it is a commendable policy—of granting such a pension. The gentleman from Texas does not wish any widow of a former President of the United States to live in want.

Mr. BLANTON. And I do not want any widow in Wisconsin to live in want.

Mr. STAFFORD. That has no application here.

Mr. BLANTON. I want to treat all widows in the United States alike.

Mr. STAFFORD. Then extend to Mrs. Taft the same allowance as Congress has to Mrs. Roosevelt and Mrs. Wilson.

Mr. BLANTON. I object.

PUBLIC SERVICE COORDINATED TRANSPORT OF NEWARK, N. J.

The Clerk called the next bill, S. 259, authorizing adjustment of the claim of the Public Service Coordinated

Transport of Newark, N. J.

Mr. BLANTON. Mr. Speaker, this bill involves \$122,442.43, which is too large a sum to be passed on by unanimous consent. This bill passed the Senate on January 20, 1932; and if we pass it now by unanimous consent in the House, it will cause the said sum of \$122,442.43 to be taken out of the Public Treasury and paid to the Public Service Coordinated Transport of Newark, N. J. This bill was originally introduced for the sum of \$137,442.43, and the claim at first was for the sum of \$152,442.43, for alleged cost of restoring main-line tracks, car house and storage tracks. The railway company itself removed and reconstructed the car house. It kept no cost records. Representatives of the War Department who audited the account for removing the main-line tracks and distribution system asserted that the amount claimed for this work was excessive. Under the circumstances I can not permit this \$122,442.43 to be taken out of the Treasury by unanimous consent. Therefore I object.

SETH B. SIMMONS

The Clerk called the next bill, H. R. 5450, for the relief of Seth B. Simmons.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Seth B. Simmons, who was a member of Company M, Fifth Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 19th day of December, 1908: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CON MURPHY

The Clerk called the next bill, H. R. 611, for the relief of Con Murphy.

Mr. MOUSER. Mr. Speaker, at the proper time I would like to be recognized to offer two amendments.

Mr. STAFFORD. Mr. Speaker, I reserve the right to object, to inquire whether this inquiry occurred prior to the enactment of the employees' compensation act.

Mr. CARTER of Wyoming. Yes; it occurred prior to the enactment of that act. The injury occurred in 1910 or 1912, and the act was passed in 1919, and for that reason the claimant could not take advantage of the provisions of the act.

Mr. STAFFORD. Mr. Speaker, it has been the consistent penses. I am concerned policy of this Congress not to extend the provisions of the construction of the door.

employees' compensation act to injuries that occurred prior to the date of such enactment, and therefore I am constrained to object.

NEWARK CONCRETE PIPE CO.

The Clerk called the next bill, H. R. 689, for the relief of Newark Concrete Pipe Co.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and there is hereby appropriated for such payment, to Newark Concrete Pipe Co. the sum of \$1,824.41, in full settlement for damage due to explosions at naval ammunition depot, Lake Denmark, N. J., July 10, 1926,

With the following committee amendment:

Page 1, line 7, strike out "\$1,824.41" and insert "\$656.20."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JULIA KERR O'BLENESS

The Clerk called the next bill on the Private Calendar, H. R. 1222, for the relief of Julia Kerr O'Bleness.

The SPEAKER. Is there objection?

Mr. MOUSER. Reserving the right to object, I would like to hear from the gentleman from Ohio. In my judgment, this amount ought to be reduced to the amount of her expenses.

Mr. MOORE of Ohio. There is no objection to that. It is my purpose to ask to substitute the Senate bill, where the amount is reduced to \$2,500, and that is approximately the amount that was expended.

This old lady was injured by a revolving door.

Mr. MOUSER. What is the number of the Senate bill?

Mr. MOORE of Ohio. S. 326.

Mr. STAFFORD. Reserving the right to object, I would like to ask the gentleman wherein was the Government at fault when this old lady was injured?

Mr. MOORE of Ohio. The door was so constructed that it was dangerous. There was a step just outside of this revolving door. There were others injured by the door in minor accidents. This is all set out in the statement of the custodian of the building and the Treasury Department. It appears there was fault on the part of the Government in the construction of the door and the placing of it so near the step. The door was removed and another constructed very shortly after the accident.

Mr. STAFFORD. It is difficult for me to conceive that the Government would place a revolving door in such a way

that it would be injurious to life.

Mr. MOORE of Ohio. If the gentleman will permit, the building has been constructed a number of years, and probably a revolving door was not contemplated at the time it was built. A revolving door may not have been contemplated in the original construction. The step was close to the door, so that made it dangerous.

Mr. STAFFORD. I can not conceive that the Government would establish a revolving door in a place that would be injurious to life. I can conceive that this old lady, in her decrepitude, ought not to have been there without an attendant or in the custody of some other person.

Mr. MOUSER. As a matter of fact, the door was constructed in a faulty way, so that it did not revolve, but came back against her and knocked her over, down the steps. It was a faulty construction, and was immediately replaced by a new door.

Mr. MOORE of Ohio. The gentleman from Wisconsin speaks of the decrepitude of the old lady. If she could walk, she had a right to be there.

Mr. MOUSER. Let me say to the gentleman from Wisconsin that the gentleman from Ohio has agreed to accept an amendment reducing the amount to actual expenses.

Mr. STAFFORD. I am not concerned about the expenses. I am concerned about the allegation of the faulty construction of the door.

Mr. MOUSER. The door was so constructed that it did not go around, but came back and knocked her down the

Mr. STAFFORD. Mr. Speaker, with the statement made by my colleague, I withdraw the reservation of objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER. The Chair understands there is a similar bill on the calendar, and, without objection, the Clerk will read the Senate bill.

The Clerk read as follows:

S. 326

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500 to Abram G. O'Bleness, of Marietta, Ohio, in full settlement of all claims against the Government of the United States on account of injuries received by his wife, Julia Kerr O'Bleness, now deceased, on November 6, 1928, caused by being struck down by a revolving door in the Federal building at Marietta, Ohio.

Mr. MOUSER. Mr. Speaker, I offer the usual attorneyfee amendment to the Senate bill.

The Clerk read as follows:

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time and passed.

A motion to reconsider the vote was laid on the table.

HARRISON SIMPSON

The next business on the Private Calendar was the bill (H. R. 1903) for the relief of Harrison Simpson,

The SPEAKER pro tempore (Mr. WOODRUM). Is there objection?

Mr. EATON of Colorado. Mr. Speaker, I reserve the right to object. I ask the author of the bill if this complainant was entitled to compensation?

Mr. PURNELL. Mr. Speaker, this is not my bill and I have no interest in it. The claimant is not a resident of my district. This is a bill that was introduced by the late Mr. VESTAL, and that is my only interest in it. He was vitally interested in this claim. This boy was injured in the House Office Building. He got a splinter in his eye that at first seemed not serious but which later necessitated the removal of the eye. He did not file his claim within the year. The purpose of this bill is to permit him to file his claim for compensation.

Mr. EATON of Colorado. Then there will be no objection to having the usual form for that type of claim substituted for the bill, with the proviso that no benefit shall accrue prior to the approval of the act?

Mr. PURNELL. That is customary, is it not?

Mr. EATON of Colorado. Yes.

Mr. PURNELL. I have no objection to that.

Mr. EATON of Colorado. Mr. Speaker, I withdraw the objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission shall be, and it is hereby, authorized and directed to waive the statute of limitations in the application filed by Harrison Simpson, a former employee in the House Office Building, Washington, D. C., for compensation under the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, in order that he may receive the same consideration as though he had applied within the specified time required by law. by law.

Mr. EATON of Colorado. Mr. Speaker, I offer the following amendment in the nature of a substitute, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. Earon of Colorado: Strike out all after the enacting clause and insert:

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Harrison Simpson in the same manner and to the same extent as if said Harrison Simpson had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: Provided, That no benefit shall accrue prior to the approval of this act."

The amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MINOR CHILDREN OF JAMES P. CONWAY, DECEASED

The next business on the Private Calendar was the bill (H. R. 2684) to extend the benefits of the United States employees' compensation act to the widow and minor children of James P. Conway, deceased.

The SPEAKER pro tempore. Is their objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I reserve the right to object, and I ask the author of the bill whether he is willing to have a substitute therefor in the usual form?

Mr. BLANTON. Is this one of those bills that goes back of that act?

Mr. STAFFORD. Oh, no.

Mr. SWING. The gentleman is mistaken about that. I am sure it is not one of those that go back. I do agree that the form of the bill should be changed so that it will be a waiver.

Mr. BLANTON. Let me ask the gentleman this question. Why did this man wait 6 years and 15 days before he made any application? It occurs to me that that is a long time for a man to make up his mind as to whether or not he is injured and entitled to compensation from the Government.

Mr. SWING. He was injured on the leg and subsequently the scar developed into a growth, and when it was operated upon it was found to be of a cancerous nature. He died. He was only 15 days over the statute of limitations.

Mr. BLANTON. It was 6 years and 15 days after the

Mr. SWING. I am sure the gentleman is familiar with the origin of cancer, and that a bruise is one of the recognized origins of cancer. We do not pass upon the merits of the claim here. That has all to be proven before the commission which we have set up for the purpose of making the determination. They have doctors and experts of their own who will examine the matter and make certain the Government is protected.

Mr. BLANTON. The gentleman from California can not accuse anyone of his colleagues of not having gone along with him on big propositions, because they have helped him out wonderfully, but I can not go along with him where a man is injured 6 years and 15 days before a claim is ever filed against the Government for compensation.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BLACK. Here is the case of an employee of the Government who does not file a claim for compensation because he believes that his injury is slight. He does not make any demand upon the Government because he figures that he has not received much of an injury and he does not put the Government to any expense because of that. Subsequently, years later, it is found that he has a cancer. This man ought to get consideration.

Mr. BLANTON. I guarantee to both gentlemen that if they will get some medical works and some medical experts' testimony, they will find that a bruise occurring six years and 15 days before the discovery of cancer is not the producing cause of the cancer.

Mr. BLACK. The evidence here is that it was the cause of the cancer.

Mr. BLANTON. Was it the evidence of laymen or of expert doctors?

Mr. BLACK. Of medical experts. Does not the gentleman think that a man who does not file a claim for a slight injury should have that much consideration shown him if it is subsequently found that he had a real injury?

Mr. BLANTON. The Government is an easy mark. Many people wait and wait, and finally when they need money they begin to file claims against the Government.

Mr. SWING. The gentleman certainly does not want to close the door against this widow having her day in court?

Mr. BLANTON. I want the Government to pay its honest debts. This is a gratuity at most.

Mr. SWING. No, no.

Mr. BLANTON. The Government owes honest debts. What is the gentleman doing to get this petition signed to pay the soldiers what the Government owes them? Is the gentleman doing anything to get that petition signed?

Mr. SWING. I want them to have their day in court.

Mr. BLANTON. They had their day in court when they were fighting in the trenches in France, and they ought to have been paid in cash when they came back.

Mr. SWING. The commission says they have not yet passed upon the merits of this. We can trust them to do so. They are not easy marks.

Mr. CLARKE of New York. Mr. Speaker, regular order! Mr. BLANTON. Mr. Speaker, I object.

FRANK A. SMITH

The Clerk called the next bill, H. R. 2685, to extend the benefit of the United States employees' compensation act to Frank A. Smith.

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, I wish to ask the author of this bill if he will ask to have the bill changed by substituting after the enacting clause the form used for compensation cases?

Mr. SWING. I am willing to do that. I thought what was in here was a mere waiver of the statute of limitations.

Mr. BLANTON. Mr. Speaker, reserving the right to object, it is shown that this injury, if there were an injury caused under such circumstances, occurred back in 1922. That is 10 years ago, and it is now too archaic. It has moss on it, and I object.

ELLEN N. NOLAN

The Clerk called the next bill, H. R. 3414, for the relief of Ellen N. Nolan.

Mr. BLANTON. Mr. Speaker, reserving the right to object, with the understanding that the gentleman from Massachusetts will accept an amendment reducing the amount from \$5,000 to \$2,500, I will not object.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ellen N. Nolan the sum of \$5,000 as compensation for the injuries sustained by being knocked down and injured by an automobile owned and operated by the Post Office Department.

With the following committee amendments:

Page 1, line 6, strike out "\$5,000" and insert in lieu thereof "\$2,500."

Page 1, line 9, insert the following: "Provided, That no part of the amount appropriated in this act in excess of \$150 shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of \$150 on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

Mr. MOUSER. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Mouses: Page 1, line 6, after the amount "\$2,500" insert a comma and the following: "in full settlement of all claims and demands against the Government of the United States."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ARTHUR RICHTER

The Clerk called the next bill, H. R. 3790, for the relief of Arthur Richter.

Mr. BLANTON. I reserve the right to object. This injury is alleged to have occurred on August 18, 1916, before the enactment of the employees' compensation act. At the time he was injured he was paid \$840 by the Labor Department. This is one of the class of cases that we have universally objected to, Members on both sides of the aisle, and I object to this bill.

CHARLES L. BARBER

The Clerk called the next bill, H. R. 3845, for the relief of Charles L. Barber.

Mr. STAFFORD. Reserving the right to object, I wish to inquire whether this injury occurred in service?

Mr. DOXEY. I appreciate the gentleman's right to object, and I wish to say that this bill is a bill of my colleague, the gentleman from Mississippi [Mr. Coller], who is unavoidably detained and can not be here.

This injury did occur in service, while the man was acting in the capacity of a superintendent of concrete work, where they were doing revetment work in Vicksburg, Miss. There is no question about it. It is recommended by all departments, by the Secretary of War, Mr. Hurley, by the Judge Advocate General's office, and by Gen. Lytle Brown, Chief of Engineers, and it is a meritorious bill, and I am sure the gentleman will not object.

Mr. STAFFORD. There is this difference, that here we establish a law known as the employees' compensation act to provide for civilian employees injured in line of duty. This claimant filed his application to gain the benefits of that law, but it was rejected because it was not filed in time. We have proceeded on the policy not to pay lump-sum appropriations to persons injured if they had a civilian status to come under the purview of that act. I would like to inquire of the chairman of the committee, unless the gentleman from Mississippi is a member of that committee and can perhaps inform us, why in this instance the committee reports in favor of a lump-sum appropriation, while in all other instances the policy is to bring the claims under the benefit of the employees' compensation act.

Mr. DOXEY. I will be delighted to answer the gentleman if he will permit. We all appreciate the work of the gentleman from Wisconsin, and he and I worked together on these claims while I was a member of the Committee on Claims.

This accident occurred by reason of a Stillson wrench being dropped 110 feet by a workman and striking this man.

Mr. STAFFORD. Assuming he has a claim against the Government, why does he not attempt to avail himself of the Employees' Compensation Commission?

Mr. DOXEY. Simply because he did not want anything except to continue in his employment, and as an employee of the Government he felt he was temporarily injured, and he never filed any claim or did anything until he became totally disabled.

Mr. BLANTON. Will the gentleman yield?

Mr. DOXEY. I yield.

Mr. BLANTON. I am sure the gentleman from Mississippi does not understand the gentleman from Wisconsin. The gentleman seems to be of the mind that this bill ought to be referred to the Compensation Commission for its regular action, and to waive any right by not having filed the claim on time. Why not submit this to them and let them pass upon this as they do all other cases?

Mr. DOXEY. This man is a total invalid.

Mr. BLANTON. The chairman of the Compensation Commission is familiar with this case; the chairman says in the report here that he knows him personally. The man's rights will not be jeopardized by submitting the case to the Compensation Commission. Let us pass the amendment of the gentleman from Wisconsin and go on with the bill.

Mr. BLACK. What is the suggestion of the gentleman from Wisconsin?

Mr. STAFFORD. I would like to inquire of the chairman of the committee what rule the committee follows in this character of cases? In this case the committee reports a lump-sum appropriation as compensatory damages for the injury received. In many instances the committee recommends that claimants have the benefits of the employees' compensation act. What rule does the committee follow in doing it one way in one case and another way in another

Mr. BLACK. The committee has adopted no set policy in the handling of these cases. Each case is considered on its own merits.

The Member introducing this bill wanted a lump-sum settlement. The lump-sum settlement seemed to be fair enough, so the committee reported the bill.

Mr. STAFFORD. What is the age of the person making the claim?

Mr. BLACK. He is a pretty old man. Mr. DOXEY. He has a wife and three children.

Mr. STAFFORD. What is his age?

Mr. DOXEY. I could not say.

Mr. STAFFORD. Does not the gentleman think it would be better for the claimant to have payment of a little every month in the form of an allowance rather than to receive a lump-sum payment of \$5,000?

Mr. DOXEY. Those who know the facts say this is a most meritorious claim and they recommended it.

Mr. STAFFORD. I am not talking about the merits of the claim.

Mr. DOXEY. It is most reasonable, and if he is to receive any benefits, they will have to be given him soon.

Mr. BLACK. If the gentleman insists on sending it to the Employees' Compensation Commission, I think it would be perfectly agreeable to the gentleman from Mississippi [Mr. Collier], and I know it would be agreeable to the

Mr. STAFFORD. With that understanding, Mr. Speak-

Mr. BLANTON. The understanding is the gentleman from Wisconsin is going to offer an amendment which will be accepted by the committee?

Mr. BLACK. Yes.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of \$5,000 to Charles L. Barber, on account of an injury sustained July 6, 1923, while in the performance of his duty as an employee of the Government at Vicksburg Miss.

Mr. BLANTON. Mr. Speaker, to give the gentleman from Wisconsin time in which to prepare his amendment I move to strike out the last word.

Mr. Speaker, the result of the session yesterday and of the session thus far to-day demonstrates clearly the fact that you can not improve much on the old rules of the House. It took but one session, under the new consent rule, to show the House it was nonworkable. In a whole afternoon, under the operation of the new rule, but three bills were passed, whereas yesterday in a session of less than half a day many good bills on the Private Calendar were passed and more have been passed this morning. The House has done well to abandon the new rule and return to the old one under which we can operate.

The gentleman has his amendment ready, so I yield the floor.

Mr. STAFFORD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out all after the enacting clause of H. R. 3845 and insert in lieu thereof the

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Charles L. Barber, who purports to have suffered injury while employed at Vicksburg, Miss., for an injury sustained July 6, 1923, in the same manner and to the same extent as if said Charles L. Barber had made application for the benefits of said act within the oneyear period required by sections 17 and 20 thereof: Provided, That no benefits shall accrue prior to the enactment of this

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ALFRED H. JACOBSON

The Clerk called the next bill, H. R. 4309, for the relief of Alfred H. Jacobson.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MOUSER. Mr. Speaker, I object.

Mr. BLACK. Will the gentleman reserve his objection?

Mr. MOUSER. I will.

Mr. BLACK. Mr. Speaker, I think when the House hears the statement of facts in connection with this case it will believe it is a most meritorious case and will use its influence on the gentleman from Ohio.

Mr. MOUSER. I am objecting on the ground of giving \$2,000 for a secondhand Buick. I am not taking into consideration the liquor question at all. If the gentleman, in behalf of the proponent of the bill, Mrs. Owen, who is unavoidably absent in Florida, will consent to an amendment making the amount \$750, I shall not object.

Mr. STAFFORD. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. STAFFORD. Can the gentleman from Ohio or the gentleman from New York advance any good reason why this claimant did not accept the Buick when it was offered

Mr. MOUSER. As a matter of fact, although you can gather the inference that the Buick which was confiscated had liquor in it, the accused was acquitted and the court ordered the car returned to him. However, the claim is that the car offered to be returned was not his car, and that somebody in the service got rid of the Buick which was confiscated.

Mr. BLACK. Here is the case of a man who was arrested by prohibition agents and his car seized. He was charged with a violation of the law.

Mr. MOUSER. Let us leave the liquor question out of it. Mr. BLACK. He was tried, he was acquitted, and the car was ordered returned to him. However, the car was never put in the Federal warehouse. It was used for a long time by Federal agents, and they wanted to return to him an old Buick. Now, here are the equities in this case: First of all, he was tried and he was acquitted. He had to go to the expense and through the mental distress of a trial, and he had a new car taken away from him.

Mr. MOUSER. It was not a new car.

Mr. BLACK. It was practically a new car. The Government officials, instead of keeping it in a safe place, used the car for a long time. In view of all these circumstances, the man not being properly arrested, being acquitted, and the car ordered returned to him, I think this relief should be accorded him.

Mr. MOUSER. It appears there was cause for his arrest, but a jury of his peers refused to convict him.

Mr. BLANTON. Will the gentleman yield? Mr. MOUSER. I yield.

Mr. BLANTON. The Treasury Department, which had charge of this matter at the time, makes this statement: That the record shows the agents actually found six bags of contraband whisky in the car at the time of seizure, which fact would justify the seizure and lawful custody from the time of seizure until the time of the defendant's trial. They

further state that every effort was made by the prohibition administrator's office to return the car to him, but that he refused to accept it on account of its condition, and they report the condition was due to storage while they were holding it lawfully, and I object. Bootleggers and citizens must quit carrying six bags of contraband liquor in their cars, and if they do not the Government has the right to confiscate their cars.

Mr. MOUSER. We can not go back of the jury's verdict. Mr. BLANTON. I do not care what the jury's verdict was. In my lifetime I have represented men charged with murder. Probably they should have been hanged, but some of them were acquitted.

The SPEAKER pro tempore. Is there objection? Mr. BLANTON. Mr. Speaker, I object.

RELIEF OF CERTAIN NEWSPAPERS FOR ADVERTISING SERVICES RENDERED THE PUBLIC HEALTH SERVICE

The Clerk called the next bill, H. R. 4948, for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. This bill seeks to pay \$2,989.17 to newspapers in Chicago. New York, and Houston, Tex. Some of those who usually object seem to have cold feet, because this is a newspapers' bill, and it happens that one is a newspaper in my own State. I am as reluctant as any other Member to have them hit me because I stop their bills. I do not get much from the press boys, anyway. They rarely ever give me a square deal. That, however, has nothing to do with my objection. I do not believe that it is just to pay them this \$2,989.17 out of the Public Treasury. Therefore, I object.

MRS. JOHNNIE SCHLEY GATEWOOD

The Clerk called the next bill, H. R. 5059, for the relief of Mrs. Johnnie Schley Gatewood.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, it seems to me we are going pretty far afield when we recognize liability on the part of the Government for the accidental discharge of some weapon that injures one of the audience who has gone there for her own edification. I think the amount is altogether out of keeping with the circumstances of the case. This is to pay \$5,000 to a person who is still living and who appears to have been accidentally injured while observing some demonstration.

Mr. WRIGHT. Mr. Speaker, in May, 1928, what is commonly known as a sham battle was largely advertised in the local papers to occur at Fort Benning, Ga. An invitation was extended to the public to witness the battle. A grand stand was erected for the guests. This lady, who lived at Columbus, Ga., some 8 miles from Fort Benning, attended the sham battle, together with thousands of others. Many thousand people were there upon invitation, and while this lady was seated in the grand stand something like a hand grenade or a block of T. N. T. was thrown out in front of the grand stand by some of the soldiers engaged in the demonstration. It exploded, and a part of the shell struck her on the right cheek and caused a compound fracture of her cheek and tore her jaw all to pieces and made a wreck of this poor woman.

Mr. BLANTON. Will the gentleman yield? Mr. WRIGHT. Certainly.

Mr. BLANTON. What does the gentleman say about the finding by the Hon. Patrick J. Hurley, commonly known as the Secretary of War, who says:

The board is of the opinion that all commissioned and enlisted personnel observed all safety precautions, and the accident was not due to the negligence of anyone concerned.

Mr. WRIGHT. They were trying to exonerate the Army. They had a board, and they examined the matter to see whether these things were permissible to be used in a sham

Mr. MOUSER. Will the gentleman yield?

Mr. WRIGHT. Certainly.

Mr. STAFFORD. Just one minute, if the gentleman will permit. Some years ago, perhaps more than 10 years ago, the Congress was presented with numerous claims for damages to those who witnessesd these exhibition drills, and if my memory serves me right we passed a law banning the War Department from giving such maneuvers in the presence of the public for the purpose of safeguarding the Treasury. This performance was largely for the benefit of the audience and was of no real benefit so far as military maneuvers were concerned, and I am wondering whether this law is applicable to this character of maneuvers.

Mr. WRIGHT. I do not know of any law that bans these demonstrations.

Mr. BLANTON. Will the gentleman yield?

Mr. WRIGHT. Certainly.

Mr. BLANTON. I have seen the gentleman's panorama picture exhibited here, and it is very convincing, but there are many people who are hurt by private corporations and who are still in pretty good shape, except for some disfigurement of their looks, who get less than \$2,500 from juries in the courthouses. I think this woman probably ought to have something. I submit to the gentleman from Georgia, who is fair about everything, that \$2,500 ought to be the full amount of the compensation paid by the Government, especially when the Government was not at fault, and if the gentleman will accept that amendment I am sure the House will pass his bill.

Mr. MOUSER. If the gentleman will permit, clearly at this demonstration of warfare, this woman was not there as a trespasser, but was there as a guest of the Army, seated in a grand stand erected for the purpose of viewing the maneuvers.

Mr. WRIGHT. That is true. Mr. MOUSER. There is a legal liability there, in addition to the moral obligation, and the sole question, as the gentleman from Texas suggests, is the extent of her damage, and I would like to hear from the gentleman from Georgia on that question.

Mr. BLANTON. If the gentleman will permit, when the gentleman states there is a legal liability, the gentleman is in error. The United States Government in law is not responsible for any tort of any of its agents or employees. That is a fundamental proposition of law.

Mr. MOUSER. If the gentleman will permit, just because the Government is a sovereignty and can not be sued, that does not mean that an agent of the Government can not be negligent.

Mr. BLANTON. Oh, as a matter of gratuity, we do pay for torts.

Mr. MOUSER. Not as a gratuity.

Mr. BLANTON. Yes, a gratuity; but as a legal proposition the courts have held time and time again that the Government is not responsible.

Mr. MOUSER. You can not sue the Government without the Government's consent. That is why we bring in these private bills.

Mr. BLANTON. This was a tort of an agent of the United States, if a tort at all.

Mr. MOUSER. May I ask that the gentleman from Georgia [Mr. WRIGHT] be given three minutes? I am interested in this matter, and I think it is very important.

Mr. WRIGHT. I have already explained the circumstances of the case.

Mr. STAFFORD. I am more interested as to the equitable mood that the gentleman from Georgia finds himself in with respect to the amount of damages.

Mr. WRIGHT. I am going to touch on that now. have already explained the circumstances under which the accident occurred. This lady was taken immediately to the post hospital, where she remained for about 10 days under treatment. She was under treatment afterwards for many months. She suffered the most excruciating pain. Her whole system was shocked, and she is a nervous wreck. These photographs taken in December show that before this accident occurred in May she was a fine-looking lady.

Mr. BLANTON. I am convinced that this woman ought to have something, but what is troubling me is the amount. I think \$2,500 would be more than she would recover if the suit was against a private corporation.

Mr. WRIGHT. If this case went to a jury, they would have awarded not less than twelve to fifteen thousand dollars. She is simply a wreck, and her health is gone. I do not want to be put in the attitude of trading, but I will accept an amendment reducing the sum to \$3,000.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Mrs. Johnnie Schley Gatewood, of Columbus, Ga., out of any money in the Treasury not otherwise appropriated, the sum of \$5,000. Such sum shall be in full settlement of all claims against the United States on account of personal injuries sustained by the said Mrs. Gatewood on the 25th day of April, 1928, at Fort Benning, Ga. While a guest at a firing demonstration conducted by United States military authorities and officers at said Fort Benning, and while occupying a seat provided for guests by said authorities and officers, an explosion occurred which caused the said Mrs. Gatewood to be struck by a large piece of metal, or other hard substance, and which metal or other substance struck the right jaw of said Mrs. Gatewood, breaking the same in two places, and knocking out four of her lower teeth, causing her great pain and suffering and resulting in her being permanently disfigured and injured.

Mr. BLANTON. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 6, strike out the figures "\$5,000" and insert "\$3,000."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. Stafford: Beginning in line 10, strike out the remainder of the bill.

The amendment was agreed to.

Mr. BLANTON. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1.000. \$1.000.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

DR. A. W. PEARSON AND PEABODY HOSPITAL

The Clerk called the next bill on the Private Calendar, H. R. 5538, authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S. Dak., and the Peabody Hospital, at Webster, S. Dak., for medical services and supplies furnished to Indians.

The SPEAKER pro tempore. Is there objection? Mr. GRISWOLD. Reserving the right to object, I would

like to ask some one if these Indians hold their property in fee simple?

Mr. BLACK. That I do not know. The Government owes money for taking care of these Indians.

Mr. STAFFORD. The Indians, as the report shows, are indigent Indians. I was going to ask some member of the committee whether they had any tribal funds from which this money could be paid, rather than from the Treasury of the United States.

Mr. GRISWOLD. From an examination of the report, one would infer that they held these lands in fee simple.

Mr. BLANTON. If this had been a proper charge, there would have been a way for the Bureau of Indian Affairs to have paid all just claims against them for services rendered. As they were not paid by the Indian administration, we have a right to assume that in this claim of Doctor Pearson for \$4,764.40, and the Peabody Hospital, at Webster, S. Dak., for \$11,675.97, are improper charges. They are charges made without the law, and that being the case, I do not think the bill ought to be passed by unanimous consent. I am going to object. I object.

MARY ELIZABETH O'BRIEN

The next business on the Private Calendar was the bill (H. R. 6191) to extend the benefits of the employees' compensation act of September 7, 1916, to Mary Elizabeth O'Brien, a former employee of the United States Veterans' Bureau.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, this is another compensation case. I expect there will be no objection to substituting for the text of the bill the text now used?

Mr. BLACK. No.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission shall be, and it is hereby, authorized and directed to extend to Mary Elizabeth O'Brien, a former employee of the United States Veterans' Bureau, the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916.

With the following committee amendment:

Strike out all after the enacting clause and insert:
"That section 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Mary Elizabeth O'Brien, a former employee of the United States Veterans' Bureau."

Mr. EATON of Colorado. Mr. Speaker, I offer the following amendment as a substitute for the committee amend-

The Clerk read as follows:

Amendment offered by Mr. Eaton of Colorado as a substitute for ne committee amendment: Strike out all after the enacting clause and insert:

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Mary Elizabeth O'Brien in the same manner and to the same extent as if said Mary Elizabeth O'Brien had made application for the benefits of the employees' compensation act within the 1-year period required by sections 17 and 20 thereof: Provided, That no benefits hall account price to the approval of this eat." shall accrue prior to the approval of this act."

Mr. BLACK. Mr. Speaker, I ask the gentleman from Wisconsin to inform the House why he believes this is the proper form for these bills?

Mr. STAFFORD. Mr. Speaker, the form now under consideration was drafted by me last year after it was called to my attention that the form that had been adopted by the Committee on Claims granted to the claimant damages from the time of the injury. When bills in that form were under consideration during the last Congress I took occasion to ask the then chairman of the Committee on Claims. Doctor Irwin, as to whether he considered the claimant would be paid retroactively for the injury, and he stated unequivocally that it was his understanding that the claims dated only from the time of the passage of the act. Yet during the summer recess we learned from the Employees' Compensation Commission in one or two instances where the claimant, against the established policy of the Government in all similar instances, had received an allowance dating back to the time of the injury. One Doctor Reed received a nice large sum at the expense of the taxpayers because of that interpretation. Since then the Congress has taken the precaution to place the saving clause in the bill that no compensation shall accrue prior to the enactment of the act.

Then there is another form sometimes used where there is a question as to whether the claimant really suffered

injury in the employ of the Government, and we place the responsibility of determining that fact upon the Employees' Compensation Commission, because we are not constituted, even the Committee on Claims, to determine whether an injury itself was the direct result of the employment. We should leave that to the constituted authorities. I hope the gentleman will follow the form, especially as to the saving clause.

The SPEAKER pro tempore. The question is on agreeing to the amendment in the nature of a substitute to the com-

mittee amendment.

The amendment to the committee amendment was agreed to, the committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended to read: "A bill for the relief of Mary Elizabeth O'Brien."

ALEX BREMER

The next business on the Private Calendar was the bill (H. R. 7411) for the relief of Alex Bremer.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$700 to Alex Bremer in full settlement of all claims which the said Alex Bremer has against the Government of the United States, under the terms of sale agreement dated June 30, 1919, being the price agreed to be paid by the Government for 35 acres of land at the price of \$20

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

D. M. LEYPOLDT CO.

The next business on the Private Calendar was the bill (H. R. 8306) for the relief of D. M. Leypoldt Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of D. M. Leyboldt Co. for certain oats delivered to Fort Crook and Fort Robinson, Nebr., and to allow in full and final settlement of the said claim a sum of not to exceed \$966.39. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$966.39, or so much thereof as may be necessary, for payment of the claim.

Mr. SIMMONS. Mr. Speaker, I ask unanimous consent that the spelling of the word "Leypoldt" be corrected, in line 5.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EUSTACE PARKS

The next business on the Private Calendar was the bill (H. R. 8468) for the relief of Eustace Parks.

The SPEAKER pro tempore. Is there objection? Mr. MOUSER. I object.

JOHN N. BROOKS

The next business on the Private Calendar was the bill (H. R. 9225) for the relief of John N. Brooks.

The SPEAKER pro tempore. Is there objection? Mr. STAFFORD. Mr. Speaker, I object.

BENJAMIN BRAZNELL

The next business on the Private Calendar was the bill (S. 468) for the relief of the estate of Benjamin Braznell. The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I object.

KLIZABETH B. EDDY

The next business on the Private Calendar was the bill (S. 1214) to carry into effect the finding of the Court of Claims in the claim of Elizabeth B. Eddy.

The SPEAKER pro tempore. Is there objection? Mr. STAFFORD. Mr. Speaker, I object.

STILLWELL BROS. (INC.)

The next business on the Private Calendar was the bill (S. 1683) for the relief of Stillwell Bros. (Inc.).

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object.

Mr. HORR. Will the gentleman reserve his objection for

Mr. STAFFORD. Certainly.

Mr. HORR. Mr. Speaker, I would like to be heard on this for a moment. I am not the author of the bill, but I am conversant to some extent with it. I think if the gentleman will turn back to No. 189, he will find that we passed a companion bill to this one on all fours with this bill.

This is a bill that was first introduced in the last session of Congress. It passed the Senate and died in the House. Now it is being considered at this session of Congress. It carries with it all the merit in the world. I am sure the gentleman must admit this, because it is merely giving to this subcontractor the right that was given to the general contractor. In other words, reimbursements were given the general contractor on contracts entered into with the Navy Department prior to the declaration of war, where wages, through no fault of the contractor, had been increased. You gave this right to the contractor by an act of Congress in the Sixty-eighth session. In the interpretation of this act by the Navy Department, the department would not permit the subcontractor to receive the thing that you gave the general contractor. If the gentleman will turn back to Calendar No. 189 on this calendar which is being considered to-day, he will find that identical relief was given that is asked in this bill.

Mr. STAFFORD. I shall not enter into any invidious comparisons, but the case is not identical at all. I well remember the other case. The other case had the favorable recommendation of the department. In the first place, this has not. Further, even the principal contractor in this case did not have his claim recognized, the Government found on two occasions that the claim was weak, both in the case of the principal contractor and the subcontractor.

Mr. BLANTON. Will the gentleman yield? Mr. STAFFORD. Yes; I yield.

Mr. BLANTON. I call the gentleman's attention to what the Secretary of the Navy has stated, as follows:

It was admitted that at the time the public-works officer gave instructions to complete the north end first, no objection to this method of procedure was raised, and no protest, either verbal or written, was made. It was also admitted that no specific claim for extra compensation was made until the work was practically completed.

They were informed by the bureau that their case was weak and were given no assurance of relief.

Mr. HORR. In answer to the gentleman from Texas, if the gentleman will remember, this claim was originally presented for some \$27,000. Part of that was for wage increase, and the other part was for a condition prevailing in construction, which was the weak part of the claim referred to in the report. The department did recommend payment of \$5,986.92, the amount of this bill.

Mr. BLANTON. This is from the Department of the Navy, a recent report on the case, and it goes directly to the merits of the case; not to the amount but to the merits of the entire claim.

Mr. HORR. But there were two particular things in mind in the merits of the case. One was the claim for construction and the other for wage increase, and the report does show that the general contractor was awarded \$42,865.73.

Mr. BLANTON. I think the gentleman from Wisconsin is doing a patriotic act in objecting.

Mr. STAFFORD. Mr. Speaker, I object.

CLARENCE G. YOUNG

The Clerk called the next bill, S. 2697, for the relief of Clarence G. Young.

Mr. KENNEDY. Mr. Speaker, I object.

HERMAN INGMAN

The Clerk called the next bill, S. 2698, for the relief of Herman Ingman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman Ingman, assistant postmaster at Marysville, Mont., the sum of \$230 in full satisfaction of his claim against the United States for services rendered in hauling the mails between Marysville and Silver City, Mont., from May 5 to June 30, 1930, both dates inclusive.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

UNITED STATES HAMMERED PISTON RING CO.

The Clerk called the next bill, S. 2325, for the relief of the United States Hammered Piston Ring Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the appropriation Aviation, Navy, 1929, act of May 21, 1928 (45 Stat. 636), is hereby made available in such sum as may be necessary, but not exceeding \$4,492.73, for settlement by the Comptroller General of the United States, on principles of equity and justice, the claims of the United States Hammered Piston Ring Co., under contract with the Navy Department No. N-156-a-4703, dated June 10, 1929.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GROVER CLEVELAND BALLARD

The Clerk called the next bill, H. R. 5971, for the relief of Grover Cleveland Ballard.

Mr. MOUSER. Mr. Speaker, reserving the right to object, I want to raise the point with the gentleman from Mississippi as to whether or not in passing this bill we will establish a precedent whereby any veteran who obtains private treatment will later on ask the Government to reimburse his physician for the treatment given. There are many emergency cases in which the local doctor should be paid for the care of the veterans, where it is impossible to get them to a Government hospital in time to save their lives by an emergency operation. I have a great deal of sympathy with this claim, but I want it understood that until the law is changed, bringing within its provisions the thousands of veterans who must have treatment from local doctors, this shall not be considered a precedent to pay other claims of this nature.

I yield the balance of my time to the gentleman from Mississippi to offer an explanation.

Mr. RANKIN. Mr. Speaker, this will not establish a precedent, and because we did not want to make it a precedent, we did not introduce a general bill.

These are the facts: This boy had his foot shot off in the war. He lay on the battlefield for a good long time, I think possibly 12 hours or longer. He was finally taken to the rear and his leg was amputated. It gave him a great deal of trouble and he suffered intensely with it after he came back home. He went to a Veterans' Bureau hospital and had it amputated again, and the information I get from him is that they went off and left him while he was under the influence of ether, and while he was coming out from under the ether he fell off the bed. Whether he hurt his leg or not I do not know, but I do know it continued to grow worse. and the Veterans' Bureau advised against another operation The leading physicians of the country told him if he did not have it attended to he was going to die. He went to Doctor Campbell, of Memphis, one of the best surgeons in the country, had it amputated, and what we are asking is for the payment of the actual expenses of the amputation. It will not be a precedent for other cases.

Mr. STAFFORD. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. STAFFORD. Let us have a clear understanding as to what obligation is going to be put upon the Government in cases like this where a World War veteran presents himself for hospitalization attention in a Government hospital, becomes dissatisfied with the recommendation of the Government surgeons, and thereupon goes to a private surgeon for relief. Are we going to have claims presented for the reimbursement of the charges made by the private surgeon?

Mr. RANKIN. No. It was just stated this would not establish a precedent.

Mr. STAFFORD. The statement is not sufficient. The question is whether the facts will not make a precedent. Just a moment ago we had the gentleman from Washington citing a private subcontractor's bill as a precedent.

In this case I am not considering the amount. I am considering whether it would establish a precedent.

Mr. MOUSER. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. MOUSER. I do not think the gentleman need have any fear of the bill establishing a precedent in view of the gentleman's explanation, because in this case this veteran went to a veterans' hospital and the doctors, after examination, refused to operate. His leg got in a serious condition back home. There was no alternative for him other than to accept the advice of his family doctor or this specialist in Memphis, Doctor Campbell, that a further amputation would be necessary in order to save his life. That certainly is not creating a precedent. The claimant received the injury in line of duty overseas, and this is the aftermath of it. It is not an appendix case or a case of gall bladder trouble which might not be service connected. I am not trying to oppose the gentleman; I am simply explaining the case.

Mr. STAFFORD. This was down in Louisiana?

Mr. MOUSER. No; he got his leg shot off in battle.

Mr. RANKIN. His leg was shot off on the western front. Mr. MOUSER. The facts of the case are the Veterans' Bureau hospital refused to amputate or operate, and he went to the other doctor and got relief; is that right?

Mr. RANKIN. The Veterans' Bureau advised against another operation.

Mr. MOUSER. But he got relief from the other operation.
Mr. RANKIN. His family physician advised that another operation was necessary if he was to live.

Mr. STAFFORD. I hope the gentleman from Mississippi will be here to help us in cases where there may be abuses of the privilege of the Government where World War veterans refuse the hospitalization or medical services accorded them by the Government.

I shall not press the objection, because, perchance, he may have been in critical condition that necessitated private employment, but let no one here use this as a precedent for other cases.

Mr. RANKIN. Nobody is going to have his leg shot off for that purpose.

Mr. STAFFORD. No; but they may have an appendix taken out or some little peewee ailment.

Mr. RANKIN. Well, I would not call it a "peewee" ailment for a man to have his leg shot off and injured so that he had to have it amputated three times.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$246.75 to reimburse Grover Cleveland Ballard, an ex-service man of the World War, for money expended for medical and surgical service in reamputating his leg, which was shot off below the knee during the World War.

Mr. MOUSER. Mr. Speaker, I move to strike out the last word.

I am glad the gentleman from Mississippi has presented this bill to the House to-day.

The Veterans' Bureau, because of the technicalities of the law, has no authority to pay for medical or hospital care unless the veteran files an application in duplicate for hospitalization, and finally he is granted the hospitalization. There is no way whatsoever for a veteran who may be in destitute circumstances to receive medical treatment in emergency cases requiring operations without going through red tape and the technicalities required. I know of cases where there have been gangrene appendices and acute gall-bladder trouble. The doctors have called the Cleveland regional office, in my district, asking authority to take the soldier to the hospital, stating it was an emergency case requiring an operation in order to save life, and they wanted

to know if a reasonable fee would be paid. The Veterans' Bureau advised the physicians and the surgeons, as they had to under the law, that there was no authority to pay them for their services. I hope we will cut out this red tape and that the World War Veterans' Legislation Committee, of which the distinguished gentleman from Mississippi is chairman, will broaden the provisions of the present law so that when a doctor by affidavit states that it is an emergency case, a reputable surgeon in a community may be reimbursed at least nominally for his skill in saving lives of veterans.

Mr. RANKIN. Will the gentleman yield?

Mr. MOUSER. Yes. Mr. RANKIN. Let me say to the gentleman from Ohio that I am personally acquainted with this boy and he has suffered the anguish of the damned practically ever since he was wounded.

Mr. MOUSER. I do not doubt that. Mr. RANKIN. But if he had gone to a veterans' hospital it would have cost more than this amount if he had stayed there the average length of time that a fellow stays, under such circumstances. If this boy had wanted to do so, he could have been in a hospital from that day to this at Government expense, and that expense would not have been less than \$5 a day. The truth of the business is that by going to Memphis and taking the risk of having to pay this entire bill this young man has saved the Government money, instead of costing the Government money.

Mr. MOUSER. I would like to have the gentleman state his attitude in reference to establishing a policy in the law whereby doctors in the future-not making it retroactivecan be paid for treating veterans of the several wars in

emergency cases.

Mr. RANKIN. When men receive wounds in battle and are suffering from them now and it becomes necessary for them to go to an expert. I am not willing to quibble about the cost, and I am not willing to force them to be operated on by a political doctor, when they realize it is a case of life or death, and they prefer to have it done by the most skilled surgeon.

Mr. CONNERY. Will the gentleman yield?
Mr. MOUSER. Yes.
Mr. CONNERY. I would like to call the gentleman's attention to the fact that last night I saw an example of what the gentleman has been speaking about. Last night I went out to Mount Alto Hospital to see a man from my district who had been shot in action in France. The doctor explained what they had to do in his case under the present law. They had to discharge him from the hospital and bring him over to the Emergency Hospital for a particular operation due to the facilities of the Emergency Hospital. They had to discharge him in order to have this operation performed and then they brought him back to Mount Alto. Because of that the veteran had to pay \$24 for anesthetic services and other services. This was no fault of the doctors or authorities at Mount Alto. They wanted to give the disabled veteran the best possible care. But with the present law they had no choice.

Mr. MOUSER. And while going through that red tape the veteran may die.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I rise in opposition to the pro forma amendment.

I want to say to my friend from Mississippi [Mr. RANKIN] that if his committee wants to be of great help to the exservice man, and at the same time save much money for the Government, the first thing they ought to do is to abolish all of these regional offices that at great expense are scattered all over the United States with useless overhead duplicated in every State. All of these regional offices should again be concentrated in the Veterans' Administration in Washington, so that we may eliminate all duplications and useless overhead. Much of the graft, much of the waste, and much of the extravagance connected with the Veterans' Administration is in connection with the regional offices. There are 2 in my State, 1 in Dallas and 1 at San Antonio, Tex.

If an ex-service man from the southern part of my district writes me here for hospitalization or assistance, it takes four days for his letter to come here. Then I have to write all the way back to San Antonio, to the regional office, as it has exclusive jurisdiction over his file, and that takes four more days, making eight days before the sick man's case gets started. If he is from the northern or eastern part of my district I have to take his business up with the regional office at Dallas, as it has exclusive jurisdiction over his file, and that takes four days each way. It would save an immense amount of money to have local physicians make all examinations.

Recently I received communications from two different American Legion posts, one at Legion, Tex., and also a resolution from the Disabled American Veterans of the World War at Legion, Tex., telling me that they were dissatisfied with the action of Gen. Frank T. Hines in reinstating Dr. M. W. DeBerry in the San Antonio office and asking me to investigate same. They claimed that he had been fired for malfeasance in office and properly fired, but that recently he had been put back on the pay roll by the Veterans' Bureau at San Antonio. They asked me to obtain for them the facts of that case and report to them. I made a complete investigation of it; and, Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include some excerpts in connection with this investigation.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BLANTON. Mr. Speaker, it is claimed by General Hines that such records are confidential and should not be made public. He is in error. Any record in his office that affects only the individual is confidential and should not be made public, but where an employee of this Government has been guilty of malfeasance in office and of improper conduct that was deemed sufficient to try him and remove him from office, every person in the United States is vitally interested and concerned, and his record is not confidential but should be made public.

If such records were kept confidential and not made public, it would result in all sorts of evil practices and corruption. And while I am in Congress I shall demand of all departments that such records shall be public. At the head of the rating board in the San Antonio regional office was this Dr. Marvin W. DeBerry. He is the one who makes the ratings for all ex-service men living in half of my big district. The regional manager went in there one day and found him seated at his table signing up ratings for exsoldiers, if you please, and testified that Doctor DeBerry was so drunk he did not recognize the regional manager; and the officials there also testified before a hearing in Washington that this man has repeatedly been so drunk on the golf course that he had to be put in his automobile and sent home.

Mr. KLEBERG. Will the gentleman yield? Mr. BLANTON. Yes.

Mr. KLEBERG. I happen to be interested in this particular case, and I think I saw the records, too. The testimony in the case could be taken either way, in my opinion.

Mr. BLANTON. I will say to my friend that I am going to put in the RECORD what the officials who passed on his case actually testified, to show what they stated under oath, and then let the American Legion posts and the Disabled Veterans of the World War there pass on whether or not there is any merit in it.

Mr. KLEBERG. Will the gentleman be fair enough to put in the RECORD, with the testimony that he inserts, certain testimony that I shall give him?

Mr. BLANTON. I presume my good friend would want me to put in the political statement, as I call it-

Mr. KLEBERG. No; not at all.

Mr. BLANTON (continuing). Which was made by the former secretary of our good friend Harry Wurzbach. This man is the attorney for this doctor now on a claim for retired pay under the emergency officers' retirement act, and

that kind of a statement from the attorney for this man is not entitled to as much credence as the statement of the regional manager.

The following is the letter that I received from the adjutant of the Dr. Millard P. Wilkins Chapter No. 8, at the United States Veterans' Hospital, at Legion, Tex., together with the resolution he sent me:

DISABLED AMERICAN VETERANS OF THE WORLD WAR,
DR. MILLARD P. WILKINS CHAPTER, No. 8,
UNITED STATES VETERANS' BUREAU HOSPITAL, Legion, Tex., May 7, 1932.

Hon. Thomas Blanton 's. C.,

House of Representatives, Washington, D. C.

Dear Sir: I have the honor to transmit herewith a copy of a resolution adopted at the regular meeting of the chapter on May

Respectfully submitted.

FRANCIS KIBORT. Adjutant.

The following is the resolution accompanying said letter: [Disabled American Veterans of the World War, Dr. Millard P. Wilkins Chapter, No. 8, United States Veterans' Bureau Hospital, Legion, Tex.

Whereas Dr. W. M. DeBerry was separated from the service of the Veterans' Administration on January 26, 1932, by reason of his misconduct; he has since—through political influence, we pre-sume—been reinstated to his former position; and Whereas at the time of dismissal of the above-named person

Veterans' Administration evidently based its action upon the charges preferred, and assessed the usual penalty in such cases; the evidence on which the charges were based has been, it seems, put aside and the matter now stands as prior to January 26, 1932: Therefore be it

Resolved, That we, the members of Dr. Millard P. Wilkins Resolved, That we, the members of Dr. Millard P. Wilkins Chapter, No. 8, Legion, Tex., duly assembled in regular session on this the 3d day of May, A. D. 1932, call upon the Administrator of Veterans' Affairs to make the proper investigation of the charges with a view of determining the eligibility of Dr. W. M. DeBerry for reinstatement. We feel the original action of the Administrator in this case was warranted, and that if the facts had been properly investigated there would have been no reinstatement. investigated there would have been no reinstatement; therefore be it further

Resolved, That this resolution be sent to the Administrator of Veterans' Affairs, a copy to Hon. Morris Sheppard, Tom Connally, John N. Garner, Speaker of the House of Representatives; J. E. Rankin, chairman World War Veterans' Committee; Thomas Blanton, R. E. Thomason, Wright Patman, and a copy spread upon the minutes of this chapter.

Approved in regular session May 3, 1932

W. W. GROSS. Commander.

FRANCIS KIBORT, Adjutant.

The following is the letter from D. F. McLaurine, of the Louis Halphen Post, No. 379, of the American Legion at Legion. Tex .:

> Louis Halphen Post, No. 379, UNITED STATES VETERANS' HOSPITAL AMERICAN LEGION, Legion, Tex., May 3, 1932.

Hon. TOM BLANTON,

Member of Congress, Washington, D. C.

Member of Congress, Washington, D. C.

My Dear Congressman: I am inclosing herewith some correspondence relative to the records of Dr. W. M. DeBerry, medical member of the San Antonio regional office rating board. It appears that this man is being shielded by the administrator. The conduct of this man, if investigated, would be akin to that of William Wolff Smith, whom you have so gloriously prosecuted.

If the misconduct of veteran employees is so confidential and privileged, as stated by the administrator, we are curious to know how you obtained so much corrupt practices in the general counhow you obtained so much corrupt practices in the general counsel's office. Believing that you can and will obtain the specific charge against this man and forward to us, I am taking this privilege of soliciting your support in obtaining same; also, why General Hines did not cause an investigation to be made.

With very best wishes and kindest regards, I am,

Yours very truly,

D. F. MCLAURINE.

Mr. Speaker, the official records disclose that Dr. Marvin W. DeBerry, physician, regional office, Veterans' Administration at San Antonio, Tex., was notified by L. C. Chapman, regional manager, that, pursuant to the act of August 4, 1912, a charge of intoxication had been preferred against him to the effect that he appeared for duty November 12, 1931, on or about 1 p. m. at the Veterans Administration, San Antonio, while under the influence of liquor to the extent that he was unable to perform his official duties; that he would be allowed 10 days within which to file his answer and so forth.

In a letter which said Regional Manager L. C. Chapman wrote the administrator November 12, 1931, he stated that when Doctor DeBerry reported at 1.30 p. m., that date he was not in fit condition to take care of his official duties; that he had Doctor DeBerry to come to his office. "Immediately upon his entering the room I was distinctly conscious of liquor of some sort, that in talking Doctor DeBerry was incoherent, his tongue was thick, his eyes bleary, and he was most assuredly under the influence of some intoxicant at that time. He said that he would not let him remain on duty at that time and instructed him to go home and report to him at the beginning of duty the next morning. He did not report to duty next morning, but called the regional manager, stating that he was not well. The next morning (Saturday) his wife telephoned the regional manager that the doctor had been to see Doctor DeBerry the day before and advised him to remain in bed. DeBerry reported to duty Monday morning and the regional manager had a conference with him which is not unlike conferences I have had with him in the past on the same subject. Regional Manager L. C. Chapman said that he was personally able to testify that on this particular occasion Doctor DeBerry was, due to alcoholic beverages, unable to perform his official duties."

In a letter which said Regional Manager L. C. Chapman wrote Maj. O. W. Clark, an official of the Veterans' Administration at Washington, on April 28, 1931, he states:

DeBerry has been with the bureau for many years; for a major portion of that time he has periodically had the same trouble with which he is now afflicted—mainly drinking to excess at times and being unable to perform his official duties for varying periods as a result thereof. Since my talk to him in 1930, it appears that he either can not control himself or has decided that appears that he either can not control himself or has decided that I didn't mean what I said, because these periods have become more frequent. On Sunday, April 26, 1931, I happened to be playing golf on the same course with DeBerry in the foursome just ahead of him, and it was called to my attention by other people on the course that DeBerry seemed to be drinking. I noticed that he was actually staggering. His eyes were glassy and I doubt very seriously if he even recognized me. I got him into his car. He did not report for duty Monday.

In his answer to the charge, dated December 16, 1931, Doctor DeBerry shows that he affiliated with the bureau in Dallas in 1922, and has served continuously. He says:

I took repeated doses of [some drug] and aspirin and had some hot wine during the night, and about 11.30 I dressed and had another drink of hot wine. When I arrived at the office the lobby was apparently vacant. I signed a number of ratings. I realize the best interest of this institution can not be served with the odor of intoxicating liquor on one's breath while performing official duties, and I realize I made a grave error by coming to this office on November 12 for that reason.

The matter was referred to a committee here in Washington, which on January 22, 1932, after hearing evidence, found that the charges that he appeared for duty on November 12, 1931, while under the influence of liquor to the extent that he was unable to perform official duties, was sustained and that committee recommended that he be removed from service with prejudice. The following officials composed this committee: H. S. Chick, Leonard Nelson, Dr. C. D. Todd, and J. E. Price. That opinion and decision were approved by Assistant Administrator O. W. Clark.

Before this committee, at its hearing here in Washington. Regional Adjudication Officer J. H. Skinker testified that:

On November 12, 1931, Mr. Sherry, chairman of the rating board, told him that Doctor DeBerry had arrived during lunch in no condition to work because he was intoxicated. I sent for DeBerry at 1.05. I noticed something out of the ordinary. It was obvious to me from the moment that he stepped into my office that he was under the influence of intoxicating liquor. His face was very red, his eyes were bloodshot, and as soon as he began his conversation it was evident that it was not Doctor DeBerry in his normal condition talking to me. I arrived at the conclusion that he was condition talking to me. I arrived at the conclusion that he was in no fit condition to sit as a member of the rating board. After Congressman Wurzbach's death DeBerry came to my office and said that he just wanted to talk to me about appealing his retirement claim and he asked that Mr. Haberkorn, secretary to Wurzbach, handle it for him and Haberkorn said that he was there for that purpose. Doctor DeBerry struck out both arms, making a gesture, and said substantially as follows, "It is wide open—we are all for you. It became embarrassing for me to hear Doctor DeBerry talk in the presence of an outsider. I told Manager Chapman that Doctor DeBerry was not in any condition to perform his duties as a member of the rating board. And he made a plea that Doctor DeBerry be not dismissed from service, but to be granted leniency.

Also, Cameron B. Sherry, who is chairman of the regional rating board at San Antonio, testified before this committee at its hearing in Washington that—

On November 12, 1931, while DeBerry was sitting at the table where ratings are signed he noticed a very marked alcoholic odor, and he noticed that others present were convinced that DeBerry's condition was not normal. Glancing at the rating sheets DeBerry was signing, I noticed his signature was not being subscribed as usual, and I convinced myself that he was not in any condition to be attending his official duties, and I went to the regional adjudication officer to request that DeBerry be excused for the afternoon. Later, going back to the board room I found DeBerry at the table and Dr. Robert E. Parrish, part-time eye, ear, nose, and throat specialist, came in for a rating on hearing on eye disabilities, and engaged Doctor DeBerry in a conversation, and after the first few remarks it was apparent that DeBerry was in no condition to carry on an intelligent conversation. It was very apparent that the alcoholic odor was very perceptible, and it was evident that he could not carry on a coordinated conversation. That was evident by both incoherent speech and by thickening speech. His eyes had the appearance of one who had partaken of alcoholic beverages.

Dr. J. C. Smith, who is general medical officer and surgeon at this regional office in San Antonio, testified that—

On that date he had a conversation with DeBerry, and that he had had intoxicating liquor to drink because of his action and the way he talked. It would have been impossible for him to have functioned efficiently.

On January 22, 1932, G. H. Sweet, chief of personnel, notified Doctor DeBerry, through the regional manager at San Antonio, in writing:

Your services as a physician, grade B, at a salary of \$4,000 per annum, P and S grade service 4 and 5, has been discontinued with prejudice at the close of business, January 26, 1932.

Preceding the said letter, Chief Sweet, on January 25, 1932, personally wired the regional manager at San Antonio that charges had been sustained dismissing Doctor DeBerry, effective January 26. Then Regional Manager Chapman, on January 26, sent a 20-line telegram, Government collect, to General Hines, stating:

After careful deliberation I have come to the conclusion that it is incumbent upon me to make the following report to recommend to you that since preferment of charges against this employee, his conduct, attitude, and work have been entirely satisfactory. Both his and his wife's saving were lost recently in local bank failure. His wife is now confined to her bed, paralytic stroke. He has responsibility re several of his near relatives. He is also a disabled ex-service man. In view of these things and his long period of service, I feel constrained to submit these facts to you with request for reconsideration and recommend that some penalty less than dismissal be inflicted.

General Hines refused to suspend the dismissal order, holding that the charge had been sustained. Thereafter Doctor DeBerry appeared in Washington before the same committee of four heretofore mentioned and submitted statements, one from C. R. Quinn, an attorney, Veterans' Administration, San Antonio; one by Miss Ina B. Hill, formerly medical clerk, Veterans' Administration; one by Harry A. Haberknorg, former secretary to Wurzbach (who was then DeBerry's attorney on his claim for retired pay); one by Dr. R. E. Parrish; one by Frank L. Chapper, assistant State officer; one by Wynn S. Goode, department service officer of the American Legion, and one by Dr. J. B. Webb, of Donna, Tex., and after carefully considering all of said affidavits, the board reported:

These statements were carefully considered as well as the personal statement of Doctor DeBerry. At no time did Doctor DeBerry deny the correctness of the charge. After full hearing, the committee confirms its finding of its original report.

Signed by the same Chick, Todd, Price, and Nelson, committee.

And thus for the second time this board after due hearing held that Doctor DeBerry should be dismissed.

Veterans' Bureau Attorney Quinn's affidavit has no probative force or effect whatever but is merely negative in its character. It deserved no consideration.

Doctor Parrish testifies-

During my conversation with Doctor DeBerry I noticed the odor of alcohol on his breath, his eyes were red but his conversation was coherent.

Hence it really supported the charge.

Goode, department service officer of the American Legion, Department of Texas, gave no evidence of value, and his affidavit is of no probative force or effect, being merely negative in character, and the board at its hearing rightfully gave it little consideration.

Harry A. Haberkorn, Doctor DeBerry's said attorney, wrote a letter February 10, 1932, and admitted that Dr. J. M. Skinker in his presence told Doctor DeBerry to go to Manager Chapman's office, said Attorney Haberkorn stating:

I then told Skinker that I did not notice anything intoxicating. I am not attempting to say that Skinker or Chapman did not smell evidence of the doctor having had a drink.

Naturally the board gave little weight to this letter, of no probative force and effect whatever.

All Ina B. Hill said was that from his general reputation she was sure that hasty action had been taken in this case without proper investigation. And her letter was addressed to an official here asking him to use his influence, and so forth. Naturally, the board at its hearing disregarded her letter.

Frank L. Chapper, assistant State service officer, offered no evidence of any value, his statement is negative in character, and of no probative force and effect.

The statement by Doctor Webb, of Donna, is likewise of no value. He was wholly unfamiliar with what went on in San Antonio at this time.

On February 18, 1931, Manager Chapman sent an 18-line telegram, Government collect, from San Antonio to General Hines insisting on recision of the dismissal and reinstatement on reprimand, stating:

This information has become generally known to the ex-service men and service organizations in this locality. I do not know what their reaction will be. I would say that his reinstatement here would be in the interest of the service, but do not feel that it would be acceptable to the above reaction, which may be negative in this locality.

W. O. Tuttle, from San Antonio, February 19, 1932, wired:

Chairman states return of Doctor DeBerry to his office would be satisfactory, but it is possible ex-service men here might prevent action. Have wired General Hines I am past commander of American Legion. It is my opinion that service men will favor reconsideration of Doctor DeBerry.

On February 19, 1932, Assistant Administrator O. W. Clark recommended that DeBerry be reinstated. On March 22, 1932, the reinstatement certificate was issued and on March 26, 1932, he was notified of his reinstatement, and he was thus reinstated.

It is thus clearly shown by the official record in the Veterans' Administration that after a board of four officials had twice held a hearing and had twice found Dr. DeBerry guilty of conduct requiring dismissal, and after General Hines had refused to reinstate him a few ex parte statements from interested persons wholly unfamiliar with the facts that caused his dismissal interceded for him, and that without holding another hearing Doctor DeBerry was reinstated on the same evidence which had been carefully considered by the board that convicted him.

I submit, Mr. Speaker, that high officials in the American Legion are not serving the best interests of the rank and file of American Legion members, or of ex-service men generally, or of the people of the United States, in interceding and having a man like Doctor DeBerry reinstated when he had been convicted after due hearing of "drunkenness on duty" and of being incapable of transacting business when exservice men must depend upon him for their ratings.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

CLARENCE G. YOUNG

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent to return to Calendar No. 360, the bill (S. 2697) for the relief of Clarence G. Young. The gentleman who objected to the bill, I think, objected to it under a misapprehension.

Mr. BLACK. Mr. Speaker, that bill was objected to by

Mr. EVANS of Montana. Notwithstanding that, one of the gentlemen told me he objected under a misapprehension and I would like to return to it in order to make a statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. BLACK. Mr. Speaker, I object.

NED BISHOP

The Clerk called the next bill, H. R. 1931, for the relief of Ned Bishop.

Mr. MOUSER. Mr. Speaker, I reserve the right to object to have an explanation made as to how the Government may be involved in a private contract between a contractor and a railroad company in the furnishing of ties and the giving of a Liberty bond as security.

Mr. WICKERSHAM. Mr. Speaker, I can explain the matter very easily to the gentleman. This man, Ned Bishop, was a laborer making ties for the Alaska Railroad and they required these tie men to give bond. This man gave a bond, along with a lot of other men, but instead of giving personal security he put up this Liberty bond of \$1,000. Conditions arose under which all of these contractors failed to perform their contract as provided, and they were all turned in and exonerated except this one. He had put up his Liberty bond to the railroad company, which is a Government function up there, and instead of bringing suit or doing something to get the right to take the bond, they sold it and turned the money into the Alaska Railroad. This is an application to take it out of the Alaska Railroad funds.

Mr. MOUSER. I understand that; but the railroad company sold the bond.

Mr. WICKERSHAM. Yes.

Mr. MOUSER. Therefore the bond is redeemable by the Government, and in turn this contractor who gave the bond as security wants another bond.

Mr. WICKERSHAM. Oh, no; he does not. He wants them to pay the money.

Mr. BLACK. All these contracts were modified, and in case of all the other guarantors they were released by reason of modifications made in the contract by the Government; but this man happened to guarantee himself and was not included.

Mr. MOUSER. What happened to the other contractors who gave similar security?

Mr. WICKERSHAM. This was the only man who gave such security.

Mr. BLACK. And all the guarantors for the other contractors were released because of the modifications made in the contract by the Government.

Mr. MOUSER. But the Government did not enter into the modification of the contract between the contractor and the railroad company.

Mr. EATON of Colorado. If the gentleman will permit, I think my colleague has been misled in his idea that this is a contract with a railroad company, and is not considering that the railroad company is owned and operated by the United States and that the appropriation for its deficit is furnished to the Secretary of the Interior and the form of this bill would authorize the Secretary of the Interior to take such funds as he has in connection with the railroad and settle this claim.

Mr. MOUSER. Does the Government own this Alaska Railroad?

Mr. WICKERSHAM, Absolutely.

Mr. MOUSER. Then I have no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to pay, out of the funds of

the Alaska Railroad, the sum of \$1,009.10 to Ned Bishop, in refund for his Liberty bond forfeited to the Alaska Railroad in connection with a contract between said Ned Bishop and the Alaska Railroad for furnishing railroad ties in the year 1922.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

NATHAN HALE, REVOLUTIONARY HERO

Mr. LONERGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LONERGAN. Mr. Speaker, June 6, 1932, is the one hundred and seventy-seventh anniversary of the birth of Nathan Hale, Connecticut's noblest son, martyr, and patriot, whose one regret, when about to make the great sacrifice for his native land, was that he had "but one life to give" for it.

Although a native of Connecticut, educated at Yale, that State realizes that in the contemplation of the character and service of the patriot Nathan Hale mere imaginary lines of statehood disappear, and he is essentially American, beloved and revered by all States in the Nation which he served so well. He was born in Coventry, Tolland County, June 6, 1755.

The perilous exploits of Captain Hale need no recitation here. The story of the 21-year-old youth who at the instance of General Washington left Connecticut to venture into the enemy's lines on Long Island forms one of the most heroic pages in American history. On previous occasions on this anniversary I have stated before this body the account of his courage and daring. In the Congressional Record of the Sixty-third Congress, third session, page 816, I have reviewed the story of his adventure, of his eventual capture, and subsequent death on the gibbet on September 22, 1776.

In the Record of the Sixty-fifth Congress, first session, page 303, is a testimony from the pages of the Hartford Times to the esteem and reverence in which the young hero is held by the citizens of his native State. The schoolhouse in which he taught in East Haddam, Conn., has been preserved. It is a shrine to his spirit of self-sacrifice, maintained and preserved by the Connecticut Society, Sons of the American Revolution. The Congressional Records of the Sixty-fifth Congress, second session, page 461, and of the Sixty-sixth Congress, page 8845, include similar encomiums to the self-poise, nobility of character, and dauntless courage of this youth.

His final words—"I only regret that I have but one life to lose for my country"—have been on the lips of every American schoolboy since the annals of the Revolutionary War were recorded. What an inspiration to the youth of this Nation this deed of devotion and service to the cause of his country in its hour of trial! Alone, single-handed, into the face of almost certain death, he ventured where others more circumspect dared not go.

Mr. Speaker, when we consider the life and sacrifice of Hale, particularly his devotion to duty, his unfaltering courage, and his ringing words of patriotism even at the moment of death, must we not admit that this martyr of the Revolution richly deserves the honor of a monument to his memory on the public grounds of the National Capitol of the country which he loved and died for, when the finances of the Nation warrant.

From the sacrifices of Nathan Hale and his copatriots a lesson can be drawn in this present-day crisis. They were men of courage and iron will who loved their country. There was nothing flabby about their patriotism. They gave willingly of their lives and fortunes to make possible the birth of a new nation where all men would be equal under the law. After the establishment of the United States Government these men continued in patriotic service. They were followed by the pioneers who blazed the trail—the brave men and women of the covered-wagon period—and the men and women who showed such great fortitude in the reconstruction days.

Similarly during the World War the people of the United States displayed the spirit of Nathan Hale and emulated his fortitude in the time of adversity. So in this depression we can rely upon them to courageously deal with the trying problems of the times and to solve them. The times call for patience, faith, and cooperation. Hard as it is to be without employment, to witness the efforts of a lifetime shrink or pass away, we must remember our comforts and the advantages of modern life and that we live in the greatest Nation on earth. We are fighting an economic war. Some sacrifices are necessary. The courage of America always triumphs. Let us face a rising sun and carry on with the spirit of '76. The proceedings of both branches of Congress open with prayer, giving evidence that the American people look for guidance to and place their faith in our Heavenly Father. With this belief they can not fail.

UNION FERRY CO.

The Clerk called the next bill on the Private Calendar, S. 6, an act for the relief of the Union Ferry Co., owners of the ferryboat *Montauk*.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, this bill seeks authority for the owners of the ferryboat Montauk to go into court and determine the amount of damages that may have been incurred by reason of a collision with a United States Navy tug. The Secretary of the Navy finds that there was no fault on the part of the navy tug. I must confess that my memory is a little vague as to what the law of damages is in courts of admiralty. I am at present under the impression that the court awards that amount of damages, which if both parties were in fault, to the one who suffered the most. I have not examined the law for a good many years.

I was wondering whether the gentleman would be willing to place the Government in the same position for relief, in case the court should find that the Government is entitled to damages, as he is attempting to do on behalf of the ferry company.

Mr. BLACK. As I understand it, if the Government thought that the owners of the ferryboat were at fault, the Government would have sued the ferryboat company. The Government did not want to go into court because it knew where the responsibility lay. If the Secretary of the Navy thought that the ferry company was responsible, in the exercise of his duty he would have sued the ferryboat owners.

Mr. STAFFORD. Oh, no; sometimes they are not as litigious as are private parties. I have an amendment to offer, and if that is acceptable, I have no objection.

The SPEAKER pro tempore. Is there objection? There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the claim of the Union Ferry Co. of New York and Brooklyn, owners of the ferryboat Montauk, alleged to have been injured in a collision with the United States Navy tug Mohave, which occurred in the East River on the 27th day of December, 1918, for and on account of the alleged damage to said ferryboat Montauk, by reason of said collision, may be submitted to the United States District Court for the Southern District of New York, under and in compliance with the rules of said court, sitting as a court of admiralty; and said court shall have jurisdiction to hear and determine the whole controversy and to enter a judgment or decree for the amount of the damages sustained by reason of said collision, if any shall be found to be due said owners, on the same principles and measure of liability, with costs, as in like cases in admiralty between private parties, with the same rights of appeal: Provided, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by the order of said court; and that it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: Provided further, That the libel in the suit herein authorized shall be filed not later than four months after the passage of this act.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, line 3, after the word "sustained," insert "either by the Government or the said Union Ferry Co.," and in line 6, page 2, after the word "parties," insert "but with no allowance for injuries or claim for damages by reason of the delay in considering said action prior to the rendering of judgment herein and."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

JOHN HEFFRON

The next business on the Private Calendar was the bill (H. R. 922) for the relief of John Heffron.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Navy John Heffron shall be held and considered to have served honorably as a cook (first class). United States Navy, for more than 90 days during the war with Spain: Provided, That no pension, pay, or bounty shall be held to have accrued by reason of this act prior to its passage.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

JOHANNA ARMSTRONG

Mr. KETCHAM. Mr. Speaker, I ask unanimous consent to return to No. 278 on the calendar, H. R. 1553, for the relief of Johanna Armstrong, in view of the fact that a moment ago on a similar bill favorable action was taken. While not exactly similar, the bill has almost the exact phraseology.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I ask the gentleman to prefer his request to-morrow, so that we may have that bill before us.

Mr. BLANTON. Mr. Speaker, I dislike very much to object to the request of the gentleman from Michigan, but there is a difference and a very great dissimilarity between the two bills he mentions. The case passed here was where there was a defect in the revolving door entering a post-office in which the Government was at fault in not remedying, and an old lady was hurt. In the gentleman's case it was where a decrepit old lady was going through one of these revolving doors that was in good shape and the crowd pushed her through. The Government had no control over the crowd, the Government was not at fault, the Government could not help it. It is one of those assumptions of risk that every American citizen must take in going through a revolving door.

The SPEAKER pro tempore. Is there objection? Mr. BLANTON. I object.

NORMAN C. BRADY

The next business on the Private Calendar was the bill (H. R. 8343) for the relief of Norman C. Brady.

The SPEAKER pro tempore. Is there objection? Mr. STAFFORD. Mr. Speaker, I object.

BEN D. SHOWALTER

The next business on the Private Calendar was the bill (H. R. 9599) for the relief of Ben D. Showalter.

The SPEAKER pro tempore. Is there objection? Mr. GRISWOLD. Mr. Speaker, I object.

JOHN Z. LOWE

The next business on the Private Calendar was the bill (H. R. 9076) for the relief of John Z. Lowe, former collector of internal revenue for the second district of New York.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object in order to inquire whether this is for the relief of a surety company or for the collector himself.

Mr. O'CONNOR. Mr. Speaker, for the former collector himself, as I understand it.

Mr. STAFFORD. Was this former collector under bond? Of course the gentleman realizes that we are not inclined to relieve surety companies of an obligation on a defalcation or irregularity that occurred in the performance of the work. I am quite satisfied that the collector was not directly responsible for this defalcation; but if he was under bond and the surety company has paid the indebtedness, I can see no

reason why the Government should come to the rescue of the surety company.

Mr. O'CONNOR. I have never heard that any surety company was involved in any way in the matter. That is all that I can say to the gentleman. I know Mr. Lowe, and I understood it was a personal thing, that he was personally liable, and was attempting to relieve himself of this personal

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, under the statement that there is no surety company to be reimbursed, I withdraw the objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to reopen the revenue account of John Z. Lowe as collector of internal revenue the second district of New York for a period ending April 3, 1917, and to allow credit in the settlement of said account for the sum of \$3,500, being the amount of an alleged shortage in the count of stamps charged as having been sent to and received by him during the fiscal year 1916.

Mr. MOUSER. Mr. Speaker, I stepped out for a moment and did not hear the point where the Speaker asked whether there was any objection. If it is not too late, I must object

The SPEAKER pro tempore. That point is passed. The question is on the passage of the bill.

Mr. MOUSER. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. Mouser: Line 8, strike out the figures "\$3,500" and insert in lieu thereof "\$250."

Mr. O'CONNOR. Mr. Speaker, I rise in opposition to the amendment. This bill was introduced by me, I think, in the last Congress. The amount involved is \$3,500. There is no basis for inserting any other amount in the bill except to kill the bill. The gentleman may as well offer an amendment to insert 5 cents instead of \$250. The collector had \$3,500 worth of 50-cent documentary stamps stolen from his office through no fault of his own for which he is held liable. There never has been any dispute as to the fact.

Mr. MOUSER. It seems to me that the report certainly shows disputed facts. This fairy tale told about the disappearance of the stamps, which is not corroborated, certainly raises the question of whether or not there should be any reimbursement.

Mr. O'CONNOR. In all the investigation by the department there was no issue raised as to the fact that the stamps were stolen and that the employees who stole them were discharged.

Mr. MOUSER. The claimant claims that he bought the stamps off a man on the street.

Now, it is certainly strange to say that a person would buy that many stamps on the street from an unknown person without questioning the transaction. I do not want to be arbitrary, but I am sorry the stage has passed for me to object.

Mr. O'CONNOR. That is just an arbitrary amendment that the gentleman has offered. I will accept no compro-

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. Mouser) there were ayes 2 and noes 15.

So the amendment was rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILBUR J. SCOTT

The Clerk called the next bill, H. R. 4148, authorizing issuance of a patent in fee to Wilbur J. Scott for certain

Mr. STAFFORD. Reserving the right to object, I would like to have the author of the bill explain the reason why he does not agree with the position of the Commissioner of Indian Affairs, who recommends adversely to this bill.

Mr. LEAVITT. Instead of agreeing with him fully the committee agreed to an amendment that was suggested, cutting out authority to issue patent on the irrigated land.

This bill was introduced at the request of the young man in question and is one of those hair-line decisions of judgment as to whether authority should be given to issue patent in fee for the remainder of the land or not. Since it is entirely in the discretion of the Secretary, I feel very sure that no patent in fee would be issued unless conditions were entirely proper, on his further investigation.

Mr. STAFFORD. The gentleman does not think that the

mere passage of this bill will mean much to the Secretary of the Interior; that he will not regard a declaration of policy on the part of Congress as being entitled to much

Mr. LEAVITT. I would not say that. Mr. STAFFORD. The gentleman says that the Secretary of the Interior has authority to refuse to grant title in fee. He has a right to do that to-day without any declaration by Congress.

Mr. LEAVITT. No; not on the Crow Indian Reservation. He has on some Indian reservations, but under the act of 1920 all such discretion is taken away, and it requires an act in each individual case.

Mr. STAFFORD. Mr. Speaker, I withdraw the reservation of objection, though I question whether it is good policy, but the gentleman from Montana is very considerate of his wards.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue a patent in fee to Wilbur J. Scott, Crow allottee No. 1769, for land allotted to him under the provisions of the act of June 4, 1920 (41 Stat. L. 751), and described as the northeast quarter northeast quarter, south half northeast quarter, south half northeast quarter, southwest quarter of section 21, township 6 south, range 32 east, and lot 4 of section 18, township 4 south, range 33 east, Montana meridian comprising 397.86 acres. ian, comprising 397.86 acres.

With the following committee amendment:

On page 2, line 2, strike out the words "and lot 4 of section 18, On page 2, line 2, strike out the words "and lot 4 of section 18, township 4 south, range 33 east," and on page 2, line 3, after the word "comprising," strike out the words "three hundred and ninety-seven and eighty-six one-hundredths" and insert in lieu thereof "three hundred and sixty."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GEORGE W. M'DONALD

The Clerk called the next bill, H. R. 4368, for the relief of George W. McDonald.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers George W. McDonald, who was a member of Company C, Sixty-fifth Regiment Illinois Volunteer Infantry, mustered in on June 1, 1862, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 1st day of October, 1862: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time. was read the third time, and passed.

A motion to reconsider was laid on the table.

JERRY V. CRANE

The Clerk called the next bill, H. R. 5367, for the relief of Jerry V. Crane.

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. CARDEN. Will the gentleman withhold his objection for a moment?

Mr. EATON of Colorado. I will reserve the objection.

Mr. CARDEN. This old man was taken sick and left the Army with the consent of his captain. They told him that when he recovered he could come back or they would send him his discharge if he never recovered. That was proved by a number of witnesses. Even the report says it was understood that he had died. He was carried to the hospital and carried to his home, and for eight months he was there with typhoid fever, and the Army disbanded or left, and he never came back. He is a very old man, past 80 years of age.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Jerry V. Crane, who was a member of Company K, Thirty-seventh Regiment Kentucky Volunteer Mounted Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 5th day of March, 1864: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CLARENCE G. YOUNG

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent to return to Calendar No. 360, for the relief of Clarence G. Young (S. 2697), and pending that I ask unanimous consent to make a brief statement.

Mr. STAFFORD. Reserving the right to object, I have no objection pending that request, that the gentleman be granted three minutes to make an explanation.

Mr. MOUSER. Did not the gentleman make that request just a few moments ago?

Mr. EVANS of Montana. I did.

Mr. MOUSER. And did not the gentleman from New York, Mr. Black, object to the request?

Mr. EVANS of Montana. He did.

Mr. MOUSER. The gentleman from New York is not present in the Chamber just now, and I suggest that the gentleman defer his request until the gentleman from New York returns to the Chamber.

Mr. EVANS of Montana. I do not care to defer my request. I have made it twice.

Mr. RAMSPECK. Mr. Speaker, I must object.

Mr. EVANS of Montana. If I can not be courteously treated on a little thing like this, you will have a quorum or you will not pass any more bills to-day.

The SPEAKER pro tempore. Is there objection?

Mr. RAMSPECK. Mr. Speaker, in view of the absence of the gentleman from New York, Mr. Black, I object at this time. If the gentleman will make his request when the gentleman from New York returns, I shall not object.

Mr. EVANS of Montana. Mr. Speaker, I make the point of order that there is not a quorum present.

Mr. STAFFORD. I have no objection to the gentleman speaking, at least.

Mr. EVANS of Montana. That is all I have asked for, and I have asked for that twice.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Montana be allowed to proceed for five minutes.

Will the gentleman withdraw his point of no quorum? Mr. EVANS of Montana. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. EVANS of Montana. Mr. Speaker, when the bill Calendar No. 360 was called my attention was temporarily diverted, and I think two Members objected. I spoke to one of them, and he said he did not understand it. I spoke to the other objector, the chairman of the committee, the gentleman from New York [Mr. Black], who replied:

We will try to take care of the matter.

My bill is a \$50 claim. The Forest Service last year hired a man's horse, put him in charge of some inexperienced fellow, and the horse was killed the first night out.

The bill involves a sum of \$50. The bill was reported out of the committee, the chairman of which now objects to my even making a statement about it.

I think we ought to return to the calendar number and call the bill. I shall have no criticism of anyone who really wants to object to a meritorious bill. For the second time now I have asked to make a statement on this little bill, and I now make the request that we return to Calendar No. 360.

Mr. STAFFORD. Will not the gentleman from Montana defer his request until the gentleman from New York [Mr. Black] is here?

Mr. EVANS of Montana. I shall be pleased to defer my request until the gentleman who made the objection returns to the House.

Mr. RAMSPECK. Will the gentleman yield?

Mr. EVANS of Montana. I yield.

Mr. RAMSPECK. I have no objection to the gentleman from Montana making any statement he wants to, but in the absence of the gentleman from New York [Mr. Black], I can not consent to take up the bill.

Mr. EVANS of Montana. I will defer my request until the gentleman from New York comes in. If I can not get a hearing then, we will have a quorum to do business with this afternoon.

Mr. STAFFORD. I am sorry the gentleman made that statement. We are trying to cooperate with him.

ROBERT E. EDGECUMBE

The Clerk called the next bill, H. R. 3670, for the relief of Robert E. Edgecumbe.

Mr. MOUSER. Mr. Speaker, reserving the right to object, I question the amount involved in this claim. I do not question the facts. I think the operator of the airplane was negligent, but I question the payment of \$5,000 when there is no proof that the minor children of the deceased were dependent upon her. The basis of damage is dependency.

Therefore, at the present time, I must insist that this amount be reduced to \$2,000.

I am not objecting to the merits of the claim; I am objecting to the amount.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to ascertain from some member of the committee reporting the bill why in this instance it recommends \$5,000, which is to be paid to the estate, whereas in the following bill they seek to compensate for a similar injury arising out of the same accident to the amount of only \$1,000.

Mr. RAMSPECK. The difference, if the gentleman pleases, is this: The woman in the bill H. R. 3670 was killed and the committee thought it wise to amend the bill and make it payable to the estate so the children would get the benefit of it. In the next bill the gentleman refers to there was simply an injury, a broken hip, and the committee felt that \$1,000 was sufficient to compensate the man for the injury and for his hospital expenses.

Mr. MOUSER. How many children are left in the case of the first bill where the woman was killed?

Mr. RAMSPECK. There were five children, and their ages at the time of the accident ran all the way down to 11 months.

Mr. MOUSER. It is not disputed that the husband of this woman was the wage earner of the family and was supporting his family.

I raise the question as to what basis there is to pay \$5,000 when there is no evidence of record that these children were dependent upon their mother for support. The measure of damages in a wrongful death case involving such circumstances as are involved in this case hinges upon the dependency of those who claim damages because of wrongful death.

I suggest that the amount be reduced to what the children might possibly expect their mother could provide for them in case the husband did not.

Mr. RAMSPECK. I think it is unquestionably true the father was the main support; but as I understand the facts, this woman did contribute to the support of the family; and while there is no definite evidence along that line, of course, the taking away of this woman has entailed an expense for the balance of the lives of these children which must be assumed by the husband.

Mr. MOUSER. She gave the children a mother's care.

Mr. STAFFORD. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. STAFFORD. I wish to call the attention of the gentleman who is interested in this bill to a bill introduced by our late beloved colleague, Sam Rutherford, seeking to compensate the widow of a man who had been killed by reason of the too-free use of a gun by a prohibition-enforcement officer in one of the southern cities.

There the deceased had left a number of minor childrenfive or six-by a prior marriage. The deceased had recently married this woman. I proposed an amendment, which I thought would have met the approval of Mr. Rutherford, to grant to the widow \$1,000 and providing for the payment of \$4,000 to the guardian of the minor children. This bill would award the money to the estate.

Mr. RAMSPECK. I will say to the gentleman that I would not object to an amendment of that kind.

Mr. STAFFORD. We wish to have the children looked after rather than to provide for the debts of their father or mother. I think in cases like these, where we are seeking to take care of the children because of death resulting through the fault of the Government, it would be far better to provide that the money be paid to the guardian of the minor children of Robert E. Edgecumbe.

Mr. MOUSER. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. MOUSER. It seems to me that would be invading the prerogatives of the court in that case. As a matter of fact, this kind of suit is brought by the administrator of the estate, probably the husband, and also as the next friend of the children. After the debts are paid out of this amount, if any, then it is distributed according to the laws of descent and distribution, and in that event the court would have to appoint a guardian to handle the funds of the minor children.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. MOUSER. Yes.

Mr. CHINDBLOM. Does the gentleman think we should appropriate money out of the Federal Treasury to pay any part of the debts of the deceased?

Mr. MOUSER. No; but that money has to be distributed through the probate court or a similar court, and it is according to the laws of the particular State involved.

Mr. CHINDBLOM. If you make it payable to a guardian, then a guardian will have to be appointed, and the amount will not be subject to the debts of the decedent.

Mr. MOUSER. That comes afterwards.

Mr. GREEN. Speaking for my colleague, I will accept the amendment suggested by the gentleman from Wisconsin, by which each of these five small children who are left would obtain \$1,000.

Mr. STAFFORD. I will say to the gentleman from Ohio that I feel this is a very reasonable amount, only \$5,000. when this mother, in the prime of her life, left these children, who were dependent upon her for support.

Mr. MOUSER. There is no evidence that they were dependent upon her for any support whatsoever. I suggest that the amount be made \$2,000, otherwise I intend to object.

Mr. GREEN. I hope the gentleman will not insist on that.

The SPEAKER pro tempore. Is there objection? Mr. MOUSER. Mr. Speaker, I object.

Mr. STAFFORD. Will the gentleman withhold his objection?

Mr. MOUSER. I will reserve it.

Mr. STAFFORD. Let us do justice. There is no question whatsoever but what this man left minor children, as the report shows, of the respective ages of 9, 7, 5, and 3 years.

Mr. RAMSPECK. And one of 11 months. Mr. STAFFORD. Five children. The accident was the fault of the Government. Two thousand dollars would not go very far for the support of five children of those tender ages. We have invariably paid \$5,000 to estates of decedents

Government. I have been in sympathy with the position the gentleman generally takes, but I think in this case, where the Government has been the cause of taking away the bread earner of these minor children, that we should vote the \$5,000 to the guardian for the benefit of these minor children. In this case the Government is at fault; and how far would \$5,000 go for the support of these minor children? The Government was at fault, and we have established the policy that where the Government kills a person through the fault of its agent we will allow damages to the extent of \$5,000 and no more.

Mr. MOUSER. It is not a question of sympathy. We are all sympathetic toward these children. It is a question of the measure of damages. There is not one scintilla of evidence in this report showing that this mother contributed to the support of these children or that they were dependent upon her. If the father had lost his life, that would be a different question.

Mr. STAFFORD. The father did lose his life by reason of this accident, and that is the basis of the claim. As I understand, it was the father who was killed.

Mr. MOUSER. No; it was the mother. The Committee on Claims should differentiate between the head of a family who supports his family and the widow who does not.

Mr. STAFFORD. I wish to apologize to the gentleman from Ohio, because my argument was predicated upon the idea that the father had been killed.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. Without objection, Senate bill 2437 will be substituted for the House bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the estate of Annie Lee Edgecumbe, deceased, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 as full compensation for the death of Annie Lee Edgecumbe, on October 17, 1930, on account of having been struck by a United States Navy plane in Penescelle Rev Ele plane in Pensacola Bay, Fia.

Mr. MOUSER. Mr. Speaker, I offer an amendment striking out "\$5,000" and inserting in lieu thereof "\$3,000."

The Clerk read as follows:

Amendment offered by Mr. Mouser: Page 1, line 6, strike out \$5,000" and insert in lieu thereof "\$3,000."

Mr. GREEN. Mr. Speaker, I rise in opposition to the amendment.

I hope the House will not accept this amendment. All Members of the House will realize that if a mother is taken away from her children when they are the ages of 11 months up to 8 or 9 years, the father in rearing these children will expend a great deal more than \$5,000 as a result of such loss. Also I would admonish my colleagues that the officers of the Navy admit that one of the Navy seaplanes killed the mother, and I am assuming that this mother was fishing to obtain food and support for her children. I am assuming this, because otherwise she would not have been there. I do not think she would have been there on a pleasure trip. I believe she was trying to augment the income of her husband to feed her children, one of them being only 11 months old. The Navy officials admit that her small fishing boat was lawfully in that portion of Pensacola Harbor.

Under these circumstances a plane operated by one of the officers of the Navy unfortunately struck the boat and killed her and severely injured her fishing companion.

My colleagues, under such circumstances do you think that \$5,000 is excessive when you consider the necessary care of a child 11 months old, the employment of a nurse and of attendants to take the place of a mother, as far as anyone else can possibly take her place? Do you believe that \$5,000 is excessive under circumstances of this character? There were also four other small children left for the father to care for. His earning power was lessened.

If this case had been in the courts of my State, and if I were representing this estate, surely \$25,000 would not be a where the death has occurred through the fault of the large amount for which to sue. However, they have asked the small amount of \$5,000 to help to educate and rear these children, and it does seem to me that considering the facts in the case, the Congress should not cut the amount down to two or three thousand dollars, and I hope you will not accept the amendment. We are approving bills for large amounts for cases, in my opinion, far less worthy. Therefore stand with me against the amendment and for \$5,000 allowance.

Mr. MOUSER. Mr. Speaker, I rise in favor of the amendment, and I realize that perhaps I should have preceded

the gentleman from Florida.

The gentleman from Florida waxes eloquent about the facts concerning this death. It is conceded by everyone that this woman suffered a wrongful death. The gentleman states that these minor children, with whom we all sympathize, were dependent upon their mother for support, because, forsooth, she was out fishing in order to get them something to eat. Certainly this House is going to base its judgment upon more substantial grounds. I am advised by a member of the Committee on Claims that in these cases it is always customary to report a bill in the sum of \$5,000.

I am serious in calling the attention of this House to the fact that if we are going to proceed orderly we must consider the measure of damages just as that would be considered in a court of law, and the measure of damages in the case of death is based, not upon sympathy, but upon the loss of those who claim damages; and in this case it is the mother, not the father, who has been killed. If it were the father, who was the bread winner and head of the family, \$5,000 would not be out of place.

Mr. RAMSPECK. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. RAMSPECK. Is it not true that in the case of people of small means, generally, the woman in the family contributes to the support of the family?

Mr. MOUSER. How small were the means of this family?

The gentleman is going outside the record.

Mr. RAMSPECK. I am frank to state that the evidence does not disclose, but I am satisfied in my own mind that they were not people of any wealth.

Mr. MOUSER. I want to say to the Speaker, and through him to the membership of the House, that this is the first time, when we have had a friendly discussion with a view to a compromise, in a spirit of helpfulness, based upon good argument, that any gentleman who has acquiesced by his silence has later voiced any opposition to an amendment. I certainly do not think we want to put ourselves in the position where we have to object to a bill without giving the proponent of the measure an opportunity to explain it.

I think the gentleman from Florida should not oppose the amendment for this reason, and if he does, the gentleman will jeopardize every bill about which there is any doubt.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. Green) there were—aves 41, noes 6.

So the amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, I offer the customary attorney's fee clause.

The Clerk read as follows:

Amendment offered by Mr. Stafford: At the end of the bill insert: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

ALFRED G. SIMMONS, JR.

The Clerk called the next bill on the Private Calendar, H. R. 3671, for the relief of Alfred G. Simmons, jr.

There being no objection, the Clerk read the bill S. 2436, a similar Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Alfred G. Simmons, jr., out of any money in the Treasury not otherwise appropriated, the sum of \$1,000 as full compensation for injuries received and suffered by him on account of having been struck on October 17, 1930, by a United States Navy plane in Pensacola Bay, Fla.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill as amended, was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table. The House bill was laid on the table.

LUCY STEWART

The Clerk called the next bill on the Private Calendar, H. R. 5906, for the relief of Lucy Stewart.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, I may say that in the last Congress the Committee on Foreign Affairs reported an omnibus bill for various claimants carrying the same idea. I felt impelled as to all those bills to object, and that is the position I now take. I will yield to my good friend from Georgia.

Mr. CRISP. Mr. Speaker and gentlemen, I am personally and intensely interested in this case. It is a bill to give the widow of a consul general one year's salary. The Government has pursued that policy since 1892. There is a long list of precedents for it, and the State Department recommends the passage of the bill.

I may say to you that the beneficiary of this bill is a lady in my home town and that I have known her from childhood. She is about 60 years of age and has nothing to live on. She is the granddaughter of Gen. Howell Cobb, who at one time was Speaker of this House and at another time Secretary of the Treasury.

This lady has gone all over the world with her husband, into out-of-the-way places, and many of the Members of this House have visited places where they were stationed and have received many kindnesses at their hands.

The State Department said to me that in many places they had to perform the functions that ordinarily would be performed by an ambassador or a minister in entertaining Americans. They had no Government funds to pay for that purpose, and they paid it out of their own pocket.

When the horrible earthquake took place in Japan very few were anxious to go into that area. Mr. Stewart was stationed in Washington at that time in the State Department. One or two consuls who were suggested found excuses to prevent them from accepting the position. Mr. Stewart volunteered, and in a few days he and his wife went to Japan. She lived with him for three years in a tent in Japan assisting her husband in the performance of his duties.

Gentlemen, these are the facts in the case.

Mr. ARENTZ. I think the gentleman should speak in the same terms regarding the two bills which follow, because they are identical in purpose, to pay one year's salary to men who have served their country well abroad, and all that the gentleman has said in regard to Calendar No. 375 applies equally to Calendar Nos. 366 and 377.

Mr. CRISP. I do not know anything about those bills. I was engaged in a conference committee, trying to expedite agreements on the tax bill, a matter of the greatest importance to the Nation. I felt so intensely interested in

this bill, for the reasons I have outlined, that when I was here to Washington and was in a hospital here, and died notified that this bill was about to be reached I excused myself to come here for a short time to make a personal statement on behalf of the bill.

Mr. ALDRICH. Mr. Speaker, will the gentleman yield? Mr. CRISP. Yes.

Mr. ALDRICH. I introduced Calendar No. 377, H. R. 1942, for the relief of Mary T. Deane, which bill involves exactly the same principle. In the report on No. 377 the Committee on Foreign Affairs say that they have 30 precedents for doing the very same thing. I join with the gentleman in urging the gentleman from Wisconsin [Mr. STAF-FORD], in view of the fact that there are numerous precedents for this, to withdraw his objection.

Mr. RUDD. Mr. Speaker, I have a similar bill, No. 376, H. R. 924, for the relief of Sophie de Sota. The husband of this widow served for 35 years continuously. I believe when he entered this service he had a right to assume that upon his death his widow would receive the same amount as the widows of these 30 other men received. If we do not pass this bill now, it would be a retroactive act, in my opinion, because we would change the law as it exists to-day. I hope the gentleman will withdraw his objection.

Mr. STAFFORD. Mr. Speaker, under reservation of objection, for some years prior to 1924 the State Department was seeking to place upon the retired list all of our consular representatives and pay them retired pay after they reached a certain age. The first draft of the so-called Rogers bill passed the House in 1921 but did not pass the Senate. In 1924 the Congress adopted the policy, under recommendation of Secretary of State Hughes, the present Chief Justice, granting to all of our consular officers upon their attaining a certain age a liberal retirement pay. In that bill, which was prepared by the State Department under the tutelage of the eminent Secretary of State, no provision was carried at any time providing for a year's salary to be paid to the widow. Prior to that time the Congress had voted in many instances, as referred to by the distinguished gentleman from Georgia, the grant of a year's salary, particularly where the husbands died abroad, because the Government believed that it would be rather an undue burden upon these persons serving in foreign climes, with inadequate salaries and no provision for retirement, not to receive some compensation; but since we passed the act of 1924 only one such bill has been passed, although the Committee on Foreign Affairs has reported many, many such bills.

In the instant bill I call attention to the fact that this consular officer died here in Washington while on temporary service, November 14, 1930. There is no reason whatsoever, in view of the fact we have established a policy of retirement, and liberal retirement, more liberal in case of consular officers than in any other branch of the national service, why we should now establish a policy of granting, in addition thereto, a year's salary to the widow.

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. In a moment. During the last Congress it was my unhappy task to object to a bill introduced by my colleague, Mr. Schafer, a case in which the widow lives in an adjoining suburb to my district. During the recess friends of mine arranged for an interview with her. I explained to the widow the reason. She had a valuable estate of some \$30,000 or more. Why should we in this character of service, just because it is a select character of service, grant a year's salary to the widow of a deceased consular officer? If we are going to do that, let us bring in a general law and not do it by special preferment.

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. CRISP. In answer to one of the gentleman's statements that the consul died here, he did die here. He had been in bed in Barcelona, Spain, for four months, where he broke down serving his country. As soon as he was able he was taken on a stretcher, placed on a train in Spain, transported over the railroad to the ship, in each instance of change being transported on a stretcher. He was brought

after an illness of at least eight months, continuously bedridden.

Mr. STAFFORD. And the Government during that time provided for his transportation, for his hospitalization, and his compensation up to the time of his death.

Mr. CRISP. Mr. Speaker, the gentleman is in error. The Government did not pay his hospital bill. I suppose the Government did pay his transportation bill, as it does in the case of all officers. It did not pay the doctor's bill or the hospital bill.

Mr. STAFFORD. If there is to be any such policy, let it be established by law and not by special act.

Mr. ALDRICH. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. I yield to the distinguished attachés of the Foreign Service, first to the gentleman from Rhode Island [Mr. Aldrich] and then to the gentleman from Long Island [Mr. Bacon], whom I see on his feet.

Mr. ALDRICH. But I am not appearing in that capacity. Mr. STAFFORD. The gentleman creditably fills the rôle.

Mr. ALDRICH. I thank the gentleman. In the case of Mary M. Deane, in whose behalf I introduced this bill, her husband died in Montreal. At the time of his death he had never received any retirement pay. The retirement pay had been in effect for a very short time. If he had retired under the terms of the bill, he would have received practically nothing. In this particular case the widow has a crippled child. She wants this money to have an operation performed upon this child. Unless she gets the money, she will be unable to have that operation performed. I admit that particular argument does not apply to the general principle, but I do not see, on the other hand, how the fact that we have a retirement pay under the Rogers bill affects the merits of this case.

Mr. STAFFORD. It is rather passing strange that when we were passing a general retirement act when it would have been proper to consider this retirement pay no such proposal was given. It was tentatively accepted then that that was to be virtually in lieu of this policy and we have virtually followed it. If Congress wants to adopt a different policy, bring in a general bill.

Mr. BACON. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BACON. I think there is a distinction between retirement pay and a case where a man dies in service. The retirement pay does not go to his widow at all.

Mr. STAFFORD. How many in civilian life, commercial attachés and clerks in Foreign Service, if we adopt this policy, will be entitled to it? Certainly just because they occupy high positions is no reason why they should be singled out for preferment.

I object, Mr. Speaker.

Mr. CRISP. Mr. Speaker, I ask unanimous consent to extend the remarks I made by including the precedents for this legislation.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

APPROPRIATIONS OF A YEAR'S SALARY TO WIDOWS OF FOREIGN SERVICE OFFICERS

The Department of State has made an investigation in regard to the cases in which Congress has either appropriated for the payment of a year's salary to widows of deceased officers in the Foreign Service who have died during their service, or has authorized appropriations for such widows, and has prepared the following list for the information of the committee:

Act of July 28, 1892, authorized respect to heirs of Alexander.

list for the information of the committee:

Act of July 28, 1892, authorized payment to heirs of Alexander Clark, late minister and consul general to Liberia, on one year's salary, \$4,000.

Act of March 3, 1893, authorized payment to Mrs. Sarah O. Hanna, widow of Bayless W. Hanna, late minister resident and consul general at Buenos Aires, of \$5,375.

Act of March 2, 1895, authorized payment to Mrs. Celeste H. McCoy, widow of W. D. McCoy, late minister and consul general to Liberia, of \$1,000.

Act of April 17, 1900, authorized payment to Mrs. Clare M. Ashby, widow of William W. Ashby, drowned while consul at Colon, \$2,866, balance of one year's salary.

To Mrs. Verona E. Pollock, widow of Alexander L. Pollock, who died while consul at San Salvador, \$6,840.

Act of March 3, 1901, authorized payment to Mrs. Ella Lowery Moseley, widow of Robert E. Moseley, consul general at Singapore, \$750, equal to three months' salary.

Act of February 6, 1903, authorized payment to widow of W. W. Cobb, who died while consul at Colon, \$1,755.49, balance of salary for the year of his death.

Diplomatic and Consular Service bill approved March 4, 1919: Congress, authorized the payment of \$5,500 (one year's salary) to Mrs. Natalle Summers, the widow of Maddin Summers, consul general at Moscow.

Diplomatic and Consular Service appropriation act for fiscal year

Mrs. Natalie Summers, the widow of Maddin Summers, consul general at Moscow.

Diplomatic and Consular Service appropriation act for fiscal year ending June 30, 1921: Congress approved payment to Mrs. Winifred T. Magelssen, widow of William C. Magelssen, formerly consul at Melbourne, Australia, of \$4,500, one year's salary of her deceased husband, who died returning to the United States from his post from illness incurred in the Consular Service.

Diplomatic and Consular Service appropriation act for fiscal year ending June 30, 1922: Congress approved payment to Mrs. Anna Gale White, widow of Jay White, late consul at Naples, Italy, \$4,500, one year's salary of her deceased husband, who died while at his post of duty from illness incurred in the Consular Service.

Diplomatic and Consular Service appropriation act for fiscal year ending June 30, 1922: Congress approved payment to Mrs. Mary A. Higgins, widow of Edward Higgins, late consul at Bahai, Brazil, \$4,000, one year's salary of her deceased husband, who died while at his post from illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1923: Congress approved payment to Daisy Crawford Carroll, widow of B. Harvey Carroll, late consul at Cadiz, Spain, \$3,500, one year's salary of her deceased husband, who died while at his post of duty from illness incurred in the Consular Service.

deceased husband, who died while at his post of duty from lilness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1923: Congress approved payment to Alice Potter, widow of Julian Potter, late consul at Rouen, France, \$3,000, one year's salary of her deceased husband, who died as a result of illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the Service for th

Justice for the fiscal year ending June 30, 1924: Congress approved payment to Louise Carroll Masterson, widow of William W. Masterson, late consul to Plymouth, England, \$4,500, one year's salary of her deceased husband, who died at his post of duty from illness incurred in the Consular Service.

The act making appropriations for the Departments of State and

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$3,500 for payment to Pauline M. Robinson, widow of Ross Hazeltine, late consul at Lourenco Marques, Portuguese East Africa, one year's salary of her deceased husband, who died while at his post of duty of illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$3,500 for payment to Paulina M. Robinson, widow of Fred R. Robinson, late consul at Saltillo, Mexico, one year's salary of her deceased husband, who died while returning to the United States from his post of duty of illness incurred in the Consular Service.

States from his post of duty of illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$5,000 for payment to May Adelaide Sharp, widow of Hunter Sharp, late consul at Edinburgh, Scotland, one year's salary of her deceased husband, who died while at his post of duty of illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$4,000 for payment to Etherl Roberts Loop, widow of Carl R. Loop, late consul at Catania, Italy, one year's salary of her deceased husband, who died while at his post of duty of illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$3,500 for payment to William B. Kirjassoff, late consul at Yokohama, Japan, one year's salary of their deceased father, who died in the earthquake and fire while at his post of duty.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$8,000 for payment to Eliza R. Scidmore, sister of George H. Scidmore, late consul general at Yokohama, Japan, one year's salary of her deceased brother, who died while at his post of duty of illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$3,500 for payment to Frances R. Jewett, widow of Milo A. Jewett, late consul at Trondhjem, Norway, one year's salary of her deceased husband who died while at his post of duty, of illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$3,500 for payment to Frances R. Jewett, widow of Milo A. Jewett, late

incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$5,500 for payment to Teresa B. Handley, widow of William W. Handley, late consul general at Callao-Lima, Peru, one year's salary of her deceased husband who died while at his post of duty, of illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1925: Congress appropriated \$5,000 for payment to Irene Gracie Pontius, widow of Albert W. Pontius, late consul general at Mukden, China, one year's salary of her deceased husband who died while at his post of duty, of illness incurred in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1927: Congress appropriated \$9,000 for payment to Margarethe Murphy, widow of George Herbert Murphy, late consul general at Zurich, Switzerland, one year's salary of her deceased husband, who died of illness incurred

while in the Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1927: Congress appropriated \$4,000 for payment to Lilly O. Dyer, widow of Francis John Dyer, late consul at Coblenz, Germany, one year's salary of her deceased husband, who died of illness incurred while in the

Consular Service.

The act making appropriations for the Departments of State and Justice for the fiscal year ending June 30, 1927: Congress appropriated \$4,000 for payment to Genevieve Hendrick, widow of Michael J. Hendrick, late consul at Windsor, Canada, one year's salary of her deceased husband, who died of illness incurred while

salary of her deceased husband, who died of limess incurred while in the Consular Service.

Private Act No. 240, Sixty-ninth Congress, authorized the appropriation of \$3,500 for payment to Edith L. Bickford, widow of the late George F. Bickford, late American consul at Antung, China, one year's salary of her deceased husband, who died of illness incurred while in the Consular Service. The money was appropriated by the first deficiency act for 1928, approved December 22, 1927.

Private Act No. 245, Sixty-ninth Congress, authorized the appropriation of \$9,000 for payment to Etelka Bell, widow of Edward Bell, late counsellor of legation and chargé d'affaires at Peking, China, one year's salary of her deceased husband, who died of illness incurred while in the Diplomatic Service. The money was appropriated by the first deficiency act for 1928, approved December 22, 1927.

Private Act. No. 344, Sixty-ninth Congress, authorized the appropriation of \$4,500 for payment to Agnes W. Wilcox, widow of Henry T. Wilcox, late American consul at Vigo, Spain, one year's salary of her deceased husband, who died of illness incurred while in the Consular Service. The money was appropriated by the first deficiency act of 1928, approved December 22, 1927.

Private Act No. 76, Seventieth Congress, first session, authorized and appropriated the amount of \$9,000 for payment to Mabel Rees Coffin, widow of William Coffin, late American consul general at Berlin, Germany, being one year's salary of her deceased husband, who died while in the Foreign Service.

Private Act No. 76, Seventieth Congress, first session, authorized and appropriated the amount of \$3,500 for payment to Sarah Linard, widow of Drew Linard, late American consul at Piedras Negras, Coahuila, Mexico, being one year's salary of her deceased husband, who died of illness incurred while in the Consular Service.

Private Act No. 76, Seventieth Congress, first session, authorized and appropriated the amount of \$6,000 for payment to Catherine Requa Johnson, widow of Stewart Johnson, who was killed while American chargé d'affaires in Egypt, being one year's salary of her deceased husband.

deceased husband.

S. 3280 was introduced by Mr. La Follette during the first session of the Seventieth Congress, for the payment of \$3,000 to Margaret Diederich, widow of Henry W. Diederich, late Foreign Service officer, retired, being one year's salary of her deceased husband. This bill passed the Senate on April 13, 1928. (No further action to date.)

H. R. 12995 was introduced by Mr. Bacharach during the first session of the Seventieth Congress (April 15, 1928) for the appropriation of \$3,500 to be paid to Etta B. Leach Johnson, widow of Felix S. S. Johnson, late American consul at Kingston, Ontario, Canada, being one year's salary of her deceased husband. This bill passed the House on May 28, 1928. (No further action to date.)

H. R. 12966 was introduced by Mr. Johnson (Illinois) during the first session of the Seventieth Congress (April 12, 1928) for the appropriation of \$7,000 to be paid to Jeannette S. Jewell, widow of John F. Jewell, late American consul at Birmingham, England, being one year's salary of her deceased husband. This bill passed the House on May 25, 1928. (No further action to date.)

Bertha Hanson, Public Act 1035, approved March 4, 1929, second

Bertha Hanson, Public Act 1035, approved March 4, 1929, second deficiency act for 1929 (p. 32).

It has also been ascertained that bills were presented in Congress on behalf of the heirs of the following officers, but no record has been found in the department as to their passage: Robert F. Patterson; Martin J. Carter, of Yarmouth; W. Irvin Shaw, of Singapore; S. W. Thorne, of Asuncion.

In connection with this matter, you are referred to the following congressional documents which contain information of interest thereto:

thereto:

Senate Report No. 238, Forty-ninth Congress, first session. Senate Report No. 1480, Fifty-fourth Congress, second session. House Report No. 1433, Fifty-fifth Congress, second session.

SOPHIE DE SOTA

The Clerk called the next bill, H. R. 924, for the relief of Sophie de Sota.

Mr. STAFFORD. Mr. Speaker, I object.

MARY P. DEANE

The Clerk called the next bill, H. R. 1942, for the relief of Mary P. Deane. Mr. STAFFORD. Mr. Speaker, I object.

CLARENCE G. YOUNG

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent to return to Calendar 360, for the relief of Clarence G. Young (S. 2697).

Mr. STAFFORD. Will the gentleman withhold that for a moment?

Mr. EVANS of Montana. I will.

Mr. STAFFORD. Under the order under which we are proceeding, that request would be in order to-morrow, because an order was made last Friday evening that these days would be given to consideration of bills following a certain number, and it would be privileged to make that request. The gentleman from New York is temporarily absent—

Mr. EVANS of Montana. The gentlemen from New York has assured me that he has no objection.

Mr. STAFFORD. Of course, if the gentleman has given the gentleman that assurance, I will not interpose any objection to returning.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Clarence G. Young, out of any money in the Treasury not otherwise appropriated, the sum of \$50 in full satisfaction of all claims against the United States for the loss of a horse hired to the United States Forest Service on August 13, 1929.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JEANNETTE S. JEWELL

The Clerk called the next bill, H. R. 4057, for the relief of Jeannette S. Jewell.

Mr. STAFFORD. Mr. Speaker, I object.

JOHN A. RAPELYE

The Clerk called the next bill, H. R. 1256, for the relief of John A. Rapelye.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to call attention to what the Post Office Department reports on this bill. It reports as follows:

No indication of a forcible entry was found, and the condition in which the safe was left rendered it probable that the theft was committed by some one familiar with the manner in which funds were deposited in the safe overnight. It developed that four of the station employees had keys to the station and knew the combination of the safe. Each of these employees was closely questioned by post-office inspectors and one of them, who has since been dismissed from the service, was strongly suspected, but no evidence justifying prosecution could be obtained.

Under these circumstances, I doubt whether the bill ought to be passed, but in view of the fact that the department does not recommend against its passage, further than making that statement, I shall not object.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the account of John A. Rapelye, postmaster at Flushing, N. Y., with the sum of \$1,249.08 to reimburse him for money-order and postal funds stolen from the Jackson Heights station of the Flushing post office on the night of March 3, 1927.

Mr. COCHRAN of Missouri, Mr. Speaker, I move to strike out the last word.

Mr. Speaker, in these days when there is a tendency to direct criticism at the Congress, I notice at least one newspaper has not overlooked the fact that the House yesterday, to-day, and to-morrow considers bills on the Private Calendar.

The article which I read referred to one or two private bills that had been passed by the House. I think it only fair that the Record show the necessity for considering bills of this character in the House and Senate.

The Government can not be sued without its consent, and therefore the citizens of this country have no alternative other than to appeal to the Congress when they have been injured by the act of a Government employee or a Government vehicle.

Bills on the Private Calendar are introduced by the thousands at each session of Congress. They are referred in the House to four committee, the Committee on Claims, Committee on War Claims, Committee on Military Affairs, and Committee on Naval Affairs. Now and then a private bill goes to the Committee on Foreign Affairs. All the committees named consider a private bill on the evidence submitted by the claimant, together with the views of the department under whose jurisdiction the employees responsible are a part of the personnel.

Probably not 1 in 10 bills introduced is favorably reported. Many of the bills, meritorious, have been before the Congress for years.

After a subcommittee makes its report to the full committee a private bill is voted upon by the full committee and if reported favorably is placed on the Private Calendar. Both the Democratic and Republican leaders appoint Members to give special attention to the Private Calendar. Each side has no less than three Members, and they prevent passage of bills where there is the least doubt that the responsibility rests with the claimant and not with the Government.

There is no railroading of bills through the House, as some would make the public believe. The fact is that more serious consideration is given to this private legislation than some of the more important public bills that have been passed.

Of course, the House checks the Senate and likewise the Senate checks the House on private bills. Then there is the right of the President to veto, if in his judgment the Congress has saddled an expense upon the Government that should have been borne by the citizen.

Take some of the bills on the calendar to-day. A woman rowing peacefully in a boat is killed by a Navy seaplane. She leaves five children, the youngest 11 months and the oldest 10 years. The scaplane failed to function and the Navy pilot could not control the machine, striking the boat and killing the occupant. A horse borrowed by the Department of Agriculture is killed while in possession of the Government. A private yacht destroyed by the Coast Guard and the evidence shows no violation of the law on the part of the citizen. A bill to take care of lost or stolen bonds, the bank under the terms of the bill required to file a bond so the Government runs no risk of loss. A man serving in the Marine Corps was denied the right to visit his mother who was critically ill. He left his command and was present at the bedside of his mother when she passed away. Immediately thereafter, instead of returning to the Marine Corps, he joined the Army, serving three years throughout the period of the Spanish War with a fine record. He wanted an honorable discharge from the marines so he would have a complete honorable record.

A boy is standing on the sidewalk of a large city and prohibition agents pour confiscated alcohol in the gutter. Some one throws a match in the gutter and the boy, 100 feet from the corner where the agents poured the alcohol, is burned, suffering injuries that make him an invalid for life. The agents violated all rules and regulations in pouring alcohol into a public gutter.

This is a sample of the bills that Congress is asked to consider because we have failed to set up any agency and extend to that agency the right to consider claims against the Government where the Government is at fault.

As I said, Mr. Speaker, my only purpose in rising is to let the Record show that despite the criticism that is directed at Congress for, as some papers say, wasting its time, nevertheless the Members are discharging their public duty, and those who criticize would be the first to demand that they be reimbursed if they suffered personal injury or property damage.

When a citizen is struck by an Army truck or a maildelivery wagon through no fault of his own he should have the same right to claim damages as if struck by your automobile. tion of claims against the Government through a proper Government agency clothed with proper jurisdiction, and if that bill is enacted into law, which I hope it will be in the near future, then thousands of the bills now introduced will be unnecessary, as the claims could be handled in another way. While our citizens suffer millions of dollars in damages annually as a result of property damage and personal injuries by Government employees and Government vehicles, only a few thousand dollars in damages are paid.

In these days when we have millions of motor vehicles going over the country and on the city streets, as well as airplanes and sea planes, many thousands of which belong to the Government of the United States, and no insurance being carried, it is only reasonable that accidents will occur from time to time wherein a citizen will be injured or will lose his or her life. The Government of the United States and the States provide laws whereby a citizen can sue a corporation or an individual for personal damages or property damage. It seems only fair that the citizens of the country should have the right to be heard by Congress until ways and means are provided to have their claims considered before a proper tribunal. [Applause.]

Mr. STAFFORD. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Stafford: At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOSEPH MOSSEW

The Clerk called the next bill, H. R. 3822, for the relief of Joseph Mossew.

There being no objection the Clerk read the bill, as

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Joseph Mossew, out of any money in the Treasury not otherwise appropriated, the sum of \$500, the amount of a fine paid by Joseph Mossew in pursuance of a judgment entered upon a plea nolo contendere under certain provisions of the so-called Lever Act previous to the time that the Supreme Court of the United States held such provisions void, the said plea and said payment being made under a stipulation as follows: "In consideration that the Attorney General and this court shall accept the plea nolo contendere which I hereby tender to the above-entitled indictment, I do hereby waive any and all fines which the court may see fit to impose upon me upon such plea, except in the event that the so-called Lever Act under which said indictment is found shall be declared unconstitutional by said indictment is found shall be declared unconstitutional by the Supreme Court of the United States and that no prosecution could be sustained upon the facts stated in said indictment."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

BARNEY RIEKE

The Clerk called the next bill, H. R. 6208, for the relief of Barney Rieke.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I object. Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to call attention to the facts found in this case. The report shows that one of our Coast Guard patrol boats overhauled this Barney Google motor boat and gave it orders to stand by so they could board her and search for contraband. The owner of the boat, who was then under the influence of liquor, cursed and abused the Coast Guard took him back to land.

I have introduced a bill which provides for the considera- officers and interfered with their boarding the craft. The Barney Google finally got away from the Coast Guard boat and it was necessary to overhaul the Barney Google a second time. The Coast Guard boat finally took the Barney Google in tow. The line broke or became unfastened, and the Barney Google sank.

Now, it occurs to me that the men in charge of the Barney Google were to blame themselves. If they had cooperated, or, at least, had not obstructed the United States Coast Guard in the proper discharge of its duty, probably there would have been no disaster.

I reserve the right to object, in order that the gentleman from Ohio may make a statement about the bill if he wants to.

Mr. CROSSER. Mr. Speaker, first of all let me call the gentleman's attention to the fact that the Secretary of the Treasury himself said that the department is not in position to deny the justice of this claim.

Mr. BLANTON. The Secretary of the Treasury was a very poor hand at several things, one of which was enforcing the liquor laws, although at one time he was in charge of the Coast Guard. The Government has seen fit now to take him away from that position and send him abroad, where he will be virtually harmless.

Mr. CROSSER. The reason I call the attention of the gentleman to the report is because the gentleman has been asking for the department's attitude on these different bills, and in this case the different officers upheld this claim.

Mr. BLANTON. I am speaking of the findings of fact of the officers of the Coast Guard who investigated the case.

Mr. CROSSER. Let me say that I am not one of those who berate the Coast Guard on account of their work. I am not complaining about that. I do say, however, that I can understand the attitude of persons who operate motor boats on the lakes near Cleveland, Buffalo, and other large cities, because frequently those who order them to stop are not officers; sometimes they are people who have no right to do it.

Mr. BLANTON. But when a United States officer hails them and tells them to stand by and tells them that he is a Federal officer of the law and he wants to come aboard and search them for contraband, it is their duty to stand by and let him do it.

Mr. CROSSER. But people have been asked to do this by those who were not officers at all right in our neighbor-

Mr. BLANTON. Why, the Coast Guard flag and the flag of the United States were flying on this boat.

Mr. CROSSER. This was at night.
Mr. BLANTON. They got away from the Coast Guard boat twice.

Mr. CROSSER. This was at night.
Mr. BLANTON. Here is what the findings state.

Mr. CROSSER. Wait a minute. They state that the boat started away in the first instance.

Mr. BLANTON. Let me call the gentleman's attention to

the finding of the Government officer:

That the owner of the motor boat Barney Google, Mr. B. H. Rieke, was under the influence of intoxicants on the night the boat was boarded by the CG-120, as evidenced by the testimony

2. That the occupants of the motor boat Barney Google refused to comply with a reasonable request of the officer in charge of patrol boat CG-120, who was acting in the regular course of his

Mr. CROSSER. It is not very unreasonable, is it, to assume that these men would find, for example, that this man was drinking, while he denies it? The board recommended that the member of the Coast Guard who was charged with negligence in handling the motor boat should be discharged.

Mr. BLANTON. They pulled him out of the water onto the patrol boat.

Mr. CROSSER. No. Mr. Rieke says he took him out of the water.

Mr. BLANTON. The patrol boat took care of him and

Mr. CROSSER. No. Mr. Berger was thrown into the water. Mr. Rieke, himself, threw a life preserver out to him and the patrol boat picked him up.

Mr. BLANTON. I do not think this case ought to pass by unanimous consent. It ought to come up some time when we can carefully consider it on its merits.

Mr. CROSSER. Let it come to a vote of the House now.
Mr. BLANTON. If you allow a bill like this to go beyond
the objection stage, every man here is responsible for its
passage; and if it should pass by unanimous consent, the
responsibility is on each individual Member's shoulders, and

I do not want that responsibility on mine.

Mr. CROSSER. I am perfectly willing to take it.

Mr. BLANTON. Unfortunately, the gentleman from Wisconsin will not object to this kind of a case; it is too wet for him to object.

Mr. STAFFORD. I must rely on the dry proclivities of the gentleman from Texas.

Mr. CROSSER. There is a conflict of testimony in this case. Mr. Rieke solemnly swears he was not drinking.

Mr. BLANTON. The gentleman knows I hate to object to his bill; but it is a matter of duty, and the question of duty is above friendship. I therefore object.

ANDREW H. MILLS AND WILLIAM M. MILLS

The Clerk called the next bill, H. R. 7815, to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum*, for damage to said vessel.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MOUSER. Mr. Speaker, reserving the right to object, I can not see any reason why the Government of the United States should be responsible for the lack of knowledge as to the proper court in which to file a claim of this kind, especially after an act of Congress authorized the suit to be filed and in a certain court. I would like to have the gentleman from New York [Mr. Black] explain the dereliction of duty and laches on the part of his clients.

Mr. RAMSPECK. The gentleman from New York is temporarily out of the Chamber, and I am unable to give the gentleman the explanation he desires. I have no personal knowledge of the case.

Mr. MOUSER. Without such explanation, I am obliged to object.

WILLIAM J. RYAN

The Clerk called the next bill, S. 659, for the relief of William J. Ryan, chaplain, United States Army.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I object.

ROY W. FARRELL

The Clerk called the next bill, H. R. 809, for the relief of Roy W. Farrell.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. LANKFORD of Virginia. Will the gentleman withhold his objection?

Mr. GRISWOLD. I will.

Mr. LANKFORD of Virginia. Will the gentleman state his objection to this bill?

Mr. GRISWOLD. I will give the gentleman my reason for objecting to the bill. This man had his rights under the retirement act as a reserve officer in 1921. He did not see fit to avail himself of those rights and now he says he did not know about them. However, after those rights had expired he again had relief coming to him under the 1928 act.

Mr. LANKFORD of Virginia. The gentleman means the emergency officers' act?

Mr. GRISWOLD. Yes.

Mr. LANKFORD of Virginia. He did make application under that act, but they did not give him the 30 per cent rating which is necessary under that act.

Mr. GRISWOLD. That is what I am getting to. He had the right under that act to go before a board and be examined. He went before a board and was examined. That board found he only had a 16 per cent disability. He is now asking Congress to cure his defect of sleeping on his rights for nine years and in addition to say that the board which examined him was wrong. Therefore I object.

Mr. LANKFORD of Virginia. Did the gentleman read the report in which it appears he was advised by officers in the Navy that he did not have that right and that he did not know he had it until he came before the committee last year?

Mr. GRISWOLD. The gentleman must realize the mental caliber of an officer with the rank of junior lieutenant in the Navy. He is supposed to be familiar with existing law, and it is unbelievable that a man of his mental caliber would rely absolutely upon such advice.

Mr. LANKFORD of Virginia. This simply gives him the right to appear before the retiring board. If he is not injured, no damage will be done. It does not cost a cent unless they find in his favor.

Mr. GRISWOLD. I think he has had ample recourse and ample examination, the same to which all other men were entitled under the retirement act. I will have to object.

VICTOR OSCAR GOKEY

The Clerk called the next bill, H. R. 2254, for the relief of Victor Oscar Gokey.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. HANCOCK of New York. Will the gentleman give me an opportunity to answer his objection?

Mr. EATON of Colorado. I will reserve my right to object and permit the gentleman to make a statement showing why this man's record should be changed.

Mr. HANCOCK of New York. This is one of the many cases that occurred in the early days of the war, when grossly excessive sentences were imposed for comparatively trivial crimes. It was a plain case of absence without leave for 10 days. The man returned voluntarily. He was given a sentence of two years in prison and dishonorably discharged. Everyone who served in the Army knows that in the early days of the war the members of courts-martial were young, inexperienced, and overzealous officers, and many very excessive sentences were imposed. This, I think, is a most flagrant example. The circumstances, briefly, were these: The man was at the receiving ship in New York City. He was one of four sons who enlisted and joined the Army or the Navy. He left at home a widowed mother and one young sister. The mother became desperately ill and the young sister telegraphed him to come home. He was unable to get leave, but his commanding officer told him to go ahead and he would protect him in every possible way. At the very worst it was a case of absence without leave. The man went to his home to visit his mother. He was the nearest of four sons, all of whom were in the Navy or Army. He returned to his ship of his own free will, and was thrown into jail because of absence without leave, and given this excessive sentence. At the court-martial he was not represented by counsel and he was unable to produce any evidence except his own statement; and, as the gentleman knows, stories of this kind are always regarded with suspicion by officers of the Army and Navy. The evidence before the Naval Affairs Committee shows conclusively that this man's story was true.

Mr. COOPER of Tennessee. The man, certainly, was not tried before a general court-martial without counsel, because the law is mandatory that he shall be provided with counsel.

Mr. HANCOCK of New York. Nevertheless, it is a fact that in this case the man had no counsel.

Mr. EATON of Colorado. The gentleman evidently has been listening to what has been told this man by a guardhouse lawyer, but since this man only wants to clear his record, will the gentleman accept an amendment that under no circumstances shall any bounty, back pay, or allowance

ever be paid to this man on account of the passage of this act?

Mr. HANCOCK of New York. If that is a necessary condition precedent, but it seems to me unfair.

Mr. EATON of Colorado. All the gentleman is trying to

do is to put this man in a position to get a pension.

Mr. HANCOCK of New York. I think he is entitled to it. I will say to the gentleman that I do not pose as a guardhouse lawyer, but I have had a great deal of experience in court-martial work as a summary court officer, as a trial judge advocate, and as an acting division judge advocate, and I do know about these cases.

Mr. EATON of Colorado. Where a man has been absent three weeks, what difference would it make whether he had

counsel or not?

Mr. HANCOCK of New York. The circumstances surrounding his going away and his voluntary return could have been shown to the court, and I will say to the gentleman that in many, many cases that have come before me and have received my personal attention, never was any such severe penalty as this inflicted. This offense was not committed in the face of the enemy. The gentleman understands human emotions. In this case there were four men in this one family who were taking part in the war with a widowed mother at home and it was a perfectly human thing for this man to obey this summons to come home.

Mr. EATON of Colorado. Does not the gentleman think that the Judge Advocate General who attended to this case and the members of the court were just as fair as the

gentleman?

Mr. HANCOCK of New York. No; I am sure they were not.

Mr. EATON of Colorado. And that the reason for the excessive sentence the gentleman has mentioned was on account of some things that neither the gentleman nor I know anything about?

Mr. HANCOCK of New York. I know all about the case, and I know that in the early days of the war the courtsmartial were composed of young officers who were overzealous and had an exaggerated idea about the seriousness of things. Every man in this Chamber who served in the Army or in the Navy knows this to be true.

Mr. MOUSER. Will the gentleman yield?

Mr. HANCOCK of New York. Gladly.

Mr. MOUSER. As a matter of fact, unlike civil courts or criminal courts, the judge advocate, especially in the early part of the war, did not notify the accused of his right to have counsel.

Mr. HANCOCK of New York. Yes.

Mr. MOUSER. And there are many instances where the Judge Advocate General reversed the lower court-martial on the ground the accused was not given proper opportunity to defend himself.

Mr. HANCOCK of New York. That is true.

Mr. MOUSER. And that is the fact in this particular

Mr. EATON of Colorado. Under the statement of the gentleman from New York, who says he personally knows about this case, and also in view of the fact that this man returned voluntarily, I withdraw my objection.

Mr. HANCOCK of New York. I thank the gentleman. There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws con-Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sallors, Victor Oscar Gokey, late of the United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States on May 22, 1918: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

In line 6, strike out the word "honorably," and in line 7, after the word "discharged," insert "under honorable conditions."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

LEWIS A. M'DERMOTT, DECEASED

The Clerk called the next bill, H. R. 3644, for the relief of Lewis A. McDermott, deceased.

Mr. EATON of Colorado. Mr. Speaker, I object.

Mr. COYLE. Mr. Speaker, will the gentleman reserve his objection a moment?

Mr. EATON of Colorado. I reserve the objection.

Mr. COYLE. In the absence of my colleague the gentleman from Florida [Mr. DRANE], who reported this bill, I have assumed some responsibility as a member of the subcommittee that heard the testimony in this case.

The department advises that this man served honorably during the time he was in the Marine Corps. He left without permission, but he did not long remain in desertion. He subsequently enlisted in the Army and served two terms in the Philippines in war times and got honorable discharges on both occasions.

The Committee on Naval Affairs has rather made a rule for its own guidance-not for the guidance of this House, but for its own guidance—that where the intent to desert, if it existed, was cured by practically immediate reenlistment and honorable discharge after active service in the face of the enemy, the charge of desertion will be recommended for removal, particularly where the desertion or the dishonorable discharge did not involve any offense of moral turpitude. This man apparently cured his offense by subsequent service and his entire service during the three enlistments, except for this one offense, was apparently honorable. I do believe it is a case worthy of our consideration.

Mr. EATON of Colorado. Mr. Speaker, in view of the statement of the gentleman from Pennsylvania, I withdraw

Mr. STAFFORD. Will the gentleman give us the reason why the Committee on Naval Affairs have adopted the phraseology, different from what has been carried in prior Congresses, "discharge under honorable conditions" instead of "honorably discharged"? I ask that for the purpose of guidance of the Committee on Military Affairs in similar

Mr. COYLE. The phrase "under honorable conditions" was considered at the time by the Naval Affairs Committee as not being of the same import as issuing "an honorable discharge." Subsequently, however, they discovered that the two terms are practically synonymous, and no occasion exists for putting in "under honorable conditions."

The committee thought that if it was put in, ordering the issue of an honorable discharge, it might carry with it an obligation to change the discharge actually issued. whereas apparently it would not have that effect.

Mr. STAFFORD. And it is the policy of the Naval Affairs Committee to go back to the old phraseology?

Mr. COYLE. The Naval Affairs Committee will in the future consider the two terms synonymous.

Mr. EATON of Colorado. Will the gentleman explain why the bill does not carry the proviso that no pension shall be held to have accrued prior to the passage of this

Mr. COYLE. I did not notice that that was omitted. It should carry that provision.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Lewis A. McDermott, deceased, late of the United States Marine Corps, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a member of the United States Marine Corps on the 25th day of April, 1899: Provided, That no bounty, back pay, or allowance shall be held to have accrued prior to the passage of this act. passage of this act.

Amend the title so as to read: "A bill for the relief of Lewis A. McDormott."

With the following committee amendments, which were agreed to:

Title, strike out the letter "e" after the letter "D" in Mc-Dermott, and insert in lieu thereof the letter "a."

Line 5, strike out the letter "e" after the letter "D" in Mc-Dermott, and insert in lieu thereof the letter "o." Line 7, strike out the word "honorably," and insert the words "under honorable conditions" after the word "discharged."

Mr. EATON of Colorado. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, line 1, after the word "pay," insert the word "pension."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FIRST NATIONAL BANK OF BRENHAM, TEX.

The Clerk called the next bill on the Private Calendar, H. R. 3725, for the relief of the First National Bank of Brenham, Tex.

Mr. STAFFORD. Reserving the right to object, I do not know that I have any objection to the bill, but I think it is strange that the report does not contain as usual the opinion of the Treasury Department.

Mr. BUCHANAN. I do not know whether the committee requested a report from the Treasury Department or not, but I have a letter from the department which I will read.

The Treasury Department will oppose the passage of the bill H. R. 9349-

Which was the number of the bill at that time.

before the expiration of two years from the date of the reported

Now, it is three years and eight months from the loss of the bonds.

Mr. STAFFORD. The gentleman from Texas has furnished a favorable report from the Secretary of the Treasury, and while it would have been better to have had the letter from the Secretary of the Treasury in the report, the gentleman has virtually furnished the desired information, and I withdraw my reservation of objection.

The bill was read, as follows:

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem five 4½'s United States third Liberty bonds, Nos. 1163002, 1163003, 1163004, 1163005, and 1163006, of the denomination of \$1,000 each, payable to bearer, and all unpaid interest due upon coupons on each of them, in favor of the First National Bank of Brenham, Tex., without presentation of said bonds or the coupons, which have been lost, stolen, or destroyed: Provided, That the said bonds shall not have been previously presented for payment and that no payment shall be made hereunder for the coupons if they shall have been previously presented and paid: Provided further, That the said the First National Bank of Brenham, Tex., shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal and interest of said bonds, and the interest payable thereon, in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury to indemnify and save harmless the United States from any loss on account of the lost, stolen, or destroyed bonds or coupons herein described.

The bill was ordered to be engrossed and read a third

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FARMERS STATE BANK OF GEORGETOWN, TEX.

The Clerk called the next bill on the Private Calendar, H. R. 3726, for the relief of the Farmers State Bank of Georgetown, Tex.

There being no objection, the Clerk read the bill, as follows:

H. R. 3726

A bill for the relief of the Farmers State Bank of Georgetown, Tex. Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to redeem two 4½ s United States third Liberty bonds, numbered 4529791 and 4529792, of the denomination of \$100 each, payable to bearer, and all unpaid interest due upon coupons on each of them from and after March 15, 1922, in favor of the Farmers State Bank of Georgetown, Tex., without presentation of said bonds or the coupons, which have been lost, stolen, or destroyed: Provided, That the said bonds shall not have been previously presented for payment and that no payment shall be made hereunder for the coupons if they shall have been previously presented and paid: Provided further, That the said Farmers State Bank of Georgetown, Tex., shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal and interest of said bonds, and the interest payable thereon, in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury to A bill for the relief of the Farmers State Bank of Georgetown, Tex.

indemnify and save harmless the United States from any loss on account of the lost, stolen, or destroyed bonds and coupons herein described.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GUST J. SCHWEITZER

The next business on the Private Calendar was the bill, H. R. 4910, for the relief of Gust J. Schweitzer.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. This bill is similar to two prior bills just considered, except that there is no protecting clause in the bill, as there was in those, safeguarding the interest of the Government in case the bonds should by any chance be presented for payment. I ask the gentleman from Oklahoma [Mr. Johnson] whether he is willing to incorporate the customary provisos.

Mr. JOHNSON of Oklahoma. Certainly.

Mr. STAFFORD. With that assurance, I withdraw the reservation of objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$400 to Gust J. Schweitzer, as compensation in full for the loss of Liberty loan bonds destroyed in a cyclone in the vicinity of Okarche, Okla., March 15, 1919, said bonds having been numbered 2849229 and 2849230 (third 4¼ issue) in the amount of \$50 each; and numbered 1458809, 14558810, and 14558811 (fourth 4¼ issue) in the amount of \$100 each.

With the following committee amendments:

Line 11, strike out "14558810" and insert "1458810," and strike out "14558811" and insert "1458811."

The committee amendments were agreed to.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

At the end of line 12, page 1, insert "Provided, That said bonds shall not have been previously presented for payment and that no payment shall be made hereunder for the coupons, if they shall have been previously presented and paid: Provided further, That the said Gust J. Schweitzer shall first file in the Treasury Department a bond in the penal sum of double the amount of the principal and interest of said bonds and the interest payable thereon in such form and with such surety or sureties as may be acceptable to the Secretary of the Treasury, to indemnify and save harmless the United States from any loss on account of such stolen or destroyed bonds or coupons herein described. bonds or coupons herein described.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

W. A. PETERS

The next business on the Private Calendar was the bill (H. R. 5922) for the relief of W. A. Peters.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the Postmaster General is authorized and directed to credit the accounts of W. A. Peters, postmaster at Sallisaw, Okla., in the sum of \$322.52. Such sum represents the amount of a deficit in the accounts of the said W. A. Peters caused by the loss by said W. A. Peters of postal funds deposited in the First National Bank of Sallisaw, Okla., which failed on November 22, 1027 22, 1927,

With the following committee amendment:

Line 5, strike out "\$322.52" and insert "\$614.80."

The committee amendment was agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN EVANS

The next business on the Private Calendar was the bill (H. R. 5933) for the relief of John Evans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in

the Treasury not otherwise appropriated, the sum of \$2,000, to John Evans, of St. Joseph, Mo., which sum was paid by him to the United States by reason of the forfeiture of the ball bond of John Waidner, who was later taken into custody by said Evans, at his own expense, and surrendered to the United States district court of St. Joseph, Mo., entered a plea of guilty, and sentenced to a term in jail.

With the following committee amendments:

Page 1, line 5, strike out "\$2,000" and insert "\$1,923.69," and on page 2, line 1, after the word "jaff," insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ROBERT BENNETT

The next business on the Private Calendar was the bill (H. R. 600) for the relief of Robert Bennett.

The SPEAKER pro tempore. Is there objection?

Mr. EATON of Colorado. Mr. Speaker, I reserve the right to object.

Mr. COYLE. Mr. Speaker, again I take some responsibility for Judge Drane, the gentleman from Florida, on this bill. It corrects a dishonorable-discharge record of a man who was only a boy at the time he enlisted in the service. He was 16 years old and had absented himself without leave long before he was 21 years old. Yet he carries the sting of that desertion through life, even though he subsequently went back and surrendered himself and got in return a discharge under dishonorable conditions. It seems to me there ought to be some court before which these boys can appear and get their citizenship rights back after they have committed an offense that would not have been punished by the removal of citizenship rights in any civil jurisdiction in view of their minority. This boy was only 17 or 18 years of age at the time he left the service.

Mr. EATON of Colorado. Mr. Speaker, in this case, as in several other like cases, there appears to be not one single word of extenuating circumstances. The statement is made that on account of the sickness of a relative he deserted, an ordinary statement, frequently true, but an easy excuse for an absence without leave. There is not another thing in this record to show why he should appear 29 years afterwards and ask to have his record cleared or why the record should be cleared now excepting that 29 years afterwards he comes in and says, "I was a boy and I want you, please, now to give me a clean record." I do not want to put into this Record, so that it will be publicly perpetuated, his actual record while he served as shown in the report from the Department of the Navy.

Mr. BLANTON. Mr. Speaker, will the gentleman permit me to ask the gentleman from Pennsylvania a question?

Mr. EATON of Colorado. I was about to withdraw my objection. If the gentleman says that this is a proper case under all of the facts to grant this, I withdraw the objection.

Mr. BLANTON. Mr. Speaker, I reserve the right to object. The gentleman from Pennsylvania [Mr. Coyle] has had distinguished service as an officer in our Navy, I understand. I understand also that he has made recommendation to the Secretary of the Navy with regard to not giving dishonorable discharges to boys who have charges against them unless such charges involve moral turpitude.

How far has the gentleman gotten with such recommendations?

Mr. COYLE. The recommendations have been accepted by the Secretary of the Navy.

Mr. BLANTON. Are they being put into execution now?

Mr. COYLE. I feel quite certain that they are in process of dissemination to the entire naval service at the present time. I think the situation really needs some action from within the Navy Department rather than coming from Congress, and I so endeavored to impress it upon the Secretary of the Navy.

Mr. BLANTON. I understand that the gentleman has performed some service for the boys at Parris Island by addressing them on Thanksgiving Day. The gentleman will find among the bunch at Parris Island some splendid young fellows who have been court-martialed and given dishonorable discharges, when they have been guilty of no moral turpitude whatever. They have been guilty of some petty offense that did not involve moral turpitude, and I wish to commend the gentleman for his effort to have that condition remedied.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors Robert Bennett, formerly of the United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a member of the United States Navy on the 9th day of June, 1899; Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time. was read the third time and passed.

A motion to reconsider was laid on the table.

SAMUEL PUFF BAILEY

The Clerk called the next bill, H. R. 5289, for the relief of Samuel Puff Bailey.

Mr. EATON of Colorado. Mr. Speaker, the author of this bill, Mr. Seiberling, has been absent for some days on account of illness. He should be back here by the first of next week, and I ask that this bill be placed on a lower place in the calendar where it may be reached when the gentleman can be present.

The SPEAKER pro tempore. The Chair will state that he understands objection must be made. The bill can not be passed by unanimous consent. It retains its place on the calendar.

Mr. EATON of Colorado. I shall be compelled to object to this bill.

HAROLD I. JUNE

The Clerk called the next bill, H. R. 5594, for the relief of Harold I. June.

Mr. STAFFORD. Mr. Speaker, I object. Mr. TIERNEY. Will the gentleman reserve his objection? Mr. STAFFORD. I will.

Mr. TIERNEY. This bill is for the purpose of allowing Harold I. June to transfer to the United States Fleet Naval Reserve. This bill is introduced at the request of Admiral Richard E. Byrd, who on his record flight over the South Pole, where he spent 22 months, was accompanied by Harold I. June, who was his chief aviation pilot. Mr. June would be able, after 16 years' service, to retire in 1935 by transfer to Fleet Naval Reserve. He has a credit of 22 months, during which he was absent on leave in order to make that trip to the South Pole, and Admiral Byrd would like very much to have his services this summer. We are in a peculiar position, where his three years are nearly taken up in service at the South Pole and in other services with Admiral Byrd for the Government.

Mr. STAFFORD. Then I understand the purpose of this bill is to credit this aviation pilot with the service that he gave in the expedition of Admiral Byrd and for the coming expedition?

Mr. TIERNEY. Well, if taken in that light he would deserve credit for 22 months out of the three years, and then he may have to have another leave next month in order to go with Admiral Byrd on another possible trip, which might extend nine months or might extend to a time well over three years. This officer to-day is receiving double the pay he would get if he was on the reserve list.

This bill is recommended by the Navy Department.

Mr. STAFFORD. There is no danger of this being a precedent to grant credit for services not performed, in that he is given credit for service that he has performed with Admiral Byrd?

Mr. TIERNEY. No. It is not intended as a precedent. As I recall, he was acclaimed in the House when he appeared after the South Pole flight with Admiral Byrd, and he has received no recognition for his service.

Mr. STAFFORD. I do not object, Mr. Speaker.

Mr. TIERNEY. Mr. Speaker, I ask unanimous consent that Senate bill 432 be substituted in lieu of the House bill.

The SPEAKER pro tempore. Without objection, the Clerk will report the Senate bill.

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That Harold I. June, chief aviation pilot, United States Navy, shall, in recognition of the assistance rendered by him as an assistant to Rear Admiral Richard E. Byrd, United States Navy, in his nationally recognized record flight over the South Pole, be permitted to transfer to the Fleet Reserve of the United States Navy at such time as he may request, while he is serving in the regular Navy of the United States, and shall, after transfer in accordance with this provision, receive the same pay, allowance, or other compensation as is now or may hereafter be authorized by law for enlisted men of the United States Navy who are transferred after 16 years' service in the regular Navy of the United States.

Mr. TIERNEY. Mr. Speaker, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment by Mr. Tierney: Page 2, line 3, after the words "sixteen years," insert "and one day."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

ANDREW H. MILLS AND WILLIAM M. MILLS-

Mr. BLACK. Mr. Speaker, I ask unanimous consent to return to Calendar 382, H. R. 7815, which is a bill that was called up in my absence.

Mr. MOUSER. That is the bill which I asked to go over, which I did not have the right to do.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of \$900 to Mills Bros., owners of the steamship Squantum, in compensation for damage sustained by said steamship company by reason of the striking of the steamship Squantum by the steam lighter Thomas H. Timmins on January 27, 1919, while the former vessel was anchored at the foot of Bedloes Island, North River, N. Y.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

SAMUEL PUFF BAILEY

Mr. EATON of Colorado. Mr. Speaker, I ask unanimous consent to return to Calendar No. 393, the bill (H. R. 5289) for the relief of Samuel Puff Bailey, for the purpose of having the chairman of the Naval Affairs Committee, or the gentleman from the Naval Affairs Committee, state whether or not there is any justification for this bill. If there is, in the absence of the gentleman from Ohio [Mr. Seiberling], I do not want to appear to be objecting to this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. BLANTON. Mr. Speaker, we have already passed that point on the calendar; and I object.

RICHMOND PEARSON HOBSON

The Clerk called the next bill, H. R. 6637, authorizing the President to present a medal of honor to Richmond Pearson Hobson.

Mr. STAFFORD: Mr. Speaker, reserving the right to object, I question whether there are many Members in the Chamber at the present time, certainly not among the Members of the present House, who served with the distinguished naval officer, Richmond Pearson Hobson.

I rise now largely to inquire of the gentleman, who is so well informed on naval matters, as to what the policy of the Navy Department is in the awarding of the various honors that are bestowed in the Navy?

The War Department bestows the congressional medal of honor, the distinguished-service cross, and the distinguished-service medal. In the Navy Department, I am informed, they have the distinguished Navy cross and the distinguished-service medal.

Mr. COYLE. And the flying cross.

Mr. STAFFORD. And the flying cross, which they have also in the Army.

In the military service we differentiate between the distinguished-service cross and the distinguished-service medal, conferring the distinguished-service cross upon those who have shown marked distinction in combat service, and the distinguished-service medal upon those in the employ of the Government in a civilian capacity who have performed some outstanding service.

I wish to inquire of the distinguished gentleman from Pennsylvania as to the policy pursued by the Navy Department in the award of these honors.

Mr. COYLE. I may say to the gentleman from Wisconsin that all of the men who engaged in the exploit, which in large measure made this naval officer famous, have received medals, but the man who commanded the expedition and whose brains and ingenuity carried it through could not, under the law, receive a medal without an act of Congress, and has not yet received a medal for the sinking of that ship in Santiago Harbor. This is a belated act of justice.

Mr. STAFFORD. The Navy Department, if the gentleman's statement is correct, is more circumscribed in the award of honors than is the War Department.

Mr. COYLE. The Navy Department can award medals to enlisted men, but not to officers without an act of Con-

Mr. STAFFORD. And the War Department awards are made to officers as well.

Mr. BLANTON. Mr. Speaker, I demand the regular order.
Mr. STAFFORD. Will the gentleman withhold his demand for a couple of minutes?

Mr. BLANTON. Certainly.

Mr. STAFFORD. Has the Navy a medal of honor?

Mr. COYLE. My impression is that the bill calls for a medal. It does not particularly say a medal of honor or a congressional medal of honor or Navy cross.

Mr. STAFFORD. It says:

In the name of Congress a medal of honor.

That makes it a congressional medal of honor.

I am inquiring of the gentleman whether the Navy Department recognizes that insignia and distinction?

Mr. COYLE. It is my impression they do.

Mr. STAFFORD. Mr. Speaker, I have no objection to the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is hereby authorized to present, in the name of Congress, a medal of honor to Richmond Pearson Hobson, formerly an officer of the United States Navy, for distinguishing himself conspicuously by extraordinary courage and intrepidity at the risk of his life on June 3, 1898, by entering the fortified harbor of Santiago, Cuba, and sinking the partially dismantled collier Merrimac in the channel under persistent fire from the enemy fleet and fortifications on shore.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CHARLES C. BENNETT

Mr. MOUSER. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 191, H. R. 5235, a bill for the relief of Charles C. Bennett.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Mr. Speaker, that would culminate in a lot of similar requests, and I object.

Mr. MOUSER. Will the gentleman reserve his objection until I can explain my reason for making this request?

Mr. BLANTON. The gentleman from New York has promised that he will move to adjourn when we reach Calendar No. 397. We are counting on that promise, because some of us want to get through.

Mr. MOUSER. May I say that this gentleman from North Carolina went to the trouble to pay his expenses and come up here to offer additional evidence in support of the bill. The Senate passed the bill yesterday.

Mr. BLANTON. The gentleman is not going to permit this bill to pass, even if we do return to it, is he?

Mr. MOUSER. I certainly am. I was the only one who objected to it, and I have changed my mind.

Mr. BLANTON. The gentleman will have plenty of time to think it over to-night, and I object.

FLORENCE NORTHCOTT HANNAS

The Clerk called the next bill, H. R. 6860, for the relief of Florence Northcott Hannas.

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That Florence Northcott Hannas, mother of Walter William Northcott, late of the United States Navy, shall be regarded as the duly designated beneficiary and dependent of the late Walter William Northcott, under the act approved June 4, 1920 (41 Stat. 824; U. S. C., title 34, sec. 943).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RUSSELL N. BOARDMAN AND JOHN L. POLANDO

The Clerk called the next bill, H. R. 7939, to authorize the presentation of a distinguished-flying cross to Russell N. Boardman and John L. Polando.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GOSS. Mr. Speaker, reserving the right to object, I have no objection to the awarding of a proper medal to these two fliers, but I want to call the attention of the House to this fact, that recently, in the Amelia Earhart Putnam bill, it was suggested to award her a distinguished-flying cross. The Committee on Military Affairs got in touch with the War Department and was advised that they felt they wanted to conserve that medal for men in the service and in the combat ranks, and the Committee on Military Affairs will offer an amendment to that bill providing for the awarding of a distinguished-service medal in place of a distinguished-flying cross. If the gentleman from Massachusetts will accept an amendment along those lines, in keeping with the policy of the department, I shall not object.

Mr. CONNERY. I will be glad to accept that amendment, but with the understanding that it is to be the policy of the Military Affairs Committee and the Naval Affairs Committee that anything outside of the combat service in the future shall provide for a distinguished-service medal rather than a distinguished-flying cross. I do not want somebody else to come along next week and get a distinguished-flying cross when these two men made the longest nonstop flight ever made.

Mr. BLANTON. Mr. Speaker, I demand the regular order. The SPEAKER. The regular order is, Is there objection? There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to present, in the name of the Congress, a distinguished-flying cross to present, in the name of the Congress, a distinguished-flying cross to Russell N. Boardman, of Brookline, Mass., and John L. Polando, of Lynn, Mass., who achieved a 5,011.8-mile nonstop trans-Atlantic flight from the United States to Istanbul, Turkey.

Mr. GOSS. Mr. Speaker, I offer an amendment. In line 4, after the word "Congress," strike out the words "a distinguished-flying cross" and insert in lieu thereof the words "a distinguished-service medal."

The SPEAKER. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Goss: In line 4, after the word "Congress," strike out the words "a distinguished-flying cross" and insert in lieu thereof the words "a distinguished-service medal.'

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended.

HOUSE JOINT RESOLUTION 276, GIVING STATES THE RIGHT TO SUE THE UNITED STATES TO RECOVER DIRECT TAXES COLLECTED IN 1866, 1867, 1868

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing some remarks I made before a subcommittee of the Committee on the Judiciary on Resolution 296, and to insert the resolution.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, made some time ago before subcommittee of the Judiciary Committee, I include the following resolution:

[H. J. Res. 276, Seventy-second Congress, first session]

Joint resolution consenting that certain States may sue the United States, and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the years 1868, 1867, 1868, and vesting the right in each State to sue in its own

Whereas the United States, under various acts of Congress, levied a tax against all kinds of manufactured goods and raw material, and collected it from many citizens, partnerships, and corporations in various States during the fiscal year ending June 30, 1866, 1867, and 1868; and Whereas it was then and has ever since been contended by many

30, 1866, 1867, and 1868; and

Whereas it was then and has ever since been contended by many citizens that said taxes were levied in violation of the Federal Constitution because, as they alleged, they were direct taxes and were not apportioned among the States according to population as required by Article I, section 2, of the said Constitution; and

Whereas legislatures of many States have passed acts authorizing and directing their governors to propound to the United States their claims to all moneys heretofore illegally collected and covered into the Federal Treasury as a direct tax upon property situated in said States: Therefore be it

Resolved, etc., That the United States consents that suits to recover taxes hereafter mentioned may be brought against it and heard and determined in the Supreme Court or any district court of the United States by any and every State which has passed, or which within four years hereafter shall pass, an act authorizing and directing its governor or other representative to propound to the United States its claims for moneys alleged to have been heretofore illegally collected in that State and covered into the Treasury of the United States as a direct tax during the fiscal years ending June 30, 1866, 1867, and 1868, and providing for the repaying to the original taxpayers or their legal representatives, where payment and ownership have been properly established, and also providing for escheat to the State after a period of not less than two years from the time the moneys herein referred to shall have been received by the State. Where suit is filed in a district court, service shall be perfected as provided by title 28, section 63, United States Code.

That the right of action to recover in the Supreme Court or district court of the United States moneys alleged to have been illegally collected and covered into the Federal Treasury as direct taxes during the years before mentioned is hereby vested in each State in which such direct taxes were paid, and which has passed or shall

provided.

That the United States shall contest such claims solely upon the That the United States shall contest such claims solely upon the ground of the legality of said tax, other defenses being hereby waived; and if the court shall decide that said taxes were illegally collected, the United States shall defend such suit or suits no further than for the purpose of determining the amounts of taxes collected in the respective States which may institute suit hereunder, provided no interest shall be allowed.

Mr. Hare. Mr. Chairman and gentlemen of the committee, you have just heard the resolution.

Of course, it provides for action on the part of any of the States in the Supreme Court of the United States to determine whether the revenue acts of Congress in 1866 and 1867 were constitutional when they levied and collected taxes on certain raw materials. In

when they levied and collected taxes on certain raw materials. In order to get the full import of the laws of 1866 and 1867 I think it will be advisable to refer to section 75 of the internal revenue act of July 1, 1862 (12 Stat. 465), which levied a tax on raw cotton, as I understand, and collected it in many of the various States of the United States. This act provided:

"On and after the certain day of October, 1862, there shall be levied, collected, and paid a tax of one-half of 1 cent per pound on all cotton held or owned by any person or persons, corporation, or

association of persons, and such tax shall be a lien thereon in the possession of any person whomsoever. And further if any person or persons, corporation, or association of persons shall remove, carry, or transport the same from the place of its production before said tax shall have been paid such person or persons, corporation, or association of persons shall forfeit and pay to the United States double the amount of such tax, to be recovered in any court having jurisdiction thereof."

I want to emphasize that part which attempts to prohibit the

court having jurisdiction thereof."

I want to emphasize that part which attempts to prohibit the "removal" of cotton from the producer before the tax is paid, providing that the holder or owner thereof shall pay a double penalty in case of removal. I make this observation here because I think it shows conclusively that the intention was to place a direct tax on the producer of the commodity, the material, or the product, and that he was supposed to pay it. I am further convinced of the correctness of this opinion, because we find in the same act a provision to the effect that cotton found in the the same act a provision to the effect that cotton found in the hands of the manufacturer was exempt from the tax. In the hands of the producer it was to pay at the rate of one-half of 1 per cent per pound; in the hands of the broker or, as we say in these more modern days, "the middleman," 2 cents per pound would be payable; and in the hands of the manufacturer it would be exempt from taxation.

would be exempt from taxation.

By the act of June 30, 1864 (13 Stat. 308), a tax of 2 cents per pound was imposed on raw cotton; and by the act of July 13, 1866 (14 Stat. 98), this rate was amended to read 3 cents per pound, the act providing:

"That on and after the 1st day of August, 1866, in lieu of the taxes on unmanufactured cotton, as provided in 'An act, * * ',' approved June 30, 1864, as amended by the act of March 3, 1865, there shall be paid by the producer, owner, or holder, upon all cotton produced within the United States, and upon which no tax has been levied, paid, or collected, a tax of 3 cents per pound, * * *."

Under the act of February 3, 1868 (15 Stat. 34), the law providing for a tax on raw cotton was virtually repealed. This act provided:

provided:
"That all cotton grown in the United States after the year 1867 shall be exempt from internal tax; and cotton imported from foreign countries on and after November 1, 1868, shall be exempt

Our contention is that this was a direct tax and therefore un-constitutional, for the reason that it was not apportioned among the several States according to population, as provided in Article I, section 2, of the Constitution.

Mr. CHRISTOPHERSON. Was this tax levied upon any other com-

modity than cotton? Mr. Hare. Yes.

CHRISTOPHERSON. What other commodities?

Mr. Harr. Among other things, it was levied on sugar, if I recall correctly, tobacco, calfskins, goatskins, and so forth.

Mr. Christopherson. By the same methods, which also raise

that same question in the case of sugar?

Mr. Hare. Yes. I want to make it clear at the beginning that it is not the purpose of this resolution to confine the actions of the States to recover the tax on cotton alone, but other commodities coming within the same class, provided it is held to be a direct

tax as contemplated by the Constitution.

Mr. Christopherson. The reason I ask is, of course, if we pass this resolution we would have to pass similar resolutions as to all

other commodities, in fairness.

Mr. Hare. No; all other commodities are covered by this resolution. The resolution provides that any of the States may have the right to come into court to determine whether or not taxes levied and collected under the revenue act of 1866 amounted to a direct tax and therefore unconstitutional.

Mr. Christopherson. Has this proposal been before Congress on

any other occasion heretofore?

Mr. Hare. It has been before Congress in various ways, since 1872, at more or less frequent intervals.

Mr. Christopherson. On a similar proposal as this, or has it been in the form of claims presented?

Mr. Hare. It has been, as a rule, in the form of claims.

Mr. Christopherson. And the Claims Committee, I suppose, rejected them?

jected them?
Mr. Hare. Yes.
Mr. Christopherson. Have you any information as to how much would be involved in the settlement of all these claims?
Mr. Hare. It is my understanding that approximately \$200,000,000 were collected from the various States under the different revenue acts referred to. The total amount collected on cotton alone was approximately \$64,679,000.
Mr. Dominick. As I understand, this bill does not refer only to cotton?

cotton?

Mr. HARE. No.

Mr. Hare. No.
Mr. Dominick. It refers to other direct taxes?
Mr. Hare. Yes; as I have just explained.
The Treasury Department has no record showing in detail the individuals from whom these direct taxes were collected. The records as to the amount collected for each State is a compilation of figures in the annual report of the Commissioner of Internal Revenue, showing the total amount collected from the different States for the various articles are definite in that the figures are furnished by the Treasury Department.
This resolution presupposes that legislation has been enacted.

This resolution presupposes that legislation has been enacted or will be enacted in the various States which, in effect, would provide that the right or interest of any individual who could not

show the amount of taxes paid would escheat to the State. For instance, if a State should bring an action in the Supreme Court or a district court and the court would find that that law was or a district court and the court would find that that law was unconstitutional, and then judgment should be obtained for the amount collected from that State, the individual taxpayers of the State would have the right to file their claims with the State for adjudication, and if sufficient proof could be shown, the claim would be recognized, approved, and paid. But in case the claim could not be substantiated by sufficient proof, the rights and interests of such individuals would escheat to the State and the State could then dispose of the funds as its legislature should see fit. see fit.

Mr. SPARKS. Mr. Hare, if I may make an inquiry at this point: It is your contention that the several States would have the right to sue for the individual taxpayers who paid those taxes?

Mr. Hare. The State would take the position that it was suing for all of the taxpayers in the State, collectively.

Mr. Sparks. For the purpose of avoiding a multiplicity of suits?

Mr. Hare. That is correct. I hope to get to that point a little

I might say that for many years this tax was thought to be constitutional, in that it was held to be a tax on personal property, the original idea being that direct taxes as contemplated in the Constitution applied only to taxes on land. This was the position taken, as I understand, when the matter was heard in 1873. However, in later years, in the case of Pollock v. The Farmers' Loan & Trust Co. (158 U. S. 601), in the opinion rendered by Chief Justice Fuller, he said:

"The Constitution does not say that no direct tax shall be laid by apportionment on any other property than land; on the con-trary, it forbids all unapportioned direct taxes, and we know of no warrant for excepting personal property from the exercise of the power.

stated further in the same opinion, in summing up his

conclusion:

He stated further in the same opinion, in summing up his conclusion:

"We are of opinion that taxes on personal property or on the income of personal property are likewise direct taxes."

You will remember that this opinion was rendered after Congress passed the original income tax law. As already suggested, authority could be given individual claimants to bring action to recover the taxes sought to be reached, but the same thing can be accomplished under the proposed legislation and avoid a multiplicity of suits. At the same time, it will be much easier and less expensive for claimants to file their claims in their respective States than to file them with the Federal Government.

We take the position, however, that the State has a right to bring the suit in, that it has the right to protect its citizens from illegal tax assessments. I think this principle was enunciated and decided by the Supreme Court of the United States in the case of Hamilton et al. v. Brown et al. (161 U. S. 256).

This is not an unprecedented action on the part of Congress, for similar action was taken by an act of Congress in 1912, when authority was granted individuals to bring suit to recover taxes assessed and collected under the revenue act of June 13, 1898.

The question as to whether or not the tax referred to was a direct tax or an excise tax is the crux of the whole situation, and that is the matter to be decided by the Supreme Court. My understanding of the difference between a direct tax and an excise tax is that a direct tax is one levied and imposed upon the property simply because of its ownership, whereas an excise tax would

tax is that a direct tax is one levied and imposed upon the property simply because of its ownership, whereas an excise tax would be a tax upon the earnings, income, or revenues arising out of such property.

Property.

Referring particularly to cotton, the tax was not levied on the value of the cotton at all. It was not said that there shall be 1 per cent or 2 per cent or any other per cent of the value of cotton to be paid at the time it was being processed, but it said that 1 cent, 2 cents, and even 3 cents shall be paid, per pound, on cotton in the hands of the owner, showing conclusively that the tax was to be paid by a particular person. That is, ownership was a condition precedent to the collection of the tax, and I think it can be shown that ownership in this particular case had reference to the producer, or to the grower, as we have already indicated. producer, or to the grower, as we have already indicated.

Mr. Christopherson. How was this tax collected and paid? It as not at the time of sale. Did they go around and check up at different times and see how much cotton each man had? How

Mr. Hare. No; the man was required, as I understand it, to pay the tax on his cotton just as he paid the tax on his livestock, or on his land, or on any other property, except he paid the taxes on his livestock, and so forth, to his State government, whereas he paid the tax on his cotton to the Federal Government.

I might illustrate my idea of the difference between a direct and an indirect tax in this way: If I were a producer or a grower of cotton, and a tax, we will say, of 3 cents per pound is levied by the Federal Government, that would be a direct tax. But if I were a manufacturer of cotton, and a tax of so much per pound or so much on the value of the cotton were levied, then it would be an excise tax. Or, if the law had provided for a tax of 2 per cent on the value of the cotton at the time of sale, that would probably be an excise tax; but in this case the tax was so much per pound in the hands of the producer and, therefore, a direct tax.

Mr. Dominick. How do you draw that distinction, Mr. Hare?
Mr. Hare. The distinction is that a direct tax can not be passed on to the consumer, but must be paid by the producer, whereas the excise tax is one which may be passed on to the consumer. The direct tax becomes, in this illustration, a definite and certain tax to be paid by the individual producer or grower.

Justice Brown, in the case of Pollock v. Farmers' Loan & Trust | Co. (39 L. E. 787; 157 U. S. 491), in making a distinction between and indirect taxes said:

"Direct taxes are paid by the taxpayer, both immediately and ultimately; while indirect taxes are paid immediately by the taxpayer and ultimately by some one else."

Mr. DOMINICK. You are not drawing a distinction, then, on the basis that the tax was so much on some certain unit or a per-centage of the price? There is no difference there so far as the

principle of taxation is concerned, is there?

Mr. HARE. Yes; if I understand you correctly, there is a differ-nce. If it were based upon the value of the commodity, there would be this difference: It would be variable and would come in that class of what the courts have said to be, as I understand it, an excise tax. But when it is definite, certain, and unchangeable, as was the case in this instance, it is a direct tax. It is direct on the theory that at some time or other a direct tax may be confiscatory. For instance, there have been times when cotton confiscatory. For instance, there have been times when cotton would not be worth 3 cents a pound, which was the amount of the tax in one of the revenue acts referred to at the outset. I have known certain grades of cotton to bring less than 3 cents per pound on the market.

Mr. Sparks. In other words, a direct tax is a certain tax upon certain personal property, regardless of its valuation?

Mr. Hare. Yes; that is one distinction. It is the distinction I am trying to make. But it goes further and stipulates the person who shall pay the tax.

Mr. Dominick. Let us take a suppositious case. You would consider, for instance, a tax on gasoline of so much per gallon as a direct tax for that reason?

direct tax for that reason?

Mr. Hare, No; I do not think I would. If it were levied at the well, to be paid by the producer, that would be a different matter. You see, gasoline is a manufactured or a refined product. It has been processed. Whereas we are contending that direct taxes are on raw materials, unprocessed materials, in the hands of the original producer. If a tax were levied at the well at so much per barrel on the raw material before it is processed, to be paid before it leaves the hands of the producer or owner. I think paid before it leaves the hands of the producer or owner, I think that would be a direct tax.

Mr. CHRISTOPHERSON. In other words, the proposed tax on gaso-

line is a sales tax?

Mr. Hare. Yes; as compared with the tax on raw material.
Mr. DOMINICK. What I can not get clear in my own mind is
why there should be a difference in the element of the tax, as to why there should be a difference in the element of the tax, as to whether or not it is so much per unit or whether it is based upon a percentage of the value of the product.

Mr. Sparks. As I understood you a while ago, a tax upon certain personal property, regardless of its valuation, might equal the entire value of the property itself?

Mr. HARE. Yes.

Mr. Dominick. You could come to the same result by levying

Mr. Dominick. You could come to the same result by levying a tax at a percentage of the value of the commodity?

Mr. Hare. Of course, we are making a further distinction in this, that the tax applies directly to the producer or the grower and when you get back to naming the individual, that is in violation of that part of the Constitution which says direct taxes shall not be levied except according to population.

Mr. Dominick. I understand that; but how are we going to get by with some of the taxes that we have levied and are proposing

to levy to-day?

Mr. HARE. If we are levying any taxes that would come within this interpretation of a direct tax, I think it will be unconstitu-

Mr. Dominick. That is the thought in my mind.

Mr. Dominick. That is the thought in my mind.

Mr. Hars. I think a direct tax is still clearly unconstitutional.

Of course, it is not my purpose to argue at length or go into any great detail here as to the constitutionality of the law. That is a matter to be presented to the courts. However, I would like to make this further observation. I assume there can be no doubt but what a tax on land would be considered a direct tax and held to be unconstitutional. And, under our more modern construction or interpretation of the Constitution, there seems to be no question but what Congress has the right to levy and collect a tax on incomes arising from the sale of products of the soil, but it has not been settled whether it has the right to tax the crop or prodnot been settled whether it has the right to tax the crop or products themselves. It is our contention that a tax on farm crops, in place of a tax on the income from the sale of such crops, is a direct tax and, therefore, unconstitutional. This is particularly true of the tax in question, because at the time the law was enacted and the tax collected the grower or producer, in most cases, manufactured and consumed in his own household much of the cotton produced on his own farm. Therefore, to hold that such a law was constitutional would be equivalent to saying that Congress has the right to tax an article made and consumed by the individual. Upon such an interpretation Congress would have the individual. Upon such an interpretation Congress would have the right to levy and collect a tax on the pork, wheat, fruits, and vegetables grown and consumed by every farmer in the country which, I am sure, would be a principle or policy of government that would shock the conscience and good judgment of every American citizen.

I might go a little further and suggest that the law referred to is in effect a tax on land and I invite your attention to section 30 of the act of July 13, 1866, which provided:

"That in any case where goods, chattels, or effects sufficient to satisfy the taxes imposed by law upon any person liable to pay the same shall not be found by the collector or deputy collector whose duty it may be to collect the same, he is hereby authorized to collect the same by seizure and sale of real estate; and the officer making such seizure and sale shall give notice to the per-

son whose estate is proposed to be sold, by giving him in hand, or leaving at his last or usual place of abode, if he has any such within the collection district where said estate is situated, a within the collection district where said estate is streated, a notice, in writing, stating what particular estate is proposed to be sold, describing the same with reasonable certainty, and the time when and place where said officer proposes to sell the same; which time shall not be less than 20 nor more than 40 days from

which time shall not be less than 20 nor more than 40 days from the time of giving said notice."

It appears from this provision that in case the collector was unable to find the cotton grown by the producer, and the tax on same had not been paid, he would have the right to selze, give notice to the grower, and sell the land on which the cotton was grown, or any other land the producer may own or have in his

ssion.

Gentlemen, for a long time this proposal of refunding this tax was considered a sectional question. For instance, in 1873, when the matter of refunding the cotton tax was seriously considered, I the matter of refunding the cotton tax was schouls; considered, I think it would have been adjusted if it had not been considered and interpreted as a sectional question. This was immediately following the Civil War. It was the opinion of those in authority that it applied only to the cotton-producing States.

Mr. Sparks. It also applied to the sugar-producing States and the States producing any other commodities that may have been to the sugar-producing states.

Mr. Hare. Yes. But the particular tax I am referring to is the cotton tax, and that is what they tried to have refunded. In order to show the attitude of those who opposed the refund, I want to read to the committee a statement furnished at the time by the Secretary of the Treasury, Mr. Boutwell, I believe it was, prepared by Mr. Kimball, who was then Chief of the Internal Revenue

Bureau. He states:

"That the southern people were wholly unrepresented in Congress when the internal tax bill, which imposed a tax on cotton, was passed is only too true."

Now, it was contended at that time that the tax ought to be refunded because when the law was enacted the Representatives from the Southern States were not present.

Proceeding further he says:

"But whose fault was it that they were unrepresented? It was not the fault of the States that were represented nor of the people of these States. It was not the fault of Congress, nor of the judicial or executive branches of the Government. It was not the fault of any one or all of these. It was the fault of the cotton States and the people of the cotton States. It was the fault of States and the people of the cotton States. It was the fault of their own Senators and Representatives. These, one after another, under instructions from those whom they represented, or self-impelled, resigned their seats in Congress and returned to their constituents to make war upon the United States, to disrupt the Federal Union, and to establish a Southern Confederacy out of the broken fragments. They were voluntary acts on the part of the Southern States and their Representatives. Gladly would I draw the veil of oblivion over this painful record; but where such a reason as this is put forth for the refunding of a tax made necessary by the very circumstances upon which the claim for refunding is based, the truth must be told. Had the Representatives of the South remained in allegiance to the National Government, had they retained their seats in Congress, and used the same amount of influence and persuasion to dissuade their people same amount of influence and persuasion to dissuade their people from entering into insurrection and rebellion as they did exert to push them into it, there would have been no rebellion, no war, no cotton tax, no internal-revenue tax of any kind. Having chosen their own course and taken it voluntarily, having committed the great wrong of resigning their seats in Congress, inaugurating war, and prosecuting it until hope was extinguished and all further efforts became vain and futile, we say, and we have a right to say, 'Gentleman, you can not now take advantage of your own errors, wrongs, and mistakes."

I read this simply for the purpose of showing the state of mind at the time the claim was presented in 1873. This attitude was assumed for many years. But, of course, it is a source of gratification to all of us that no one will longer subscribe to the suggestion made by the Secretary of the Treasury.

Mr. Sparks. I do not think it will make any difference, and it should not make any difference, what the attitude of any of the States may have been in this matter in relation to the continuance of the Union. The question was whether or not under the Constitution these taxes could be rightfully imposed, and whether they were represented or not represented should not make any difference.

Mr. HARE. You are correct, and I fully agree with you. matter of fact, the direct taxes referred to in this resolution did not apply simply to the cotton-producing States, but applied to every State in the Union; and if the resolution is passed, practically every State will be entitled to a refund. If I am not mistaken, 26 States will be entitled to a refund of the cotton tax, whereas less than one-half of them are producers of cotton. For example, New York will be entitled to more than \$700,000; Ohio about \$250,000; Illinois \$125,000; Vermont \$168,000; Indiana over \$80,000, none of which have ever been considered cotton-growing States and were represented in Congress when all the laws referred to were enacted.

One objection made in a hearing similar to this a few years ago was to the effect that the taxpayer himself, if he has a claim, should have the right to bring his own action, and not the State. Of course, they assume that the taxpayers who paid this tax are practically all dead. That is true. However, there has been no laches on the part of the people who may have had this right, because they have been coming to Congress in various ways, as I

said, since 1872. I can possibly best illustrate the point I am endeavoring to make in this connection by making a personal reference. My father was a farmer who paid this tax. I can recall when he exhibited receipts for taxes he paid on his cotton. Of course, it would be impossible for me, his children, or any of his heirs to establish a claim at this time, because the receipts are lost or destroyed. Yet the claim exists, and the right to recover still exists, provided the law levying the taxes was unconstitutional, and some one should be permitted to come in and exercise that right.

Mr. CHRISTOPHERSON. Let me ask you a question along that line. Suppose this bill were passed and your State and other States brought their actions, judgment was recovered, and the money collected. Where would it go? I assume that many of those who

lected. Where would it go? I assume that many of those who paid the tax are gone. It would go to the States, would it not?

Mr. Hare. Yes. Let me follow my illustration just a little further. If this resolution were passed, and the Supreme Court should find the law unconstitutional, South Carolina could recover judgment for the amount collected from the taxpayers within the State. Then if I and the other heirs of my father are unable to establish a bona fide claim to the amount of taxes he paid, his right, or our interest in the claim, would escheat to the State of South Carolina and the money would be distributed as the State

legislature sees fit.

Mr. Sparks. If this resolution should pass, of course, the claims would have to be established under the regular laws having to do with the admissibility of evidence?

Mr. Hare. Certainly.
Mr. Christopherson. I presume the Government has a record of what moneys they collected from each State?

Mr. Hare. It has a record showing what was collected from each State, but not from each individual.

Mr. Christopherson. So that under this bill the only question

that would be presented in court would be whether or not the tax was illegal?

Mr. HARE. That is right.

Mr. Christopherson. And if it were decided it was illegal, then the books of the Government would be taken as controlling in the matter of the amount involved?

Mr. Hare. Or if the courts should hold that the tax was legally

levied and collected under the Constitution, that would end the

entire controversy.

Mr. Christopherson. You think about \$200,000,000 are involved,

Mr. Hare. That is my understanding. Mr. Christopherson. Has a check been made on the books of the

Government?
Mr. Hare. I think that information was presented in a hearing before the Ways and Means Committee a few years ago. Mr. Smith, who was an attorney representing a number of States in connection with this matter, probably has more definite information along that line than I have, and I will ask the committee to hear him a little later.

Mr. Christopherson. In what form was this matter before the

Ways and Means Committee?

Mr. HARE. This bill?

Mr. CHRISTOPHERSON. Yes Mr. Hare. It was similar in many respects

Mr. Christopherson. How long ago was that? Mr. Hare. Three years ago.

Mr. Dominick. The bill, I believe, was introduced by Mr. Vestal,

of Indiana, who died just recently.

Mr. Hare. Yes; he was very much interested in the matter, and he and I went into the case at length a few days prior to his death. I might say, in the original resolution it provided that certain taxes on manufactured goods should be considered as direct taxes. I suggest that if the committee gives favorable considera-tion to this resolution that particular provision should be elimi-nated, and the preamble then will read:

"Whereas the United States under various acts of Congress

levied a direct tax against raw material and collected it from many

citizens, partnerships, and corporations in various States during the fiscal years ending June 30, 1866, 1867, and 1868: * *." In other words, Mr. Chairman, I think it would be entirely proper to eliminate on line 2, paragraph 2, page 1, the following words: "all kinds of manufactured goods and." The resolution would then apply to direct taxes against raw material only.

The question of whether a State has any right to intervene or interfere in behalf of those who paid the taxes has been raised heretofore. It seems to me that the State is as much entitled to protect its citizens from illegal tax collections as it has to protect them in other matters. I think if the Federal Government, by legislation or otherwise, should by affirmative action initiate any undertaking that would have the effect of endangering the health of the citizens of a State, the State would certainly have the right to intervene. Or if the Federal Government should by some great engineering project seriously interfere with the water supply of a large number of citizens the State would have the right to intervene and protect the rights of its citizens. Therefore, if the law levying a tax on raw cotton or unmanufactured cotton or other corporality was illeral and unconstitutional it was or other commodity was illegal and unconstitutional, it was a trespass upon the rights of the citizens of the State and there seems to be no doubt but what the State would again have the right to interfere in behalf of the interests of such citizens.

To illustrate further: Suppose this Congress, in its effort to balance the Budget, should pass a law requiring the owners of all real estate to pay a tax of 50 cents per acre. There can be no doubt but what this would be considered a direct tax in violation

of the Constitution, and the State by appropriate action would have the right to intercede in behalf of its citizens.

Then, as we have said, if, by a corresponding act, Congress should levy a tax on the product of an individual produced in its raw state, it is considered a direct tax, and the State would also have the right to intervene, my contention being that if the law under which the taxes were levied and collected is unconstitutional the funds actually would be held in trust by the United States and the Government would be a trustee for the taxpayer. Then, if the right of the taxpayer has escheated to the State, the funds would be held in trust for the States, and any State should then have the right to bring suit and recover. On the other hand, if the right of the individuals who paid the tax should not escheat to the State until the law is found to be unconstitutional and it is impossible for the Government to completely every even the trust. impossible for the Government to completely carry out its trust to such individuals then, under a well-established principle of law known as the doctrine of cy pres, the trust should be carried out as near as possible, in which case the State would be the logical agency to institute proceedings, for the trust funds under

these conditions would certainly be held in trust for the State.

To repeat: If the law under which the taxes were collected is To repeat: If the law under which the taxes were collected is unconstitutional, the funds would be held in trust by the Federal Government for the taxpayer. Then, if the taxpayer can not be found and the taxes can not be returned to the proper person, the State, having the right to protect the interest of its citizens, would certainly have the right to intervene and act in their behalf. In other words, if the Federal Government has money collected from individuals it is not entitled to under the Constitution and the individuals can not be found or their claims supported by their legal representatives, there can be no doubt supported by their legal representatives, there can be no doubt but what the State should have the right to assert its interest and substitute same for that of its citizens. The State, under such circumstances, would assume the same position in behalf of its citizens with respect to their rights against the Federal Government as the Federal Government as the Federal Government as the Federal Government. ernment as the Federal Government would take with respect to their rights against a foreign government. Mr. Chairman, I note that the time is limited and I would like

Mr. Chairman, I note that the time is limited and I would like to yield the remainder of my time to Mr. Burton Smith, who has given this matter a great deal of thought and study from a legal as well as a practical standpoint. I would like to say, however, before closing, that a bill quite similar to the one we have under consideration passed the Senate twice in the last few years.

I think it might be appropriate to put in the record at this time the amount of the cotton tax collected from the various States, and with the permission of the Chair, I will ask that it be inserted at this place. It will be noted that Pennsylvania, Tennessee, Kansas, Vermont, Virginia, Indiana, New Jersey, Missouri, Massachusetts, Kentucky, and Indiana, as well as Illinois—not cotton-producing States—paid a considerable amount of the cotton tax. The list is as follows:

Alabama, \$10,388.072.10; Arkansas, \$2,555,638.43; California,

the cotton tax. The list is as follows:

Alabama, \$10,388,072.10; Arkansas, \$2,555,638.43; California, \$430.04; Connecticut, \$65.67; Florida, \$918,944.98; Georgia, \$11,897,094.98; Illinois, \$124,444.23; Indiana, \$81,982.42; Kansas, \$286.15; Kentucky, \$373,839.39; Louisiana, \$9,048,427.53; Maryland, \$48,173.30; Massachusetts, \$55,720.27; Mississippl, \$8,742,995.93; Missouri, \$409,992.48; New Jersey, \$3,156.42; New York, \$730,730.25; North Carolina, \$959,704.87; Ohio, \$242,225.37; Pennsylvania, \$15,578.79; South Carolina, \$4,172,420.16; Tennessee, \$6,508,233.82; Texas, \$5,502,401.24; Utah, \$1,278.69; Vermont, \$168,268.29; Virginia, \$629,727.11. ginia, \$629,727.11

PARTY PRINCIPLES AND POLICIES

Mr. TILSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. TILSON. Mr. Speaker, the fundamental concept upon which must rest a political party as distinguished from a bloc or other group representing only a passing phase of political life is that it shall be an aggregation of individuals drawn together by a common purpose to serve the State through the advocacy of certain principles and policies. It must have a sufficient degree of organization and solidarity to effectuate the views held in common through unified action. To be effective it must have fixed principles upon which its policies may be based as they may be formulated from time to time to meet new problems and changing conditions.

The Republican Party came into being during a period in our history when the question of the extension of human slavery was greatly agitating the public mind and when the breaking up of the Federal Union was not only a possibility but the most menacing danger then on the horizon. Both these questions were squarely faced by the new party and in due time solved, along with a number of other troublesome questions, and as a result it was confirmed in a lease of power covering a considerable period.

Marred only by certain early excesses naturally growing out of the passions of internecine strife, the record of the Republican Party marched forward through years of constructive progress, meeting successfully the problems of readjustment to new conditions as they arose. With but few and brief interruptions the Republican Party has written, simultaneously, the history of the country and its own record. Abraham Lincoln guided the course of the party through its first stormy period of power, though his steady hand was removed from the wheel before calm seas were reached again. Under different but equally trying conditions, Herbert Hoover is now bravely carrying on, demonstrating as he does it both the soundness of his party principles and his own great ability as a leader.

During all the years of the party's history two fundamental principles have formed the groundwork of all its economic policies, sound money and protection to Ameriican labor and industry. The party is still just as insistent as ever that both these principles be maintained.

During the life of the Republican Party numerous attacks have been made upon both of the two cardinal principles of sound money and protection, but usually these attacks have come singly. Rarely have the attacks come upon both fronts at the same time. A glance backward over our political history will call to mind some of the forms these attacks have taken, including free silver, greenbackism, and other propositions for cheap or flat money, while free-trade planks or platforms calling for a tariff for revenue only have found place in many campaigns.

Times of depression or other economic disturbance are the favorite seasons for attacks upon sound money, and there was never greater reason for the Republican Party to stand firm on this principle than at the present moment. In the campaign of 1932 it would seem that attacks upon both sound money and protection will probably be renewed. The attack upon sound money has been proposed in a number of different forms. If the huge bond issues, seriously proposed by some, which would necessitate unprecedented borrowings, are refused, then it would seem that resort may be had to some other method of accomplishing the same purpose. It is even urged by some that colossal sums of greenbacks be engraved and handed out to certain favored classes with the avowed purpose of cheapening our money.

Neither of these proposals has been as yet formally accepted by any political party, but another proposal that is believed by many will have the same effect has passed the House of Representatives under a suspension of the rules, thus indicating complete approval on the part of the House majority organization. I refer to the Goldsborough bill.

None of the schemes having for their avowed purpose cheapening the dollar seems to take into account the fact that the poor are always the first to suffer from unsound money. Paradoxical as it may seem, it is nevertheless true. to a very considerable extent, that the rich are the debtors who would profit most by cheap currency, while the poor, or the comparatively poor, are the creditor class who would suffer the most. The savings of the poor, in small savings accounts but tremendously large in the aggregate, are invested in savings banks. Shall the banks be relieved of their obligation by permitting them to pay these accounts in cheap dollars? Staggering sums of the money of the comparatively poor, saved by thrift through self-restraint, have been invested in insurance through weekly, monthly, quarterly, or annual premiums, with that most sacred purpose in view of protecting loved ones should death come. Shall the wealthy owners of these large insurance companies be invited to pay off in cheap dollars their debt to the beneficiaries of policyholders?

Yes; there is every reason why the Republican Party, more than ever before, should stand by the principle of sound money and oppose flat money, soft money, or cheap money in whatever attractive guise it may appear. Nothing is clearer than the fact that it is not the limited amount of currency outstanding that is responsible for the present depression, for it is well known that the amount of currency now outstanding is almost a billion dollars greater than it was in the heyday of 1929. Need for more credit there may be, certainly there is occasion for more confidence,

but there can be no sound basis for an artificial injection of currency into our financial system at present, and those who would suffer first and most from it would be the poor.

And what of protection to American labor and industry? No frontal attack has been proposed recently against this position of the Republican Party, but a somewhat plausible flank movement was inaugurated in the alleged tariff bill recently vetoed by the President. If ever there was a time more inopportune than all others for destroying, or even weakening, the tariff policy of this country, that time is now. Frequent general revisions of the tariff always have a disturbing influence upon business, but with changes in conditions such revisions become necessary.

A partial remedy for this unfortunate necessity has been sought in setting up a board or commission to find the facts and, upon the finding of certain facts, authorizing the President to make changes in rates of duty within fixed limits. Some progress was made in this direction in the tariff act of 1922. The 1930 act went farther, so that under it any party believing himself to be aggrieved may apply to the commission for relief. Many have done so and the fact that with a law of this kind on the statute books, open to all, only a comparatively small number of cases now remain pending, seems to indicate that the law has functioned with satisfactory results.

In the face of this record what remedy do we now find suggested by the opponents of protection? The so-called flexible provision of the tariff law, along with the Tariff Board itself, is to be destroyed or rendered nugatory by requiring reports to be made to Congress and findings to be of no validity until passed upon by Congress. It would prove far more destructive than any general revision of the tariff to have a frequently recurring series of tariff increase or reduction proposals before each succeeding session of Congress. The probability would always be present of each proposal being seized upon as a vehicle for carrying all the desired changes sought by every different locality in the country, thus keeping our entire industrial life in a turmoil.

To make matters still worse it is proposed in the tariff bill referred to that we call international conferences in which the several nations of the earth shall sit down together and agree to reciprocal tariff rates satisfactory to all concerned. Since I first entered Congress in 1909 there have been four general revisions of the tariff and a great number of popgun tariff bills enacted to elicit presidential vetoes, but among all the wild suggestions made during the tariff discussions of these nearly 25 years there has never been one quite so preposterous and absurd as this one, nor one quite so fraught with danger to our industrial stability.

Our experience in reciprocal tariff making has not been a very fruitful one, even when dealing with one nation at a time. There have been a number of instances in our history where reciprocal tariff treaties have been negotiated either under the general treaty-making power or special authority granted by Congress. The greater portion of these were rejected by this country and most of the others were rejected by the other countries. All the rest were subsequently either denounced as treaties or repealed by our tariff acts.

Can one view with any degree of confidence or complacency the prospect of having the tariff rates upon which American labor and industry rely for protection made the football of international politics? Can anyone imagine any course more likely to involve us in international complications and disagreements? And what becomes of the equal-treatment-to-all-nations principle if we should now enter upon a policy of international tariff dickering?

If this Nation of ours ever contemplates entering upon a foreign policy so utterly at variance with our whole history and so calculated to entangle us with the affairs of other nations, surely a time other than the bicentennial year of the birth of George Washington should be chosen for its consummation.

PATENTS FOR CERTAIN LANDS IN THE STATE OF COLORADO

Mr. EATON of Colorado. Mr. Speaker, I ask unanimous consent that the bill (H. R. 6437) to authorize the issuance of patents for certain lands in the State of Colorado to cer-

tain persons, now on the Private Calendar as No. 507, be stricken from the Private Calendar and rereferred to the Committee on Public Lands, as the subject matter has been covered by another bill.

The SPEAKER. The gentleman from Colorado asks unanimous consent that the bill (H. R. 6437) be stricken from the Private Galendar and rereferred to the Committee on Public Lands. Is there objection?

Mr. STAFFORD. Mr. Speaker, may I inquire whether the gentleman has taken this matter up with the chairman of the Committee on Public Lands?

Mr. EATON of Colorado. We discussed the matter in the Public Lands Committee at the time the other bill was introduced, and at that time it was intended to have this bill stricken from the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

INTERNATIONAL CONFERENCES AND THE EXPENSE THEREOF

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein certain correspondence with the State Department, with a list of all the international conferences and the expenses thereof since the Versailles treaty.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, can the gentleman give any reason for incorporating this matter in the permanent RECORD? As the gentleman well knows, his colleague the gentleman from Massachusetts [Mr. Underhill] has been objecting to matters of this sort going into the RECORD.

Mr. TINKHAM. This is correspondence with the State Department, and it is rather short, and I would prefer to have it put in the RECORD. It gives a comprehensive review of all the international conferences and the cost thereof to date, which I think is somewhat important at this time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TINKHAM. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

MAY 3, 1932.

The honorable the ACTING SECRETARY OF STATE

Washington, D. C.

Dear Sir: 1. Will you kindly furnish me with a list of all international commissions or conferences at which the United States

has been represented since the return of Mr. Wilson from the meeting of the Allies at Versailles in 1917-18, including the cost of each commission or conference to the United States?

2. Will you also kindly inform me what amount is shown by your records to have been expended to date for the present disarmament conference?

A reply at your early convenience would be appreciated. Sincerely yours.

GEORGE HOLDEN TINKHAM.

DEPARTMENT OF STATE Washington, May 14, 1932.

The Hon. GEORGE HOLDEN TINKHAM,

The Hon. George Holden Tinkham,

House of Representatives.

My Dear Mr. Tinkham: I wish to acknowledge the receipt of your letter of May 3, 1932. In compliance with your request I am pleased to inclose lists of all international conferences and commissions for which there have been specific appropriations for official representation on behalf of this Government since July 1, 1918, including the amounts appropriated in each case.

In addition to the conferences and commissions mentioned in these lists there have been a very great number of others which have been attended by official representatives of this Government who either undertook their mission at their own expense or whose expenses were paid from regular appropriations. To compile a list of these other conferences, with the cost of each, would require a great deal of research work, since it is only during the last few years that international conferences have been handled by a division specifically charged with that work and with the duty of keeping a consolidated record of all such conferences. Moreover, this department is without information as to the expenditures made by other branches of the Government and by private individuals incident to attendance at the majority of these conferences.

It takes pleasure however in inclusions in addition to the conferences. conferences.

I take pleasure, however, in inclosing, in addition to the other lists, a list of 131 international conferences held since March 4,

1929, at which this Government was represented without the necessity for specific appropriations.

With reference to your second inquiry, which concerns the amount expended to date for the expenses of the general disarmament conference at Geneva, the total sum disbursed or incumbered to April 30 was \$191,692.03.

Sincerely yours,

W. R. CASTLE, Acting Secretary. (Inclosures: Lists of international conferences and commis-

3	sions.)	
TOTAL COLUMN	List of international conferences from 1919 to 1932 appropriations have been made by Congress	for which
3	International Conference on International Communica-	
110-040	tion, Washington, 1921 First Pan Pacific Scientific Congress, Honolulu, 1921 Third Pan-American Scientific Congress, Lima, Peru,	\$75,000 9,000
CONTRACTOR	1921Sixth International Sanitary Conference of American	25, 000
THE STREET	States, Montevideo, 1920–21Sixteenth International Congress Against Alcoholism.	2,000
	Lausanne, 1921 Commission Centennial Celebration, Independence of Peru, July, 1921	7, 425 15, 000
	International Conference on Maritime Law, Brussels, 1922-23.	5,000
	Commission of Jurists to Consider Amendment of Laws of War, 1923	3, 750
	World War Foreign Debt Commission, 1922-23-Fifth International Conference of American States, Santiago, Chile, 1923	20,000
Company of the Compan	Special Mission to Represent the United States at the Centennial Celebration of Brazil, Rio de Janeiro, September, 1922 (expenses paid from a portion of the exposition appropriation of \$1,000,000, 1922–1924). Conference on Limitation of Armaments, Washington, 1922	75, 000
	International Exposition at Rio de Janeiro, Brazil, 1922-1924	200,000
	Seventeenth International Congress Against Alcoholism, Copenhagen, 1924	7, 500
	Inter-American Committee on Electrical Communica- tions, Mexico City, 1924-25	30,000
	Third Pan American Scientific Congress, Lima, Peru, 1923-1925	20,000
	International Commission on Public and Private Inter- national Law, 1923–1926	15, 000
	cotic Drugs, Geneva, 1925 Twenty-third Conference of Interparliamentary Union,	35, 000
١	Washington, 1925	50,000
	Revision of Chinese customs tariffs, 1925–26 Inquiry into extraterritoriality in China, 1923–1926 Seventh Pan American Sanitary Conference at Habana,	47, 750 21, 000
1	Revision of Chinese customs tariffs, 1926 International Radiotelegraphic Convention, Washington,	2, 600 25, 000
1	1926-27 Preparatory Commission on Armaments at Geneva,	87, 261
1	1926–27 Inquiry into extraterritoriality in China, 1927	50, 000 6, 600
	Revision of Chinese customs tariffs, 1927	4,000
	Grande, 1925–1927. Pan American Congress, Panama, 1927. Seventh International Dental Congress, Philadelphia,	15, 000
-	1927	5, 000 75, 000
	Second general meeting of Inter-American High Com- mission, Rio de Janeiro, 1927-28	40,000
	Second Pan American Conference on Highways, Rio de Janeiro, 1929-30	15,000
	International Exposition at Seville, Spain, 1927-1929 Conference on Conciliation and Arbitration, Washington, 1929-30	700, 000 50, 000
	Expenses, American group, Interparliamentary Union, 1929	10,000
	Preparatory Commission on Armaments at Geneva, 1928-29	70,000
	Sesquicentennial of Discovery of Hawaiian Islands, Hon- olulu, 1929.	5,000
	Twenty-third International Congress of Americanists, New York, 1929	5, 000
	don, 1929-30	90,000
	ington, 1925-1930	42,000
	London, 1930————————————————————————————————————	10,000
	Bucharest, 1931 Sixth session of Permanent International Association of	10,000
1	Road Congresses, Washington, 1929–1931 Inter-American highway (investigation)	55, 000 50, 000
	Studies of policies of the United States in Haiti, 1930-31_ Inter-American Congress of Rectors, Deans, and Edu-	50, 000
ø	cators, Habana, 1930	4,000

COLIGIZADA	71111	110001	11000
Inter-American Conference on Agriculture, Forestry, and	ADT 000	International Boundary Commission, United States and	407.040
Animal Industry, Washington, 1930–31 Fourth World's Poultry Congress, England, 1930–31	\$25,600 15,000	Mexico, El Paso, Tex., 1924 Boundary line, Alaska and Canada and United States	\$25, 913
Eleventh Annual Convention of Federation Inter-		and Canada, Washington, 1924	43, 570
alliée Des Anciens Combattants, Washington, 1930-31 International Conference on Load Lines, London,	25,000	International Joint Commission, United States and Great Britain, Washington, 1924	35, 500
1930-31	20,000	Arbitration of outstanding pecuniary claims between the United States and Great Britain, Washington,	
One hundred and fiftieth anniversary of surrender of Lord Cornwallis at Yorktown, Yorktown, Va.,	Trees reads	1924	66, 370
1930–1932 Sixth Pan American Child Congress, Lima, Peru, 1930–31_	25, 000 13, 000	Inter-American High Commission, Washington, 1924 Mixed Claims Commission, United States and Germany,	15,000
International Red Cross and Prisoners of War Confer-		Washington, 1924	222, 300
ence, Geneva, 1929-30 International Hygiene Exhibition, Dresden, 1930-31	34, 000 5, 000	International Boundary Commission, United States and Mexico, El Paso, Tex., 1925	40,000
International Technical Consulting Committee on Radio		Boundary line, Alaska and Canada and United States	
Communications at The Hague, 1929–30 Naval conference at London, 1930	27, 500 350, 000	and Canada, Washington, 1925	38, 515
One Thousandth Anniversary of National Parliament of		Great Britain, Washington, 1925	33,000
Iceland, 1930-31 (mission to Reykjavík, Iceland, and statue)	55,000	Arbitration of outstanding pecuniary claims between the United States and Great Britain, Washington,	
International Fur Trade Exhibition and Congress, Leip-	30,000	Inter-American High Commission, Washington, 1925	66, 750 21, 680
zig, Germany, 1930–31 International Conference for Codification of Interna-		Mixed Claims Commission, United States and Germany,	21,000
tional Law at The Hague, 1930 Expenses, American group, Interparliamentary Union,	25, 000	Washington, 1925 General and Special Claims Commissions, United States	182, 140
1932	10,000	and Mexico, Washington, 1925	171, 930
International Exposition of Colonial and Overseas Countries, Paris, 1931–32	300,000	International Fisheries Commission (halibut), 1925 International Boundary Commission, United States and	11, 250
Investigation of fisheries, Passamaquoddy and Cobs-		Mexico, El Paso, Tex., 1926	43, 200
cook Bays, by United States and Canada, 1931-32 International Congress of Military Medicine and Phar-	45,000	Boundary Line, Alaska and Canada and United States and Canada, Washington, 1926	38, 515
macy, The Hague, 1931-32	10,000	International Joint Commission, United States and Great Britain, Washington, 1926	33,000
Commission on Construction of Highway, United States and Canada, 1931–32	10,000	Arbitration of outstanding pecuniary claims between the	
Ninth International Dairy Congress, Copenhagen, 1931-32	10,000	United States and Great Britain, Washington, 1926 Inter-American High Commission, Washington, 1926	64, 750 21, 680
International Technical Consulting Committee on Radio		Mixed Claims Commission, United States and Germany,	Aller and the second
Communications, Copenhagen, 1931–32Fourth Pan American Commercial Conference, Wash-	30,000	Washington, 1926 General and Special Claims Commissions, United States	147, 536
ington, 1931-32	15,000	and Mexico, Washington, 1926	285, 800
Conference on Limitation of Manufacture of Narcotic Drugs, Geneva, 1931–32	35,000	International Fisheries Commission (halibut), 1926 International Boundary Commission, United States and	15, 000
General Disarmament Conference, Geneva, 1932	300,000	Mexico, El Paso, Tex., 1927 Boundary Line, Alaska and Canada and United States	36, 000
Total	4, 574, 986	and Canada, Washington, 1927	35, 000
List of international commissions, arbitrations of claims,	boundary	International Joint Commission, United States and Great Britain, Washington, 1927	82,000
investigations, etc., from 1919 to 1932, for which appro- have been made by Congress	priations	Inter-American High Commission, Washington, 1927	21,000
International Boundary Commission, United States and		Mixed Claims Commission, United States and Germany, Washington, 1927	140,000
Mexico, El Paso, Tex., 1919	\$37,500	General and Special Claims Commissions, United States and Mexico, Washington, 1927	350,000
and Canada, Washington, 1919	60,000	International Fisheries Commission (halibut), 1927	28, 500
International Joint Commission, United States and Great Britain, Washington, 1919	81,000	International Fisheries Commission, United States and Mexico, 1927	80,000
Arbitration of outstanding pecuniary claims between	02,000	Rainy Lake reference, 1927	50,000
the United States and Great Britain, Washington,	4, 250	International Boundary Commission, United States and Mexico, El Paso, Tex., 1928	65,000
International Boundary Commission, United States and Mexico, El Paso, Tex., 1920		Boundary line, Alaska and Canada and United States and Canada, Washington, 1928	
Boundary line, Alaska and Canada and United States	50,000	International Boundary Commission, United States and	26, 410
and Canada, Washington, 1920	40,000	Canada, Alaska and Canada, 1928 International Joint Commission, United States and	22,000
Great Britain, Washington, 1920	81,000	Great Britain, Washington, 1928	67,000
Arbitration of outstanding pecuniary claims between the United States and Great Britain, Washington, 1920	4, 250	Inter-American High Commission, Washington, 1928 Mixed Claims Commission, United States and Germany,	21,000
International Boundary Commission, United States and		Washington, 1928	119, 117
Mexico, El Paso, Tex., 1921 Boundary line, Alaska and Canada and United States	5,000	General and Special Claims Commissions, United States and Mexico, Washington, 1928	350,000
and Canada, Washington, 1921 International Joint Commission, United States and	55,000	International Fisheries Commission (halibut), 1928 International Fisheries Commission, United States and	31,000
Great Britain, Washington, 1921	46,000	Mexico, 1928	40,000
Arbitration of outstanding pecuniary claims between the United States and Great Britain, Washington, 1921	4, 250	Rainy Lake reference, 1928 International Boundary Commission, United States and	40,000
Inter-American High Commission, Washington, 1921	25, 000	Mexico, Washington, 1929	123,000
International Boundary Commission, United States and Mexico, El Paso, Tex., 1922	5,000	International Water Commission, United States and Mexico, El Paso, Tex., 1929	35, 000
Boundary line, Alaska and Canada and United States and Canada, Washington, 1922	96 500	Boundary line, Alaska and Canada and United States and Canada, Washington, 1929	22 660
International Joint Commission, United States and	86, 500	International Boundary Commission, United States and	23, 660
Great Britain, Washington, 1922 Arbitration of outstanding pecuniary claims between the	44,000	Canada, Alaska and Canada, 1929 International Joint Commission, United States and	24, 750
United States and Great Britain, Washington, 1922 Inter-American High Commission, Washington, 1922	52, 770	Great Britain, Washington, 1929 Inter-American High Commission, Washington, 1929	160,800
International Boundary Commission, United States and	25, 000	Mixed Claims Commission, United States and Germany,	21,000
Mexico, El Paso, Tex., 1923	15, 000	Washington, 1929 General and Special Claims Commissions, United States	178, 762
and Canada, Washington, 1923	49, 400	and Mexico, Washington, 1929	350,000
International Joint Commission, United States and Great Britain, Washington, 1923	38, 000	International Fisheries Commission (halibut), 1929 Rainy Lake reference, 1929	36, 500 16, 000
Arbitration of outstanding pecuniary claims between	300	International Boundary Commission, United States and	
the United States and Great Britain, Washington,	60,000	Mexico, El Paso, Tex., 1930 International Water Commission, United States and	58,000
Inter-American High Commission, Washington, 1923 Mixed Claims Commission, United States and Germany,	19,600	Mexico, El Paso, Tex., 1930	15,000
Washington, 1923	180,000	Canada, Alaska and Canada, 1930	29, 525
Arbitration between United States and Peru, 1923 Arbitration between United States and Norway, 1923	45, 000 60, 000	Boundary Line, Alaska and Canada and United States and Canada, Washington, 1930	23,960
			20,107

International Joint Commission, United States and Great Britain, Washington, 1930	\$177, 583	Congress of Archeology, Barcelona, September 23-29, 1929.
Inter-American High Commission, Washington, 1930	14,000	International Congresses of Tropical and Subtropical Agriculture and of Coffee, Seville, September 26-October 2, 1929.
Mixed Claims Commission, United States and Germany,		Second Conference on the Health and Welfare of Merchant Sea-
Washington, 1930	132, 927	men, Geneva, October 7-9, 1929.
General and Special Claims Commissions, United States		International Conference for the Revision of the International
and Mexico, Washington, 1930	350,000	Classification of the Causes of Death, Paris, October 16–19, 1929.
International Fisheries Commission (halibut), 1930	36, 500	World Engineering Congress, Tokyo, October 29-November 7.
I'm Alone arbitration	32,600	1929.
International Boundary Commission, United States and	05 000	International Conference on Treatment of Foreigners, Paris,
Mexico, El Paso, Tex., 1931	95,000	November 5-December 4, 1929.
Boundary line, Alaska and Canada and United States and Canada, Washington, 1931	17, 460	Pan American Commission on Customs Procedure and Port Formalities, Washington, November 18-26, 1929.
International Boundary Commission, United States and	11, 100	Conference to Consider Bringing into Force the Convention on
Canada, Alaska and Canada, 1931	33, 125	Abolition of Import and Export Prohibitions and Restrictions,
International Joint Commission, United States and		Paris, December 5–20, 1929.
Great Britain, Washington, 1931	191, 585	Committee of the Agriculture Experts, Geneva, January 6-9.
Inter-American High Commission, Washington, 1931	14,000	1930.
Mixed Claims Commission, United States and Germany,		Advisory Committee of the League of Nations on Traffic in
Washington, 1931	137, 275	Oplum and Other Dangerous Drugs, Geneva, January 20-February
General and special claims commissions, United States		14. 1930.
and Mexico, Washington, 1931	350,000	Second Congress of the Pan American Medical Association,
International Fisheries Commission (halibut), 1931	36, 500	Panama, January 31, 1930.
Arbitration between the United States and Sweden of		Preliminary Conference with a View to Concerted Economic Ac- tion (so-called tariff truce conference), Berne, February 17-March
the claim of Rederiaktiebolaget Nordstjernan, a Swedish corporation, 1931	56,000	24, 1930.
International Boundary Commission, United States	00,000	The First International Congress of Sanitary Technique and
and Mexico, El Paso, Tex., 1932	92, 560	Communal Hygiene, Prague, March 16-18, 1930.
International Water Commission, United States and		Inird National Road Congress at Mexico City, April 22-27, 1930.
Mexico, El Paso, Tex., 1932	287,000	Inird Congress of Spanish American History and Geography
International Boundary Commission, United States and		Seville, Spain, May 2, 1930.
Canada, Alaska and Canada, 1932	49, 790	Second International Congress of Malaria, Algiers, May, 1930.
International Joint Commission, United States and		Preliminary Discussions Concerning Treaty of Double Taxation,
Great Britain, Washington, 1932	175, 355	Paris and Geneva, May, 1930.
Inter-American High Commission, Washington, 1932	10,000	Seventh International Ornithological Congress, Amsterdam, June 1-7, 1930.
Mixed Claims Commission, United States and Germany,	50 000	International Conference for the Unification of the Laws on
Washington, 1932 General and Special Claims Commissions, United States	56, 606	Bills of Exchange, Promissory Notes, and Checks, Geneva, May 13-
and Mexico, Washington, 1932	367,000	June 7, 1930.
International Fisheries Commission (halibut), 1932	36, 500	Fifth International Congress of Building and Public Works,
General Claims Commission, United States and Panama,	The state of the s	London, May 26-30, 1930.
Washington, 1931–32	54,000	International Congress on Leisure of Workers, Liège, Belgium,
Mixed Claims Commission, United States and Germany,		June 7-10, 1930.
Washington, 1932–33	65,000	International Committee on High Dams, Berlin, June 16-25, 1930
		Second Plenary Meeting of the World Power Conference, Berlin,
Total	8, 215, 269	June 16-25, 1930.
INTERNATIONAL CONFERENCES HELD DURING THE PERIOD,	MARCH 4.	Fourth Pan American Congress of Architects, Rio de Janeiro,
1929, TO DATE, IN WHICH THE UNITED STATES PARTICIPATED		June 19-30, 1930.
THE NECESSITY OF A SPECIFIC APPROPRIATION		Forty-first Congress of the Royal Sanitary Institute, Margate,
Fourth meeting of the Permanent International Comm	nittee for	England, June 21-28, 1930.
the Study of Occupational Diseases, Lyons, France, April		Sixth International Congress of Mining Metallurgy and Applied
European Broadcasting Conference, Prague, Czechoslova		Geology, Liege, June 22, 1930.
4, 1929.	State Care	Tenth session of the Medical Days of Brussels, Brussels, June 28-July 2, 1930.
International Congress on Oceanography, Marine Hyd	rography,	Second Latin American Conference on Neuriatry, Psychiatry, and
and Continental Hydrology, Seville, Spain, May 1, 1929.		Legal Medicine, Rio de Janeiro, July 6-13, 1930.
Meeting of the Technical International Committee of	Juridical	First International Congress on Microbiology, Paris, July 20-25,
Experts on Aviation, Paris, France, May 6, 1929.	- d Di	1930.
Fifth International Congress of Military Medicine as	nd Phar-	International Congress of Tronical Agriculture Anteren Tule

macy, London, England, May 6-11, 1929.

Ninth Congress of the Universal Postal Union, London, England, May 10, 1929.

First International Congress on Sanitary Aviation, Paris, France,

World Power Conference, Barcelona, Spain, May 15–23, 1929. Fourth Pan Pacific Science Congress, Batavia, Netherlands East Indies, May 16-25, 1929.

Indies, May 16-25, 1929.

International Conference for the Revision of the Aerial Navigation Convention of 1919, Paris, France, June 10, 1929.

Fourth Pan American Conference on Hygiene, Microbiology, and Pathology and the Second Pan American Congress on Tuberculosis (joint meeting), Rio de Janeiro, June 30-July 6, 1929.

Fifth English-Speaking Conference on Maternity and Child Welfare, London, July 2-4, 1929.

International Life Saving Federation Congress, Trouville, France, July 4-9, 1929.

July 4-9, 1929.

Fifth Congress of the International Chamber of Commerce, Amsterdam, July 8-13, 1929.
Fortieth Congress of the Royal Sanitary Institute, Sheffield,

England, July 13-20, 1929. International Congress of Stockholm, July 21-27, 1929. of Forestry Experimental Stations,

Fifteenth International Geological Congress, Pretoria, Transvaal, Union of South Africa, July 29-August 7, 1929. International Institute of Statistics, Warsaw, August 21-27, 1929. Special Commission for the Preparation of a Draft Convention on the Private Manufacture of Arms and Ammunition and Implements of War, Geneva, August 26–29, 1929.

International Congress on Commercial Education, Amsterdam, September 2–5, 1929.

September 2-5, 1929.

Thirteenth International Congress of Ophthalmology, Amsterdam, September 5-13, 1929.

Twelfth International Housing and Town Planning Congress, Rome, September 12-19, 1929.

First General Assembly of the Pan American Institute of Geography and History, Mexico, D. F., September 16-22, 1929.

Second International Drilling Congress, Paris, September 16-23, 1929.

International Congress of Tropical Agriculture, Antwerp, July 28-31, 1930.

Ninth Session of the International Association for the Protection of Childhood, Liège, July 20-August 4, 1930.

Fourth International Congress on Family Education, Liège, Au-

gust 4-7, 1930. Eleventh International Veterinary Congress, London, August

4-11, 1930.
Ninth International Horticultural Congress, London, August

7-15, 1930

Third International Congress of Decorative Arts, Antwerp, August 11-15, 1930.

Seventh Conference of the International Union Against Tuberculosis, Oslo, August 12-15, 1930. Conference of Experts on Silicosis, Johannesburg, August 13-27,

1930. Fifth International Botanical Congress, Cambridge, England,

August 16-23, 1930.
Second International Pediatric Congress, Stockholm, August

18-21, 1930. Meeting of the Committee on the Extension of the Inquiry on Traffic in Women and Children in the East, Geneva, August 21–25.

1930

Third International Congress for Applied Mechanics, Stockholm,

Tenth International Prison Congress, Prague, August 25–30, 1930.
Second International Congress of Popular Arts, Antwerp, Liege, and Brussels, August 28–September 7, 1930.
International Congress of General Mechanics, Liège, August 30–September 7, 1930.

Fifth International Lie

Fifth International Air Congress, The Hague, September 1-6, 1930.

Eleventh International Congress of Zoölogy, Padova, Italy, Sep-

Eleventh International Congress of Zoology, Padova, Italy, September 4–11, 1930.

Twelfth International Congress of Architects, Budapest, September 6–14, 1930.

Sixteenth Plenary Assembly of the International Parliamentary Conference of Commerce, Brussels, September 7–11, 1930.

International Congress of Chocolate and Cocoa Manufacturers, Antwerp, September 8–11, 1930.

Fourth International Congress of Geometricians, Zurich and Berne, September 10-14, 1930.
Nineteenth Session of the International Institute of Statistics,

Tokyo and Kyoto, September 15-25, 1930.

Eleventh Congress of the Association of French Language Physicians of North America, Montreal, September 16-19, 1930.

Third International Conference for Photogrammetry, Zurich,

September 6-10, 1930.

Eighth International Congress of the History of Medicine, Rome,

September 22-27, 1930.
Ninth International Juridical Aeronautical Congress, Budapest, September 29-October 3, 1930.
Pan American Session of the Sixth International Road Congress,

Washington, October 4, 1930.

Fourteenth International Conference of the Red Cross, Brussels, October 6-11, 1930. October 6-11, 1930.

Conference on the Unification of Buoyage and the Lighting of Coasts, Lisbon, October 6-23, 1930.

Preparatory Commission for the Disarmament Conference, sixth session, second part, Geneva, November 6-December 9, 1930.

Eighth Congress of the Far Eastern Association of Tropical Medicine, Bangkok, December 7-13, 1930.

First International Congress of Aerial Safety, Paris, December 1999.

10-23, 1930.

Advisory Committee on Traffic in Opium and Other Dangerous Drugs, Geneva, January 9-February 7, 1931.

Meeting of Committee of Agricultural Experts, Geneva, January

12-15, 1931.
International Conference for the Unification of Laws on Bills of Exchange, Promissory Notes, and Checks, second session, Geneva, February 23-March 19, 1931.
International Committee on Liberia, first session, London, February 27-March 3, 1931.
First Conference of Representatives of Central Police Offices, Geneva, March 4-7, 1931.
Meeting of Committee of Experts on "Marks of Origin," Geneva, April 13-15, 1931.
Second Pan American Conference of Directors of Health, Washington, April 20-28, 1931.
Second International Coffee Conference, Sao Paulo, Brazil, May 12-15, 1931

Second International Coffee Conference, Sao Paulo, Brazil, May 17-June 17, 1931.

Conference of Wheat Exporting Countries, London, May 18-23,

Fourth International Conference of Labor Statisticians, Geneva,

Fourth International Conference of Labor Statisticians, Geneva, May 19-24, 1931.

Seventeenth Plenary Assembly of the International Parliamentary Conference of Commerce, Prague, May 25-29, 1931.

Thirteenth International Housing and Town Planning Congress, Berlin, June 1-5, 1931.

Fifteenth International Congress of Agriculture, Prague, June

5-8, 1931. Second International Hospital Congress, Vienna, June 8-14, 1931. International Conference on High Tension Electric Systems,

Paris, June 18-27, 1931. Eleventh Session of the Journées Médicales de Bruxelles, Brus-

sels, June 20-24, 1931.
Conferences Relating to the Moratorium on Intergovernmental

Debts.

Paris Negotiations, Paris, June 25—July 18, 1931.
London Conference of Ministers, London, July 20—23, 1931.
Conference of Experts, London, July 17—August 13, 1931.
Sixth Congress of the International Association of Agriculture of Tropical Countries, Paris, June 27—July 1, 1931.
European Conference on Rural Hygiene, Geneva, June 29—July 7, 1931.

7, 1931.

International Congress for the Protection of Nature, Paris, June 30-July 4, 1931

International Congress of Wood and Sylviculture, Paris, July 1-5, 1931.

Forty-second Congress of the Royal Sanitary Institute, Glasgow, July 4-11, 1931.

Sixth Congress of the International Seed Testing Association, Wageningen, Holland, July 13-18, 1931.

Thirteenth International Congress of Secondary Instruction,

Thirteenth International Congress of Secondary Instruction, Paris, July 16-24, 1931.

Seventh International Congress of Aquiculture and Fisheries, Paris, July 20-25, 1931.

Third Congress of the Pan-American Medical Association, Mexico City, July 26-31, 1931.

Eighth International Dental Congress, Paris, August 2-8, 1931.

Sixth International Congress on Industrial Accidents and Diseases, Geneva, August 3-8, 1931.

First International Congress of the New International Association for the Testing of Materials, Zurich, September 6-12, 1931.

International Congress for Studies Regarding Population, Rome, September 7-10, 1931.

Eighteenth International Congress of Orientalists, Leiden, Sep-

Eighteenth International Congress of Orientalists, Leiden, September 7-12, 1931.

Committee on the Regulation of Whaling, Geneva, September 9-10, 1931.

Fifteenth Congress of the Permanent International Association

of Navigation Congresses, Venice, September 12-19, 1931.

Twentieth Session of the International Institute of Statistics, Madrid, September 14-20, 1931.

International Congress of Geography, Paris, September 15-27, 1931

Discussions relative to an armaments truce: Held in the third (disarmament) committee of the assembly of the League of Nations, Geneva, September 21-28, 1931.

Second International Conference on the Rat, Paris, October 7-12, 1931.

Third Congress of the Pan American Postal Union, Madrid, October 10-November 10, 1931.

Fourth General Conference on Communications and Transit, Geneva, October 12-24, 1931.

Second Congress of Comparative Pathology, Paris, October 14-18, 1931.

Discussions relative to the application of the pact of Paris to the Sino-Japanese controversy: Held in the Council of the League of Nations, Geneva, October 16-22, 1931.

Nations, Geneva, October 16-22, 1931.

Bangkok Conference on Opium Smoking in the Far East, Bangkok, November 9-27, 1931.

Discussions Bearing on Treaty Rights and General Interests of the United States in Connection with Developments in Manchuria, Paris, November 16-November 11, 1931.

Third International Congress of Sanitation Methods and Urban Hygiene, Lyons, France, March 7-10, 1932.

Third International Hydrographic Conference, Monaco, April 12, 1932.

Fifteenth Session, League of Nations Advisory Committee on Traffic in Opium and other Dangerous Drugs, Geneva, April 15,

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Gregory, indefinitely, on account of illness in family.

SPECIAL COMMITTEE TO INVESTIGATE GOVERNMENT COMPETITION WITH PRIVATE ENTERPRISE

The SPEAKER. The Chair lays before the House the following appointments.

The Clerk read as follows:

Pursuant to House Resolution 235, the Chair appoints as members of the Special Committee to Investigate Government Compe-tition with Private Enterprise the following Members of the

Mr. Shannon, Missouri; Mr. Cox, Georgia; Mr. Pettengill, Indiana; Mr. Stafford, Wisconsin; Mr. Rich, Pennsylvania.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution and bills of the House of the following titles, which were thereupon signed by the Speaker:

H. J. Res. 341. A joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska;

H.R. 7305. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products:

H. R. 9254. An act to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota;

H. R. 4453. An act for the relief of Pasquale Mirabelli;

H. R. 208. An act to authorize transfer of the abandoned Indian-school site and building at Zeba, Mich., to the L'Anse Band of Lake Superior Indians;

H. R. 3691. An act for the relief of J. P. Moynihan;

H. R. 4868. An act for the relief of George E. Casey; and H. R. 4143. An act for the relief of the Sherburne Mercantile Co.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 154. An act for the relief of Amy Harding;

S. 669. An act for the relief of Chester J. Dick; and

S. 1357. An act for the relief of Nancy H. Rouse, Clara H. Simmons, W. H. Hays, Hallie H. Hamilton, and Bradford P.

ADJOURNMENT

Mr. BLACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Friday, June 3, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, June 3, 1932, as reported to the floor leader by clerks of the several committees:

> FOREIGN AFFAIRS (10.30 a. m.)

World Court.

IRRIGATION AND RECLAMATION

(10 a. m.)

Columbia River Basin project.

PUBLIC BUILDINGS AND GROUNDS

(10.30 a. m.)

Purchase of certain lands in New York City.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

598. A letter from the Secretary of War, transmitting a report dated May 31, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Hampton Creek, Va.; to the Committee on Rivers and Harbors

599. A letter from the Secretary of War, transmitting a report dated May 31, 1932, from the Chief of Engineers, United States Army, on Neuse River, N. C.; to the Committee on Rivers and Harbors.

600. A letter from the Secretary of War, transmitting a report dated May 31, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of channel from Phoebus, Va., to deep water in Hampton Roads; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GILBERT: Committee on the Library. House Joint Resolution 408. A joint resolution providing for the filling of vacancies in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; without amendment (Rept. No. 1488). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 1932. A bill for the relief of Nellie Lamson; without amendment (Rept. No. 1489). Referred to the Committee of the Whole House.

Mr. JACOBSEN: Committee on Indian Affairs. H.R. 6376. A bill for the relief of William F. Bourland; with amendment (Rept. No. 1490). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9600) for the adjudication and determination of the claims arising under the extension by the Commissioner of Patents of the patent granted to Frederick G. Ransford and Peter Low as assignees of Marcus P. Norton, No. 25036, August 9, 1859; Committee on the Post Office and Post Roads discharged, and referred to the Committee on Claims.

A joint resolution (H. J. Res. 309) authorizing the Postmaster General to make a just and equitable compensation for the past use in the Postal Service of a certain invention and device for the postmarking of mail packages and for the more permanent cancellation of postage stamps during the time the said device was in use by the Post Office Department, not exceeding or going beyond the life of the letters patent thereon; Committee on the Post Office and Post Roads discharged, and referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McSWAIN (by request): A bill (H. R. 12421) to authorize the transfer to the Department of Agriculture of

portions of the Fort De Soto Military Reservation, Fla., and for other purposes; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 12422) to grant retired pay and allowances to certain retired officers who have been advanced on the retired list under the provisions of Public Act No. 123, approved May 7, 1932; to the Committee on Military Affairs.

By Mr. HILL of Alabama: A bill (H. R. 12423) to amend the laws providing retired pay for certain officers and former officers of the Army, Navy, and Marine Corps of the United States; to the Committee on Military Affairs.

By Mr. GREEN: A bill (H. R. 12424) to prohibit the importation of articles from certain countries, and for other purposes; to the Committee on Ways and Means.

By Mr. SIROVICH: A bill (H. R. 12425) to amend and consolidate the acts respecting copyright and to codify and amend common-law rights of authors in their writings; to the Committee on Patents.

By Mr. BLACK: A bill (H. R. 12426) creating a recovery committee of the United States to aid in the economic rehabilitation of the Nation; to the Committee on Ways and Means

By Mr. SMITH of Idaho: A bill (H. R. 12427) authorizing the use of honey in the Navy ration; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAIL: A bill (H. R. 12428) granting a pension to Charles A. Ober; to the Committee on Pensions.

Also, a bill (H. R. 12429) for the relief of James J. Powers; to the Committee on Naval Affairs.

By Mr. CROWE: A bill (H. R. 12430) granting an increase of pension to Charlotte Meadows; to the Committee on Invalid Pensions.

By Mr. DAVENPORT: A bill (H. R. 12431) granting a pension to Mary Lepper Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12432) granting a pension to Nellie M. Benjamin; to the Committee on Invalid Pensions.

By Mr. DIES: A bill (H. R. 12433) for the relief of William Sterling; to the Committee on Military Affairs.

By Mr. DOUGLASS of Massachusetts: A bill (H. R. 12434) to authorize the presentation of a distinguished-service cross to Walter B. Werner; to the Committee on Naval Affairs.

By Mr. FREE: A bill (H. R. 12435) providing for an examination and survey of the north side of Monterey Bay, Calif., in and about the city of Santa Cruz, Calif., with a view to providing a channel suitable for the needs of present and prospective commerce and establishing a breakwater in the vicinity of the city of Santa Cruz, Calif.; to the Committee on Rivers and Harbors.

By Mr. LaGUARDIA: A bill (H. R. 12436) for the relief of Giuglio Zarella: to the Committee on Claims.

By Mr. LICHTENWALNER: A bill (H. R. 12437) granting a pension to Emma R. Lessly; to the Committee on Invalid Pensions.

By Mr. MARTIN of Oregon: A bill (H. R. 12438) granting an increase of pension to Addie E. Ormsby; to the Committee on Invalid Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 12439) granting an increase of pension to Agnes A. Allison; to the Committee on Invalid Pensions.

By Mr. SPENCE: A bill (H. R. 12440) granting an increase of pension to Margaret A. Moore; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 12441) granting a pension to Elizabeth Zeller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12442) for the relief of Perry Charles Wilkins; to the Committee on Military Affairs.

By Mr. SUTPHIN: Joint resolution (H. J. Res. 414) to authorize the President to present the distinguished-flying cross to Lieut. Commander Charles Emery Rosendahl; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8104. By Mr. BLOOM: Petition of residents of the State of New York, protesting against the passage of House bill 8759 or any other compulsory Sunday observance bill; to the Committee on the District of Columbia.

8105. Also, petition of the Federation of Jewish Women's Organizations (Inc.), indorsing prohibition reform so that the Federal Government may obtain a most-needed revenue which will materially aid the balancing of the National Budget, increase legitimate employment in legalized industries, and thus uphold and strengthen the morale of our citizenry; to the Committee on the Judiciary.

8106. By Mr. CRAIL: Petition of American Defenders' Association of the State of California, urging the adoption and approval in full of House bill 11550, known as the uniform pension act; to the Committee on Pensions.

8107. Also, petition of Board of Supervisors of the City and County of San Francisco, Calif., urging Congress to pass bill providing for loans from Reconstruction Finance Corporation to finance construction of San Francisco Bay bridges; to the Committee on Appropriations.

8108. Also, petition of Altrurian Club, of Los Angeles, Calif., urging that The Stars and Stripes Forever be made the national march of the United States of America; to the Committee on Military Affairs.

8109. By Mr. GRANFIELD: Petition of Hannah Hume Calder, of West Springfield, Mass., relative to the proposed Vinson bill; to the Committee on Naval Affairs.

8110. Also, petition of Frederick S. Snyder, of Boston, and others, urging the Congress to afford its powerful aid toward economic recovery; to the Committee on Ways and Means.

8111. By Mr. LINDSAY: Petition of Workmen's Sick and Death Benefit Fund of the United States of America, Brooklyn, N. Y., urging the passage of legislation that will bring immediate relief to the unemployed; to the Committee on Ways and Means.

8112. Also, petition of the General Metal Co., Buffalo, N. Y., urging the passage of the present tax bill; to the Committee on Ways and Means.

8113. Also, petition of Associated Industries of New York State (Inc.), Buffalo, N. Y., favoring the retroactive repeal of the recapture clause of the transportation act; to the Committee on Interstate and Foreign Commerce.

8114. Also, petition of Frederick S. Snyder, president of the Boston Chamber of Commerce, together with 58 other leading citizens of Massachusetts, urging the balancing of the Budget; to the Committee on Ways and Means.

8115. By Mr. ROBINSON: Petition signed by about 80 citizens of Waterloo and Black Hawk County, Iowa, protesting against the 10 per cent tax on cosmetics and claiming that it is unfair, unduly discriminatory, and that it will be harmful to the industry, which is ready to contribute its fair share of needed revenue; to the Committee on Ways and Means.

8116. By Mr. RUDD: Petition of General Metal Co., Buffalo, N. Y., favoring the passage of the tax bill as it passed the Senate; to the Committee on Ways and Means.

8117. Also, petition of Associated Industries of New York State (Inc.), favoring the retroactive repeal of section 15-A of the transportation act; to the Committee on Interstate and Foreign Commerce.

8118. By Mr. WITHROW: Resolution of LaCrosse County Board of Supervisors, protesting against the enactment of any measure having as its purpose the gift, disposal, or elimination of any fish-cultural station of the Bureau of Fisheries; to the Committee on Merchant Marine, Radio, and Fisheries.

8119. By the SPEAKER: Petition of Board of Supervisors of the City of San Francisco, urging Congress to pass a bill providing for loans from Reconstruction Finance Corporation to finance construction of San Francisco Bay bridges; to the Committee on Banking and Currency.

SENATE

FRIDAY, JUNE 3, 1932

(Legislative day of Wednesday, June 1, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. AUSTIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FESS in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Coolidge	Howell	Reed
Austin	Copeland	Hull	Robinson, Ark.
Bailey	Costigan	Johnson	Robinson, Ind.
Bankhead	Cutting	Jones	Schall
Barbour	Dale	Kean	Sheppard
Barkley	Dickinson	Kendrick	Shipstead
Bingham	Dill	Keyes	Shortridge
Blaine	Fess	King	Smoot
Borah	Frazier	Logan	Thomas, Idaho
Bratton	George	McGill	Thomas, Okla.
Broussard	Glenn	McKellar	Trammell
Bulkley	Gore	McNary	Tydings
Bulow	Hale	Metcalf	Vandenberg
Byrnes	Harrison	Moses	Wagner
Capper	Hastings	Norris	Walsh, Mass.
Caraway	Hatfield	Nye	Walsh, Mont.
Cohen	Hayden	Oddie	Watson
Connally	Hebert	Patterson	White

Mr. McNARY. I desire to state that the Senator from South Dakota [Mr. Norbeck], the Senator from Connecticut [Mr. Walcott], the Senator from Maryland [Mr. Goldsborough], the Senator from Delaware [Mr. Townsend], the Senator from Michigan [Mr. Couzens], the Senator from Wyoming [Mr. Carey], the Senator from Virginia [Mr. Glass], and the Senator from Florida [Mr. Fletcher] are detained in attendance upon the Committee on Banking and Currency.

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. Swanson] is necessarily absent as a member of the Geneva conference and that the junior Senator from Louisiana [Mr. Long] is necessarily absent from the city.

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present.

DISTRIBUTION OF FARM BOARD WHEAT

Mr. ASHURST. Mr. President, I have received this morning a telegram from the Governor of Arizona relating to a very important subject. I ask that it may be read.

The PRESIDING OFFICER. Without objection, the clerk will read the telegram.

The Chief Clerk read as follows:

PHOENIX, ARIZ., June 3, 1932.

Hon. HENRY F. ASHURST,

United States Senate, Washington, D. C .:

May I suggest to you the advisability of Congress appropriating additional Farm Board wheat for distribution as flour through American Red Cross. While I am not familiar with exact amount already drawn from amount already appropriated, I do believe that the matter should be considered seriously before Congress adjourns. Flour already received in Arizona has been of great benefit. With copper mines closing, load is increasing beyond all precedent. I urge you to give this problem your earnest consideration.

GEORGE W. P. HUNT, Governor.

Mr. ASHURST. Mr. President, may I presume to ask the senior Senator from Oregon [Mr. McNary], the chairman of the Committee on Agriculture and Forestry, if he has not already introduced a bill looking toward making more wheat and flour available to the Red Cross?

Mr. McNARY. Mr. President, in order to meet the situation and similar situations a week ago, I introduced a bill authorizing the chairman of the Federal Farm Board to deliver 40,000,000 bushels of wheat to the Red Cross to meet distressing conditions generally. The bill was referred to the Committee on Agriculture and Forestry. Just yesterday I was advised by the Federal Farm Board, however, that probably I should modify my proposal in order to meet liens that now exist on account of advances made. So I shall

offer a new bill and ask the committee at an early date to consider the matter.

Mr. ASHURST. I am content, because I know that any task to which the Senator from Oregon applies his hand will be accomplished if it be within the domain of reasonable possibility.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. NORRIS. Mr. President, I rise to a question of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. NORRIS. Yesterday the Senator from California [Mr. Johnson] submitted an amendment to the pending bill adding a proviso at the end of line 11, page 45. The proviso is to be inserted as new language in the amendment reported by the committee. Early in the day I had offered an amendment that sought to amend the part stricken out. In other words, the committee has presented an amendment striking out and inserting. I offered an amendment which was considered the pending amendment during the day proposing to amend the part to be stricken out. The Senator from California offered an amendment amending the part to be inserted and the presiding officer then in the chair-and my excuse for taking it up now is that I was not in the Chamber when it happened or I would have done so then-said that the amendment offered by the Senator from California was a substitute for my amendment and was in order, and cited Rule VIII as his authority.

If Senators will turn to Rule VIII, they will find that it has no reference either directly or indirectly to such a parliamentary situation. I think the Presiding Officer probably had reference to Rule XVIII. I wish to read an extract from Rule XVIII which I think is the one that applies. The latter part of it says:

But pending a motion to strike out and insert-

And the committee amendment was one to strike out and insert—

the part to be stricken out and the part to be inserted shall each be regarded for the purpose of amendment as a question; and motions to amend the part to be stricken out shall have precedence.

I am not particular about the precedence part of it, but that is the rule. The motion which I offered was to amend the part attempted to be stricken out by the amendment proposed by the committee. The Senator from California offered an amendment to that part of the committee amendment proposing to insert new matter in lieu of that stricken out. In other words, Mr. President, the amendment of the Senator from California could not under any consideration be considered as a substitute. It is a very proper amendment, and I am not complaining about that; but it could not be a substitute for the amendment offered by myself which refers to an entirely different part of the bill. I wanted to clear that up before we proceed with the debate.

Mr. JOHNSON. Mr. President, inasmuch as the amendment is mine, let me say that I have no desire, of course, to interfere with the amendment which was presented by the Senator from Nebraska, and when this amendment was presented by me I asked if it could be presented, or if it would be appropriate for it to be presented—I have not looked at the Record, but this is what transpired—as a substitute for the amendment that had been presented by the Senator from Nebraska; and my recollection is that the occupant of the chair at that time ruled that it could be presented as a substitute for the amendment of the Senator from Nebraska.

Mr. NORRIS. That is right.

Mr. JOHNSON. And thereupon I so presented it. It is immaterial to me whether it shall be considered as a substitute or whether it shall be considered as an amendment to the bill or whatever other form it may take; the form is immaterial entirely.

Mr. NORRIS. It would be immaterial to me if it could be presented in that form, but if Senators will just think for a moment they will realize the situation. I offered an amendment to amend part of the House text; the committee amendment is to strike out that part of the House text and insert new language. The amendment of the Senator from California applies to the language to be inserted by the committee amendment, but has no reference whatever to my amendment.

The PRESIDING OFFICER. Let the Chair make a statement. The present occupant of the chair was in the chair when the Senator from California presented the amendment; the Senator used the word "substitute," and the Chair announced that a substitute would be in order. Not having seen the amendment, the Chair did not know whether it was a substitute or not; but it proposes to insert new language, and in that degree is in order, although it might not be proper to regard it as a substitute. The amendment of the Senator from Nebraska applies both to the part of the House text to be stricken out and to the insertion.

Mr. NORRIS. No; it has no reference to the part to be inserted.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska, as the Chair read it, would apply to the two, while the amendment of the Senator from California applies only to the insertion. Therefore, the amendment of the Senator from California will be voted on first, and after that the amendment of the Senator from Nebraska.

Mr. NORRIS. No, Mr. President; I object to the Chair misstating a fact which on its face is not so. My amendment has no reference to the language which the committee proposes to insert, and if the Chair will read it he will find that that is true.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Nebraska, and we will see.

The CHIEF CLERK. The Senator from Nebraska offers the following amendment:

On page 45, line 7, it is proposed to amend the House text as follows: Strike out the figures "\$2,500" and insert in lieu thereof "\$1,500"; and in line 8, after the semicolon following the word "reduction," strike out the balance of the paragraph and insert in lieu thereof the following:

reduction," strike out the balance of the paragraph and insert in lieu thereof the following:

"And that part of any annual compensation in excess of \$1,500 and not in excess of \$2,500 shall be reduced by 5 per cent; that part of any annual compensation in excess of \$2,500 and not in excess of \$4,000 shall be reduced by 10 per cent; that part of any annual compensation in excess of \$4,000 and not in excess of \$5,500 shall be reduced by 15 per cent; that part of any annual compensation in excess of \$5,500 and not in excess of \$7,500 shall be reduced by 20 per cent; and that part of any annual compensation in excess of \$7,500 shall be reduced by 25 per cent."

The PRESIDING OFFICER. The Chair understands that when the language "strike out the balance of the paragraph" is used that includes the part inserted.

Mr. NORRIS. Mr. President, let me call the attention of the Chair to the fact that the language proposed to be inserted is not yet in the bill. It is just a proposition to insert it. When I say "strike out the balance of the paragraph," I can not strike out the proposed insertion of the committee because it is not a part of the paragraph.

The PRESIDING OFFICER. The Senator is wrong on that. The Senate can not divide—

Mr. NORRIS. Well, to settle it all, I withdraw my amendment, and the Senate can proceed with the other amendment; and the time will come when I can offer my amendment. I do not want it all bungled up by an unreasonable decision of the Chair.

The PRESIDING OFFICER. The question is on the amendment of the Senator from California [Mr. Johnson] to the amendment of the committee.

Mr. JOHNSON. Mr. President, I had the floor when the Senator spoke a moment ago. I do not want to interfere with the Senator's amendment. I want to make that perfectly plain; but I thought the appropriate thing was, inasmuch as I was providing for an exemption greater than that provided for in the amendment of the Senator from Ne-

braska, that the greater exemption should first be determined by the Senate.

That was what was in my mind when I made the inquiry last evening as to whether or not my amendment could be offered as a substitute. The Parliamentarian informs me, however, that the amendment will take precedence in any event; and I think it the appropriate thing, because I provide for a \$2,500 exemption, while the Senator from Nebraska provides for a \$1,500 exemption. That, I think, would be the orderly way of proceeding.

The PRESIDING OFFICER. The Senator is correct. The question is on the amendment offered by the Senator from California to the amendment of the committee.

Mr. ROBINSON of Indiana. Mr. President, that is the matter I had in mind myself.

There are some of us here who believe that the exemption provided for by the Senator from Nebraska is too low. Many of us would like to vote to exempt all Federal employees under \$2,500 a year from this pay slashing. As a matter of fact, I wish the amount were even higher than that.

None of us, I am sure, are opposed to voting to reduce our own salaries and the salaries of those officials and employees of the Government in the higher brackets, but certainly there should be an exemption of at least \$2,500. I was hoping, and I know others feel the same way, that we could vote on that particular amendment before undertaking to vote on the amendment of the Senator from Nebraska.

Mr. NORRIS. Mr. President, will the Senator yield? Mr. ROBINSON of Indiana. I yield to the Senator.

Mr. NORRIS. I have no objection on earth to that. The only thing is, I do not want to let the record be bungled up on the theory that that is a substitute for my amendment. That would have been reached, and the Senator would have had that opportunity if my amendment had been voted on first. If it had been agreed to, and no other amendment had been offered, then the question would recur on the committee amendment as amended; and the motion of the Senator from California would have been in order, of course.

Mr. ROBINSON of Indiana. With this difference, I think, that preference would be given to the \$1,500 exemption.

Mr. NORRIS. I do not think so.

Mr. ROBINSON of Indiana. It may be anyhow.

Mr. NORRIS. I do not think so, but I have not any objection. I have withdrawn my amendment, so that the pending amendment is the one offered by the Senator from California.

AGRICULTURAL RELIEF

Mr. HOWELL. Mr. President, the report of the Bureau of Economics of the Department of Agriculture for May is now available; and from its contents we find that the average prices of agricultural products fell 4 per cent during the month preceding May 15, or from 59 per cent to 56 per cent of the pre-war level, while the price index of what the farmer buys receded less than 1 per cent, or only from 113 per cent to 112 per cent of the pre-war level. This means that the purchasing power of the farmer on May 15 was exactly one-half of what it was, as an average, for the 1909–1914 period.

The decline in the price index of farm commodities has been almost constant for the past 18 months, with a corresponding decline in the purchasing power of the farmer, until to-day it requires twice the amount of farm products to purchase goods and service required by the farmer as compared with the 1909–1914 period.

Why this tremendous differential against agriculture? It is largely because other industries are able to fix their prices, and many are the beneficiaries, directly or indirectly, of actual or potential price-fixing legislation.

For years agriculture has been appealing for the enactment of laws that might equalize the situation, and, notwithstanding, this differential has been growing drastically worse during the past year, and notwithstanding Congress has been fully aware of this fact, and has been in session since last December, or for a period of nearly six months, no attempt has been made by either House constructively to rescue agriculture.

In the meantime, however, we have provided the Reconstruction Finance Corporation largely for the benefit of banks and railroads. We have enacted the Glass-Steagall bill as the result of pleas in behalf of our financial institutions. We have before the Senate, now temporarily laid aside, another proposed measure, to which considerable time has already been given by the Senate, for the banks within the Federal reserve system. Moreover, the Senate has granted a tariff on coal for the benefit of the coal industry, a tariff on petroleum for the benefit of the producers of the petroleum industry, a tariff on copper for the mining industry, and a tariff on lumber for the benefit of the lumber industry; yet we have had neither the time nor the inclination to do for agriculture, although most of these tariffs will increase the burden upon agriculture.

When I say we have not had the inclination to do for agriculture, I call attention to the fact that when these tariffs were being added to the tax bill we refused to do as much for the farmer by including a tariff on vegetable oils, which would have been greatly to his benefit. Not only that, but we inserted in the same tax bill a tax on the orders and checks with which the farmers are paid for their dairy and poultry products—a tax that will probably exceed \$25,000,000 annually—which is certain to be passed on and paid by the farmer. Also, there is the tax on gasoline that can illy be borne in agriculture's superdepressed state.

Are these facts to be deemed as constituting a correct measure of the attitude of Congress respecting agriculture? Is this our attitude toward the ruralists of the Nation, constituting 44 per cent of our population? If it is not to be accepted as our attitude, something must be done to rectify the picture which it presents. Something must be done for agriculture, not in the future, but now. When are we to act? What is the answer?

Mr. President, agriculture must be rescued.

Mr. BORAH. Mr. President, before the Senator from Nebraska takes his seat, will he yield to me?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. HOWELL. I do.

Mr. BORAH. I have no doubt the Senator from Nebraska has given a great deal of consideration to the bill which is now on the calendar. Does the Senator look upon that as an effective measure in the case it were passed?

Mr. HOWELL. Mr. President, the bill that is on the calendar is what has been requested by the various farm organizations. I have not felt that a new measure such as the third or "allotment" proposal in this bill would now be favorably acted upon by Congress, because of the necessity of educating Congress respecting a measure of such a novel character. I believe it has merit. There are those capable of judging who believe it has merit. We have already voted upon the debenture proposal.

Mr. BORAH. Yes; but under circumstances where we could not get the full strength of the vote here.

Mr. HOWELL. True; I acknowledge that; yet the debenture was germane, in a sense, to the tax bill; the time was ripe for its application, and there was no time to lose.

Mr. BORAH. The thought I had in mind was this: If, by pushing the legislation which is now upon the calendar, we could accomplish something along the line that the Senator desires, we could insist upon the passage of that bill before we adjourn.

Mr. HOWELL. Mr. President, I am for the bill. As to what we should do is a practical question.

FORTS BROWN, M'INTOSH, CLARK, AND D. A. RUSSELL, TEX. (S. DOC. NO. 98)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, submitting, in response to Senate Resolution 150 (agreed to January 28, 1932), a report pertaining to the area, value, cost of maintenance, equipment of and buildings and troops in connection with Forts Brown, McIntosh, Clark, and D. A. Russell, Tex., which, with the accompanying report, was referred to the Committee on Military Affairs and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a memorial from Mrs. Russell William Magna, president general National Society Daughters of the American Revolution, Washington, D. C., remonstrating against adoption of the proposal to reduce the officer personnel of the Regular Army by 2,000, which, with the accompanying copy of a letter to General Pershing from General Foch, was referred to the Committee on Appropriations.

He also laid before the Senate a petition of sundry citizens of the State of New Jersey, praying for the support of the prohibition law and its enforcement, which was referred

to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the Wisconsin Anti-Saloon League, at Milwaukee, Wis., protesting against the resubmission of the eighteenth amendment, or any other amendment, of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the Council of the City of Blue Island, Ill., favoring the passage of legislation authorizing a bond issue, the proceeds thereof to be used to aid municipalities in financing publicimprovement projects so as to furnish employment, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the Board of Supervisors of the City and County of San Francisco. Calif., favoring the passage of legislation providing for loans from the Reconstruction Finance Corporation to finance the construction of San Francisco Bay bridges, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the Association of County Commissioners of Georgia, at Atlanta, Ga., favoring the passage of legislation to authorize a bond issue to finance construction of public works and other improvements so as to provide employment, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the Fulton County Teachers Association, Atlanta, Ga., favoring the passage of legislation authorizing a bond issue of \$5,000,-000,000 to finance the construction of public works, including public schools, so as to provide employment and "initiate an era of prosperity," which was referred to the Committee on Banking and Currency.

He also laid before the Senate a telegram from W. H. Kelly, commander Arthur MacArthur Camp, No. 16, United Spanish War Veterans, of Minneapolis, Minn., which was ordered to lie on the table and to be printed in the RECORD, as follows:

[Telegram]

MINNEAPOLIS, MINN., June 3, 1932.

The PRESIDENT OF THE SENATE,

Washington, D. C.:

Arthur MacArthur Camp, No. 16, United Spanish War Veterans, representing 2,000 members of our organization in the State of Minnesota, most vigorously protest against and ask to help defeat Minnesota, most vigorously protest against and ask to help defeat that portion of the economy bill now before the Senate so far as it is applicable to Spanish War veterans, and requests that you spread a copy of this message upon the Journal of the Senate. The veterans of '65, '98, and 1917 are the representative citizens of America to-day and will be foremost in aiding America's return to normalcy. Do not discourage this spirit, which is now necessary, W. H. KELLY, Commander.

Mr. CAPPER presented a petition of sundry citizens of Sylvia, Kans., praying for the passage of legislation providing for the establishment of a bimetallic system of currency and for the free coinage of silver as well as gold, which was referred to the Committee on Finance.

Mr. COPELAND presented petitions of sundry citizens of Brooklyn, N. Y., praying that 2,000 officers of the Regular Army be not eliminated therefrom in the Army appropriation bill, which were referred to the Committee on Appropriations.

He also presented a resolution adopted by the Long Island Chamber of Commerce, New York, favoring retrenchment in governmental expenditures and protesting against the passage at this time of legislation increasing the financial ob-

ligations of the Government or that might impair the stability of the currency, which was ordered to lie on the

He also presented memorials of members of the Liberty Ever Ready Club, of Newburgh and vicinity, in the State of New York, remonstrating against the ratification of the World Court protocols, and also against the United States becoming a member of the League of Nations, which were ordered to lie on the table.

Mr. ASHURST presented a telegram, in the nature of a memorial, from Alfred J. J. Taylor, president, N. C. S. A., Nogales, Ariz., remonstrating against the adoption of the 10 per cent cut in Federal salaries and the furlough without pay provisions in pending legislation, which was ordered to lie on the table.

He also presented telegrams, in the nature of memorials, from Burr Kelly, commander United Spanish War Veterans. and Ethel Wallace, president United Spanish War Veterans' Auxiliary, of Flagstaff; W. V. Pool and wife, and D. W. Morgan, commander (Eddy, adjutant) of Marvin Camp, United Spanish War Veterans, both of Yuma, in the State of Arizona, remonstrating against inclusion of the so-called pauper clause relating to veterans in the pending legislative appropriation bill, and also against changes in pension and veterans' laws, which were ordered to lie on the table.

He also presented a telegram, in the nature of a memorial. signed by W. H. Napier, Quartermaster, Joe Wheeler Camp, Spanish-American War Veterans, of Prescott, Ariz., remonstrating against provisions contained in pending legislation taking away certain benefits of veterans and reducing pensions, also against inclusion of the so-called pauper clause, which was ordered to lie on the table.

He also presented a telegram, in the nature of a memorial, from John C. Greenway Post, No. 6, of Douglas, Ariz., remonstrating against changes in veterans' laws at this time. and inclusion of the so-called pauper clause and classification proposal in the pending legislative appropriation bill. which was ordered to lie on the table.

He also presented a telegram, in the nature of a memorial, from Charles E. McGarr, of Ajo, Ariz., remonstrating against any radical change of policy affecting veterans, which was ordered to lie on the table.

He also presented a telegram, in the nature of a memorial. from James A. McGuire, of Tucson, Ariz., remonstrating against the enactment of the so-called time clause before the armistice for disabled emergency officers, which was ordered to lie on the table.

He also presented a telegram, in the nature of a petition, from E. C. Seale, of Prescott, Ariz., praying that compensations and pensions of disabled ex-soldiers may be kept on the present basis, which was ordered to lie on the table.

AMERICAN MERCHANT MARINE

Mr. FLETCHER presented a memorial of the Middle West Foreign Trade Committee, Hardin B. Arledge, special representative, Washington, D. C., relative to the American merchant marine, which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

THE AMERICAN MERCHANT MARINE

Washington, May —.—Is foreign propaganda behind the proposals to destroy the American merchant marine? It would seem so. Foreign industries and steamship lines are the only people who could derive any benefit from the scrapping of the American merchant marine

Washington, like other cities, has its self-styled pro bono publicos, who hurl reckless charges and propose congressional investigations. They represent some interests, foreign or domestic, but not the public. They may be inspired by a grudge against some Government officials or a desire to harass their competitors. They may even be inspired by a desire to serve their country as counsel or investigators for congressional committees. Newspapermen term these "rackets." When public policies and public officials are attacked it is not a bad idea to check up on the character and matterials of the attackers. motives of the attackers.

Owing to higher capital and operating costs of American ships, there are only two methods by which the American merchant marine can be maintained. One is Government operation and the other is Government aid to enable private operation. Experience shows that private operation with the aid of ocean mail contracts and construction loans costs the Government considerably less than Government ownership and operation. No informed and

fair-minded American questions the necessity for an adequate American merchant marine.

Senator McKellar's recent proposals to repudiate the 10-year ocean-mail contracts awarded to various steamship companies under authority of the merchant marine act, 1928, or to disconunder authority of the merchant marine act, 1928, or to discontinue the appropriations for the payment of these contracts would, if approved by Congress, automatically wipe out our privately owned merchant marine. Failure of the Government to carry out these legal and binding obligations would throw the companies into bankruptcy, discontinue the services, and in most cases result in the return of the vessels to the Government because most of these services were purchased from the Shipping Board. The services were losing money when sold by the Government, and the private companies, upon receiving ocean-mail contracts guaranteed to maintain the services and replace vessels as needed for the term of the ocean-mail contracts.

term of the ocean-mall contracts.

The President recently suggested the suspension for one year of the few remaining Shipping Board lines or their discontinuance after December 31, 1932. If the proposals of the President and Senator McKellar were both adopted, all American-flag services

in foreign trade would cease to operate.

We know the President has repeatedly advocated a strong merchant marine so that we might engage in foreign trade and have adequate national defense. We likewise know Senator McKellar has been a supporter of the American merchant marine. has been a supporter of the American merchant marine. Why, then, should these high Government officials advocate policies which, if adopted, would be disastrous to the American people, unless they have been badly misled by some kind of propaganda? The President obviously wants our steamship services privately owned and operated, and we are in thorough accord with this suggestion provided the means are afforded to enable this private operation. Mail contracts for the few remaining Shipping Board lines would cost the Government probably \$2,500,000 per year less than Government operation. But if Congress should seriously consider the proposals to repudiate the ocean mail contracts, consider the proposals to repudiate the ocean mail contracts, how can we have private operation or how can we expect private companies to undertake the maintenance of the lines if there is any question about the Government carrying out its lawful obligations?

Efforts have been made by a former employee of the Government, for reasons best known to himself and the interests he may serve, to convince Senator McKellar that these ocean mail may serve, to convince Senator McKellar that these ocean mail contracts have not been properly awarded or that they were not actually authorized by the merchant marine act, 1928; that the purpose of the law was simply to carry the mail and not to develop the American merchant marine. The purpose of the law is clearly for the development of the merchant marine. The aids are provided in an act which states in its very first section that it is for the development and maintenance of a merchant marine to carry the greater portion of our commerce and serve as a naval or military auxiliary in time of war or national emergency. The to carry the greater portion of our commerce and serve as a naval or military auxiliary in time of war or national emergency. The rates for the ocean mail contracts were fixed on a basis which it was thought would put American-fiag services on a parity with their foregn competitors. The law specifies the type of vessels which shall be used and requires that plans for new vessels must be approved by the Secretary of the Navy.

In a report to the House on February 24, 1932, the House Committee on Appropriations stated:

"The merchant marine act of 1928 placed upon the Post Office

"The merchant marine act of 1928 placed upon the Post Office Department the duty of building up the American merchant marine through the making of mail contracts and as the development of the merchant fleet is the main consideration of the law, ment of the merchant neet is the main consideration of the law, the carrying of mail is an incidental factor. The excess cost of carrying mail under these contracts over and above what it could be carried for on a weight basis is chargeable to a governmental policy of merchant-marine development and not as an operating cost of the Portal Service." cost of the Postal Service.'

Congress, after regular hearings by its Appropriations Commit tee, has annually provided funds to carry out the provisions of these contracts. Congress has the right to assume that these these contracts. Congress has the right to assume that these contracts have been properly awarded unless they are declared illegal by the law officers of the Government or the courts. As a matter of fact, before these contracts are executed they are

approved by an Assistant Attorney General

The law provides for advertisement of the various ocean mail routes; and because in many instances only one bid was subroutes; and because in many instances only one bid was sub-mitted for a route, charges have been made that there was some-thing improper in the advertisements or the awards. The fact remains that on most of the routes there was only one American-flag line operating and usually this was the line established and developed by the Government. After spending millions of dollars to develop a service, it would not be in the public interest for the Government to scrap it in order that some other group might some day raise capital and organize a new company in order to bid for the mail contract. The Government line had been oper-ated for a great many years by a private company having the sup-port of the domestic communities interested in the service, had built up good will, and obtained valuable experience in the particular trade. When this company secured the mail contract it immediately purchased its service from the Government and relieved the Government of the greater portion of the expense necessary to maintain the service and replace the vessels.

The specifications in the advertisements concerning replace-

ments of vessels have been such that in nearly every instance it would be necessary for the contractor to obtain the maximum rates of pay in order to successfully maintain his service. These specifications are recommended to the Postmaster General and the

Shipping Board by a committee representing the Post Office Department, the Department of Commerce, the Shipping Board, and the Navy Department, and this committee makes a thorough study of each route before submitting its report. Most of the holders of commerce and produced the state of moderate size. ocean mail contracts are companies of moderate size, financed and supported by the communities which they serve. We do not have a shipping trust and do not want one.

What smacks of foreign propaganda are some articles recently sent out by a Washington news writer to papers in various sections of the United States, obviously intended to create prejudice against the aid contributed by the Government to the merchant marine. In a letter transmitting the first two articles to the newsagainst the aid contributed by the Government to the merchanmarine. In a letter transmitting the first two articles to the newspapers this news writer stated they were part of a series of four
articles which he would furnish each paper for \$15. This is a
very small charge for any article, and we believe we are justified
in assuming the news writer is being compensated by some one
else. These articles attempt to create the idea the Post Office
Department is proposing to reduce mail deliveries, discontinue deliveries, and discharge thousands of postal employees in order to
continue payments of "subsidies" to certain steamship companies
and air mail contractors. The basis for these charges was the
recent order of the Senate to cut the post-office appropriation bill
10 per cent. When the Postmaster General was asked what the
effect of the 10 per cent cut would be he stated the cut could not
be made in the legal and binding contracts entered into by the
Government with certain of its citizens, and the cut would therebe made in the legal and binding contracts entered into by the Government with certain of its citizens, and the cut would therefore have to be made in those parts of the Postal Service not under

The Postmaster General did not advocate the cuts but, on the contrary, he pointed out to Congress the disastrous effects such an ill-advised and uneconomic policy would cause. It is to be hoped the Senate will reconsider these methods of reducing expenses and will make rigid curtailments and economies where the

public interests will not suffer.

Let us consider how and why most of the present holders of ocean-mail contracts purchased their lines and secured the mail

After the World War the United States found itself with a large fleet of vessels built for war purposes and at war costs, but with no merchant marine and few American companies qualified to operate

merchant marine and few American companies qualified to operate steamship services. The immediate problem was to create shipping companies and establish services on essential foreign-trade routes. Following prolonged hearings and study Congress passed the merchant marine act, 1920. In section 7 of that act Congress charged the Shipping Board with the duty of establishing essential steamship services, directing that they be sold or assigned for operation to companies having the support, financial and otherwise, of the domestic communities primarily interested in the lines. The purpose of this was to create many new shipping companies prevent pose of this was to create many new shipping companies, prevent monopolies, and secure the necessary local interest and support for the lines.

The services were established, but few, if any, sales made on account of the inability of American operators to meet the lower costs of foreign companies. This method of operation, although necessary at that time, was expensive and made no provision for replacement of vessels to meet the keen competition of foreign

In 1928 Congress passed the merchant marine act, 1928, and this act provided two methods for maintaining the American merchant marine, namely:

1. Government ownership and operation with construction and/or reconstruction of vessels by the Government as replacements.

2. Private ownership and operation by authorizing mail contracts and construction loans to enable private American companies to maintain in competition with foreign companies the essential serv-

ices for the carriage of our commerce and mail.

Plan 2 was found to be the sounder and more economical method operation. Its cost to the Government was far less than

With the aids provided in the 1928 act most of the private operators on the Atlantic, the Gulf, and the Pacific were encouraged to purchase their services from the Government, guarantee aged to purchase their services from the Government, guarantee to maintain regular sailings between specified ports, and replace vessels during the 10-year term of the mail contracts. These contractors are required to furnish substantial bonds to insure the carrying out of their obligations and no one has felt it was necessary for the Government to furnish a good-faith bond.

It will be a sad day if our Government repudiates obligations to its own citizens and extends loans to foreign governments who must liberally add their marchant marines.

most liberally aid their merchant marines.

Now, what is the extent of these so-called "mammoth sub-dies"? By fiscal years they run from nearly \$10,000,000 in 1999 Now, what is the extent of these so-called "mammoth subsidies"? By fiscal years they run from nearly \$10,000,000 in 1929 to about \$23,000,000 in 1932, or an average of about \$16,500,000 per year. These payments include what it would ordinarily cost to transport the mails and the amount contributed by the Government for merchant marine development.

The existing ocean mail contracts require the building of new and rebuilding of old vessels by the contractors in American ship-yards, with American labor and American material, at an estimated cost of \$312,000,000

mated cost of \$312,000,000.

When the contractor obtains a construction loan from the Shipwhen the contractor obtains a construction loan from the simp-ping Board he gives the board a first mortgage on his vessels, and the board is also requiring him to place in escrow sufficient of his mail money to secure the principal and interest of the loan. Pretty good security—but if one listens to the anti-American merchant marine propagandists he would think the board gave the The cost of the Government aid to these valuable and dependable steamship services is nothing compared to the dollars-and-cents value of these services to the American people. They are a protection to the American people against high ocean-freight rates, and the savings in freight transportation alone bring back to our people several times over the amount of the Government and American compared. American transportation and American properties of the savings are sent and american process. aid. American commerce, American industry, and American national defense have all been promoted to a degree not realized by the establishment and development of the American merchant

the establishment and development of the American merchant marine.

The Middle West and Mississippi Valley are particularly interested in the splendid American-flag services out of Gulf ports, and for which we are indebted to the wise policies of Congress and the policies of the regional Shipping Board which has been responsive to the needs of all sections of our country. Prior to the establishment of the services by the Shipping Board our southern ports were served principally by foreign tramp ships.

According to Government figures, during the period 1921–1930 the water-borne foreign trade of the United States amounted to over 900,000,000 tons of freight, valued at \$74,000,000,000. Of this commerce American ships carried 40 per cent, or more than 360,000,000 tons of freight, valued at nearly \$25,000,000,000. Passenger and freight revenues accruing from this vast movement of traffic totaled approximately \$9,000,000,000. On a conservative estisenger and reight revenues accruing from this was intovenient of traffic totaled approximately \$9,000,000,000. On a conservative estimate fully one-third of this revenue must be credited as a direct gain to American labor and industry through the possession of a strong merchant marine. Prior to the World War American ships were carrying 10 per cent of our commerce.

were carrying 10 per cent of our commerce.

In the decade prior to 1914 the value of our foreign trade carried in American ships averaged but \$300,000,000 annually. During the decade 1921–1930 it averaged \$2,600,000,000 per annum.

In 1914 only six American-flag ships, of 70,000 gross tons, were operated in our trade with Europe. In 1930 there were 232 American ships, totaling 1,500,000 gross tons, and our trade with that region had increased 50 per cent.

In 1914 there were five American ships, of 23,000 gross tons, operating between the United States and South America. In 1930 the number had been increased to 90, and our trade had increased 200 per cent.

200 per cent.

In 1914 we had no American ships trading to the African continent. To-day we have 22 ships, totaling 125,000 gross tons, and our trade has increased 325 per cent.

Our trade with the Orient tells the same story. In 1914 there

were five American ships operating from Pacific coast ports to the Far East. In 1930 the number had grown to 140 ships, of a million

Far East. In 1930 the number had grown to 140 ships, of a million gross tons, and our trade just before the depression showed an increase of 380 per cent.

The Congress has wisely and generously supported the American merchant marine, and we do not believe either Congress or the American public will be misled by the character of antimerchant-marine propagranda which is being distributed during the present session. Our merchant marine to be successful must be entirely American in ownership and vessels. American companies operating foreign-flag ships in competition with other American lines can not and should not expect to receive Government aid.

ment aid.

The more patronage American shippers and travelers give their ships the less aid the Government will be required to contribute.

Middle West Foreign Trade Committee,

HARDIN B. ARLEDGE, Special Representative.

REPORTS OF COMMITTEES

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1492) to add certain lands to the Columbia National Forest in the State of Washington, reported it with an amendment and submitted a report (No. 764) thereon.

Mr. WALSH of Montana, from the Committee on the Judiciary, to which was referred the bill (S. 1525) forbidding the transportation of any person or persons in interstate or foreign commerce, kidnaped or otherwise unlawfully detained, and making such act a felony, reported it with amendments and submitted a report (No. 765) thereon.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on June 2, 1932, that committee presented to the President of the United States the following enrolled bills:

S. 154. An act for the relief of Amy Harding;

S. 669. An act for the relief of Chester J. Dick; and

S. 1357. An act for the relief of Nancy H. Rouse, Clara H. Simmons, W. H. Hays, Hallie H. Hamilton, and Bradford P. Hays.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of post-

Mr. HASTINGS, from the Committee on the Judiciary, reported favorably the nomination of Arthur Rogers, of Ten-

nessee, to be United States marshal, western district of Tennessee.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DILL:

A bill (S. 4806) for the relief of Earl A. Ross; and

A bill (S. 4807) for the relief of Frank P. Ross; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Oklahoma:

A bill (S. 4808) relating to the acquisition of restricted Indian lands by States, counties, or municipalities; to the Committee on Indian Affairs.

By Mr. NORRIS:

A bill (S. 4809) to authorize the use of vessels or vehicles, forfeited to the United States for violation of the customs laws or the national prohibition act, by United States marshals for the transportation of prisoners or the service of process; to the Committee on the Judiciary.

By Mr. REED:

A bill (S. 4810) to authorize the Secretary of War or the Secretary of the Navy to withhold the pay of officers, warrant officers, and nurses of the Army, Navy, or Marine Corps to cover indebtedness to the United States under certain conditions (with an accompanying paper); to the Committee on Military Affairs.

By Mr. WHEELER:

A bill (S. 4811) to authorize a survey for an irrigation project in the Fort Peck Indian Reservation, in the State of Montana; and

A bill (S. 4812) to amend the act entitled "An act authorizing an appropriation for payment of claims of the Sisseton and Wahpeton Bands of Sioux Indians"; to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 4813) authorizing transportation allowances for families of enlisted men below grade 3 who have been ordered to foreign service; to the Committee on Military Affairs.

By Mr. NORBECK:

A bill (S. 4814) granting an increase of pension to Bear Dog (with accompanying papers); and

A bill (S. 4815) granting an increase of pension to Anna Olson (with accompanying papers); to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 4816) to correct the military record of Carl Lindow, alias Carl Lindo; to the Committee on Military Affairs.

By Mr. STEIWER:

A bill (S. 4817) authorizing the payment to the Snake and Piute Tribe of Indians of Oregon of damages for the restoration of certain lands to the public domain; to the Committee on Indian Affairs.

By Mr. McNARY:

A joint resolution (S. J. Res. 169) to provide information and direction to individuals and agencies concerned with relieving unemployment through finding opportunities for subsistence in rural areas; to the Committee on Agriculture and Forestry.

By Mr. ROBINSON of Indiana:

A joint resolution (S. J. Res. 170) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

LOANS TO STATES

Mr. LEWIS, Mr. GLENN, Mr. COPELAND, and Mr. WAG-NER introduced a joint resolution (S. J. Res. 171) authorizing the Reconstruction Finance Corporation to make loans to States for relief purposes, which was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas emergencies of great want and threatened suffering by the citizens in large number in certain States of the Union call for immediate action of relief: Therefore be it

Resolved, etc., That the Reconstruction Finance Corporation is hereby authorized to advance the form of loan to such States of the United States as shall have necessities calling for such loan. The amount of the loan and the form of securities for securing the loan are hereby vested in the discretion of the corporation to be guided by the circumstances and conditions presented as the reason and justification for the loan.

AMENDMENT TO TREASURY AND POST OFFICE DEPARTMENTS APPRO-PRIATION BILL

Mr. COPELAND submitted an amendment intended to be proposed by him to House bill 9699, the Treasury and Post Office Departments appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 11, line 5, strike out "\$22,700,000" and insert in lieu nereof "\$22,716,800."

On page 11, line 10, after the comma, insert the following: "\$16,800 shall be available for the employment of eight additional mounted inspectors in the Mexican border patrol."

AMENDMENTS TO LEGISLATIVE APPROPRIATION BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to printed, as follows:

On page 79, line 10, strike out the words "merchant marine."

Mr. SHORTRIDGE submitted an amendment intended to be proposed by him to House bill 11267, the legisative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 46, after line 17, to insert "The members of the Metropolitan police force, and the Fire Department of the District of

Mr. REED submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 57, line 23, strike out "\$3,000" and the balance of that line, and strike out lines 24 and 25; and strike out on page 58, line 1, down to and including the word "elect," and in lieu thereof insert "the rate of pay and allowances which such person was receiving as such commissioned officer immediately before his retirement."

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2325. An act for the relief of the United States Hammered Piston Ring Co.;

S. 2697. An act for the relief of Clarence G. Young; and S. 2698. An act for the relief of Herman Ingman.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate: S. 326. An act for the relief of Abram G. O'Bleness;

S. 432. An act granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy; and

S. 2436. An act for the relief of Alfred G. Simmons, jr. The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 6. An act for the relief of the Union Ferry Co., owners of the ferryboat Montauk; and

S. 2437. An act for the relief of the estate of Annie Lee Edgecumbe, deceased.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 600. An act for the relief of Robert Bennett;

H. R. 689. An act for the relief of Newark Concrete Pipe Co.

H. R. 922. An act for the relief of John Heffron;

H. R. 1185. An act for the relief of Anthony Peter De

H. R. 1250. An act for the relief of John A. Rapelye;

H. R. 1903. An act for the relief of Harrison Simpson;

H. R. 1931. An act for the relief of Ned Bishop;

H. R. 2213. An act for the relief of Harvey Collins;

H. R. 2254. An act for the relief of Victor Oscar Gokey:

H. R. 2844. An act for the relief of Elmo K. Gordon;

H. R. 3414. An act for the relief of Ellen N. Nolan; H. R. 3644. An act for the relief of Lewis A. McDormott;

H.R. 3725. An act for the relief of the First National Bank of Brenham, Tex.;

H. R. 3726. An act for the relief of the Farmers State Bank of Georgetown, Tex.;

H. R. 3822. An act for the relief of Joseph Mossew;

H. R. 3845. An act for the relief of Charles L. Barber;

H. R. 4148. An act authorizing issuance of a patent in fee to Wilbur J. Scott for certain lands;

H.R. 4166. An act to correct the military record of Lake B. Morrison;

H. R. 4368. An act for the relief of George W. McDonald;

H. R. 4910. An act for the relief of Gust J. Schweitzer;

H. R. 5053. An act for the relief of Clyde Sheldon;

H. R. 5059. An act for the relief of Mrs. Johnnie Schley Gatewood:

H. R. 5367. An act for the relief of Jerry V. Crane;

H. R. 5450. An act for the relief of Seth B. Simmons;

H. R. 5922. An act for the relief of W. A. Peters;

H. R. 5933. An act for the relief of John Evans;

H. R. 5971. An act for the relief of Grover Cleveland Ballard:

H. R. 6191. An act for the relief of Mary Elizabeth O'Brien; H. R. 6637. An act authorizing the President to present a

medal of honor to Richmond Pearson Hobson; H. R. 6860. An act for the relief of Florence Northcott Hannas;

H. R. 7411. An act for the relief of Alex Bremer;

H.R. 7815. An act to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship Squantum, for damage to said vessel;

H. R. 7939. An act to authorize the presentation of a distinguished service medal to Russell N. Boardman and John

L. Polando;

H. R. 8306. An act for the relief of D. M. Leypoldt Co.;

H. R. 9004. An act for the relief of Agnes C. Reder; and

H. R. 9076. An act for the relief of John Z. Lowe, former collector of internal revenue for the second district of New York.

REVENUE AND TAXATION

Mr. SMOOT. Mr. President, so many Senators have asked what the conferees did on the revenue bill that, as the conference report goes to the House first, I concluded that the best thing for the chairman of the committee to do was to make a statement as to just what the conferees did upon

I have prepared that statement. It will be found upon the desk of every Senator. If Senators will take up the bill, if they are interested, they will see just what was accomplished. I think that will tend to hasten the passage of the bill when it reaches the Senate.

I thought that was the best way to meet the situation.

FEDERAL RELIEF FOR UNEMPLOYMENT-ADDRESS BY SENATOR COSTIGAN

Mr. NEELY. Mr. President, on the 13th day of last February the able Senator from Colorado [Mr. Costigan] and the capable Senator from Illinois [Mr. Glenn] broadcast a debate over the Columbia System. The subject of the debate was "Should our Federal Government assist our States by granting funds to relieve distress due to unemployment?

Senator GLENN's address in opposition to Federal relief was printed in the Congressional Record of February 16 by request of the Senator from Iowa [Mr. Dickinson]. According to the Washington Herald of this morning, Senator GLENN now advocates Federal aid. The press report states that after a visit to the White House Senator GLENN announced last night that special emergency relief legislation for Illinois is to be sought without delay. I ask unanimous consent to have printed in the RECORD the valuable address

which was delivered by Senator Costigan on the occasion in Our self-respect demands that the Nation at last help the States question. question.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

To the question Senator GLENN and I are to discuss, the answer is definitely "Yes," for reasons which time permits me only partially to review.

The major premise rests secure in this rich land, which our pioneer fathers developed under popular government, that no individual must starve for want of private, public, local, State, or, these failing, Federal help. We are citizens of our Nation no less than of our States. Certainly all of us concede that abandonment to unrelieved distress is unthinkable when our countrymen are blamelessly stricken by drought, plague, or general economic paralysis.

paralysis.

For two weeks here in Washington debate in the Senate has centered on this issue. Since the contest began all advocacy here of Spartan brutality under our Stars and Stripes has been reduced to ashes by flaming indignation. Doubtless the Senator from Illinois, who represents the land from which Lincoln rose to immortalize government for the people, will not be found among the blind and lessening few who would shut the gates of mercy on mankind. The only questions now unresolved in any rational mind are whether local or State resources are insufficient or unavailable to relieve admittedly nation-wide misery; and if so, through what channels appropriated Federal funds may most what channels appropriated Federal funds may most

through what channels appropriated rederal funds may most effectively aid our suffering people?

It will help in answering these questions to recognize that our present economic disaster is national in character and extent, and that only sheer cruelty will seek to shoulder on localities the unequal and unassisted burden of conquering it. Our remedies, like our crisis, should be country-wide. Try as it may, in this hour no group or community does or can live to itself alone.

In October, 1929, in the midst of proclaimed prosperity, suddenly and without warning economic rains descended, financial floods came; agricultural and industrial winds blew and beat upon our far-flung house, and it fell. Our people stand now and un-parallelled ruins in the third ensuing winter of accumulating misery. Unemployment stalks the land along whatever line of the compass we look.

From 1,000,000 to 2,000,000 homeless workers, for whom no city, county, or State admits responsibility, are drifting in fluctuating tides across America. There by itself is a national relief problem. The State of Senator Glenn is stricken with the rest. By conservative estimates the first of this year more than 1,100,000 people were wholly idle and numberless others partially so in

people were wholly idle and numberless others partially so in imperial Illinois. The figures were almost identical in Pennsylvania. In New York State, according to experts, the number of unemployed is not less than 1,500,000. Large and growing unemployment exists in every other State of the Union.

Unemployment in New York City at this year's beginning would normally have been 160,000; multiplied by 5, it is now at least 800,000. Experts report that in Chicago in April, 1930, 168,000 were unemployed; in October, 1931, before the present peak of unemployment developed, that number had risen to 624,000—40 per cent of all persons there considered employable. And in no part of

ployment developed, that number had risen to 624,000—40 per cent of all persons there considered employable. And in no part of America is the end yet seen.

Responsible statisticians report that the wage loss in Chicago alone is \$2,000,000 daily. The American Federation of Labor's latest summary of unemployment conditions for the country as a whole lists 8,300,000, with approximately 6,000,000 more restricted to work of from one to three days per week. The aggregate wage loss for 1931 compared with 1929—our last year of boasted prosperity—was \$11,000,000,000 by the most modest calculation. The American Federation of Labor computes that loss at \$18,000,000,000. Whichever estimate you select, the disaster parallels war totals. lels war totals.

Side by side with such losses, affecting the living standards of every home of America, let us tabulate the extended relief. In doing so we may not list the sacrificial contributions of neighbor doing so we may not list the sacrificial contributions of neighbor to neighbor, for to the glory of human nature be it recorded that the poor are good to the poor. Yet this but adds to the problems, for it is manifestly not far to the end of the resources of those with limited means. All men and women of imagination realize that, with wages lost and farm prices sunk in the general sea, the magnitude of our present human need is swamping the potentialities of individual generosity and State and local taxes, thereby making Federal aid to the States indispensable.

The leading experts in America confirm these conclusions. Let me name but a few:

me name but a few:
Allen Burns, director of the Association of Community Chests; Linton Swift, chairman of the Family Welfare Association of America; Frank Bane, of Washington, director of the American Associa-tion of Public Welfare Officials; Walter West, secretary of the American Association of Social Workers; William Hodson, director of the Welfare Council of New York City; J. Prentice Murphy, director of the Children's Bureau of Philadelphia; Jacob Billikopf, rector of the Children's Bureau of Philadelphia; Jacob Billikopf, director of Jewish Charities of the same city; Samuel Goldsmith, director of the Jewish Charities of Chicago; Paul U. Kellogg, editor of a national journal of social welfare. Their views are corroborated by the chief executives of all our railroad labor organizations; the American Federation of Labor; farm leaders, including President Simpson, of the Farmers Union of America; Protestant religious leaders of all denominations; the National Catholic Welfare Council; the Amalgamated Clothing Workers of America; and informed welfare workers of every section of our country. They agree, some regretfully but all firmly, that there is no other way.

One fact must not be forgotten. Throughout our history, from earliest days, the major part of welfare relief has always been drawn from public taxes. The Russell Sage Foundation reports from 70 per cent up of our relief work regularly borne by local and State taxes and only the other 30 per cent or less by private contributions. Therefore to term public taxes for relief something dangerously new and a dole belies the truth, defames the past, and libels the present. What magic divides Federal, State, and local taxes? In each case American producers finally foot

The chief distinction is that local taxes fall far more heavily overburdened land, including farms, and the Federal tax equitably exacts a reasonable share from the larger incomes of the country. Talk of "doles" is therefore wasted breath. Even Mr. Gifford, of the President's Unemployment Commission, freely admits this and affirms that facts are all that matter. Community chests fill an important but minor place in the relief field. Mr. Burns, the head of American chests, testifying recently in Washington, stated that contributions to the chests, available for relief purposes last year, increased but 59 per cent, while relief needs in those cities grew more than 200 per cent.

more than 200 per cent.

One more figure: Contrast the eleven to eighteen billion dollar annual wage loss of 1930, added to the crippling load of prolonged unemployment, with \$300,000,000, the highest estimate of expended relief in our country in the same year, and conclude for yourselves how poorly we are bridging this national problem.

The record is complete. In our country to-day under such pressure our efforts are confined to famine relief. Countless homes are shattered, decent living standards are crumbling, multiplying sickness spreads disease and lays a specially heavy hand on numberless children who each night go hungry to bed. In one community childless married couples receive no assistance. Such arbitrary

children who each night go hungry to bed. In one community childless married couples receive no assistance. Such arbitrary rules are necessitated by limited funds.

The size of the problem is glimpsed when we realize that the following number of families are being assisted: Some 17,000 each in Cleveland and Cincinnati, 54,532 in Philadelphia, or as testified more than forty times the normal number. By the last figures in

in Cleveland and Cincinnati, 54,532 in Philadelphia, or as testified more than forty times the normal number. By the last figures in New York City 118,000 persons were being fed and in Chicago 134,840 persons. These totals are merely illustrative.

What defense may be made for a nation which aids others but will not assist its own? In 1919 Congress, by request of President Wilson, voted \$100,000,000 to give food to the people of Poland, the Balkans, and former parts of Austria-Hungary.

In 1922 we spent more than \$50,000,000 to feed the hungry in Russia, and, as Herbert Hoover then said, "to save the soul of the Russian people from an abyss of desnair too terrible for human

Russian people from an abyss of despair too terrible for human expression."

1924 we contributed from the Federal Treasury more than \$6,000,000 to aid the people of far-off Japan after Tokio was stricken by earthquake and consumed by fire. We have used Federal funds to feed citizens of foreign lands. Shall it now be said we may not save ourselves?

said we may not save ourselves?

Doubtless erroneously, the President is quoted as affirming that no State is asking relief. Yet for months the Governor of Pennsylvania, with others, has been knocking at our doors, and many Senators, speaking for their States, have insisted on action. No State chooses to go, hat in hand, to Washington to file its oath of bankruptcy. But the facts are open. Local agencies are overwhelmed. The dikes are broken, the ocean of need is pouring through. The support of the Nation must rescue countless people from intolerable despair. Our national good name is involved. ple from intolerable despair. Our national good name is involved. Public opinion must issue its edict in a land where people finally rule. Federal action must not longer be blocked. Those disturbed by unprecedented appeals for emergency legislation should remember that America has met other emergencies, and, after rallying to achievement, resumed her familiar course. But she never has triumphed by shirking her duty.

Let me close by saying that, while I regret not having oppor-

tunity to answer the Senator from Illinois, he is already answered by irresistible evidence. With local and State relief agencies for by irresistible evidence. With local and State relief agencies for the most part in despair, the Nation must cooperate with the States. The sound method to adopt is not new. Not by loans to States which here and there will refuse to confess poverty and in other instances decline because barred by limitations in State constitution; not by donations, disguised as gifts; not by a mere public-building program, splendid in itself, since, of course, work is better than charity, yet all too slow for our starvation emergency; but by Federal funds will useful local welfare forces be duly and fairly employed and strengthened. For years by law Federal grants fairly employed and strengthened. For years by law Federal grants have been made to promote road building, agricultural extension work, and sanitation all over our land without anyone being disturbed over constitutional lines now hastily invoked between the powers of our Nation and our States. Federal aid laws are of

powers of our Nation and our States. Federal aid laws are of everyday knowledge and practice. No part of the United States but has benefited and is to-day advanced by such cooperation between our National Government and the States.

Congress and the President have just approved the use of billions of our national credit for the support of American business. Who will now deny millions for our stricken people?

The path is plain; the demand irresistibly heart moving. No investment of Federal funds, however made, will pay comparable returns in the deathless devotion of our citizens. Our standards of honor leave us no choice. This is our country and our Government. We draft our people in war and send them in our need through battle to death. We owe them life. America to-day is supremely summoned to save those who now and in the years to come must save America.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 600. An act for the relief of Robert Bennett;

H. R. 922. An act for the relief of John Heffron;

H.R.1185. An act for the relief of Anthony Peter De Young;

H. R. 2213. An act for the relief of Harvey Collins;

H. R. 2254. An act for the relief of Victor Oscar Gokey;

H. R. 2844. An act for the relief of Elmo K. Gordon;

H. R. 3644. An act for the relief of Lewis A. McDormott;

H. R. 6637. An act authorizing the President to present a medal of honor to Richmond Pearson Hobson;

H.R. 6860. An act for the relief of Florence Northcott Hannas; and

H. R. 7939. An act to authorize the presentation of a distinguished-service medal to Russell N. Boardman and John L. Polando; to the Committee on Naval Affairs.

H. R. 689. An act for the relief of Newark Concrete Pipe Co.;

H. R. 1256. An act for the relief of John A. Rapelye;

H. R. 1903. An act for the relief of Harrison Simpson;

H.R. 1931. An act for the relief of Ned Bishop;

H. R. 3414. An act for the relief of Ellen N. Nolan;

H. R. 3725. An act for the relief of the First National Bank of Brenham, Tex.;

H. R. 3726. An act for the relief of the Farmers State Bank of Georgetown, Tex.;

H. R. 3822. An act for the relief of Joseph Mossew;

H. R. 3845. An act for the relief of Charles L. Barber;

H. R. 4910. An act for the relief of Gust J. Schweitzer;

H. R. 5053. An act for the relief of Clyde Sheldon;

H.R. 5059. An act for the relief of Mrs. Johnnie Schley Gatewood;

H. R. 5922. An act for the relief of W. A. Peters;

H. R. 5933. An act for the relief of John Evans;

H.R. 5971. An act for the relief of Grover Cleveland Ballard;

H. R. 6191. An act for the relief of Mary Elizabeth O'Brien;

H. R. 7411. An act for the relief of Alex Bremer;

H. R. 7815. An act to reimburse Andrew H. Mills and William M. Mills, copartners carrying on business under the firm name and style of Mills Bros., owners of the steamship *Squantum*, for damage to said vessel;

H. R. 8306. An act for the relief of D. M. Leypoldt Co.; and H. R. 9076. An act for the relief of John Z. Lowe, former collector of internal revenue for the second district of New York; to the Committee on Claims.

H.R. 4148. An act authorizing issuance of a patent in fee to Wilbur J. Scott for certain lands; to the Committee on Indian Affairs.

H.R. 4166. An act to correct the military record of Lake B. Morrison;

H. R. 4368. An act for the relief of George W. McDonald;

H. R. 5367. An act for the relief of Jerry V. Crane; and

H.R. 5450. An act for the relief of Seth B. Simmons; to the Committee on Military Affairs.

H.R. 9004. An act for the relief of Agnes C. Reder; to the Committee on Public Lands and Surveys.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations and a convention, were communicated to the Senate by Mr. Latta, one of his secretaries.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. BROUSSARD. Mr. President, I wish to state my position with reference to certain provisions of this bill about to be voted upon. I want my votes to be understood.

As a member of the Appropriations Committee, while considering the McKellar 10 per cent reductions, I invariably opposed any cut that might affect the salaries of the employees or affect the veterans. I thought that the veterans

ought to be dealt with on their merits and not in ex parte way.

At that time, finding difficulty in knowing just where to make cuts in the appropriation bills so as not to interfere with the employees, I came to the conclusion that the tax which the leaders of both parties in the House favored, known as a limited manufacturers' tax, would be the best provision to adopt to supply the funds necessary to avoid making cuts that might cripple certain of the activities of the Government.

That was defeated in the House. When the bill came here I still advocated the limited manufacturers' tax. I thought we could avoid many of the taxes now carried in the bill and that it would make it unnecessary to impose the 10 per cent cut now proposed or the 11 per cent cut proposed by the House on the salaries of the employees of the Federal Government.

I also supported another provision, and that was to impose a tax on 2.75 per cent beer, which would have yielded a large revenue.

The Senate disagreed with both of those propositions; so that a few nights ago, when we finally passed upon this economy bill, I stated that I would not support the cut in the salaries of the Federal employees. Having deliberately arrived at that conclusion, and still being of that opinion, I propose to vote against all amendments to any provision and to vote against the provisions themselves, both of the House and of the Senate, proposing any cut at all against Federal employees; and I shall be guided in the same way more or less generally in the reductions proposed in the Veterans' Bureau.

I merely wanted to make my position plain, because if I voted for some of the amendments exempting certain amounts in salaries and then voted against the other proposal that vote might not be consistent. I am against cuts on all salaries except those which the committee has reduced in a specific way, such as the salaries above \$10,000, and such equalizing provisions as we have inserted in the bill to put all the employees in the higher brackets above \$10,000 on a common basis and an equal footing.

Mr. ODDIE. Mr. President, I have a particularly high regard for the members of the subcommittee of the Appropriations Committee that has handled this economy program bill, and an admiration for their courage and ability and their desire to reduce expenditures as much as possible. They have labored earnestly and hard on this matter. They have reported this economy bill to us with a straight 10 per cent cut in salaries and wages from top to bottom. I am as anxious as any man in the Senate to reduce Government expenditures to the very limit, to bring about every possible economy; but I am not in agreement with this pay-cut item in this bill that is before us. I do not consider this real economy at all. I believe it unwise and uneconomic.

Everybody knows of the terrible depression we have been facing. Everybody knows that salaries in industry have been cut to a considerable extent, and everybody knows that these bad conditions will not continue indefinitely. We all hope for a return to better and normal conditions soon. I am speaking generally about the condition that faces the country and the world.

In a way, our Government should be comparable to certain industries as against others. For instance, the manufacturing and transportation industries, the wholesale and retail industries, feel the depression acutely, more so and sooner than certain other industries; and many of them have been forced to make certain reductions in their expenditures, including many pay cuts.

Other lines of industry, such as banks, insurance companies, public-utility companies, and similar organizations, are more comparable with our Government in that they have a fixed overhead, and are not able to make reductions as are these other industries I have mentioned. These industries have made certain reductions, but not as much as the ones I have spoken of, which reflect the depression more quickly.

I have the report for the year 1931 of one of the greatest industrial organizations in the world, the Standard Oil Co.,

issued on December 31, 1931. That company does an enormous business, it has a large pay roll, and it has a policy in regard to the handling of its employees which has been very successful. I read from this report on page 8. In referring to the depression, it states:

It is a situation that is not going to cure itself. Enforced idleness among millions of bread-winners and fear of wage cuts on the part of those at work stand in the way of returning con-

Again, on the same page, the report states:

The company does not regard its employees merely as so many men and women to be taken on when work increases and laid off when it is slack. They have been encouraged to feel that they are a permanent part of the organization, since we rate a loyal and efficient personnel as first among our assets.

Mr. President, not a Member of the Senate can have any different idea in regard to the Federal employees. Some of us have different ideas as to how to make reductions in governmental expenditures, and where.

I contend that the whole policy on the part of certain branches of our Government to-day, in dealing with this economic crisis, is wrong. This depression exists, it is bad enough, we must do our part in helping to bring it to an end. I can not do it, hundreds of us can not do it, but if the Senate can start a movement in the country, start working on a new psychology which will take hold of our people, and the managers of our industries throughout the country, the wheels will start to turn again.

Mr. President, a thought has occurred to me of a ship at sea in a storm. This ship has taken on a great mass of water. That water has caused the ship to list at a dangerous angle, and if the ship in that storm should continue to list it might very soon go to the bottom. The captain and the crew of the ship will have two lines of action open to them, one to right the ship, to remove the list by opening the sea valves and allowing water to come into the compartments of the ship on the other side in order to put it on an even keel. The other will be to start the pumps going, pump the water out, and right the ship, so that it will be able to proceed in a normal and safe manner.

Mr. President, the whole ship of state is going through a storm and listing badly. We must put it back on an even keel. It is our duty to give encouragement to a return of prosperity, and suggest methods for bringing about its return. If the people of the United States will turn in their course from one of depression, pessimism, despair, and destructive hysteria and take the other course, of optimism, encouragement, and constructive action, the old ship will soon be sailing again in a safe and normal condition.

Mr. President, if the cutting of Federal salaries must come I do not think there is a man or a woman in the Federal employ who will complain. They will take their share of the cuts, and they will take it bravely and do their best under the circumstances; but I do not think the action should be taken at this time, as I believe we can get along without it. In our last depression, namely, that of 1921, there was a much more pronounced reaction on the part of industrial establishments, which was translated into pay reductions, than has so far been exhibited during the present depression.

The comparison between the policy of 1921 and 1931 is interesting. In the full year 1921, according to reports made by industrial establishments, there were 92 wage cuts per 100 firms reporting. In the year 1931 there has been no such widespread tendency toward a liquidation of wages. For the entire year 1931 the number of cuts reported per 100 firms was only 24. That year, therefore, makes a very favorable comparison with the depression year of 1921. One can not escape the feeling that the better showing in 1931 was aided by the President's stand against wage cuts, which the figures would appear to show was supported by the country's industrial lists.

For the first four months of 1932, however, there is a more pronounced pay weakening indicated. Out of approxmiately 16.000 manufacturing establishments, employing nearly two and three-quarter million workers, as disclosed by reports to the Bureau of Labor Statistics, the percentage of companies

reporting decreases in wage rates affecting their employees was for each month given as follows:

The state of the s	DATE OF REAL
	cent
January	5. 3
February	5.3
March	13.2
April	13.4

From the above table it appears that notwithstanding the severity of the depression manufacturing establishments are resisting wage cuts to a better degree than they did in the year 1921.

That is encouraging. I feel that the money necessary to conduct our Government can be raised in other ways than by cutting wages and salaries, and I hope that we can see the light and adopt another policy before this matter comes to final decision by the Senate.

I refer particularly to a letter to me dated June 1, 1932. from William Green, president of the American Federation of Labor, which shows clearly the unwisdom of these Federal pay cuts. I understand that a similar letter to one of the other Senators has already been placed in the RECORD. so I will not ask to have it duplicated.

Mr. President, I ask that a letter from Mr. Thomas F. Dolan, president of the United National Association of Post Office Clerks, appearing in the Washington Herald of to-day, be placed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, Friday, June 3, 1932] POSTAL CHIEF RAPS PLAN TO EVEN BUDGET—POINTS OUT INJUSTICES AND URGES AMENDMENTS WHICH WOULD ELIMINATE MISERY

Balancing the Budget, the current obsession, to be achieved without regard for broken faith and broken contracts, is rapidly

NO DIVIDENDS

The Senate, now deliberating on the economy program approved by its Appropriations Committee, realizes that, while the slashing of the pitifully meager pay of scrubwomen and a proportionate reduction in the salaries of the majority of Federal workers may coincide with the cunningly conceived scheme of capital and rep-

resentatives of private industry, it will pay no dividends.

A deluded public, goaded to the point of envy and desperation by misrepresentation and distorted visions of a share in the pro-

by misrepresentation and distorted visions of a share in the proceeds, may be temporarily appeased, but will awaken to the vicious purpose in the background, if the program is successful.

In the approaching political campaigns candidates for public office who indorse and vote for legislation which might enrich the national coffers at the expense of public servants who eke a struggling livelihood through, oftentimes, drudgery and menial labor, are sorely at a loss for worthy campaign propaganda.

The suspension of automatic promotions, contracted for by a Government which aims to attract and deserves the highest type

Government which aims to attract and deserves the highest type of trustworthy and intelligent employees, means deferred hopes and a diminished and shattered faith.

ULTIMATE LOSS

The suspension of extra pay for overtime service and for work performed between 6 p. m. and 6 a. m., known as night work, are not humanitarian gestures. That the employees who come within the scope of overtime and night work are to be penalized in this manner in addition to the proposed wage reduction is inconceivable, and such action would create a depressing and unprofitable effect upon those involved.

Another situation which will prevail, effective July 1, seems to have escaped notice completely or, at the most, was given little, if any, thought and proper consideration. If not remedied, it would inflict an undeserved penalty upon those employees now serving in second-class post offices the receipts of which have fallen during last calendar year below the stipulated annual minimum of

\$8,000 a year.
Under the present statutes the employees of the offices so affected will, on July 1, 1932, be automatically separated from the Government service. This unjust situation, brought about by the deflation in business, for which they are not responsible, should be, and it is hoped will be, nullified by the proper amendments now under consideration.

COOLNESS NEEDED

If the expression that the American standard of living must be maintained is not an empty phrase and hypocritical quotation intended to please the ear and to serve as a political flower of speech, the estimable Members of the United States Senate, supported by similar action in the House of Representatives, should emphatically refuse to subscribe to any such merciless method of balancing the Budget.

It is strongly indicated that cool and considerate thought is now counteracting francied burried and banhayard action, and that

counteracting frenzied, hurried, and haphazard action, and that

¹ Preliminary.

those provisions in the economy program which go beyond the limits of justice and humane reasoning will be promptly discarded for all time.

Mr. ODDIE. Mr. President, Federal employees drawing salaries in the higher brackets are receiving far less from the Government than they would receive in private industry.

A comparison based on thoroughly competent data in the engineering field shows for scientific and professional Government workers in the more responsible positions anomalies

First. Where the Government expert of 10 years' experience receives \$4,600, the private worker of equal experience and in positions of equal responsibility receives \$7,500.

Second. In the 15-year experience class the Federal employee receives \$5,200, the industrial employee \$11,500.

Third. For the men with 25 years' experience a salary for the Federal worker of \$5,800 compares with \$16,500 for the man in private work.

These comparisons could be matched by countless others. If the Government employee is to be denied security of pay status as a reward for accepting the compensation of public service in lieu of much higher industrial pay, it can mean only one thing-the turning away in the future from the Federal service of the better men, the men whom the Government wishes so much to attract in order to put and keep its business and professional achievements as nearly as possible on the same plane as those of private business.

I ask permission to place in the RECORD a statement I have secured in regard to the effect of cutting Federal salaries.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

CUTTING SALARIES IS NO CURE FOR GOVERNMENT FINANCIAL TROUBLES

The proposed cuts of Federal employees' salaries will not reduce the direct taxes of the farmer, laborer, and small business man. Over half of the national income is derived from income and profit taxes. About 97 per cent of the people pay no Federal income tax. The average man contributes to the National Government income principally through sales tax on automobiles, tobacco, perfumery, and other luxuries and nonessentials. Advocates of slashing Government expenses and cutting Government salaries are either willfully or through ignorance misleading the public when they state that drastic reductions in Federal Government expenditures will result in a material tax relief to the man of small income. Reduction of the tax burden of about 97 per cent of our people must come through the reduction of State per cent of our people must come through the reduction of State and local taxes

Practically two-thirds—64 per cent—of the Federal Government expenditures are composed of largely fixed expenditures for the sinking funds and interest on public debts, the support of the expenditures are composed of largely fixed expenditures for the sinking funds and interest on public debts, the support of the Army and Navy, and for the pensions, hospitalization, and other services to veterans of our wars. About 13½ per cent is spent for the President, Congress, the judiciary and related activities, for claims and refunds, and post-office deficit. No drastic reduction can be made in these expenditures. The size of the postal deficit depends largely on postal rates, and the 8½ per cent devoted to public works is in part a response to the demand for unemployment relief measures. There is left only 14 per cent for various Government departments, spent largely to aid agriculture, labor, and industry, to promote education, and to protect the public health. The attacks on Government expenditures are concentrated largely on this 14 per cent group whose total appropriations are less by a third than the 1931 deficit. Any possible saving that can be made by cutting the portion of this percentage devoted to salaries, can not possibly balance our Budget.

Economy in Federal Government expenditures is essential. Federal employees are willing to bear their just share of the deficit. The lowering of personal exemptions and increase in Federal income rates will impose on the Federal employees their fair share of the burden. Cutting Federal salaries will not only impose an unfair proportion on an underpaid group and can not accomplish

unfair proportion on an underpaid group and can not accomplish the purpose for which it is made but more important still it will stimulate additional reductions throughout industries, tend further to curtail purchasing power, and in the long run counteract the far-reaching governmental and private measures now in process for overcoming the economic depression.

Mr. ODDIE. Mr. President, I am familiar with the conditions in the Post Office Department, with which I have much to do, and, in addition to speaking for the other Federal employees, I want to reiterate what I have stated previously—that I consider the employees of the Post Office Department as faithful, hard-working, and conscientious a lot of men and women as can be found in any branch of the Government service. Their salaries are low, as a scale, lower than they should be. To make a cut of 10 per cent

right down the line would cause much hardship and suffering, especially to those in the lower brackets.

I feel that these people are earning more than they are being paid. They are giving their lives to the Government service, they probably all had the opportunity of accepting private employment in place of the Government employment when they started, and I feel that our Government will not be acting fairly toward them if it insists on the proposed cut at this time, in the light of other avenues open to us for raising revenue. I believe the necessary revenue can be raised from other sources without doing harm, and I think it should be raised from those other sources.

Mr. President, I have advocated what some other Members of the Senate have advocated—a bond issue to take care of certain Federal construction projects. Those projects are in the nature of permanent investments and national assets, and I feel that the payment for them should be spread over a number of years rather than to be taken out of this year's revenues. That is a matter we expect to hear much about later. If this is done, it will make these unfair, unjust, and discriminatory cuts unnecessary and restore the high morale of the Government employees, which has been seriously shattered.

I feel that, if this cut is to be made, the lower brackets should be exempted. Consequently I favor the amendment of the Senator from California exempting those under \$2,500. But, on general principles, I believe that this cut is not necessary, that it will have a bad effect on private industry throughout the country generally, that it will set an example and establish a precedent which private industry will follow, by further pulling down the standard of wages and living in the United States. It will tend to throw more fear into the hearts of our people at a time when they should have more hope and encouragement.

Mr. President, I may be in a minority in my views, but when the vote comes, no matter what the outcome may be I know that every man in the Senate will vote his convictions conscientiously. We may differ as to the methods to be employed in making the necessary economies; but I know that the Members of the Senate will do what they think is right in the matter.

I hope that this pay cut will be eliminated.

Mr. BAILEY. Mr. President, I wish to read a statement as to the cost of living and as to the reduction thereof, found in the Nation's Business for June, 1932, as follows:

[From the Nation's Business, issue of June, 1932]

ON THE BUSINESS BOOKSHELF

That the cost of living declined during 1931 is not news, but the extent of the decline is. At the close of 1931, according to the National Industrial Conference Board, the cost of living for wage rational industrial Comercine Board, the cost of living for wage earners was 10.3 per cent below the cost at the close of 1930 and 17 per cent lower than in December, 1929. The food component for the same period declined 16.7 and 27.7 per cent. Rents were down 9.5 and 14.4 per cent. Clothing prices dropped 13.6 and 19.5 per cent. Fuel and light costs decreased 2.8 and 4.3 per cent. The

per cent. Fuel and light costs decreased 2.8 and 4.3 per cent. The cost of sundries was 3.3 and 4 per cent lower.

As compared with the depression of 1921, the price declines have been low. One year after the downward movement began in 1920, the cost of living index had dropped 18 per cent, the first year of the present decline in prices was 6.1 per cent. The turning point in the prior depression was reached at the end of 20 months, when the index had declined 22 per cent. In the present depression 20 months brought a decline of only 15 per cent. In December, 1931, the twenty-sixth month of the decline in prices, living costs had fallen 17.7 per cent.

Mr. President, this matter was determined by the National Industrial Conference Board and is printed in this journal of the National Chamber of Commerce.

I am going to vote for the committee report as filed here. In the first place, if we are going to have retrenchment and economy, we must follow a plan. We appointed a committee, the committee has worked on the matter and has gone into the details, and, for my part, I realize that no one man is capable of comprehending the whole matter. I think a committee is much more capable than any one of us could be.

Further, if we amend the report by way of preventing a reduction in one place, we may amend it by way of preventing a reduction somewhere else, and the consequence in the long run would be that the report would amount to nothing

and that we would not bring about any reduction at a time | when reduction in the expenses of the Government is not only justified by the reduction in the cost of living but is demanded by the necessities of the Government and of the people who pay the taxes.

The reduction proposed by the committee, being a general 10 per cent reduction with respect to public salaries, certainly can not be said to be oppressive in view of the reduction in the cost of living by 17 per cent.

Mr. LOGAN. Mr. President, will the Senator from North Carolina yield?

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Kentucky?

Mr. BAILEY. Certainly. Mr. LOGAN. Does the Senator from North Carolina consider what he has read as embracing all the items included in the term "the cost of living"?

Mr. BAILEY. Mr. President, I gave specifically the details, and though I would not say that they cover all the items in cost of living, they do cover the food component, the rent component, the clothing prices, the fuel and light costs, and the cost of sundries.

Mr. LOGAN. Does the Senator know that those items do not embrace over 20 to 25 per cent of the cost of the living of the average family?

Mr. BAILEY. No; I do not know that, but I would deny the accuracy of the statement.

Mr. LOGAN. Has the cost of sending children to school in the Senator's city, including tuition and books, been reduced to any extent?

Mr. BAILEY. The cost of sending children to school in America is as a rule a tax cost, for we have the free-school

Mr. LOGAN. If the Senator will-

Mr. BAILEY. Wait a moment, please. I speak from my knowledge of my own Commonwealth, and it is a safe statement with respect to the Commonwealth of North Carolina to say that 99 per cent of the children in North Carolina are educated in the free schools. We have very few academies.

Mr. LOGAN. Is it the position of the Senator that those who work for small salaries should not be allowed to earn enough to send their boys and girls to college if they so

Mr. BAILEY. I could wish that every boy and girl on earth could have the opportunity of a college education, and I do not concede-and I am sorry it is so-that the boys and girls of the present employees of the Government can obtain college educations on the present salaries of the parents; but, I do say, in view of the reduction in the general expense of living, their going to college under the proposed reduced salaries would be quite as easy as it was under the former conditions.

Mr. LOGAN. Mr. President, will the Senator from North Carolina yield further?

The VICE PRESIDENT. Does the Senator from North Carolina yield further?

Mr. BAILEY. Certainly. Mr. LOGAN. I believe it will be conceded that the indebtedness of people generally is very heavy at this time. Have interest rates been reduced any?

Mr. BAILEY. I do not have to answer that question. Interest rates, of course, have not been reduced.

Mr. LOGAN. Is not the payment of interest a part of the living expenses of Federal employees?

Mr. BAILEY. I would not say that interest is an essential part of living expenses. I had never before heard of that. It is not necessary in this world that any man should go into debt.

Mr. LOGAN. But if he gets in debt he ought to pay the interest on his debt, should he not?

Mr. BAILEY. Certainly, if a man gets in debt he ought to pay his interest; but I come right back to my point that, in view of the statistics showing a 17 per cent reduction in the cost of the necessaries of life, and therefore in the general cost of living, the Government employee would be infinitely more able to pay his interest than the 8,000,000 farmers who receive nothing and the 8,000,000 workers who

walk the streets crying for the right to get the daily bread with which to feed their children, and who are not even hopeful of getting those children to a high school or even a free school because they can not feed them.

Mr. LOGAN. Mr. President, may I further interrupt the Senator?

The VICE PRESIDENT. Does the Senator from North Carolina further yield to the Senator from Kentucky?

Mr. BAILEY. I yield. Mr. LOGAN. Does not the Senator think everyone should carry fire and life insurance, and have premiums been reduced on insurance?

Mr. BAILEY. I should say not, Mr. President; but I make the same argument with respect to insurance that I make with respect to education and to interest. I will agree that a man ought to have insurance on his life, if he can; I will agree that he ought to have insurance on his home if he owns one or on his furniture, if he can; but my point is that when there is a 17 per cent reduction in the general cost of living and we propose to take only 10 per cent from the salary of the Government employee, he still has a 7 per cent advantage. He has much more than a 7 per cent advantage anyway as compared with the clerks in the stores, the ministers in the pulpits, the doctors by the bedside and in the hospital, as compared with the merchants who are in bankruptcy, the farmers who are in despair, and the laborers who walk the streets without being offered even the opportunity to earn 50 cents for work day by day. The Government clerk is in an infinitely superior position as compared to any of these.

Mr. LOGAN. Mr. President, will the Senator from North Carolina yield further?

Mr. BAILEY. Yes.

Mr. LOGAN. I know the Senator desires to get his figures correct and that he does not mean to have anything to go into the RECORD in the heat of his argument that is not sound.

The Senator must know, if he will think for a moment, that there is no 7 per cent advantage to the Federal clerks, for the cost of living, the cost of the necessaries of life, amounts only to about 20 per cent in the case of each family receiving \$2,000, and, if there has been a reduction of 17 per cent in that cost, then there has been, on the whole, a reduction in the total expenses of only 3.4 per cent, as the Senator must admit. So his figures are just wrong. Has the Senator considered that this reduction in the salaries of employees drawing less than \$3,000 amounts to about \$85,000,000, which means 75 cents or 80 cents per capita for all the people of America, and is he willing to place a heavy burden on the Federal employees receiving small salaries in order to give 80 cents to each other person in the United States, knowing that it will be a burden and will dangerously interfere with orderly living of the Federal employees and will not help those for whom the Senator expresses so much sympathy and for whom I myself have the same sympathy?

Mr. BAILEY. Mr. President, the junior Senator from Kentucky rose apparently to ask me a question, but he winds up not by asking me a question but by begging the whole question, and denying the accuracy of the statistics that are submitted here. I take it that there is no necessity for me to proceed further with him.

Mr. President, I wish to continue with the argument I was making and the point to which I was addressing myself when I was interrupted.

Mr. LOGAN. Mr. President-

The VICE PRESIDENT. Does the Senator from North Carolina yield further to the Senator from Kentucky?

Mr. BAILEY. I yield.

Mr. LOGAN. I simply desire to beg pardon of the Senator if he took offense at my interruption. I was only trying to get the facts before the Senate.

Mr. BAILEY. I must say that it had not occurred to me to take the slightest offense, and I wish to assure my good friend from Kentucky that if he entertains the impression that I took offense it must have been from my manner; it could not have been from my language. I simply pointed out

but by a rather prolonged statement which it was not necessary to answer, but if I have given the Senator the slightest offense I beg his pardon.

Mr. President, having made the point that the reduction is not oppressive as compared with the cost of living, I was intending to make the point that the reduction is just in view of the reduced income of the American people generally; but I probably covered that portion of what I had in mind in my response to the courteous questions of my friend, the junior Senator from Kentucky. However, Mr. President, I will elaborate on that for a moment.

Our situation in America is singular; there is no precedent for it. Incomes have been reduced everywhere. The incomes of the wealthy have been very extensively wiped out. We do not know how far that has gone, but we do know that the securities on which the people of wealth would depend are selling on the market for mere songs. Certainly with respect to the class of people with whom we ordinarily come in contact-and they are not the wealthy-the great rank and file of American merchants and farmers and clerks and doctors and lawyers, I feel very safe in saying they have suffered reductions of income not of 10 per cent and not of 20 per cent, but of from 50 to 60 per cent.

That is the situation with which we have to contend; and I want to make the point that the public servant, the public officer, whether he be President or Senator or Representative in Congress or the mail carrier on the route, is, and must always so regard himself, a servant of the people of his country; he is not a master; he is a servant; and if a public servant insists that his estate shall not be impaired when the estates of those from whom he draws his pay have been impaired, I do not hesitate to say that the case for the public servant is going to be infinitely worse by reason of his at-

I consider it my duty, if I may speak personally, as a public servant, not to insist upon any advantage in estate or income when I know that the people of my Commonwealth are fairly gasping for breath and stretching out vain hands for the means of livelihood, and wondering from day to day whence will come the daily bread to stop the cries of hungry children.

I am going to make another point, and this one presses home to me as of the very essence of the situation. There are those who tell us that the chief difficulty in our country arises from the fact that commodity prices continue to tend downward, and there seems no power sufficient to stop it. There are those who tell us that if we could stabilize these prices at a point the situation would be better; that if we could start them upward moving so that they could rise, say, 20 or 30 per cent, the whole world and every man and woman in it would breathe more easily. I think that the fall in commodity prices is a consequence rather than the cause of the depression, but as a consequence it makes bad matters worse, contributing to the causes that constitute the forces of what we call the vicious circle or the downward spiral.

Now, I lay down this proposition: Whatever else may account for the downward trend in commodity prices, there is one cause on which we can place a finger, and that is the disproportionate cost of government in the United States of America. We forget sometimes here in the Senate that the tax charge in America is not merely the Federal charge of about \$4,000,000,000, but it is also the charge of \$8,000,-000,000 by the counties and cities and towns of America annually and the \$2,000,000,000 for the States and the Commonwealths which constitute the Union, representing a total tax charge of \$14,000,000,000. Under circumstances in which the cost of living is reduced by 17 per cent, under circumstances in which farm commodity prices are down 60 per cent and the general commodity list of 784 commodities. according to the Bureau of Labor Statistics, is down 55 per cent, by comparison that \$14,000,000,000 of taxation in commodity values now equals from \$17,000,000,000 to \$18,000,000,000.

Here is the rule: The value of commodities is the value of human labor; that is all it is. When a commodity value goes down the reduction in that value predicates the reduction in the wage of the human labor that produced it. That

that he concluded his series of questions not by a question | is the calamity of it. It is not just that the farmer gets a low return or no return whatever; it is the fact that 5-cent cotton and 60-cent wheat reflect themselves not only in the ruin of the farmers of America but they reflect themselves also in the impoverishment of the wage earners of America. The value of commodities, whatever it may be and whatever we might wish it should be, is the value of the human labor that brought the commodities into the market.

> Now, we have fixed our tax system in America, in counties and cities and States and in the Nation, on the basis of the high plateau of values that obtained in 1926, 1927, 1928, and We fixed all the tax charges of this country to the extent of \$14,000,000,000 on an actuality of commodity prices

from 55 to 60 per cent above the present level.

The terrible thing about that is this: The junior Senator from Nebraska, who spoke just now, said that he expected we would soon get out of this situation. I devoutly hope we will; I hope and pray that we will. There is no sacrifice, Mr. President, which any of us would refuse to make if he could contribute just a little in that direction; but, after all, the chart of commodity prices in America from 1832 to 1932 indicates that the present commodity level is just a little below the normal for a hundred years. If Senators do not believe that, they can get the Literary Digest for last week and see the chart therein reproduced, which was printed first in the Annalist, published by the New York Times, about two weeks ago.

If some one says that the hundred-year level is too long a period to test values of the present, then I will take the level from the year 1873. Eighteen hundred and seventythree was the year of the onset of the great panic that was introduced by Black Friday. Commodity prices began to sink in 1873 with that event or that series of events which we call "Black Friday," and they went down and down and down and down, not for 6 years, not for 7 years—read the chart-but they went down for 23 years in succession. They did not begin to rise until 1896.

It is safe to say that the panic that was introduced by Black Friday, as reflected in commodity prices, was not checked for 23 long years. I see Senators here who are my age, and they may reflect upon the struggles of those long vears.

Ah, but here is the other significant fact: Commodity prices did not regain the point from which they fell in 1873 until the year 1916. That is 43 years.

Those may be astonishing figures, but they corroborate and sustain the statement I make that present commodity prices, compared with the 100-year period or the 50 or the 60 year period, are more normal than abnormal.

I will make an aside here. Those commodity prices were not just because they were normal. They were unjust all those years. They have always been unjust. The essential wrong in America is the fact that the men on the farms and the men in the shops who have produced these commodities have never received a fair return for them except in periods of war. Read the scale and you will see a rise to heights in 1917 and 1918 in the present century and in 1860 and 1865 in the other century; but for all the balance of the time they have never been sufficient to afford a just reward for the millions of men and women to whom we owe our lives and the life of our Republic.

We must get out of that. There is our point. If the cost of Government is disproportionate to the other costs. if the man who works for the United States is receiving more as compared with the man who works on the farm or works in the store or works in the mill, so long as that obtains, the disproportionate cost of Government to other costs tends to depress the commodity prices and the price of

So I make this point: That as the very mudsill of our progress toward better commodity prices, as the essential first step toward getting America out of these low and apparently but damnably normal commodity rates, we must take the costs of Government from the high plateau of 1926 and 1927 and 1928 and 1929, and get them down reasonably upon the level of 1931 and 1932 and 1933. Unless we do. the disproportionate cost of Government will continue to press down the price of labor and the price of commodities.

So I make that argument on economic grounds: An essential to the recovery from this depression is the reduction of the cost of government by the United States, by the several Commonwealths, by the cities and the counties and the towns of America. We can not carry on a Government or a civilization with an income of sixty billions under a tax charge of \$14,000,000,000 a year.

Mr. President, it is not an agreeable thing to vote to cut down anybody's salary. It is not a pleasant thing to vote to cut down the salary of a man receiving a thousand dollars a year. It is not at all agreeable. I am spending somebody else's money, not my own. It would be a very easy thing and a most agreeable thing to me to stand from under the responsibility here. I am not one who thinks that the wages of Government employees are high. That is not my point at all. They are simply high compared with the conditions under which we labor now, high compared with the rewards of the farmer, high compared with the rewards of the mechanic, high compared with the rewards of the other clerks in America. It would be easy, or that would be the line of least resistance, to undertake to say, "Oh, well, it is somebody else's money, and we will appropriate it here"; but, Mr. President, that is not just in the situation

We have taxed the people of America. We have laid that impost upon labor; and, as God is my witness, every tax we levy is, after all, a toll upon human labor. No matter where we lay it; sooner or later the cost of government presses down upon the man who produces the articles that make the commerce of a country. We have laid that burden on Nation and city and county and State until the back of American business-and by "business" I mean agriculture, and I mean industry, and I mean every form of human activity—is all but broken under the load.

So, disagreeable as it may be and regretting it though I do, it is my conviction that this situation demands, as a matter of justice and also as a matter of inexorable economic law, that I shall stand by the report of the Economy Committee and vote for every reduction that it proposes.

Mr. JOHNSON. Mr. President, I ask leave to perfect the amendment.

The VICE PRESIDENT. The Senator has that right.

Mr. JOHNSON. In amendments of this sort, may I say in explanation, there is generally an inherent defect. The amendment seeks to provide for an exemption of \$2,500. If, therefore, one receives a salary of \$2,550, from which \$255 would be taken by a 10 per cent reduction, he would be then with a salary less than the individual receiving \$2,449.

Inasmuch as the intent is to have an exemption of \$2,500, I ask leave to perfect the amendment by adding thereto:

Provided, That the reduction on compensation or salaries over \$2,500 shall not operate to reduce such compensation or salaries below the exemption of \$2,500 as fixed in this section.

The VICE PRESIDENT. The question is on the amendment of the Senator from California as modified.

Mr. ASHURST. I ask for the yeas and navs on the amendment.

Mr. BRATTON. I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll. The Chief Clerk called the roll, and the following Sena-

tors answered to their names:

Copeland Costigan Ashurst Austin Bailey Couzens Cutting Dale Bankhead Barbour Davis Dickinson Barkley Bingham Dill Borah Fletcher Bratton Frazier Bulkley George Hale Hastings Hatfield Bulow Byrnes Capper Caraway Carey Hayden Hebert Howell Cohen Connaily Coolidge Hull Johnson

Jones Kean Kendrick La Follette Logan McGill McKellar McNary Metcalf Moses Neely Norris Nye Oddie Patterson Pittman Reed Robinson, Ark.

Robinson, Ind.

Sheppard Shortridge Smith Smoot Steiwer Stephens Thomas, Idaho Thomas, Okla. Townsend Trammell Tydings Vandenberg Walsh, Mass. Walsh, Mont. Watson Wheeler White

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from California [Mr. JOHNSON], as modified to the amendment of the committee.

Mr. ASHURST. I call for the yeas and nays.

Mr. SHORTRIDGE. Mr. President, it may be out of order, but I ask leave to offer an amendment to section 103, found on pages 45 and 46.

On page 46, after line 17, I desire to insert a subsection, as follows:

(f) The members of the Metropolitan police force and the fire department of the District of Columbia or

So that those officers shall be exempted from the proposed reductions, even as the active enlisted personnel of the Army, Navy, and Marine Corps are exempted.

The VICE PRESIDENT. There is a pending amendment. The amendment of the Senator from California will be printed and lie on the table. Is the demand for the yeas and navs seconded?

The yeas and nays were ordered.

Mr. JONES. Mr. President, I want to say just a word on this matter.

It might be inferred from the debate that some of us have sympathy for those who have to have their salaries reduced, and that there may be some who have no sympathy for them. I assume that every Senator in this body regrets just as much as any other Senator the necessity of cutting or reducing the salaries of any of the Government employees. We never want to do that. We should like to pay them more. We wish conditions would justify it.

Until some time ago I took the position in my correspondence that I hoped we would not have to reduce the salaries of any of our Government officials or employees. I recognize the fact that it was only a couple of years ago that we gave to them something like what they should have had long before. It has been only a couple of years since they had reasonably adequate pay given to them, so I thought that there should be no reductions. As everybody knows, however, conditions have gone from bad to worse. It is not that we want to take away any of their salaries that we press this legislation. The main incentive is not the small amount of money that will be saved to the Government. I think there is a condition of mind throughout the country which must be taken into account. The employees of the Government ought to take it into account, too, in my judgment. I think they ought to be willing, for the general good and the general welfare of the country, which I know they all love so well, to give up just a little for the time being. We want a good feeling in the country toward our employees. The proposed cut is to last for only a year.

It appears from the letters I receive from my section of the country that the conditions are very deplorable there. They are not only deplorable but they are dangerous, and becoming more so. While it might not solve the problem, I believe it would have a good effect if those who are being paid by the Government, by the people of the country, would say, 'We are willing to make a small sacrifice for a brief period to help out in the present situation."

Mr. President, we can appreciate how some of our citizens may feel. While they have nothing to do, while they have no work, or when they do not know where they can get anything to eat, unless they go to some of the welfare houses, or something of the kind, they may come in contact with those working for the Government, and how must they feel when they do meet with a Government employee who has steady, daily, yearly work, with a salary which takes care of him and his family in the present situation of things? I may be wrong about it, but, as I look at it, it is not conducive to the best feeling toward the Government itself, in my judgment, for those who are the servants of the people not to seem to be willing, in the present conditions, to make a small sacrifice for a brief time to help tide the Government over. That appeals to me as much as anything else.

As I have said, we all regret the necessity of having to reduce salaries. It is not for the small amount of money

that we do it. It would not be especially beneficial to the Government in the matter of dollars and cents. It is claimed that we would take the greater amount of the savings from those who are paid small salaries. True, there are many of them. In the aggregate that helps, as we say, to balance the Budget. That, however, is not the most important thing. Every one of our employees ought to welcome the opportunity to make a small contribution, even though it may be necessary for him to deny himself some things in order to help in this situation.

Mr. President, I want to say one other thing, and yet I hesitate to say it on this floor. I do not like to say what I am willing to do, what I am glad to do. I think I know what everyone here will do. There has been a suggestion made about the salaries of Representatives and Senators. In our committee we had all sorts of differences of opinion as to what should be done. We had the same differences of opinion as to what should be done as are reflected in this body. Yet every man, whatever opinion he may have, wanted to do what was the right and fair thing.

As I have said, I hesitate to say this, because some may think, "Oh, well, he said that just to meet with favor throughout the country," but it is not that. I would like to see the salaries of Congressmen cut much more than 10 per cent. Yet I do not know what may be the obligations of this Senator or that Senator. There may be a general impression throughout the country that this is a "millionaire's club," but it is anything in the world but that. We compromised on 10 per cent as a reasonable amount to cut all the way down.

Mr. President, I know that a man with an income of eight or ten thousand dollars may be able to afford to pay more, even proportionately, than some one drawing less than that, but our committee believed that, taking all together, the 10 per cent straight cut would treat everybody proportionately alike. It would take a thousand dollars from one when it might take a hundred dollars from another. As I have said, in these times everybody must endure; everybody ought to be willing, and I believe everyone is willing, to make a sacrifice.

It has been said that most of this money would come from a great number of the employees. That is true, but we can not help that. For instance, I wonder what Senators would estimate as the number of those getting \$7,500. I think it would be interesting to know the guess going through the mind of every Senator as to the whole number in over a million Government employees, civil and military, who draw over \$7,500. They number just 673. Of course, that would be a very small number if we confined our compensation cut to them. We would not get much with a high percentage cut.

Mr. President, it rests with every Senator to decide what is the right and the wise thing to do. The committee has considered every phase of the question. We do not claim to have all the wisdom in the Senate. I think one Senator is just as much qualified to pass on a matter of this kind as another Senator.

Mr. NYE. Mr. President, will the Senator yield to me? Mr. JONES. I yield.

Mr. NYE. Of course, we are all very much interested in the figures the Senator has quoted as to the number of Federal employees who are receiving \$7,500 a year or more. Was the figure he quoted inclusive of the legislative branch of the Government?

Mr. JONES. No; it is not inclusive of the legislative branch, I judge, by the title of the table. The title is "Number and cost of salaries of civilian employees of the executive branch of the Government," and in another column the military employees are covered. So I take it it does not include those in the legislative branch.

Mr. BLAINE. Mr. President, will the Senator yield? Mr. JONES. I yield.

Mr. BLAINE. The Senator has made a very impassioned plea for people to make sacrifices in these times. Does the Senator intend to apply the same reasoning and the same logic when we come to the provision respecting the reduction for disabled and sick soldiers of the late war?

Mr. JONES. I think so, Mr. President. My personal view was that we should not go into that at all, but the committee felt that it should, and we can not accomplish much here unless we get together and work together and do the very best we can; and I am perfectly willing to stand by the committee.

Mr. BLAINE. Will the Senator permit another interruption?

Mr. JONES. Certainly.

Mr. BLAINE. Then the Senator proposes to take the men who were disabled during the war, and whose illnesses and disabilities were the result of the war, after making that sacrifice, and ask them to make another sacrifice to permit these subsidies and governmental grafts to be extended to those who made their gold out of the sacrifice and the blood and the lives of American soldiers. I am astounded.

Mr. JONES. Mr. President, I hope the Senator has not that opinion of me. I never intimated that that was my idea as to what should be done. We provide in this bill, so far as the soldiers are concerned, that the man who has an income of \$3,500 over and above his pension, or over and above any compensation which the Government gives him, and all that sort of thing, shall receive a cut, but if he has an income of less than \$3,500 he will suffer no reduction. Furthermore, if a man was disabled in the line of duty, in battle, whether he has an income of \$3,000 or \$25,000, will not receive any cut. We will discuss those things when we come to them.

Mr. BLAINE. We will examine into that.
Mr. JONES. That is what I hope the Senator will do, that he will examine into the propositions. I am sure he will not find the committee unjust. I frankly say that I did not want to go into the soldier matter at all. Their legislation was passed solemnly by Congress only two or three years ago, and I thought we ought to leave it to the Congress to take care of those situations; but the committee felt that, on the whole, we were fair and reasonable in the provisions inserted in this bill. They take care of every disabled man, they take care of every disabled and needy man, and that these provisions in the bill ought to be incorporated into the law. So we did it. I say that I would have preferred not to do it, but we have done it, and I am going to stand by it and take the consequences, whatever they may be.

No disabled man, no man stricken in the line of duty will suffer by this legislation. I think it takes care reasonably well of all those disabled in line of duty, and they do not

have to make a sacrifice.

I have been receiving some telegrams from Spanish War veterans. What objection do they make? They make no objection to this legislation; at least, they suggested none, except as to the pauper clause, and there is no pauper clause in the bill. I hope that may go out over the country. There is no Spanish War man, or any other ex-soldier, who has to make a pauper affidavit, or anything of the sort, in order to. get the benefit of compensation or pension legislation. But that legislation should be studied when we come to it.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. JONES. I yield.

Mr. BYRNES. There is no amendment pending on that subject now, and if I could, I would direct the attention of the Senator to the pending amendment, which he was discussing when diverted. Could he inform the Senate as to the amount of savings that would be effected by the adoption of the amendment of the Senator from California?

Mr. JONES. Mr. President, I have here a memorandum, just furnished me by my clerk, with reference to what one of the experts in the department says about that. It amounts practically to the provision the House passed, exempting all drawing \$2,500 and under.

In the House report it is said that what is left will raise \$9,000,000. I do not know whether that is so or not. I am not an expert on those things, but they say that is what it will give us, \$9,000,000.

Mr. SHORTRIDGE. What it will save?

Mr. JONES. That it would save us \$9,000,000. In other words, those drawing above \$2,500 will contribute \$9,000,000 toward the expenses of the Government.

This is what the expert says we will save:

The estimate of saving from the above amendment is \$26,000,000.

Either this expert is mistaken or the House committee was very much mistaken. They had their expert. We can not tell, really, what it would save. I do not know; but, at any rate, it will be a comparatively small saving.

Mr. SMOOT. Mr. President, will the Senator yield?
Mr. JONES. I yield.
Mr. SMOOT. If the Senate adopts the amendment offered

by the Senator from California, this will be the result: If an employee is getting \$2,800, he will pay 10 per cent, or \$280, leaving \$2,520. But if he is getting \$2,770, then he would not pay a tax at all. In other words, he would get more than the man who is drawing just \$30 more than he does now.

Mr. JONES. Mr. President, I want to suggest that the Senator from California [Mr. Johnson] offered an amendment to his amendment that would take care of that par-

ticular, I think.

Mr. SMOOT. No; his amendment provides that it shall not apply to any salary less than \$2,500. Is not that so? Does it not provide that it shall not apply to any salary in which 10 per cent would be less than \$2,500? Is not that the amendment?

The amendment of the Senator from California reads-

Provided, That the reduction of compensation or salaries over \$2,500 shall not operate to reduce such compensation or salaries below the exemption of \$2,500 as fixed in this section.

That means that a man who gets a salary of \$2,770 will not pay anything, but if he gets \$2,800 then he will have to pay \$280. In other words, the \$30 there makes a difference

Mr. JOHNSON. Mr. President, the intention, of course, is to give the exemption of \$2,500, and I thought it was accomplished by the perfecting amendment of this morning. I rather think it is still. If it is not, we can perfect it further.

Mr. SMOOT. I merely wanted to call the Senator's attention to that.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Washington who furnished the estimate of the saving under the amendment of the Senator from California?

Mr. JONES. Mr. T. F. Murphy, of the Bureau of Efficiency.

Mr. JOHNSON. Mr. President, will the Senator permit me to interrupt?

Mr. JONES. Certainly.

Mr. JOHNSON. The Senator realizes he has given two sets of figures. Yesterday, in response to my query, a third set of figures was given. We are getting into exactly the same bad habit the Treasury has, and I trust we will not follow that upon this bill. I would like to avoid this ephemeral sort of mode in which we give an estimate to the Senate, only to have it changed an hour and a half afterwards. I recognize the difficulty of obtaining estimates. At any rate, on this amendment, we may say that either the first estimate given is correct, or the second estimate given is correct, or the third estimate given is correct, and then we may be pretty certain that we are well within the line of something that may be correct under certain circumstances if they were otherwise than as they actually exist.

Mr. JONES. Mr. President, the Senator is correct, of course, in regard to these figures, and the more we grade the matter, the more we step up and up and up in grading these amounts, the more injustices we will find. That is the one thing that troubled our committee in working over this matter. But none of those differences are found under a straight 10 per cent cut. Everybody would be treated just the same.

Of course, there may be room for argument as to whether we should take 10 per cent from a thousand-dollar man and a higher percentage from somebody else. That is all right. But this proportionately would affect everybody alike.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. JONES. I yield.

Mr. COUZENS. I was wondering whether the chairman of the committee would not think it advisable for the committee to try to work out a sliding scale on the basis of the income-tax schedule. It is not a difficult thing to work out

a sliding scale that would do justice all the way down the line. Instead of saying that over a certain amount a man should pay a certain sum, we could say that in the case of a man receiving a certain amount he would have a certain deduction. That does exact justice. The 10 per cent cut all the way down the line does not do exact justice. If there is any justice in the manner in which the income-tax rates are adjusted, there is equal justice in reducing wages on a sliding scale based on the same method we have adopted in fixing the income-tax rates. I plead with the committee either to let us go on to something else for a while in order that in the meantime a sliding scale may be worked out, or let us vote down all these propositions.

There are all kinds of schedules proposed in the Chamber now which will reduce salaries from one hundred and fourteen to one hundred and twenty-four million dollars and do no injustice, in my opinion, to the salaries in the lower brackets. So I beg the committee to go back and try to figure out a sliding or graduated scale that will accomplish the desire and purpose without having to say to the world that a man who gets \$15,000 a year shall contribute only \$1,500, while the woman who gets \$900 a year shall contribute \$90. There is no justice in that at all. I am just as anxious as is the chairman of the committee to accomplish the desired end, but I am not willing to accomplish it in this way.

Mr. JONES. I know the Senator is anxious to accomplish the result, and that we only differ as to methods.

I want to say in reference to the suggestion of an arrangement based on the method employed in levying income taxes that I am frank to confess I know nothing about the incometax proposition. I do not know whether the other members of the committee know very much about it or not; but all I know is that I have to pay a certain income tax, I pay that, and that is all there is to it.

Mr. COUZENS. Mr. President, will the Senator yield further?

Mr. JONES. I yield.

Mr. COUZENS. We will be glad to get some experts from the Treasury Department who are familiar with the incometax schedules to cooperate with the committee and help them work out a satisfactory solution.

Mr. JOHNSON. Mr. President, may I inquire whence the experts will come?

Mr. JONES. The Senator will find that there may be a difference of opinion as to the competency of the experts of the Treasury Department.

Mr. COUZENS. For years and years they have worked out the income-tax schedules; the income-tax system has been applied to the American public for nearly 20 years, and it is no more difficult to work out a sliding scale in the case of wage reductions than it is to work out a sliding scale for the income tax.

Mr. ROBINSON of Arkansas. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Arkansas?

Mr. JONES. I yield.

Mr. ROBINSON of Arkansas. I do not support the amendment offered by the Senator from California, but I think the modification of his amendment which he proposes is not open to the construction placed on it by the Senator from Utah. I wish to take just a moment to state what appears to be the true construction.

Mr. JONES. As I understood, the intention of the Senator from California, anyway, was to avoid the very thing that the Senator from Utah suggested.

Mr. ROBINSON of Arkansas. The language of the proposed amendment to the amendment is:

Provided, That the reduction on compensation or salaries over \$2,500 shall not operate to reduce such compensation or salaries below the exemption of \$2,500 as fixed in this section.

My construction of that provision is that if an employee is receiving \$2,750, he shall not be required to contribute the full amount of 10 per cent which would reduce his compensation below \$2,500, but he shall be required to contribute such amount as shall reduce it to \$2,500. I think that is the correct meaning of the language proposed by the Senator from California.

amendment would have to be worded differently.

Mr. JONES. Mr. President, I hardly know what to say as to the suggestion of the Senator from Michigan. As I have said, I myself do not claim to know anything about the income-tax schedules and their working, but it occurs to me-I do not know whether the other members of the committee feel about it the same way-

Mr. BRATTON. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from New Mexico?

Mr. JONES. I yield.

Mr. BRATTON. The chairman of the committee knows that in the committee we did consider at some length a graduated scale.

Mr. JONES. Oh, yes; the graduated scale was consid-

Mr. BRATTON. And we reached the unanimous conclusion that a horizontal slash was the fairest and most equitable way to effect a temporary cut, which means a sacrifice on the part of everyone cut. I have not changed my position on that one iota. Regardless of what the Senator from Michigan says-and I respect his opinion to the very limit—we are dealing with a temporary situation, one that involves hardships wherever it touches, and I have reached the conclusion that the method proposed by the committee is the simplest and most equitable. Its simplicity appeals to me; and, as one member of the committee, I say to the chairman and to other Senators here that I do not think it would accomplish anything to refer the bill back to the committee. If the Senate disapproves of what the committee has done, let the Senate vote down the amendment of the committee. If the Senate thinks that what the committee proposes is not right, let it be defeated, and I shall not complain. Of course, I would yield to the judgment of a majority of this body without complaint, but the proposal of the committee reflects my deliberate judgment; and, as one member of the committee, I favor submitting it to the Senate and letting the Senate either sustain it or reject it by its vote.

Mr. JONES. Mr. President, I feel the same way as does the Senator from New Mexico. Furthermore, this whole proposition will go to conference, and if the Senator from Michigan and other Senators who are interested work out a better plan than the one now proposed along the lines or the methods employed in imposing the income tax, of course they can have their suggestions ready and we will give them careful consideration, I know, in conference.

However, as the Senator from New Mexico has stated, the proposal is but temporary; it will only last a year. As a matter of fact, if it has to be dealt with again at the end of the year we shall have to deal with it in the face of conditions then existing. But this bill only deals with the question for one year.

As the Senator from New Mexico has stated, the committee considered all phases of gradations, although I do not remember whether we considered the proposal to adopt some such method as that applied in the levying of income taxes. We did, however, consider every phase of it, and finally agreed upon the horizontal cut all the way down the line. That appeals to me to be altogether the fairest plan that we can follow. As I said a while ago, personally I was in favor of gradations, and I proposed a plan for gradations in making the reductions; but there are different conditions and different Senators have different ideas; I do not know all the considerations that affect them, but it was practically the unanimous verdict of the committee that the method proposed was wise and was fair, and that we should recommend it to the Senate, and we did that.

Mr. COUZENS. Mr. President, let me remind the Senator that the Finance Committee had to go back at different times for several hours to work over suggestions presented; it did not stand pat and say that there was no alternative. I understand the Senator from New Mexico, supported by the chairman of the committee, to say that we must follow this or nothing. I am not willing to take that position. I am willing to help the Government as much as are the

Mr. SMOOT. In order to accomplish that purpose the | Senators who are members of the committee, but I am not willing to be put up against a wall and to be told we must take this or nothing.

Mr. JONES. Mr. President, I do not think the Senator has the right to draw such a conclusion even from the words of my colleague from New Mexico. We have said that this is our conclusion. We are only six out of the Senate; we did the best we could.

The proposition is before the Senate, and if the Senate thinks that it can do better we will not complain; we will accept the result of a majority vote of the Senate with the same grace and with the same good feeling as will those who favor a different plan. We are willing to say that the 90 other Members of the Senate may reach a better conclusion than the six of us, but I want to repeat that we have done the best we could. We found all sorts of difficulties involved in this question, and we could not work out any proposition that would not work injustice.

Mr. VANDENBERG. Mr. President, will the Senator

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Michigan?

Mr. JONES. I yield.

Mr. VANDENBERG. Mr. President, I want to support the suggestion made by my colleague to the chairman of the committee. My thought is this: There is obviously a substantial feeling on the floor of the Senate that an alternative should be available to the straight 10 per cent cut which has been proposed. It is obviously impossible to work out an alternative upon the floor of the Senate and have it satisfactory. There are plans which can be built upon the basis of a graduated scale which will produce all the saving which the committee is trying to realize. Purely as a matter of demonstrating the possibility of that philosophy, I myself submitted a schedule to the members of the subcommittee this morning, a schedule which starts at 1 per cent and arrives at 20 per cent by a continuous scale of gradations, which saves \$124,000,000, which does not involve the 10 per cent cut until the \$2,000 bracket is reached, and which does not touch any salary under \$1,100.

I would hesitate to take the responsibility of attempting to put that sort of a proposal into form and submitting it as a nucleus for an alternative for the Senate to consider, but if the Senate is to have an alternative for consideration, does not the Senator think it should primarily come from the committee, and might we not save time by having the committee reconsider at least the possibility of giving us an alternative to which we might go if we are agreeable to bringing about the total saving and yet seek the alternative route to the objective?

Mr. JONES. I have the utmost respect for the Senator's judgment and for his sincerity, but I do not think we should follow that course. The bill is before the Senate. The Senator or his colleague may propose an amendment along the lines suggested; and if the majority of the Senate shall adopt it, of course we will accept the result, and we will take it to conference and work it out along the lines of what may be considered the best thing to do. I myself would not consider it-and I am sure my colleagues of the committee would not-any disrespect to us for the Senator to offer an amendment along those lines and if the Senate should deem it wise to adopt it. I believe, however, that what the committee has worked out is the very best possible method that could be worked out under the circumstances. It is not perfect; it does not satisfy everybody; it is impossible to get any proposition such as this that will satisfy everybody. We all realize that that can not be done; it is beyond human possibility. So I myself shall stand by what the committee, after just as careful study as it could give to it, determined to be the wisest course to pursue.

Mr. SHORTRIDGE. Mr. President-

Mr. JONES. I yield to the Senator from California.

Mr. SHORTRIDGE. When the revenue bill was before the Senate, upon objection or suggestion, the chairman of the Finance Committee did not hesitate to acquiesce and have the committee reconsider. I, of course, am well satisfied that the committee of which the Senator from Washington is chairman devoted thoughtful, careful attention to the subject matter. I agree fully with the suggestions made by the Senator from Michigan; and there ought to be no pride of opinion in the mind of any Senator.

Mr. JONES. Let me suggest-

Mr. SHORTRIDGE. If the Senator will pardon me, I will not detain him long.

It occurs to me, therefore, that if the matter were referred back to the committee the committee itself might be persuaded by suggestions that have been thrown out here upon the floor of the Senate. Personally I was somewhat surprised when the committee reported in favor of a uniform 10 per cent reduction, beginning at the highest and going on down to the lowest salary paid to the servants of the Government. It seemed to me that there should be a graduated scale. I am sure now—and I shall conclude with this final word—it may well be that in view of the discussions thus far carried on the committee would suggest, perhaps, an alternative, adopting some suggestions, rejecting others, so that the Senate might agree to the committee's final action.

I fear that there is a certain pride of opinion, and that the committee feels that having arrived at a conclusion it is final and ought not to be in any wise tampered with.

Mr. JONES. Mr. President, I want to suggest-

Mr. BYRNES and Mr. JOHNSON addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Washington yield; and if so, to whom?

Mr. JONES. The Senator from South Carolina rose first, and I will yield to him in a few moments. First, however, I wish to suggest that this bill is entirely different from the tax bill. We had really hoped to get through with this bill to-day. The tax bill, of course, took several weeks, and when a suggestion was made, for instance, along the line of the suggestion now made in connection with this bill there was opportunity to consider it. Personally, of course, if we expect to continue the consideration of this bill for a week or so, of course we can consider the different suggestions which may come up from day to day, but really this morning when we started I had hoped that we would finish this bill to-day, and that is yet my hope. So I should like the Senate to hear the suggestion any Senator may have to make and then act upon it. I do not think we are taking the attitude that we must adopt what the committee has agreed upon or nothing. I know that is not my attitude, and I am satisfied that that is not the attitude of my colleagues

on the committee.

Mr. JOHNSON. Mr. President, will the Senator yield to me for just a moment?

Mr. JONES. I promised to yield to the Senator from South Carolina, and I now yield to him.

Mr. BYRNES. Mr. President, I only want to say, in response to the suggestions which have been made to refer this bill back to the committee, that certainly there is no pride of opinion on the part of any member of the committee as to this proposition; but the committee entered into the consideration of this particular item in the bill with care and considered every conceivable suggestion. Certainly I gave consideration to the several proposals to grade the reduction, and I know that every other member of the committee did. The difficulty in such a matter always is that no two men can be put in a room who will agree upon the extent of the gradations to be made. The best evidence of that is the condition which is apparent in the Senate. The senior Senator from Michigan [Mr. Couzens] has suggested an amendment. Shall we take the suggestion he has made back to the committee and adopt his amendment and come out here with it? If so, the junior Senator from Michigan [Mr. Van-DENBERG! will immediately ask that we retire to consider his proposal, and his proposal is entirely different from that of his colleague. Then the Senator from California, with equal sincerity and with great interest in the matter, has a proposition to exempt all salaries under \$2,500, and the Senator from Michigan would say \$1,000. As I suggested yesterday, whenever an exemption is put in the bill the Presiding Officer of the Chamber becomes an auctioneer. It is just a question

of "how much will you bid?" I may bid \$1,500, another \$2,000. "I am offered \$2,500; what is your offer?" "I offer \$3,000." And so on; because every man has a different view, and he is honest and he is sincere, but it makes it absolutely impossible to arrive at a satisfactory result. Because of that we determined upon the course we pursued.

If the reductions were being fixed, like the rates in the income tax, as a permanent provision of law, we might then consider the exemption plan, but this is not such a measure; this is only a temporary reduction, and we determined that the only fair way to arrive at the result desired would be to say that a dollar to-day will certainly buy more than \$1.10 would two years ago, so that if a man, instead of receiving a dollar receives 90 cents, he can buy equally as much with the 90 cents as he could have bought with \$1 or \$1.10 last year. That being so, he is not being actually hurt; his compensation is decreased, but, by reason of the decreased cost of commodities, he is not hurt; his relative status is not changed.

Whenever you go into the realm of exemption you change the status of one employee with another. When you levy a flat 10 per cent every man knows that he is affected just the same as the other man in his office and because of that he has no valid complaint. He says, "I know that it was taken from me only because of the necessity of the Government and that at the end of the year my salary goes back right away, and this year I can buy just as much with a dollar as I could last year with \$1.10, and, therefore, I can not justly complain; and when my country is in a condition where it is necessary for a sacrifice to be made I am willing to make it for 12 months, knowing that my salary is going to be restored."

If the matter goes back to the committee, we will come out again with a proposition which will meet with amendments from every Senator on the floor. There is nothing for us to do but to go ahead and vote on the amendments as submitted; and with whatever the judgment of the Senate is, the committee is going to be satisfied.

Mr. JOHNSON and other Senators addressed the Chair.
The PRESIDENT pro tempore. To whom does the Senator from Washington yield?

Mr. JONES. I am about to yield the floor.

Mr. JOHNSON. If the Senator yields the floor, I should like to be recognized for a moment.

Mr. JONES. Everything has been said that I expected to say. The matter is up to the Senate to determine what course it shall pursue.

Mr. JOHNSON. Mr. President, may I have the attention of the Senator from Washington [Mr. Jones] for just a moment?

I have spoken to very little advantage in the last couple of days upon this measure if I have failed to make plain that the position that I occupy and that is occupied by some others who are acting with me is a fundamental proposition upon the mode in which this particular economy may be effected.

I understand that the Appropriations Committee had the matter before it but a brief period; but the special committee, in which we have confidence, and which has done its work well, insists upon the fundamental idea of a 10 per cent reduction that shall be applicable to all those in the Government employment. I, on the other hand, am insisting—a few about me have the same view that I have; I have not canvassed to see whether they are many or whether they are few—there are some of us who believe, however, that fundamentally there should be no reduction on the incomes of those whose incomes are very small, and who are unable to bear a 10 per cent or any other sort of reduction.

That is the fundamental position occupied by the two sides of the controversy that now comes before us upon the amendment that I have proposed. When that amendment shall have been disposed of, the rest of it will be easy. Either the idea that is advanced by the subcommittee will go forward in the fashion that may be determined by the Senate, or, with the exemption that is provided by my

Purposely I did not attempt a sliding scale with brackets after a \$2,500 exemption, because that, I thought, was a subject the Senate might deal with after it had determined the policy to be pursued. The policy is whether we are going to take 10 per cent off of salaries of \$900, \$1,000, \$1,200, \$1,500, and the like, or whether we are going to accord an exemption to those who are little able to pay a part of their salaries unto the Government at the present time.

It will not do to say that it is a matter of patriotism upon the part of poorly paid Government employees. It will not do to say that we are calling upon these employees who receive hardly enough to live upon, and not enough to live upon decently in many instances, to accept a reduction. That is not the problem that presents itself; for when we take 10 per cent of a thousand-dollar salary we do infinitely worse to the individual from whom we take it than we do to the individual from whom we take 10 per cent of a \$10,000 salary.

There is no comparable method by which it may be said that those reductions are alike. In one instance, where 10 per cent is taken of \$1,000, \$1,500, or \$2,000, we take from the individual who is thus mulcted the necessaries of life. That is the difference. When we take 10 per cent from a \$15,000 salary or a \$10,000 salary, we take from him who has that salary the luxuries of life.

We who believe in an exemption here believe that we ought to leave the necessaries of life to all of God's creatures, whether they receive a thousand dollars, fifteen hundred dollars, two thousand dollars, twenty-five hundred dollars, or whether they receive \$75,000 from the Government of the United States.

Mr. ASHURST. Mr. President, it is really ungracious on my part to consume any time now, and I shall be brief.

Another ungracious suggestion: Some time ago and before we began the consideration of the tax bill I vexed the ear of the Senate with three or four speeches-inconclusive they were-denouncing the so-called flat 10 per cent reduction. I have never yielded or relaxed the opinion I all-too-imperfectly expressed at that time opposing a flat 10 per cent reduction. As well may a physician say to a corpulent person of Falstaffian proportions, "You must reduce 10 per cent," and then say to the thin, pale, emaciated, fleshless, anemic man, "You must likewise reduce 10 per cent."

The Senator from Washington [Mr. Jones], with unfeigned diffidence, and with that modesty which characterizes him, hesitated to speak about his willingness to accept a reduction in his own salary. That diffidence with which the Senator from Washington spoke well became him. There is in the Senate's history no more patient, hard-working, reliable, industrious Senator than the Senator from Washington; so he did not offend modesty in saying that he was willing to accept a cut in his own salary.

There is no Senator here but who will gladly, cheerfully accept a 10 per cent or a 20 per cent cut in salary. But, Mr. President, if the Democratic philosophy of taxation be correct, then the flat 10 per cent is wrong.

The Senator from Michigan [Mr. Couzens] put his finger directly upon the spot when he pointed out that our announced plan of taxation is to tax him who has much, much; to tax him who has little, little; and to tax him who has nothing, nothing. That principle should be applied with reference to these exemptions; and the Senate pays itself a poor compliment, the Senate testifies to its own debility, when it declares it is not competent to make a bill with grading reductions; that is to say, with reductions graded upon different salaries. I regret to hear the Senate confess that such is a task beyond the Senate's literary, legal, or parliamentary abilities to bring in a bill with grading salary

I make no such admission. The Senate to-day, notwithstanding the criticisms that fall upon it, has just as many pungent intellects, just as much talent, and there are now just as many Senators devoted to the public interest as ever were known in the history of this country; I deny, I respect-

amendment, we may do as we see fit with the higher brackets | fully repudiate, the suggestion that it is beyond the literary. the parliamentary, the legal skill of this body to write a bill grading these reductions.

> Mr. President, I recall some 20 or more years ago that the House brought to us an impeachment of a judge. We went into executive session; and I hope I am not violating the law by now revealing, after a score of years, what then took place. The Senate took proper constitutional notice of the impeachment, and then got into a tangle which lasted three hours as to the date when the trial should begin. Finally the then Senator from New York, Mr. Root, with that skill that has made him a master of practical affairs, said:

> Mr. President, 1 move that we call the roll, and that each Senator respond by naming a day, and the day that receives the most votes shall be the date upon which the trial shall begin.

> There were 19 different days named, according to the responses made by Senators, but it so happened that a certain date in December of that year received the highest number of votes and that was the day fixed. If driven to that extremity, why not call the roll, and instead of voting "yea" and "nay," let each Senator respond indicating the amount he thinks should be named as the exemption?

> That may be bizarre and unusual, but it is entirely practical. Mr. President, as to reductions in salary: The Senator from Nevada [Mr. Oddie] this morning sounded a note that I do not wish to be passed over without attention. As I look upon it, a reduction in the small salaries of governmental officials is a notice to the world that America has taken a backward step. It announces that we are prophets of gloom sitting in the shadows of despair croaking of coming disaster.

> I have said, and I say again, the country is sound and solvent. Thirty or forty billions of dollars repose in vaults in tax-exempt securities. This country, instead of taking this backward step, should issue a prosperity loan in bonds to the amount of \$5,000,000,000 to put men to work on needful Government improvements. I say for the committee that I know the ability, the zeal, and the diligence with which they applied themselves to this task; and it is well becoming of them to say that they do not construe their designation to mean that they are wiser than the whole Senate.

> Mr. President, assuming to be correct the first set of figures or estimates brought in, assuming that the second set be correct, assuming that the third set be correct, no matter which of the sets of figures we accept, the great burden and the great proportion of reductions will fall upon those employees in the lower brackets. So, if we are going to have a flat 10 per cent reduction of salaries, it ought to be known that those employees who are receiving less than \$2,500 a year are going to bear at least three-fifths of this burden of a flat 10 per cent reduction.

> Is that the "square deal" for which we talk? No. Mr. President; let those who receive salaries meagerly adequate to their subsistence receive no reduction. Let those who are receiving a higher salary receive a proper reduction until we go into the higher brackets. That would be just. That can be defended by anybody, anywhere, at any time.

> I say here that a 10 per cent flat reduction is indefensible. I challenge any Senator to go out upon the public forum and say, "Willy-nilly, without regard to the man's position, his responsibility, or the work he did, we reduced him a flat 10 per cent," just as we did the man with the high salary.

> Senators, when you leave Washington-and I regret to say that between Washington and the country a curtain, invisible but almost impenetrable, seems to be suspended-when you go out among your constituents and try to defend a flat reduction of 10 per cent, see where you will land. The Senator receiving \$10,000 a year reduced 10 per cent; the charwoman reduced 10 per cent.

> I am very willing to vote for reductions based upon a graduated scale that is worked out upon a plan of ability to

> Mr. DICKINSON. Mr. President, I simply want to make the observation that if this amendment is adopted it takes

practically the major part of our economies, and we have no economies left.

Mr. JOHNSON. Mr. President, I want to say, in answer to that, what I said before: Why do you not let this thing be voted on? I repeated a moment ago what I have said on three different occasions in addressing the Senate on this amendment—that if the exemption be determined, then subsequently we may take up all of the other items of salaries, and make such reductions as are deemed appropriate. So that it does not mean at all, unless it is the wish of the Senate itself, that all of the savings that have been contemplated will be eliminated from this bill.

Mr. SHEPPARD. Mr. President, I want to make the suggestion that the increased income taxes cause a graduated reduction in salaries in connection with this 10 per cent reduction. On the \$10,000 salary the increased income taxes amount to about 6 per cent, making, with this 10 per cent, approximately 16 per cent on the average, while no income tax is assessed against incomes of \$1,000 and less in the case of single persons or against incomes of \$2,000 and \$2,500 or less in the case of married persons. There are increasing graduations in income taxes from \$2,500 upwards in the case of married persons and from \$1,000 upwards in the case of single persons.

Mr. COSTIGAN. Mr. President, before the vote is taken I desire to be heard briefly on the amendment of the Senator from California [Mr. Johnson].

It is my intention to vote for the amendment and for other liberalizing departures from the report of the committee. We should test wage reductions, if possible, by capacity to endure rather than by machine-tabulated estimates of savings. Certain recommendations of the committee should be resisted because of the injustice and bad economics involved in proposed reductions calculated to establish salaries or wages which will not assure tolerable living conditions for Government employees at a time when everyone here knows that equivalent savings may be made in reduced Government activities without sacrificing human values. The issue, therefore, is not one of basic economy but of administrative adjustments.

The Senate and the country owe a debt to such eloquent Members of this body as the Senator from California [Mr. [Johnson]] and the Senator from Nebraska [Mr. Norris], who have visualized and dramatized for us the pathos and tragedy behind the contemplated slash in the smaller salaries of thousands of faithful employees of the Government who have given, and are giving, their lives to that increasingly precarious service.

During many years of active and practical observation of the problems of Government employees and other workers of America, I have learned, as have many others here, to respect and admire innumerable men and women who, more or less unknown, yet patiently and faithfully uphold the traditions and well-being of our country with too little rewarding appreciation.

The projected indiscriminate salary slash is the latest evidence of the chance-driven treatment to which they are from time to time heedlessly subjected. The Committee on Appropriations has prepared a simple mathematical program, not a graduated, sound, and wise approach to protected human standards, and the right solution of some national problems which confront us. It may not be too often emphasized that the fixed determination arbitrarily to reduce the salaries of Federal employees-except in the higher ranges of official positions, where I am willing to go as far as anyone-calls for careful analysis. It carries all the fingerprints of the dictated movement in the industrial world-at the very hour when enlarged purchasing power is the recognized sine qua non of business prosperity-toward lower wages, regardless of merit, human needs, and the unmistakable advantages to society as a whole of the large consuming markets which result from living incomes.

It is to be hoped, if only for the sake of other and more critical tests of our national wisdom and fairness, that an attitude of firm hostility will be maintained by Congress toward reductions in wages which do not guard the necessities and decencies of subsistence for Federal employees. The example of the National Government will prove far-reaching.

Congress is to-day being called upon to trample under foot modest standards of income for capable men and women. We are asked to sound a retreat in the long struggle both of Federal service and of private industries out of darkness into light.

Of course, any reduction in wages fixed by the Government will be instantly seized upon by industrial leaders as justification for pressing down the incomes of uncounted numbers of helpless men and women everywhere in the United States over whom hangs an appalling shadow of known and threatened unemployment. The menace is so intimidating that many of those involved suffer in silence, since they fear openly to proclaim their humiliation, no matter how greatly they are affected by this new misfortune or any other impending injustice.

Mr. President, all the information the Senate requires for full and intelligent determination of this question is already before us. For example, on the 1st day of June I placed in the Congressional Record a highly important study of real wage losses suffered by Federal employees over a substantial period of years. The report was prepared by the National Federation of Federal Employees, and was more especially the careful product of Vice President Ulrey J. Biller, the actuarial expert of that federation.

Lest some of the significance of that report be lost, I desire to direct attention to the fact that this report on "real" as distinguished from money wages closes its several portions with concise conclusions, which, taken together, tell the story of the wage experience of Federal employees of this country from 1913 until the present time. The clear conclusion from this illuminating analysis, particularly grasped by anyone familiar with fluctuating price levels, is that, for the whole period of 18 years, Federal employees have suffered substantially in wage returns in comparison with other workers of the country.

The various conclusions are set out at the close, as I have said, of each section of the report. For example, it appears from this report that the real wage of a \$900 clerk dropped to \$510 in 1919; that for three years it was below what was paid the classified laborer in 1913; and that the average annual real wage for the whole period of 18 years was that paid to a junior messenger in 1913, namely, \$720.

Continuing our examples, the analysis further shows, in the case of a \$1,200 clerk, that the real wage received by that clerk, based on the actual purchasing power of the salary paid him, was reduced during the whole period from 1914 to 1924 approximately to the wage of a senior messenger in 1913, which at that time was \$840; that from 1917 on, the real wage was below that of a senior messenger; that from 1918 to 1921 it was at or below the wage of a junior messenger, and that in 1919 it was just a little above the wage of the classified laborer of 1913.

For the purposes of this immediate discussion it is unnecessary to pursue further such typical instances in the findings of this useful report. It clearly establishes the right of Federal employees to patient and equitable consideration in this hasty and reckless legislative hour. In this connection I think it proper also to refresh the memories of Members of this body concerning the numbers of Federal employees who are in the lower wage brackets and are to be affected by the salary slash proposed by the committee, if approved by the Senate.

The public will be surprised to learn that notwithstanding a general impression to the contrary thousands of civilian Government employees are to-day receiving less than a conceded living wage from the United States.

The figures of the United States Bureau of the Budget show that in January, 1932, there were 124,678 Government employees receiving less than \$1,000 a year.

Employees paid between \$1,000 and \$1,100 a year numbered 56,883; those receiving between \$1,100 and \$1,200 numbered 12,157; those between \$1,200 and \$1,300 a year numbered 37,558; those between \$1,300 and \$1,400 were

20,243; those between \$1,400 and \$1,500 numbered 24,643, making a total of 276,162 who are paid less than \$1,500 a

Employees receiving from \$1,500 to \$1,600 numbered 24,044; from \$1,600 to \$1,700 the number was 28,389; from \$1,700 to \$1,800, 20,028; from \$1,800 to \$1,900, 35,690; from \$1,900 to \$2,000, 32,776; from \$2,000 to \$2,100, 24,186; and those receiving \$2,100 but less than \$2,200 numbered 116,759. The total number receiving less than \$2,200 a year was

Certainly such figures as these must appeal to everyone here of humanitarian impulses and convictions when we face the far-reaching consequences of further cuts in such minor wages as have been enumerated.

Further and appropriate emphasis may be given the present urgent problem by quoting a searching and thoughtful analysis by Mr. Thomas F. Flaherty, the exceptionally efficient secretary-treasurer of the National Federation of

Bureau figures. Applied to civilian salaries of \$2,300 and over, a 10 per cent reduction would yield \$40,192,394.

So much for the "good" a Federal salary cut would do. Let us turn the question around:

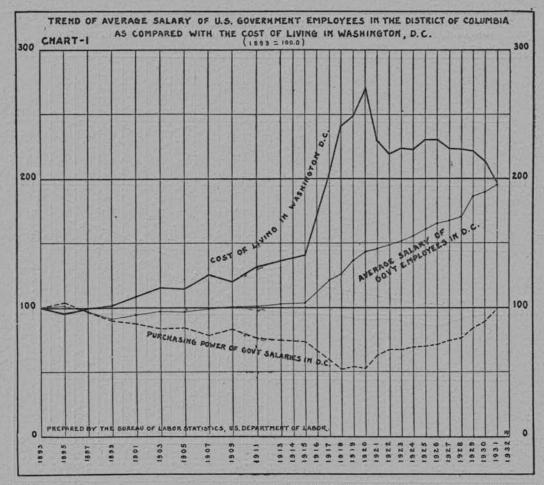
WHAT HARM WOULD IT DO?

WHAT HARM WOULD IT DO?

To the business interests of the country, which depend upon the consuming power of the people, a 10 per cent cut in the salaries of three-quarters of a million Federal workers would mean withdrawal of \$105,587,063, or \$55,382,465, or \$40,192,394, as the case might be, from the channels of trade. Government employees would be able to purchase just that many less millions of dollars' worth of meat, breadstuffs, vegetables, fruits, and foods of whatever kind, clothing, household goods, house rent, gas and electric light, automobiles, radios, or what you will. By that many millions of dollars the earnings of farmers, cotton growers, manufacturers, producers, and dealers of all kinds would be reduced. The reduction of Federal salaries would do that much harm to the Nation's business.

To the Government employees themselves the effect would be a

To the Government employees themselves the effect would be a lowered standard of living. The largest group of civilian employees (124,678) receive less than \$1,000 a year. The next largest group



Post Office Clerks. Discussing governmental wage standards, Mr. Flaherty recently said, in part:

The deficit is due to failure of revenues in the face of continuing expenditures—revenues which have fallen off because industry, commerce, and the taxable incomes of individual citizens are reduced to a level which fails to yield the former tax returns. Should postal salaries be cut in order to reduce this deficit?

Clearly the constructive need is a revival of industry and commerce. But this can only come about by reestablishing markets, and markets depend upon the buying power of the potential consumers of goods. Markets are wanting now, first of all, because the people's buying power is low.

people's buying power is low.

WHAT GOOD WILL IT DO?

The Budget Bureau reports that all the Government services combined receive \$1,315,690,467 in salaries, the civilian personnel receiving \$1,055,970,636. A flat reduction of 10 per cent of all salaries of the civilian personnel, as has been proposed by one Member of Congress, would yield \$105,597,063. Another proposal is a 10 per cent reduction for all civilian employees receiving more than \$2,000, none to fall below \$2,000 after reduction. This would yield, from the civilian personnel, \$55,382,465, according to Budget

(116,759) receive \$2,100 to \$2,200. More than three-fourths (558,034) receive less than \$2,300. Nearly 65,000 (64,693) post-office clerks receive \$1,700 to \$2,300, and of these, 48,011 receive \$2,100. A 10 per cent reduction on a \$2,300 salary would reduce it to \$2,070. How far would \$2,070 go in a typical family of five, with the modest living standards of the typical post-office clerk?

At this modest scale of living, the \$2,300 clerk reduced to \$2,070 would run short by \$105. The \$2,100 clerk would be \$175 in the hole. Even the \$2,400 clerk would not get by in San Francisco, while in Baltimore, Boston, New York, and Chicago the greater housing costs alone would run the year's expenditures up by several hundred dollars.

It has been found, in fact, that 90 to 98 per cent of the families of Government workers in five cities where costs of living for the

of Government workers in five cities where costs of living for the year 1928 were studied by the United States Bureau of Labor Statistics were unable to keep their expenses within the husband's salary of \$2,500 or less, and his earnings had to be supplemented by extra work on his part or by the earnings of his wife or children. Even then the family income fell short.

Applying the cut of 10 per cent all down the line of these postal salaries, the yield to the Federal Treasury from salaries of postoffice clerks would be \$13,650,540, or six and one-half tenths of 1

per cent of the Treasury deficit, most of which would come from the 48,011 clerks in the \$2,100 grade.

To consider the proposed Federal salary cut only in terms of its money value is, of course, to omit certain other very important considerations.

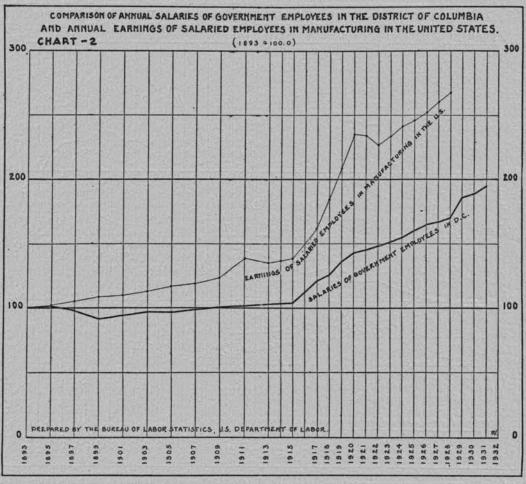
The gradual increase that postal employees have fought for all these years, and have in part achieved, is based upon the theory that the Government, as an employer, should set a standard in advance of the purely competitive wage-fixing policy of private industry. This is good business as well as good ethics. The postal system is indespensable as a channel of commerce, and it is one of the great arteries of governmental and social service. When it breaks down disaster follows—disaster to business and the public welfare. * * Like all other wage earners, they are entitled not only to a living wage but to a wage proportional to their productivity and importance. What has thus far happened,

in reality, is this:

(1) While postal wage rates have almost doubled since 1913, their purchasing power declined steadily from 1913 to 1918, and has risen but irregularly since that time, only just now coming

clerks at \$2,200 and \$2,300. The rates are not the ideal but they do represent principles and standards in Government wage policy which should not be abandoned but rather advanced. On the other hand, for many thousands of clerks with families, this salary scale does not actually meet the cost of living. To reduce it by 10 per cent would lower standards of living, but would make a very slight impression on the Treasury deficit. The postal pay roll does, however, the sum all told, put millions of dollars into the channels of trade—preventing to that extent a deeper slump into business depression. Why reduce these consumers' buying power now? power now?

Mr. President, I have troubled the Senate with such instances because they are not only highly suggestive in our economic discussion and their legislative bearing on the problem of the post-office clerks of the United States, but because they also reasonably present the larger question of right treatment by Congress of all Federal employees. Surely the argument is fundamentally sound with respect to the attitude of the Government toward those who serve it. It is equally persuasive as indicating the way to take if we



back to a little more than the purchasing power of postal salaries

before the war.

(2) While the working day of the postal clerk has been shortened and the postal force has expanded in numbers to meet the

ened and the postal force has expanded in numbers to meet the constantly greater pressure for speed and volume of service, the individual postal clerk has become 100 per cent more productive than the individual clerk of 1913; that is to say, he produces twice as much postal revenue.

The postal salary scale of to-day, therefore, in terms of purchasing power, is a little better than the pre-war scale, in return for twice the output. In other words, the postal salary classification enacted by Congress in 1925 reaffirmed the principle upon which previous postal-ware increases were predicated but went which previous postal-wage increases were predicated, but went only part way toward the goal of justice. To reduce postal salaries now would be to nullify and to stultify that position.

IS IT SAFE?

If postal salaries were reduced now, what ends would be satis-

Results of the low-wage policy on private industry are evident now in silent machinery and closed plants. Has not this country had enough of that?

The salary scale of postal clerks range from \$1,700 to \$2,100 a year by act of Congress. There are two higher grades for special

are to find prompt, efficient, and self-respecting escape from our present deep economic depression.

The theory that America will restore prosperity by penurious reductions in important services is no longer accepted by economists of repute or by thinkers of wide reputation in America. Certainly such pleas as we have been reviewing, rational as they are and fortified by impressive human and economic considerations, should give us pause. All vital economic factors are now before us to be duly weighed. Not only should we have regard for the welfare of human beings, as forcefully urged by the Senator from California [Mr. JOHNSON], but it is also fairly certain that unless this country is prepared to spend in order to make, to proceed fearlessly and in the pioneering spirit which made mighty the America we love, we shall find ourselves in the valley of the shadows of this depression long after dark predictions of the present hour have run their course. Mr. Justice Brandeis, the eminent Associate Justice of the Supreme Court, recently said, in a learned opinion delivered within a stone's throw of this Chamber, that we in America must let our minds be

bold as our fathers were bold. Instead, in dealing with the present economic crisis, month after month our national leadership has pursued policies of timidity and vacillation which have allowed the country to sink to deeper and deeper spirals of despair. It is clear beyond words that unless this Nation somehow finds ways and means to summon its resources of courage and intelligence to concerted action, problems we do not now dream of will soon be knocking at

Mr. FLETCHER. Mr. President, will the Senator from Colorado yield to me for a moment?

Mr. COSTIGAN. Certainly.
Mr. FLETCHER. I should like to inquire of the Senator if he does not believe that outside the field of salary and compensation and pay there are opportunities for economies in the Government, growing out of the fact that the Government has become so complicated and that in many instances there is too much overhead? In other words, is there not ground for economy and saving in expenditures in working out a simplification of the mechanism of the Government?

Mr. COSTIGAN. Mr. President, I am indebted to the Senator from Florida for his inquiry. For 11 years I was a member of the United States Tariff Commission. During that period I had frequent occasion to observe intimately some administrative operations of the Government and to reach conclusions believed conservative as to certain savings which may be made. Answering the much respected Senator from Florida, I have no doubt that such savings as he indicates may be made on a far-reaching scale without debasing Federal salaries below decent levels of subsistence. Large savings can be effected in the several departments without consolidation; others may, of course, be secured through consolidations of governmental services and other simplifications to which the Senator from Florida has referred. Throughout this session I have been convinced that such a course could and should be pursued to effect necessary economies without levying in any extreme way on the living of Federal employees. Such a statement, however, does not involve placing the stamp of approval on proposals to give the President arbitrary and absolute power to do as he sees fit with governmental activities. Giving full weight to presidential recommendations, that work can be done by the Congress quite as effectively and I think at this hour more wisely than by the President.

But, Mr. President, before being diverted, I was about to refer to two charts, Nos. 1 and 2, which, if possible, I desire incorporated in the RECORD at this point in my remarks. The charts, which are before me, relate to the subject under discussion and were prepared by the Bureau of Labor Statistics in the United States Department of Labor.

The PRESIDING OFFICER (Mr. George in the chair). Without objection, it is so ordered.

Mr. COSTIGAN. These two illustrative charts are substantially self-explanatory. Perhaps, however, it should be stated that in them an attempt has been made to show the trend in Government salaries in comparison with changing living costs during the period of almost 40 years from 1893 to 1931. The year 1893 is used as a starting point because that is the earliest year for which the data regarding Government salaries are readily available. In any event the period is sufficiently long to give a fairly complete picture of the subject. For the earlier years the information regarding cost of living is incomplete.

Chart 1 contrasts the average salary of Government employees in the District of Columbia with the cost of living in the United States, and also shows the relative purchasing power of such salaries in terms of the year 1893 as a base. The chart discloses that from 1893 until the beginning of the World War Government salaries in the District of Columbia remained almost stationary, the average being \$1,096 in 1893 and \$1,141 in 1915, whereas during this period cost of living in the District of Columbia increased about 40 per cent. After 1915 Government salaries rose steadily and in 1931 were almost 90 per cent higher than in 1915. Meanwhile, however, the cost of living had increased very sharply up to 1920, and until 1931 remained at a considerably higher

level than salaries. As a result, the "real wages"—that is, the purchasing power of salaries-remained below the level of 1893 for practically the whole period. This is illustrated by the bottom line on Chart 1, which shows that the purchasing power of Government salaries was almost 50 per cent lower during the war period than it had been in 1893 and did not reach the earlier level until 1931, when the decline in living costs, in combination with the wage increases of 1929 and 1930, brought the purchasing power of Government salaries back to the 1893 level.

Chart 2 compares the trend of Government salaries in the District of Columbia with average annual earnings of salaried employees in manufacturing industries in the United States. Figures on which this chart is based were compiled by Dr. Paul H. Douglas from the reports of the United States Census and other authoritative sources. It will be noted that in 1893 the average Government salary was \$1,-096 as against \$954 in private employment. By 1901, however, private salaries had become greater than Government salaries, and, in general, this disparity increased steadily up to 1928, the latest year for which data regarding the private salaries are available. In that year it appears that Government salaries were about 70 per cent higher than in 1893, whereas private salaries had increased approximately 168 per cent.

Mr. President, I shall not longer detain the Senate. As I have already said, however, the information we have is adequate; the applicable principles are familiar. In the face of such a showing, it is to be hoped that the true friends of men, women, and children, rallying to standards sensible, humane, and in accordance with national economy, will refuse to be stampeded by panic propaganda into the futilities of panic legislation.

Our low-paid governmental employees are entitled to appreciation rather than ingratitude. It is entirely feasible to treat them with some measure of consideration and fairness. After all, we must bear in mind that if we of America proceed with and apply the initiative, vigor, and scientific knowledge which distinguish our century above others, the profound and prolonged depression through which we have been passing may soon be remembered as a temporary eclipse in the resistless advance of human evolution.

Mr. TYDINGS. Mr. President, what is the question pending before the Senate at this time?

The PRESIDING OFFICER. The question is on the modified amendment of the Senator from California [Mr. Johnson], on which question the yeas and nays have been

Mr. TYDINGS. Is it in order to offer a substitute for that amendment?

The PRESIDING OFFICER. A substitute for that amendment would be in order.

Mr. TYDINGS. Mr. President, I do not wish to detain the Senate or delay the passage of the pending bill. I shall speak very briefly.

It would be idle to take time to review conditions that exist everywhere in this country. There is not a business. there is not a State, there is not a city which is not in a serious condition.

I just read from a copy of the Washington Daily News the astounding intelligence that 500,000 people who have been fed daily by the Illinois State Relief Commission are facing starvation beginning next Monday, because the funds which have heretofore been used to feed those people are exhausted, and, therefore, beginning next Monday, unless something shall be done in the meantime, there will be no money to provide even soup for 110,000 families, or about 500,000 people.

Now, Mr. President, I am going to inject again a controversial question into this debate. I do it with a great deal of reluctance, but it strikes me that when people are on the verge of starvation, when we have placed upon the citizens of the country in their present depressed condition an additional tax bill of \$1,200,000,000, we ought to modify the Volstead Act at least within the limits of the Constitution and thus obtain \$300,000,000 or \$400,000,000 a year, both to make but partly necessary the proposed reduction of salaries on

the one hand, and to put about \$200,000,000 a year into the Federal Treasury on the other hand, which could be made to finance relief measures.

It is proposed by the savings contemplated by the pending bill to effect economies amounting to \$231,000,000 a year, of which about \$125,000,000 are salary reductions. That is just about one-third of the sum that would be raised by levying a tax of 24 cents a gallon upon 2.75 per cent, by weight, beer, the legalization of which would not transgress the eighteenth amendment, permit a fairer cut in salaries in the lower brackets, and leave about \$300,000,000 over each year for the Federal Treasury and for relief for the taxpayers.

If this proposal violated the Constitution, that would be one thing, but there is ample authority to uphold the contention that it does not transgress the prohibitions of the eighteenth amendment, and I want the Senate to have a chance to vote on whether or not they would rather cut all pay of Government employees, as here projected, many of whom are receiving less than a thousand dollars a year, there being 124,000 of this group, to be exact, who are getting less than a thousand dollars a year, or whether we want to legalize a beverage which is in itself harmless, not conducive to drunkenness, and thereby save the Federal employees at the bottom from a too sharp slash of the salaries which they now receive.

If the country were fairly prosperous, if people were not starving, if community funds were not breaking down, I would not blame anybody for saying, "We will go ahead for a while under the existing order"; but when people are starving, when community funds are breaking down, when 124,000 Government employees receiving less than a thousand dollars a year will have to have their wages cut because the Congress will not within constitutional limits legalize this harmless beverage, it strikes me that intelligence has gotten to the point where one almost is forced to conclude that certain influences, not in this Chamber but near it, have more power with the American Congress than have the necessities of the moment, the conditions of the people, and their pitiful plight.

Therefore, Mr. President, I send to the desk an amendment to legalize 2.75 beer. It will raise three times the amount of revenue which this bill contemplates by way of savings; it will raise, according to 1917 and 1918 figures, when 2.75 beer was sold, between \$400,000,000 and \$500,000,-000 a year, and without injury to or complaint from the

Now we have put a cent straight tax on every gallon of gasoline; we have taxed admissions to every motion-picture theater; we are increasing the postage rates to 3 cents for letter mail; we have taxed every frigidaire; we have taxed every bank check; we have taxed all lubricating oils; we have taxed chewing gum; we have taxed candy; we have taxed almost everything under the sun, while the big bootlegging industry runs roughshod through the Constitution, rolls in its millions, debauches government everywhere, and untaxed, contributes not a cent to the Federal Treasury.

All Federal employees are asked now to take a 10 per cent cut, when we have it in our power to take this illegal industry away from the bad hands in which it is now lodged and put \$300,000,000 additional in the Treasury each year and make all these cuts more equitable, if we want to do it.

I offer that amendment as a substitute for the amendment of the Senator from California.

The PRESIDING OFFICER. Does the Senator offer it as a substitute or as an amendment to the modified amendment?

Mr. TYDINGS. If I can offer it as an amendment, I should like to offer to amend the Senator's modified amendment by inserting a new section immediately following his.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from California.

Mr. JOHNSON. We are up to the point where there is about to be a vote upon the policy that will be pursued with respect to this bill. I should be very glad if the Senator could withhold his substitute until that policy is determined. It might have some effect, although I do not think it will, so far as the votes are concerned in respect to the substitute that is suggested.

Mr. TYDINGS. I will withhold it, may I say to the Senator from California. I am reluctant to do it, but I realize that there has been considerable debate on his proposition; and while I would have voted differently if I could have incorporated my amendment in his, nevertheless I will have another opportunity; so I will withdraw my amendment for the time being.

Mr. WALSH of Massachusetts. Mr. President, I think we all realize the very difficult problem that this committee have had to deal with. I think they deserve a great deal of credit for their courage and the admirable manner in which they have performed their public duty.

I do feel, however, very strongly, that these reductions in salaries ought to be graduated. I appreciate the force of the argument made by members of the committee, and I think I have some understanding of the difficulties which confronted them in attempting to work out a graduated scale of reductions.

It seems to me that the spirit of the employees of the Government service is such that they are all willing to concede the necessity of some reduction in their salaries. Many of them feel—and I share that feeling—that a 10 per cent reduction in the case of the employees whose salaries are less than \$2,500 is a very substantial reduction and is bound to result in hardships that these employees ought not to be asked to bear.

I have in mind one class of employees who would be particularly burdened in the event of a straight 10 per cent reduction of the salaries of all Government employees. I refer to the postal employees.

There is no group of employees in the Government service who perform their services more faithfully, who work more industriously, and whose integrity is of a higher order than this particular class. They are a class of our citizens who. by reason of their employment, have to live a little differently from other people receiving the same wage. They have to maintain a certain standard in the community. The eye of the public is upon them at all times. They have to make a little more sacrifice in the education of their children and in the clothing of their children. They are expected to take a little more active interest in fraternal life, in community life, in neighborhood life. They can not force a reduction in rents as private employees whose wages are cut may demand. To ask them under these circumstances to accept a flat reduction of 10 per cent, in my judgment, is a mistake.

I believe their spirit of self-sacrifice and patriotism is such that they would be willing to accept some reduction; but a reduction of \$220 on a postal employee who has a small family, who has his rent to pay, and who lives in a fairly representative section of the community is too much.

Mr. ASHURST. Mr. President, will the Senator yield to an interruption?

Mr. WALSH of Massachusetts. I yield; certainly.

Mr. ASHURST. I hesitate to interrupt the Senator's logical and able speech; but let me suggest this:

Who ever heard of contributions to the Red Cross or the Community Chest levying 10 per cent on all? Some are able to give 10 per cent, some 5 per cent, some 20 per cent.

The Senator is logical, I think, in his statement, and I support it.

Mr. WALSH of Massachusetts. I appreciate the Senator's observation.

Mr. President, we have talked a good deal during the debate upon the tax bill about applying the principle of ability to pay. I think we ought to apply the principle of ability to sacrifice. It is not an equal distribution of the burden of sacrifices to take \$200 from a Government employee who is receiving \$2,000 and take \$1,000 from a salary of a Government employee or official receiving \$10,000.

The senior Senator from New York [Mr. COPELAND] and myself have conferred with my colleague [Mr. COOLIDGE] and several other Senators concerning the working out of a graduating scale of reductions; and we have reached the conclusion that some such scale as I will now read would be more equitable than the one presented by the committee.

We would provide that all employees receiving salaries of less than \$1,000 should have no reduction; that those with salaries from \$1,000 to \$1,500 should have a 3 per cent reduc- | tion; from \$1,500 to \$2,000, 4 per cent reduction; from \$2,000 to \$2,500, 5 per cent reduction; from \$2,500 to \$3,000, 71/2 per cent reduction; from \$3,000 to \$5,000, 10 per cent reduction; from \$5,000 to \$10,000, 121/2 per cent reduction; and from \$10,000 up, 15 per cent reduction. We would, of course, allow all salaries to remain as they are.

This schedule would provide a saving of about \$75,000,-000-to be sure, not as much as that contemplated in this

It is a fair proposal. It seems to me it is an arrangement that can be defended. Perhaps the rates ought to be increased a little. Perhaps we ought to begin with 4 per cent instead of 3 per cent, and go down 4, 5, 6, 7, 8 and so on.

I believe, however, we should begin with a reduction of 3 per cent on those employees receiving between \$1,000 and \$1,500, 4 per cent from those employees between \$1,500 and \$2,000, and 5 per cent for the employees between \$2,000 and \$2,500, which includes practically all the postal employees. Then the amount of reductions increases until we reach our own salary, where the highest reduction is made.

Mr. FESS. Mr. President, will the Senator yield? Mr. WALSH of Massachusetts. In just a moment.

There are two principles that I have fixed in my mind. One is that the Members of Congress ought to levy upon ourselves the maximum reduction, whatever it is; secondly, that we ought not to ask the scrub women, the ordinary laborers, the employees with family, the postal employees, to take the same ratio of reduction that we provide for ourselves. That is the difficulty with the proposition of the committee, it does not differentiate between those who may be able to save something and those who must spend all they are paid.

I gladly yield now to the Senator from Ohio.

Mr. FESS. Mr. President, I wanted to suggest that we are all very much concerned in making the amount of reduction that has seemed necessary. I have liked from the beginning the suggestion of the graduated reduction, making even the lower-salaried people, at least above \$1,000, feel that they are making some contribution, the same as others, but to go up from that figure. Can we not arrange the percentages so as to get the amount that is necessary even though we have to go up higher in the higher brackets?

Mr. WALSH of Massachusetts. It certainly can be done.

Mr. FESS. That is what I should like to see done.

Mr. WALSH of Massachusetts. If the Senator from New York and myself had had longer opportunity, we could have readjusted these rates, and undoubtedly could have reached the \$100,000,000 mark.

I am glad the Senator agrees with me that we can not defend cutting our own salaries the same percentage that we cut the salary of the scrubwoman. We can not defend it; but we can defend a graduated reduction of salaries all along the line, placing upon ourselves the maximum reduction. We can say to our fellow citizens, "We appreciate that this is a sacrifice. We did not want to place this burden upon you; but we have taken the maximum ourselves, and we have gone down the scale, making the reduction very much less among those employees who are paid a very small salary."

Mr. FESS. Mr. President-

Mr. WALSH of Massachusetts. I yield again to the Senator from Ohio.

Mr. FESS. It seems to me that anything less than what appears to be necessary, according to the figures that have been submitted to us, will be more or less a failure. The principle that has been announced is one that meets with my approval. It would seem to me not a difficult thing to raise the necessary amount under that principle, even though we had to go up to 20 per cent on the higher brackets. I think we ought not to stop short of the necessary saving, and ought to go down at least to \$1,000, but make the percentage small, so that it will not be seriously hurtful, and at the same time everybody will be making a contribution to the solution of this problem.

Mr. WALSH of Massachusetts. I am in full accord with the Senator. I do not care what the maximum may be in the higher brackets, but I do say that it ought to be graduated; and the country will not be generally satisfied with

any other plan. We ought to set the example ourselves of taking the maximum reduction. Then we can face the country and say that we have shown our willingness to sacrifice in this emergency, and we have not asked anybody else to sacrifice as much as we have.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. WALSH of Massachusetts. I yield.

Mr. ASHURST. I think the Senate, whatever its judgment may be of me, will say that I have political temerity; but I have not the temerity, I have not the face, I have not the nerve, I have not the brass, to go out among the people and say, "I cut the laborer 10 per cent and took a 10 per cent cut myself."

I believe in the doctrine of noblesse oblige. We ought to take the highest cut, and give the low man the low cut.

Mr. WALSH of Massachusetts. Absolutely. No other position will be justified. No other position will be accepted by the country. The Senator is absolutely right. We must take the highest cut ourselves and set the example before we ask to have a cut taken by these other people, these tens of thousands of men with families, who have fixed charges, and who can not reduce their living expenses. I think 5 per cent under \$2,500 is enough to begin with. We may have to come back another year and increase this, but we ought not to begin immediately and at once with a reduction of 10 per cent.

Mr. COPELAND. Mr. President, will the Senator yield? Mr. WALSH of Massachusetts. I yield to the Senator from New York.

Mr. COPELAND. In going over the figures very roughly I think it safe to assume that if the figures start at 4 per cent instead of 3 that will add about eleven or twelve million dollars.

Mr. WALSH of Massachusetts. Making the total about \$90,000,000?

Mr. COPELAND. Eighty to ninety million dollars.

Mr. WALSH of Massachusetts. Mr. President, I do not care to prolong the debate. I understand that the committee have felt that they could contribute nothing more to help the Senate solve this problem in a different way by a reconsideration of their recommendation in the matter of salaries. I regret very much to learn that, because it is my judgment that they will have a great deal of difficulty in getting the Senate to accept a flat cut of 10 per cent all along the line. I personally can not defend it for the lower salaries. For the higher? Yes and more. I feel very strongly that we will not give the best satisfaction to the country unless we graduate these cuts. I say, further, that we will create a splendid spirit among our Government employees, it will have a very, very fine psychological effect to have it said to them that the Senate itself took the maximum cut, and has made the reductions based upon the ability to sacrifice.

Let us keep those two phrases in our minds-ability to pay in levying taxes; ability to sacrifice in reducing wages. Those with the salaries of \$10,000 and higher are in position to make a larger sacrifice proportionately than those who have the smaller incomes. I do not think it is fair or right to ask people with less than \$1,000 salaries to take a 10 per cent cut.

I desire to have read at the desk in connection with my remarks an editorial that appeared a short time ago in the largest circulated newspaper of the city of Boston, the Boston Post, on this subject of salary reductions.

The PRESIDING OFFICER. Without objection, the editorial will be read.

The Chief Clerk read as follows:

HOW TO DO IT

The movement in Congress for a reduction of Government salaries may sound impressive, but as a measure of real economy it is only a drop in the bucket. At best, it will yield only a few million dollars. The cost of government can not be effectively cut by piecemeal.

The money saved on salaries will quickly be fritted away by Congress. What is needed is a realization that the whole machinery of government is expensive beyond all reason.

There can be no real relief for taxpayers until Congress tackles the matter in a wholesale way. Savings should be by hundreds

of millions instead of by single millions. Each year sees a huge | ment from employees drawing under \$2,500 as from the

piling on of the cost of government.

Aside from the Post Office Department, and perhaps the Treasury Department, the budgets for the various departments could

be cut in halves, by dropping the thousand and one useless bureaus and cutting off of various activities, none of them useful.

But even drastic measures of economy would be wasted unless Congress ceased the practice of pouring out hundreds of millions for the "relief" of various interests having great vote-controlling

power.

The Farm Relief Board has spent around \$500,000,000, all to no purpose whatever. The money is lost. And yet the call is for still more funds.

Various costly irrigation projects, which never pay their way, only add to the plight of the farmers. The great Hoover Dam undertaking will probably be a constant drain on the Treasury for the benefit of a small section of the country.

Until reckless spending by Congress is halted, there can be no actual economy in Government. The problem is our biggest one, and ought to be tackled in a big way. But so long as Congress persists in bidding for votes by digging into the Public Treasury there is no hope for even checking the wholesale waste of public money.

Mr. WALSH of Massachusetts. Mr. President, I suppose it is useless to appeal to the committee to reconsider their recommendation. They may succeed in getting a majority vote in the Senate for this flat reduction of 10 per cent, but it will be a vote which even the Senators who vote to make it possible will not be pleased with or satisfied. The sentiment even of Members of this body who are disposed to accept the committee report is in favor of a graduated scale of reductions.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. COSTIGAN. May I inquire whether the specified Senators fear to vote or merely consider the committee's proposal unjust to Federal employees?

Mr. WALSH of Massachusetts. I will have to let the Senators answer that for themselves.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. THOMAS of Oklahoma. Does the Senator have in mind any schedule of graduation?

Mr. WALSH of Massachusetts. I read the suggestion I have in the absence of the Senator. The Senator has been out of the Chamber, has he not?

Mr. THOMAS of Oklahoma. Yes; I was out for a moment, and I would like to have the Senator read it again.

Mr. WALSH of Massachusetts. I will read it again for the benefit of the Senator from Oklahoma, and also for the benefit of the Senator from Maryland, who would like to hear it.

Where the salary is less than \$1,000 there will be no reduction.

Where the salary is between \$1,000 and \$1,500 the reduction will be 3 per cent, saving to the Federal Government approximately \$4,200,000.

Where the salary is between \$1,500 and \$2,000 there will be a reduction of 4 per cent, representing a saving to the Federal Government of \$8,200,000.

Where the salary is between \$2,000 and \$2,500—and that is the branch which includes the postal employees-the reduction will be 5 per cent, with a saving of \$30,000,000 to the Federal Government.

Where the salary is between \$2,500 and \$3,000 there will be a reduction of 71/2 per cent, with a saving of \$9,000,000.

Where the salary is between \$3,000 and \$5,000 there will be a reduction of 10 per cent, thereby saving \$13,000,000.

Where the salary is between \$5,000 and \$10,000 there will be a reduction of 121/2 per cent, representing a saving of

Where the salary is above \$10,000-which will include our own salaries-there will be a reduction of 15 per cent, instead of the committee's 10 per cent, and a saving of about a million dollars.

Mr. TYDINGS. What would be the total saving?

Mr. WALSH of Massachusetts. The total saving would be in excess of \$70,000,000. That table so works out that there would be about as much saved to the Federal Govern-

fewer in number with salaries in excess of \$2,500.

I assume that the Senator from California is particularly disturbed at the prospect of a reduction of 10 per cent flat in all salaries under \$2,500. I take it that the Senator is not adamant against a small reduction, much less than 10 per cent, graduated, among the employees with salaries of less than \$2,500.

Mr. JOHNSON. Personally, I prefer an exemption of \$2,500. I would not reduce the salaries which are below that figure at all, and the amendment I have presented is for the purpose of exempting salaries of \$2,500 and less.

Mr. WALSH of Massachusetts. I assume that to be the Senator's position. But if we can not get the exemption the Senator asks for, I am sure the Senator would agree that some such schedule as the Senator from New York and myself have proposed would be acceptable.

Mr. JOHNSON. First I wish to have the Senate determine, if it be possible to have it do so, the policy in respect to exemptions, and I have started with an exemption of \$2,500, in the hope that the Senate will agree with me that that is the appropriate exemption to make. If it does not, then we must pursue some other course.

May I say to the Senator that if he will agree with me in the proposition I have just advocated, I would accept a graduated scale running up very much higher than 10 per cent on the higher salaries.

Mr. WALSH of Massachusetts. The schedule I have proposed and discussed goes as high as 15 per cent.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. TYDINGS. May I ask the Senator from California whether it is his intention, in the event we adopt the exemption of \$2,500, and that does not result in saving the amount contemplated necessary to be saved, to accept a cut in the salaries above \$2,500 larger than is now provided?

Mr. JOHNSON. I would make the cut larger, but I must say in frankness to the Senator that I do not believe upon the brackets in excess of \$2,500 we could obtain the same amount of money that would be obtained by the proposal of the committee. But we could increase very materially from the higher brackets what would be obtained under the committee plan by making the percentages higher on the salaries over

Mr. TYDINGS. My reason for propounding that interrogatory was this: That many of us would be inclined, perhaps, to vote for some other plan, provided that in voting for the initial step of it we knew where we would land when we got to the last step. In other words, if the Senator's amendment were coupled with the fact that salaries above \$2,500 should take a higher cut than is now provided in the bill, but approximating altogether a large sum of money, somewhat along the lines now contemplated, many of us who can not vote for the Senator's amendment would be inclined under those circumstances perhaps to go with him.

Mr. JOHNSON. In fairness, I can not give such an assurance to the Senator. It would not be fair for me to assert that. That we could raise much more money with appropriate and heavier rates than those proposed by the committee I do not doubt, but that we would approximate the sum which the committee estimates its proposal would raise I would not attempt to say.

Mr. TYDINGS. Mr. President, if I may transgress for just a moment more, I am in an unfortunate position in voting on this amendment, because if I had a complete substitute plan to vote for, in place of the plan of the committee, that would be one thing; but just to throw out a part of this without something being put in its place makes it hard for a Senator to know what course to follow.

Mr. JOHNSON. Mr. President, the first fundamental proposition, to my mind, seemed to be to determine upon what exemption would be accorded. I have fixed the exemption at \$2,500 arbitrarily, because I do not think salaries up to that sum ought to be reduced at all. When we have determined what exemption the Senate will accord, then a

plan such as the Senator suggests can be presented within half an hour. I think.

Mr. TYDINGS. Of course, what I have said was not in criticism of what the Senator has offered but simply as

showing my own dilemma.

Mr. WALSH of Massachusetts. Mr. President, I believe there is a spirit of sacrifice abroad in this country. I believe the Government employees are willing to make some sacrifices. They certainly will when they appreciate the difficulties in obtaining the necessary money and the burdens and sacrifices that will be imposed upon the people of this country to obtain the necessary money to pay Government salaries and other expenses in order to balance the Budget and maintain the credit of the American dollar.

I have given on several occasions an illustration of what was experienced by some municipal employees who were opposing a reduction in wages when their attention was called to the other side of the picture. When I was at home in Massachusetts some weeks ago, some teachers in the public schools of one community called upon me to ask me to interest myself in preventing a reduction in their salaries of 10 per cent. I may say, incidentally, that the community to which I refer was in dreadful economic circumstances. The usual number employed in that community is 4,000, but now only about 800 are employed in that community. We can all understand the conditions that would follow such a depreciation in opportunities to work.

Mr. President, it was during this visit to Massachusetts that these ladies called upon me for my assistance. I said this to them, "Young ladies, do you realize, when you leave your homes in the morning and go to your schoolrooms, that you pass by home after home where not a person is working, where there is a tremendous struggle even to get the necessities of life; and do you realize that you are putting your hand out, figuratively, as you go by that home, and asking for some pennies each morning toward the payment of your salary, because these people have to pay your salaries through taxation? Do you not think you ought to be willing to make a little sacrifice and show those people that you have a little sympathy for them, and that considering their circumstances you are willing to make a little sacrifice for them?"

That committee said to me, "We have never thought of it in that light at all." They thought the money came out of the public treasury as water comes out of a pump on a farm. It never occurred to them that they were not showing a willingness to help reduce the burdens of the people who were in serious distress.

I do not hesitate to say that when the Federal employees appreciate the situation they will not want to be exempted from making some sacrifice for their distressed fellow citizens who are their employers. They will be willing to take a graduated cut, but they will not be content to take the same cut that we give ourselves. They will not be satisfied with that. I have confidence in their patriotism, their spirit of sacrifice, their willingness to receive reductions; but we ought to begin moderately and we ought to begin with limitations. We ought not to ask anybody drawing a salary under \$2,500 to take a reduction of more than 5 per cent in the beginning.

I can not vote at this time, under present conditions, for any greater reduction than that. I will vote for a reduction of 10 per cent, and more, even 15 or 20 per cent, on salaries in excess of \$7,500, but I can not vote to say to a letter carrier, who plods along with the hot summer's sun beating down on his bent back, trudging through the snowdrifts during the severe winters in New England, that I take \$220 a year away from him in this time of emergency. It is too much. I will vote to take a hundred, but that is the

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. BYRNES. Does the Senator recall what was paid the teachers whose salaries were reduced, to whom the Senator has referred?

Mr. WALSH of Massachusetts. One thousand eight hundred dollars.

Mr. BYRNES. And there was a reduction of 20 per cent? Mr. WALSH of Massachusetts. It was later changed to 10 per cent. Most of the reductions have been 10 per cent. In the city of Boston there have been no reductions of any kind in the salaries of the city employees. No employee of the State of Massachusetts has had his wages reduced, unless it has happened in the last few weeks.

I am for reductions. I do not want my position misunder-stood. Before we close this session of Congress, I want Government expenditures very substantially reduced, at least to such a sum that there will be waste and extravagance and useless bureaus eliminated. I am willing to join in reducing the salaries of the Government employees, but I am not going, and can not see my way clear to go, to the point of making a uniform reduction of 10 per cent.

Mr. NORRIS. Mr. President, I have listened with a great deal of interest to the Senator from Massachusetts. I agree with him that Senators realize the justness of a graduated scale, the same as we realize the justness of a graduated scale in the imposition of the income tax. It is not what one pays so much as what he has left after he has paid. The same applies to a reduction of salaries. I do not believe that we can afford to reduce the salaries of the lower-paid employees on the same percentage basis that we apply to ourselves and other high-salaried people.

I rose particularly, Mr. President, to crave the attention of the Senator from Maryland [Mr. Typings], who seems to be at the present time out of the Chamber, and the attention of others who think as he does, who are laboring under the impression that when we adopt the pending amendment of the Senator from California we will have settled the proposition as to whether or not we want to give an exemption in salaries of \$2,500.

Mr. WALSH of Massachusetts. Mr. President, does the Senator think that it would not be in order, if the amendment proposed by the Senator from California were adopted, then to offer an amendment proposing a graduated scale of reductions?

Mr. NORRIS. I am going to explain that as I understand it.

Mr. WALSH of Massachusetts. I have some misgivings about it.

Mr. NORRIS. I think it perfectly plain, and I think I can explain it if Senators will just give attention to the parliamentary situation.

A committee amendment is being considered, to which the Senator from California has offered an amendment. I see the Senator from Maryland has now come into the Chamber, and I may say to him that I am speaking particularly on the point he raised when he expressed some doubt as to the condition we would be in, depending on whether we voted the amendment of the Senator from California into the bill or voted it down.

We have before us a committee amendment. The committee amendment proposes to strike out and insert. It would strike out of the House text several lines-in fact, the entire provision about the reduction of salaries-and insert in lieu these words, "by 10 per cent of the amount thereof."

There are two propositions, one to strike out and one to insert. Under the rules of the Senate it is in order now to move to amend either side of that equation. We can amend the part sought to be stricken out or we can amend the part to be inserted; and when the two parts of the committee amendment are perfected, then we will vote as to which one we will agree to.

The amendment of the Senator from California is to add a proviso following that part of the committee amendment which is proposed to be inserted in lines 10 and 11; and whether that amendment be voted up or voted down, it will be still in order to move to amend that part of the committee amendment which seeks to strike out the House language. Now I yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I will say to the Senator-I am not certain whether or not he was in the Chamber when I offered the amendment-I want to vote for the amendment of the Senator from California if I can find it possible to do so. Although some Senators may look upon the amendment that I offered as more or less silly or ludicrous or out of place, I offered the amendment in the utmost good faith, with the knowledge that if my amendment could be added to that of the Senator from California, then we should have done what the country, the President, and Congress and everybody who is for economy desires done, namely, economize to the extent of about \$250,000,000 or \$300,000,000; and we could effect that economy without making any reductions whatever in salaries of \$2,500 or less. While I did not press my amendment, I offered it in the utmost good faith and sincerity-

Mr. NORRIS. I have no doubt about that.

Mr. TYDINGS. Believing that if the amendment of the Senator from California were adopted it would afford a way out and would put everybody on firm ground.

Mr. NORRIS. The Senator's amendment would be in order whether this amendment were voted up or voted down.

Mr. TYDINGS. I think under the circumstances, if I may proceed, that perhaps I may vote for the amendment of the Senator from California in the hope that my amendment will be adopted. However, if my amendment shall not be adopted, I shall regret then having cast my vote for the amendment of the Senator from California.

Mr. NORRIS. The Senator from Maryland will still in that case have an opportunity to vote as between the part to be inserted and the part to be stricken out. That was the principal object, Mr. President, I had in taking the floor at this time. I do not care to discuss the merits of the proposition. Let me say that yesterday I offered an amendment to the House text. The Chair then decided that the amendment of the Senator from California was a substitute for my amendment, although it was offered following the language to be inserted, and so, because I did not want to confuse the two, I withdrew my amendment. I intend to resubmit my amendment after we shall have voted on the amendment of the Senator from California, regardless of whether the Senator's amendment is agreed to or not. My amendment will be the same amendment that I previously offered to the House text of the bill.

I should like to say, Mr. President, if the amendment that I shall offer, which, as the Senator will remember, provides for an exemption of salaries below \$1,500 and then commences with a 5 per cent reduction on salaries from \$1,500 to \$2,500, and from that point up to \$7,500, where the reduction reaches 25 per cent, shall not be adopted by the Senate, I intend to offer another amendment which will be just the same excepting that it will provide for an exemption of \$1,000, the reductions running up, however, in progressive form until they reach 25 per cent on salaries of \$7,500 or

Then, Mr. President, if that amendment shall be defeated. I intend to offer another one that will let the committee's suggestion stand as it now is, with a 10 per cent reduction applying to salaries up to \$3,500, and then commencing the progressive increase and reaching a point where the reduction will be 25 per cent on the excess of salary above \$7,500. That will raise more money than the committee amendment, if adopted, will raise.

The suggestion made by the Senator from Michigan [Mr. Couzens], I think, however-and he has talked with a number of Senators, myself included, about it-will perhaps be an improvement on any of these suggestions. I do not agree with the Senator from Washington [Mr. Jones] that it is a difficult thing to draft such an amendment. I think I have the proper language in the amendment which I have already offered and which I intend to reoffer. There will be no "hump," as Senators have suggested, where higher salaries would be reduced to a point below lower salaries to which a less reduction was applied. One may take the table that the Senator from Michigan has in his possession, which he has shown to a great many of us, and which indicates plainly the result of exempting salaries up to \$1,200 and then applying reductions commencing with 1 per cent and increasing 1 per cent on up until a 20 per cent reduction is

If the Senator will examine the language of the amendment which I offered yesterday or either one of the others which I have here and merely change the figures, the language will apply to his amendment exactly, and there will be no "hump" in it anywhere; in other words, it will be on the same basis as the income-tax schedules.

In the income tax we have certain exemptions. For an unmarried man under the proposed new revenue law the exemption is \$1,000, so that an unmarried man with an income of \$2,000 pays a tax on \$1,000; he subtracts the exemption from his total income and that fixes the income on which the tax is paid. If his income goes on up into the higher brackets, the rate of taxation is higher; but he simply continues the mathematical calculation and applies the higher rate not on all the income but just on that part of the income to which the particular bracket applies. There is absolutely no departure whatever from the rule that we have applied in all the income taxes that we have levied since I have been in the Senate. So there is no difficulty.

The Senator from Michigan has a proposition that, of course, will be fairer than any of the others, because, while his proposal increases the reductions from 5 per cent to 10 per cent, from 10 to 20 per cent, and from 20 per cent to 25 per cent, it goes up 1 per cent at a time, so that the increase would be much more gradual, and of course more equitable and fairer. If such an amendment is offered and agreed to, I will not offer any of the amendments I have suggested.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from California [Mr. Johnson] as modified, upon which the yeas and nays have been ordered.

Mr. BLAINE. Mr. President-

Mr. McKELLAR. I suggest the absence of a quorum. The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. BLAINE addressed the Senate. After having spoken for about an hour and a half, he said:

Mr. President, I will yield at this point if the Senator from Washington desires to move a recess.

[Mr. BLAINE'S speech is printed entire in the RECORD of June 4.]

Mr. JONES. I shall be very glad, if the Senator desires to conclude his talk, to go on. It is not 5 o'clock. I would prefer to have him go on.

Mr. BLAINE. I have no desire, as I told the Senator, to talk against time. That is not my purpose. Nor have I any desire to continue the debate merely for the purpose of extending the time so that others may work out some schedule. However, I desire to complete my remarks when the Senate convenes in the morning, if that privilege may be granted. I will endeavor at that time to be as brief as the subject will warrant.

Mr. JONES. Mr. President, the Senator would prefer. then, not to go on to-day, but would like to continue tomorrow?

Mr. BLAINE. I would prefer that. Mr. JONES. Mr. President, I ask unanimous consent that when the Senate takes a recess to-day it recess until 10 o'clock to-morrow.

Mr. JOHNSON. Will not the Senator make that 11

Mr. JONES. I am very anxious to get through with this bill at least to-morrow. I think we should do so, and I want to give ample time for the consideration of the bill. I think we should proceed as we did on the tax bill.

Mr. JOHNSON. If the Senator will pardon me, I do not want to delay the Senator in the slightest degree, as far as that is concerned, in the consideration of the bill.

Mr. JONES. I know that.

Mr. JOHNSON. Is it the purpose of the Senator that the Senate shall sit all day to-morrow?

Mr. JONES. I want to get this bill through if I possibly can. If we can get it through early, I shall be very glad.

Mr. JOHNSON. I will say very frankly to the Senator that if we are to take a recess until 10 o'clock to-morrow in order that we may adjourn at half past 1 or 2 o'clock, I do not think we should do that.

Mr. JONES. I will say to the Senator that I look to see the Senate in session all day to-morrow, judging by the way we have been making progress. That is what I really expect, and that is why I am asking for a recess until 10 o'clock.

Mr. JOHNSON. I will not object to that; but when we reach the hour of half past 1 or 2 o'clock, I expect to see most of the Members of the Senate looking longingly at the clock, and their thoughts far away, out on the green, and that there will be an adjournment of the Senate just about that time. It is because I am as certain of that as I am that I am standing here that I would rather have the Senate take a recess until 11 o'clock to-morrow.

The VICE PRESIDENT. Is there objection to the request of the Senator from Washington? The Chair hears none, and that order will be entered.

MESSAGE FROM THE HOUSE-ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2325. An act for the relief of the United States Hammered Piston Ring Co.;

S. 2697. An act for the relief of Clarence G. Young;

S. 2698. An act for the relief of Herman Ingman; and

H.R. 4911. An act for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States, submitting nominations and a convention, which were referred to the appropriate committees.

POSTAL RATES

Mr. ODDIE. Mr. President, I wrote a letter to the Postmaster General yesterday asking his opinion and advice regarding the raise in second-class postage rates voted in the revenue bill by the Senate and received his reply, copy of which went to the members of the conference committee yesterday afternoon while it was in session. The committee did not act on this letter and left the rates as the Senate voted them.

As the effect of the Senate amendment regarding these rates will be very far-reaching and, in my opinion, detrimental to the department and to the users of second-class mail, I want the statement of the Postmaster General in this matter made public. I also call attention to the statements I made on the floor of the Senate on this matter on May 27, 1932. I ask to have these letters placed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 2, 1932.

Hon. WALTER F. BROWN.

Postmaster General, Washington, D. C.

MY DEAR MR. POSTMASTER GENERAL: As the question of secondclass rates is actively before the conferees of the Senate and the
House in connection with the revenue bill, and as the matter may
come to the floor of the Senate in the near future, I would like

your personal opinion as to the advisability of raising these rates to the point as passed by the Senate.

I would also like to have your opinion on any other possible basis of rates that will be more equitable to the mail users and at the same time give proper protection to the Post Office Department. Will appreciate an early reply.

Very sincerely yours,

Office of the Postmaster General, Washington, D. C., June 2, 1932.

Hon. TASKER L. ODDIE,

Chairman Committee on Post Offices and

Post Roads, United States Senate.

My Dear Mr. Charman: I am in receipt of your letter of June 2, 1932, with regard to the increase in the rates of postage on the advertising portions of publications entered as second-class matter which are subject to the zone rates of postage under existing law, as provided by the Senate amendment to H. R. 10236, section 1001, paragraph (b).

When I appeared before the Senate Committee on Finance I pointed out that the maximum rates on the advertising portions of second-class matter under the revenue act of 1917, which be-

of second-class matter under the revenue act of 1917, which became effective on July 1, 1921, would, if they were effective now, increase our revenues by about \$5,000,000, provided such increase did not put the newspapers and magazines out of the mails.

I also stated that a 10 per cent increase in such rates would be justified and that such increase would bring in additional revenue of about \$2,500,000 on the basis of the 1931 mailings, assuming the same volume, and that the intermediate rates between the low rates fixed by the revenue act of 1017 and the rates fixed enue of about \$2,500,000 on the basis of the 1931 mallings, assuming the same volume, and that the intermediate rates between the low rates fixed by the revenue act of 1917 and the rates fixed in the 1928 act, having in mind the rates which became effective on July 1, 1920, would bring about this result. To make the increase in rates more than 10 per cent would, it is believed, result in a falling off in volume and thus fail to produce any material increase in revenue. The bill, as passed by the Senate, makes the rates for the advertising portions of publications the same as those which became effective on July 1, 1921, the maximum rates under the revenue act of 1917. It is believed that the somewhat lower rates which became effective on July 1, 1920, slightly modified to eliminate some fractions, would produce a greater amount of additional revenue than the rates carried in the Senate amendment. I therefore recommend that the following rates on the advertising portions of second-class matter for the respective zones be substituted for those in the Senate amendment:

For the first and second zones, 1¾ cents.

For the fourth zone, 4 cents.

For the fifth zone, 5½ cents.

For the sixth zone, 5 cents.

For the seventh zone, 7 cents.

For the eighth zone, 8 cents.

These rates are the same as those which, under the revenue act of 1917 became effective on July 1, 1920, event that the rates

These rates are the same as those which, under the revenue act of 1917, became effective on July 1, 1920, except that the rates which became effective on that date were for the fifth and eighth zones 4¾ cents and 7¾ cents, respectively. It is estimated on the basis of the 1931 mailings and assuming no loss of volume that the suggested rates will bring in about \$2,500,000 additional revenue.

revenue.

Very truly yours,

WALTER F. BROWN.

OFFICE OF THE POSTMASTER GENERAL, Washington, D. C., June 2, 1932.

HOD. TASKER L. ODDIE.

Chairman Committee on Post Offices and Post Roads,

United States Senate. My Dear Mr. Chairman: The Howell amendment to the provision of H. R. 10236 to increase the rate of postage on first-class matter changes the year in line 10 on page 310 from 1934 to 1933. I have to suggest that 1934 be reinserted in the bill, so as to make the increase effective for the period of two years instead of only

one.

When I appeared before the House Committee on Ways and Means and the Senate Committee on Finance I urged that the increase of 1 cent an ounce or fraction thereof in the rate of postage on first-class matter be not applied to that for local delivery. I am still of the opinion that to increase the rate on local first-class mail would cause public utilities and other mailers to deliver their own letters. In view of this, may I suggest that if it is possible to do so, the further amendment be made to except drop letters and other first-class matter for local delivery from the increase in rate. This may be accomplished by changing the exceptions as stated within the parenthesis in paragraph (a), section 1001 of the bill, to read as follows: "(except postal cards and private mailing or post cards, and except drop letters and other first-class matter mailed for local delivery.)"

Such a change is considered advisable and should prevail in the absence of a point of order.

absence of a point of order. Very truly yours,

WALTER F. BROWN.

RECESS

Mr. JONES. Mr. President, I move that the Senate take a recess until 10 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 45 minutes p. m.), under the order previously entered, took a recess until to-morrow, Saturday, June 4, 1932, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 3 (legislative day of June 1), 1932

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY GENERAL OFFICER

To be brigadier general, Auxiliary Reserve

Brig. Gen. George Edmund de Schweinitz, Auxiliary Reserve, from July 5, 1932.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO FINANCE DEPARTMENT

Lieut. Col. Emmet Roland Harris, Cavalry (detailed in Finance Department), with rank from February 28, 1924.

TO COAST ARTILLERY CORPS

Second Lieut. Joe Clifton East, Infantry, with rank from June 12, 1930, effective June 12, 1932.

PROMOTIONS IN THE REGULAR ARMY

To be colonel

Lieut. Col. William Henry Menges, Finance Department, from June 1, 1932.

To be lieutenant colonels

Maj. John Hutchinson Hester, Infantry, from June 1, 1932.
Maj. Franklin Langley Whitley, Adjutant General's Department, from June 1, 1932. (Confirmed May 19, 1932, but not yet released, for transfer as a major to the Infantry arm.)

Maj. Alfred Harold Hobley, Air Corps, from June 1, 1932. Maj. Elmer Cuthbert Desobry, Infantry, from June 1, 1932.

To be majors

Capt. Robert Marks Bathurst, Field Artillery, from June 1, 1932.

Capt. Daniel Noce, Corps of Engineers, from June 1, 1932. Capt. Willis Edward Teale, Corps of Engineers, from June 1, 1932, subject to examination required by law.

Capt. Clark Kittrell, Corps of Engineers, from June 1, 1932.

Capt. Charles Everett Hurdis, Field Artillery, from June 1, 1932.

To be captains

First Lieut. William Day, Quartermaster Corps, from June 1, 1932.

First Lieut. Frederick Eugene Coyne, jr., Finance Department, from June 1, 1932.

First Lieut. John Myers McCulloch, Air Corps, from June 1, 1932.

First Lieut. Richard Kemp Le Brou, Air Corps, from June

First Lieut. Charles Wesley Sullivan, Air Corps, from June 1, 1932.

First Lieut. Paul Harter Leech, Quartermaster Corps, from June 1, 1932.

To be first lieutenants

Second Lieut. Paul Arthur Ridge, Cavalry, from June 1, 1932.

Second Lieut. James William Andrew, Air Corps, from June 1, 1932.

Second Lieut. Charles Arthur Ross, Air Corps, from June 1, 1932.

Second Lieut. George J. Eppright, Air Corps, from June 1, 1932.

Second Lieut. Frank Dunne Klein, Air Corps, from June 1, 1932.

Second Lieut. William Vance Davis, Coast Artillery Corps, from June 1, 1932.

Second Lieut. William Crawford D. Bridges, Corps of Engineers, from June 1, 1932.

MEDICAL CORPS

To be lieutenant colonels

Maj. John Wesley Sherwood, Medical Corps, from May 26, 1932.

Maj. Guy Logan Qualls, Medical Corps, from May 27, 1932.
Maj. James Ernest Baylis, Medical Corps, from May 28, 1932.

Maj. Douglas Wiltz McEnery, Medical Corps, from May 30, 1932.

Maj. John William Meehan, Medical Corps, from May 31, 1932.

Maj. Charles Moore Walson, Medical Corps, from June 1, 1932.

PROMOTION IN THE PHILIPPINE SCOUTS

To be captain

First Lieut. Herbert Lee Merritt, Philippine Scouts, from June 1, 1932.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 3, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Spirit of God, again we wait in Thy presence. Quicken us with Thy vision and with a grateful acknowledgment of Thy merciful providence. Do Thou overrule all evil and everywhere make the wrath of man praise Thee. Father of light in our uncertainties and in our bitterest trials, give us wise insight, strong convictions, and the tenderest sympathies—equipping us for truer and larger service. Brace our whole moral and intellectual natures for the right; gird the loins of our minds that we may with resolute determination deal justly, love mercy, and walk humbly with Thee. Heavenly Father, regard in divine favor our Speaker and the entire membership of this Congress as they shape events and guide the currents of public action. Make our lives an inspiration and our memories a benediction. In a solemn covenant with Thee, may we keep the faith and complete the tasks for which we have been called. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4911. An act for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4780. An act to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer following, during the year 1932.

PERSONAL PRIVILEGE

Mr. KUNZ. Mr. Speaker, I ask unanimous consent to address the House for two minutes on a question of personal privilege.

The SPEAKER. Is there objection?

There was no objection.

Mr. KUNZ. Mr. Speaker, under date of May 24, when the Disney-O'Connor contest was being considered by the House, the gentleman from Wisconsin [Mr. Schafer] was granted leave to extend his remarks in the Record. His remarks as extended appear in the Record, page 11054. It was not my intention to endeavor to reopen the contest case between Mr. Granata and myself, but I can not let the falsehood charged by the gentleman from Wisconsin go unanswered in the Record. He charged, using his own language:

Of course, if I had followed the latest decision in the case of Kunz against Granata, I would have had no hesitation in recommending that the ballots be called for and recounted, because in that case a political appointee of the contestant was permitted to issue a subpens duces tecum and have the ballots in a room where many different people had their hands on them.

The record in the Kunz-Granata case does not bear out the gentleman's statement. Mr. Hoffman was not a political appointee of the contestant, and as notary public he had the authority under the United States statutes, and with the sanction of the decision of the United States Supreme Court, in the case of Re Loney, to issue the subpena duces tecum.

Mr. STAFFORD. Will the gentleman yield?

Mr. KUNZ. When I get through. The gentleman is imputing in his language, when he states—

I think the leaders of this House should speed enactment of legislation which will prohibit a recount by a notary public henchman of a defeated candidate, as in the case of Kunz against Granata—

that the notary public, Mr. Hoffman, was a political appointee of myself, whereas he was a Republican precinct captain.

Mr. STAFFORD. I would like to inquire if the gentleman notified my colleague that he was going to call this matter up.

The SPEAKER. The time of the gentleman has expired. Mr. KUNZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

Mr. SNELL. I object.

Mr. SABATH. Mr. Speaker, where a Member of the House rises to a question of personal privilege, his time can not be limited.

The SPEAKER. The time of the gentleman from Illinois was limited at his own request to two minutes' time.

Mr. SABATH. I think he should have the time to which he is entitled under that privilege.

The SPEAKER. The gentleman had two minutes, and then asked to extend his remarks in the RECORD, which was objected to by the gentleman from New York.

Mr. SABATH. But, Mr. Speaker, is it necessary to limit

The SPEAKER. Whether it is necessary or not, the gentleman from Illinois asked for two minutes and limited his

JOINT CELEBRATION OF ANNIVERSARY OF CONSTITUTION OF POLAND AND BICENTENNIAL OF GEORGE WASHINGTON

Mr. TIERNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by me at Bridgeport, Conn., at the anniversary of the Polish constitution and bicentennial celebration of George Washington.

The SPEAKER. Is there objection?

There was no objection.

Mr. TIERNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by me to the Polish societies at St. Michaels Church Hall in Bridgeport, Conn., on May 3, 1932, at the joint anniversary of the first constitution of Poland and the bicentennial of George Washington:

SPEECH OF HON. WILLIAM L. TIERNEY, OF CONNECTICUT, TO THE POLISH SOCIETIES, BRIDGEPORT, CONN., MAY 3, 1932

In the years 1919-20 the present Republic of Poland was created from former Polish territory within the three fallen empires of Europe, namely, Austria, Germany, and Russia. These lands of the old historic kingdom of Poland, dating back to the early centuries of Europe, were conquered and divided by the Hohenzollerns, the Romanoffs, and the Hapsburgs, and for most of 150 years were in the hands of these conquerors. The treaty of Versailles in 1920 gave birth to the Poland of to-day. During the sixteenth and seventeenth centuries Poland had an

During the sixteenth and seventeenth centuries Poland had an ancient historic background, the protector of the countries of Europe against the inroads of the Turks, Tartars, and Russian barbarians of the east. It was known as one of the greatest of the European empires. On the 3d of May, 1791, as the result of three years' labor, the great parliament, so called, made up of the princes, peasants, and soldiers of Poland, gave to the world a constitution known as the constitution of the 3d of May.

Wherever sons and daughters of Poland gather they are celebrating to-day the anniversary of the founding of this great constitution, jointly in many places with the celebration of the bicentennial of the birth of George Washington. It is fitting that we should unite these two events, and more particularly because our own Constitution under George Washington was created about the same time. The spirit and ideals of one of these Constitutions are much the spirit and ideals of the other.

Though the Polish people received some of their inspiration

Though the Polish people received some of their inspiration from the French revolution, and ever have had a warm feeling of from the French revolution, and ever have had a warm feeling of friendship toward France, still it is to America she really turns for her greatest inspiration. The large number of Polish immigrants and travelers who came to American Colonies in the early days grew up with the settlements, and fought with us in our wars with the Indians, the French, and the English for the freedom of our country. These people brought to America the age-old love of liberty of their race. Many returned to Poland taking with them an even deeper love of liberty developed in the pure virgin soil of the colonists

While Edmund Burke, in the British Parliament, was thundering encouraging words to the little group of struggling people buried in our far-away shores and forests he added his efforts in a fur-

in our far-away shores and forests he added his efforts in a further note of encouragement to the Polish Great Parliament, then writing the new constitution of that people.

The results of Patrick Henry's speeches defying King George and urging the cause of freedom here; the work of our own Thomas Jefferson in the Bill of Rights, the Declaration of Independence, and our Constitution; the Federalist Papers written by Alexander Hamilton, containing much of the groundwork of our Constitution—all these were a part of the inspiration and standard of thought leading to the construction and foundation of that

great document written in Warsaw and Cracow to establish the first real freedom of a European nation.

History tells that in the nineteenth century Poland suffered three of the great partitions at the hands of the neighboring nations. The first was in 1772, just before the American Revolution. The country was won back shortly after that time. One of the outstanding leaders among the people of that day was the young priest, Hugh Kollataj; he was the real father of the Polish constitution. His work was later supplemented by that of Chancellor John Zaymoyski, a name known to every Polish schoolboy in the land.

Among the many who fought valiantly to defend the historic Polish kingdom and seek its recovery from serfdom were two heroes—one a hero of Poland and one a hero of both America and Poland. I refer to the two great Pulaskis—father and son. History tells that the elder Pulaski, a man of distinction, patriotism, and courage, fell in battle and died a prisoner in a Russian prison. His son, your and our General Pulaski, was famous as an officer, engineer, soldier, and patriot under George Washington. He fought with brilliance and daring for his native land, a losing contest against overwhelming odds. His efforts established much of the foundation for the enthusiasm and tenacious spirit which brought about the work of the 3d of May. His defeat, though glorious, and his exile, brought him to America. He fought in the Battle of Brandywine. He is said to have expended \$50,000 of his personal funds to equip and maintain the famous Polish legion which rendered such undying service to the struggling colonists during the darkest days of the War of the Revolution. He gave his best to this country; he was wounded at the Battle of Savannah and yielded up the supreme sacrifice of his life to the cause of the American people; a true hero of early America. Under this historic constitution of the 3d of May, 1791, the nation flourished in prosperity and in peace for a few years. This harmony and understanding between king and peasant and soldier created a peace-loving nation, the first example of its kind among the nations of the Continent. But again an overwhelming enemy. Among the many who fought valiantly to defend the historic

created a peace-loving nation, the first example of its kind among the nations of the Continent. But again an overwhelming enemy, and their government was despoiled and nation dismembered and

At this lowest moment in their history the forlorn hope of the people brought forth from exile another noble character in Polish history, fated to adorn the pages of American history as well. I refer to Gen. Thaddeus Kosciusko. After honorable defeat in his country's defense he was driven into exile, to Paris, where he met Benjamin Franklin, and through him came to the Colonies to offer his service in Washington's Army. It was typical of this man of high birth that when he offered his services to

of this man of high birth that when he offered his services to General Washington he made no demand for official rank in the army. He announced himself as a Polish gentleman seeking to aid the cause of our people in any capacity our people felt he could be useful. He turned out to be the outstanding engineer in the Continental Armies.

He participated in many battles with ability and success; he built the fortifications at West Point; he planned the Battle of Saratoga and the Forts at Bemis Heights. His work was invaluable to our people. Such was his standing that when the war had ended he ranked as the third highest officer in the Continental Army. In his last will and testament he named as executor his closest friend, Thomas Jefferson. He returned to his devastated Poland to again lead a forlorn effort to restore the land of his

closest friend, Thomas Jefferson. He returned to his devastated Poland to again lead a forlorn effort to restore the land of his birth. He died in exile a great Pole, a great American.

No other country in history in the face of such suffering, persecution, and exhausting wars preserved such spirit of nationality as the Polish nation. The spirit started back in the eighth century. It carried with it through the years a love of their language, their Roman Catholic religion, their family customs, their folklore, and the greatest trait of all—their traditional love of freedom.

The armistice brought again into effect the active friendship of American Leader. President Woodrow

The armistice brought again into effect the active friendship of America through another American leader, President Woodrow Wilson. Wilson's aggressive and constructive and humane part in the peace of Versailles was the most outstanding factor in restoring to this nation a large part of its ancient boundaries, in re-creating much of old Poland into the new Republic of Poland.

The Polish corridor, which includes the Bay of Danzig and the German city of Danzig, was formerly part of Poland's kingdom. The Versailles treaty split Germany to allow Poland limited access to the sea—neither Germany nor Poland was then or is now satisfied. Recent years have seen the creation and growth of the remarkable Polish city and port of Gdynia on the Bay of Danzig. This city of many thousand people and fine docks wholly on Polish soil is even now an important Baltic port. The building of this city is an illustration of the spirit of progress, patriotism, and commerce that pervades this growing nation. Poland has a population of 30,000,000 souls. It is the fourth or fifth largest nation in Europe. in Europe

in Europe.

The establishment of new Poland brought into being a modern constitution built in the spirit of the 3d of May constitution and closely resembling the Constitution of the United States. Poland has its President; its ministers; its sejm and its Senate, two branches of legislature, corresponding to our House of Representatives and Senate; trial by jury; equal rights to men and women to vote and enjoy the privileges of personal and real property rights such as are enjoyed in our own land.

Last year this country renewed its devotion and expression of regard for Poland by raising the status of its chief diplomatic officer to rank of ambassador, a rank only a few nations enjoy.

Poland has always carried through the centuries of adversity an indivisible, imperishable national spirit, preserving its union at least in custom and ideal into the life and progress of Europe.

Prof. Oswald Balzer, probably Poland's foremost historian of

to-day, says:
"Kosciusko's insurrection, together with the glorious constitution of the 3d of May, upon which it sets its seal of action, truly shows the crime of Poland's last partition was committed too late. The morning star of the new democratic Polish Republic of to-day shines in the twilight of the old Polish Kingdom, and the hundred

shines in the twilight of the old Polish Kingdom, and the hundred years or more of captivity are not a night of utter extinction, but the slow dawn of a new day."

Niemcewicz, the beloved Polish patriotic historian-biographer of Kosculsko, was also the biographer of George Washington. The young folks of Polish birth or extraction, whether in America or Poland, when they study of the glory of Casmir the great and John Sobieski, read of Gen. Thaddeus Kosclusko and Gen. George

Poland, when they study of the glory of Casmir the great and John Sobieski, read of Gen. Thaddeus Kosciusko and Gen. George Washington as inseparable heroes of Poland and America.

The folk songs of Mieszko, the first Polish King to embrace Christianity for himself and the nation, and the tales of Bolsaw, who was the first great warrior King, are dear to the heart. So, also, the delightful folklore story of Piest, the peasant King, who won his crown after entertaining two hungry strangers, who turned out to be angels from heaven carrying to him the golden crown of sovereignty of his people.

I like to read of Waladislaw, who died way back in the fourteenth century, whose son, Casmir the Great, overwhelmed the Teuton knights, and who for 37 years labored to consolidate the Polish people. He established the beginning of cities of marble and places of industry where swamps and waste land formerly existed. I like to read of how he died childless, and how the famed St. Hedwig succeeded him and established through marriage to one of the Lithuanian race one Jagellon, a new dynasty known as the Jagelion dynasty. This dynasty existed through many generations of Polish nobility who ruled and fought as the great barrier nation of eastern Europe.

I like to read that part of Polish history wherein Casmir the Just, 70 years before Columbus discovered America, enacted into the law of that land the Polish version of our habeas corpus act called the "Czerwinsk privelege," which provided that no man shall be imprisoned unless condemned and tried by law. I also like the old-time Polish maxim, which translated into English says, "Every man's home is his castle." A maxim likely originating before Anglo-Saxon civilization.

Adam Mickiewicz, the poet, who lived shortly after the great

nating before Anglo-Saxon civilization.

Adam Mickiewicz, the poet, who lived shortly after the great parliament and constitution of the third of May, wrote the Iliad of Poland's great deeds, of her trials and sorrows and the heroes of her people, much as did the great Irish poet, Thomas Moore, whose verses told of another nation's oppression.

I like to look back upon the old monk, Copernicus of Poland, as the discoverer of the solar system, which revolutionized science and astronomy and made possible great advancements of the science of to-day.

science of to-day.

I like to read in history of Madam Curie, of Poland, who, with her French husband, discovered radium, by means of which much of the terrible scourge of cancer is eliminated from the human

Reflecting to-day the days when the great writers and singers and artists of Italy and Poland collaborated and were known as the leaders of Europe in their work is the daughter of the city of Lemberg, Mme. Marcella Sembrich; she has sung her way around the world, famous for her Wagnerian rôles; her marvelous voice aided so materially the modern financial and patriotic efforts of her countrymen.

Who in America has not been fascinated with the great novel Quo Vadis and other writings of the Polish novelist Sienkiewicz, who subsequently gave up all his fortune to his country and died in destitution and want in foreign land.

I like to read of General Pilsudski, a fine figure in Polish struggles and successes since her freedom; also of their present leader and high able diplomat, President Ignace Mosciciki.

As I make this rather limited effort to do justice to this event as the guest of the good Franciscan Father Charles, of St. Michaels, I would be amiss if I failed to give a word of praise to two outstanding figures in the making of the new Poland. May I refer to our honored chairman, Dr. B. L. Smykowskiego, and the "magnificent maestro," Ignace Jan Paderewski—two old, fast friends; two men honored by President Wilson as chosen representatives of Poland, and who, as able diplomats, accomplished mighty results. I like to think of our chairman as the cultured, finished American physician of international note as a heart specialist that he is physician of international note as a heart specialist that he is, and of Paderewski, the great pianist interpreter of Chopin, the most famous of his day, joining hands in their devotion to Poland to sacrifice their fortunes and professions in their mighty effective diplomatic and patriotic efforts for that nation.

Yes, Poland and America have a great deal in common. res, Poland and America have a great deal in common. Poland stands with America, two of the greatest liberty-loving countries of the world. We do fittingly celebrate the constitution of the 3d of May and the Constitution of our country in this bicentennial of George Washington, for they spell a freedom of both lands; they write enduring pages of history, to be carried down through the ages, to be cherished in the annals of freedom.

REVENUE BILL OF 1932

Mr. Speaker, I present a conference report upon the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, for printing under the rule.

Mr. Speaker, I ask unanimous consent to proceed for 10

The SPEAKER. Is there objection? There was no objection.

Mr. CRISP. Mr. Speaker, the conferees on the tax bill met yesterday morning at 9.30 o'clock and were in practically continuous session until about a quarter to 11 last night, when they reached a complete agreement. I do not think ever in the history of the country has a bill of that magnitude been as speedily adjusted by the conferees, so far as their province was concerned, as was the case in the present bill. We all felt, and I am sure all feel, that the most important legislation pending before this Congress, so far as the country is concerned, is the passage of a tax bill that will balance the Budget, to restore and maintain the solvency and credit of the United States and the American dollar. That thought was most instrumental in making your conferees give and take and use speed in trying to reach an agreement, for the purpose of speedily getting on the statute books a tax bill that will balance the Budget. This report, if adopted by the House and the Senate, will balance the Budget, and the Secretary of the Treasury so

Under the rules I can not call up this bill to-day without unanimous consent because the rules of the House provide that it must be printed in the RECORD and go over for a day. There is another reason we can not do that. The staff worked until about 5 o'clock this morning trying to whip into shape the conference report, and have worked all the morning. The statement that must accompany the conference report, explanatory of it, has not yet been prepared. It has not been prepared because it was physically impossible to do it. I dislike to ask the House to stay in session to-morrow, because I know that all of us are very tired and we had looked forward to a day of rest, but, gentlemen, it is indefensible in an emergency of this kind and the need for speedy action on the conference report not to dispose of this conference report and we should not adjourn to-morrow until it has been disposed of. It is my intention to call up this conference report to-morrow. The conference report is not yet printed; it has just been filed. I have requested to have the text of the bill as agreed to by the conferees printed, and it will probably be available to-morrow morning so that the membership of the House and the country will have an opportunity to see it.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. SNELL. I appreciate the importance of everything the gentleman has said. As far as this side of the House is concerned, we are very anxious to cooperate in making the bill into law at the earliest possible moment, and, as far as we are concerned, we will cooperate in meeting earlier tomorrow in order to facilitate action on this important measure. [Applause.]

Mr. CRISP. I thank my friend, and I am sure I speak for my side of the House when I say that they are 100 per cent in favor of disposing of the bill to-morrow. [Applause.]

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield? Mr. CRISP. Yes.

Mr. WOODRUFF. Is it possible for the gentleman to have a copy of this bill delivered to each Member of the House

in the morning? Mr. CRISP. No; I shall not undertake to do that. No one has any conception of what I have gone through in this Congress. I do not think that the bill can be printed to-morrow. but I am doing all I can to have it printed, so that it will be in the Ways and Means Committee room, and the member-

ship can get a copy of it.

Mr. WOODRUFF. The thought I had in mind was this: If a request be made of the Public Printer I believe he would be glad to deliver to the House post office a sufficient number of copies so that the mail carrier could deliver to each Member's office a copy.

Mr. CRISP. I do not think it is very burdensome on a Member to send his secretary to the Committee on Ways and Means committee room in the House Office Building, where there will be a committee print.

Mr. BLANTON. But if the gentleman will ask unanimous consent right now that the Public Printer deliver a copy of

the bill to-morrow with the RECORD to our offices, it will be | done without any further ado about it. Why not ask that by unanimous consent?

Mr. CRISP. Oh, well, if gentlemen have to be humored, I shall do so. I am about through with what I wanted to say. I wanted to make this preliminary statement before I presented two requests for unanimous consent. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 10 o'clock to-morrow morning, the purpose being to dispose of this bill, so that there can be a speedy adjournment.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Speaker, I ask unanimous consent that I may have until midnight to-night to file the statement to accompany the conference report on the tax bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Speaker, I will state, addressing my remarks to the Public Printer, that I am sure the House will appreciate it if the Public Printer will take all steps necessary to have a copy of this bill put in the post office for each Member to-morrow morning. [Applause.]

Mr. HOWARD. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. HOWARD. It has been currently rumored about the building this morning that the President of the United States would be here to address the House to-morrow. Can the gentleman give us the approximate time when he will be here?

Mr. SNELL. Mr. Speaker, what is the gentleman's request?

Mr. HOWARD. Mr. Speaker, I did not yield to the gentleman from New York.

Mr. SNELL. Mr. Speaker, I did not ask the gentleman to yield, but I want to know what request the gentleman is

Mr. HOWARD. It was a very pertinent question, and I think a courteous and kindly question, addressed to the gentleman from Georgia, asking him if he had information, if he would kindly give us some information regarding the rumor about the building that the President is to speak to our House to-morrow, and at what hour, so that we might

Mr. CRISP. Answering the gentleman from Nebraska, his statement is the first intimation I have ever heard of such a matter. [Laughter and applause.] If there is any rumor going around-and I know my friend has heard such rumor or he would not have made the statement-I have never heard of it. I have no knowledge whatever on the subject.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CANNON. Mr. Speaker, I have just learned with regret that the conferees on the revenue bill have put back in the bill the tax on bank checks which the House struck out before sending it to the Senate. It is both a surprise and a disappointment to all friends of rural banking, as it was not believed the obnoxious provision would again be considered after its decisive defeat in the House.

It is the most objectionable of all the nuisance taxes imposed during the war. Banking facilities are the lifeblood of the business community. They can not be regarded as either a nuisance or a luxury, and no deadlier blow could be struck at the prosperity of a town than to tax its banks out of existence.

It is only one more step in the program which the Government has been directing against the banks. The Government is to-day supplying the keenest competition with

which the average bank has to deal. The postal savings being installed in the post offices of the country are advertising for business through every known channel of publicity and are drawing funds from the country banks into the central depositories at an alarming rate. On March 1, 1931, postal savings in the United States totaled \$175,000,000. On December 1, 1931, they had increased to \$550,000,000, an increase of over 200 per cent in nine months.

In addition to this draft on local funds, the campaigns of the Government to promote the sale of bonds has drawn millions from the banks and increased Treasury deposits at the expense of the credit reserves of every community in the Nation. And the officially sponsored drives for the sales of automobiles and kindred diversions of rural credit have added further to the difficulties of country banking.

In fact, under Government influences of the last few years the character of banking has completely changed. Realestate loans have been transferred. Many lines of loans have been discontinued altogether on official recommendation. Circumscribed by Government dictation, the banks no longer supply local credit as formerly.

Under such handicaps the mortality among country banks has been unprecedented. Only the strongest have survived. And now, just as the survivors are beginning to adjust themselves to changed conditions and confidence is being restored and hoarded funds are beginning to flow back into the channels of trade, the Government, through the new revenue bill, proposes to place an added burden on them by taxing checks.

It will in many instances prove the straw that breaks the camel's back, and will undoubtedly close banks in every part of the country. Many small depositors will not put money in the bank if they must pay to get it out. It will result in the immediate withdrawal of funds and will encourage renewed hoarding. Millions of dollars are now in hiding or being carried around in the pockets of citizens of the United States, and this tax on checks will furnish timid patrons an excuse for withdrawal of accounts and will decrease money in circulation by hundreds of millions of dollars. It will appreciably decrease the reservoirs of credit throughout the

A dollar in the bank will support \$10 of purchasing power in the community, but a dollar in the pocket is only a dollar. No tax could be suggested which will have a more deleterious effect on business. At a time when every effort is being made to overcome the effects of the depression it will insure continuation of the deflation and retard business recovery

Let us hope that the conferees will not sign the death warrant of the home-town bank by insisting on the adoption of the conference report without a separate vote on this important item of the bill.

THE SOLDIERS' BONUS BILL

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McKEOWN. Mr. Speaker, there are only a few days left in which to get the bonus bill considered by the House. This rule does not require the Members to vote for the particular bill that is asked to be brought out. It simply gives an opportunity to have the bill presented to the House. This House has been liberal with every group of men that has asked for legislation. We have given every group in this House ample opportunity to present their legislation. It is not a question of whether you favor the bill, but whether you will be fair enough to give us an opportunity to have this bill, or any other plan of bill, presented to the House?

Mr. CONNERY. Will the gentleman yield? Mr. McKEOWN. I yield.

Mr. CONNERY. We need 26 names on this petition in order to get a vote on the 13th of June. As the gentleman so well said, any Member who is in favor of changing the

present law in any way, interest rates or anything else, should sign this petition. They do not have to vote for the Patman bill. It can be amended on the floor.

The SPEAKER. The time of the gentleman from Okla-

homa has expired.

GEORGE WASHINGTON BICENTENNIAL CELEBRATION

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bicentennial celebration.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, delivered by me at state-wide George Washington bicentennial celebration held at Temple Hill, New York, on Saturday afternoon, May 28, 1932:

ADDRESS OF HON, HAMILTON FISH, JR.

It is right and fitting that the George Washington bicentennial Celebration should be held at Temple Hill, hallowed by the presence during the Revolutionary War of the Commander in Chief and the Continental Army and made sacred by the events that

took place here.

This site should indeed be a national shrine, for it was here at Temple Hill, New Windsor, that George Washington delivered the first law and order speech after victory had been secured before a convention of officers presided over by General Gates and prevented his officers, by his wise advice and sagacious leadership, from open rebellion against Congress and the existing Government. Within sight of this spot stood row on row of the stone huts used during the last three winters by the Continental Army for winter

The famous headquarters of General Knox, still standing, is only a short way off. Valley Forge is better known in history, but Washington's army only spent one winter there and Morristown, because it has been better advertised, is still considered by the American public to have been the main winter headquarters, which

Newburgh and New Windsor constituted the main camping grounds of the Revolutionary troops and was much more important, owing to the far-reaching events that occurred there, than at Valley Forge or Morristown combined.

than at Valley Forge or Morristown combined.

It is fair and proper that on this occasion we should at least try to remedy the historical injustice that has been committed against the State of New York and more particularly against Newburgh, New Windsor, and this section of the Hudson River known as the Highlands by the distinguished historians of the Revolutionary War, most of whom hailed, unfortunately, from New England and wrote from the point of view of Bunker Hill,

New England and wrote from the point of view of Bunker Hill, Lexington, Concord, and the Boston Tea Party.

The decisive part played by New York State was almost completely overlooked, and the fact that the main strategy of the British, who had their headquarters at New York City for seven years, was to secure the forts in the Highlands and gain control of the Hudson River, thereby connecting up with the loyal forces in Canada and cutting the communication between the New England States and the Central and Southern States, was ignored.

It was likewise the main strategy of Washington during the

It was likewise the main strategy of Washington during the greater part of the war to maintain the control of the Hudson by defending at all costs the forts in the Highlands. West Point, with its series of fortifications, which were erected in the early part of 1778 and dominated the Hudson River, was never attacked

part of 1778 and dominated the Hudson River, was never attacked because of its great strength.

Of the 308 battles, large and small, in the Revolutionary War, 92 were fought in New York State, including the decisive Battle of Saratoga. George Washington spent over 1,000 days during the war within a radius of 25 miles of this very spot. George Clinton, who was our first governor and served for 20 years as the chief executive of New York State, was born within a few miles from here, as was his brother, James Clinton.

It is well to remember on anniversaries of this nature that, in spite of the oblivion cast upon the participation of New York State in the Revolutionary War, we gave to the cause of liberty and independence the Clintons, Livingstons, Gouverneur and Lewis Morris, Alexander Hamilton, John Jay, and Generals McDougal, Scott, Montgomery, and Herkimer, of which the two latter were killed in battle.

killed in battle.

Former Senator Henry Cabot Lodge, in his history of the American Revolution, does not even refer to Newburgh and New Windsor, where two of the most vital events in the early history of our country took place. It was from his headquarters at Newburgh, on May 22, 1782, that General Washington wrote his famous letter of rebuke to Colonel Nichola and a group of fellow officers who virtually offered him a crown, and thereby determined once and for all the establishment of our republican form of government.

The following is a quotation from Washington's letter to Colonel

The following is a quotation from Washington's letter to Colonel Nichola: "Let me conjure you, then, if you have any regard for your country, concern for yourself or posterity, or respect for me, to banish these thoughts from your mind and never communicate as from yourself or anyone else a sentiment of like nature."

For some reason that I do not understand efforts have been made to make it appear that Temple Hill was connected with this important episode in the formation of the Republic. Such is not the case nor is there any need to attempt to add new laurals to

the case, nor is there any need to attempt to add new laurels to

this sacred spot, which was the camping ground of the Revolution and made even more famous by the remarkable address of General Washington to his officers in the new building or temple on this

After the Battle of Yorktown there was much dissatisfaction mong many of the officers, who had not received their pay for a among many of the officers, who had not received their pay for a long time, and the resentment against the Congress for giving nothing but empty promises to the officers who were about to be discharged resulted in a conspiracy among them to resort to force and violence. Anonymous addresses were circulated and threats made and meetings arranged. The Commander in Chief, when he was notified of the situation, anticipated the conspirators by calling all the officers of the Army who were present to meet him at the "new building" on March 15, 1783. It was on that memorable occasion that, pausing for a moment in the reading of his prepared manuscript, he drew out his spectacles, carefully wiped and adjusted them, and remarked simply, "These eyes, my friends, have grown dim and these locks white in the service, yet I have never doubted the justice of my country." never doubted the justice of my country."

never doubted the justice of my country."

He then went on to deliver as sublime a speech as there is in American history, and by his common sense and moderation to completely win over his officers to a course of action based upon reason and military discipline. I have quoted at some length from this speech, first, because it was delivered on this site, and, secondly, because it shows the greatness of Washington's character, and, thirdly, because it determined that these United States were not to become a military autocracy. Amid the most profound attention Washington commenced reading:

"Gentlemen, by an approximate summons an attempt has been

"Gentlemen, by an anonymous summons an attempt has been made to convene you together. How inconsistent with rules of propriety, how unmilitary, how subversive of all order and discipline; let the good sense of the Army decide."

propriety, how diffilitary, how subtrists of an order and cipline; let the good sense of the Army decide."

The Commander in Chief then pointed out the dreadful consequences of following the advice of the anonymous writer, subsequently ascertained to be Major Armstrong (afterwards Secretary of War):

"Either to draw their swords against their country or retire, if war continues, from the defense of all they hold dear."

And concluded with the following forcible peroration:

"I conjure you, in the name of our common country, as you value your own sacred honor, as you respect the rights of humanity, to express your utmost horror and detestation of the man who wishes, under any specious pretenses, to overturn the liberties of your country and who wickedly attempts to open the floodgates of civil discord and deluge our rising empire in blood."

The convention resolved unanimously, among other things, that the Army have unshaken confidence in Congress and view with abhorrence and reject with disdain the infamous proposition contained in a late anonymous address to officers of the Army.

abhoreence and reject with disdain the infamous proposition contained in a late anonymous address to officers of the Army.

This address of Washington, upholding military discipline and our existing civil government, was not only the first law and order speech which has become so common to-day but had a far-reaching effect on maintaining intact the fruits of victory already won after seven long years of deprivations and warfare.

It is well to remember in this connection that General Washing-It is well to remember in this connection that General Washington wrote his well-known letter of congratulation and advice to the governors of the thirteen States from his Newburgh head-quarters on June 8, 1783, in which, among other suggestions, he advocated the building up of a citizens' army or militia. The following is an extract from his letter of advice:

"The militia of this country must be considered as the palladium of our security and the first effectual resort in case of hostility; it is essential, therefore, that the same system should pervade the whole, that the formation and discipline of the militia of the continent should be absolutely uniform; and the same

of the continent should be absolutely uniform; and the same species of arms, accounterments, and military apparatus should be introduced in every part of the United States. No one who has not learned it from experience can conceive the difficulty, expense, and confusion which result from a contrary system or the vague arrangements which have hitherto prevailed."

This is practically our system of national defense to-day, in which the National Guard, Officers' Reserve Corps, Reserve Officers' Training Corps, and citizens' military training camps constitute a trained reserve for our small and efficient Regular Army. It is truly a democratic, American system of national defense, and, besides, is voluntary and the least costly.

I congratulate the people of this district on having in their midst at West Point the greatest and most efficient military academy not only in the United States but throughout the world

midst at West Point the greatest and most efficient military academy not only in the United States but throughout the world. We are proud of it and its glorious traditions, and we appreciate the participation of the Cadet Corps and its distinguished superintendent, Maj. Gen. William D. Connor, in these ceremonies.

The people of Newburgh and vicinity are also proud of the splendid record of the One hundred and fifty-sixth Regiment of Field Artillery, largely officered by World War veterans who served with valor and distinction on the battlefields of France.

We are proud of that fine military academy at Corpoyell, the

We are proud of that fine military academy at Cornwall, the best institution of its kind in the country, and we are grateful to all the fraternal, civic, veteran, and patriotic groups who have participated in these ceremonies and made this celebration the largest and most important held in this section of the State of New York for the past 50 years.

I am hopeful, when more prosperous times return, that the Congress will consider favorably the plan to erect a small national park at Temple Hill, including the sites of the old winter quarters of our Revolutionary soldiers. This whole section is truly the cradle of the Republic, and we would be falling in our duty to the memories of those who served here for so many years in

defense of our country at its birth if we did not do our share to keep alive their sacrifices in order that we might be a free

and independent people.

The Declaration of Independence, written by the immortal Thomas Jefferson, was a mere scrap of paper until, through the courage, leadership, determination, and faith of George Washington, it was translated into a political actuality—the Government of the United States.

More than anything else to-day, in solving our acute economic and political problems, is the need of the same high degree of courage, leadership, determination, and faith as shown by George Washington throughout seven long years of the Revolutionary War and here at Temple Hill, when by a few words he quelled a mutiny

among his officers.

among his officers.

We are, it is true, in the midst of a serious economic crisis, but there can be no question but that the American people will emerge from this depression as long as they and their leaders adhere to those same principles that guided George Washington to final victory during the Revolutionary War.

Our republican form of government is still the hope and aspirations of the structure was see of marking throughout the world.

Our republican form of government is still the hope and aspiration of the struggling masses of mankind throughout the world, whether they be in Italy, Russia, China, or Japan.

Let us on this two hundredth anniversary of the birth of the Father of our Country rededicate ourselves to the proposition that a government of the people, by the people, and for the people shall not perish from this earth.

Let us reaffirm our belief in our republican form of government, the transfer of the people shall not perish from the country forcest, where the proposals and here.

Let us reamrm our benef in our republican form of government, because it is the soundest, fairest, wisest, most honorable, and best ever devised by the mind of man.

Let us cherish it and defend it against all of its enemies, both from without and from within, and serve notice upon all the socialists, plnk intellectuals, communists, and fascists, and those advocating some temporary foreign dictatorship that we have faith in America and believe that our republican form of government is still the best on earth.

SECOND DEFICIENCY APPROPRIATION BILL

Mr. BYRNS, from the Committee on Appropriations, submitted a privileged report on the bill (H. R. 12443, Rept. No. 1491) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, which was read the first and second time, and together with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. SIMMONS reserved all points of order on the bill.

DELAWARE RIVER JOINT COMMISSION

The SPEAKER. The Chair desires to make a statement. The Chair has had communications from the Governor of Pennsylvania and the Governor of New Jersey calling his attention to the proposed legislation with reference to a bridge in which each of the States is interested. The Chair understands the bill has been unanimously reported by the committee having it in charge, the Committee on Interstate and Foreign Commerce. The Committee on Rules, as the Chair understands, was unanimous in giving a rule for the consideration of the bill.

In view of the telegrams received from the two governors mentioned, the Chair thinks he is justified in asking unanimous consent at this time for the present consideration of

Mr. PURNELL. Mr. Speaker, I think in justice to the facts. I ought to state that the rule does not come from the Rules Committee unanimously. There was some opposition.

The SPEAKER. The Chair is glad to be corrected.

Mr. RANSLEY. Mr. Speaker, as a member of the Rules Committee I opposed the rule.

Mr. HUDDLESTON. Mr. Speaker, may I inquire what bill that is?

The SPEAKER. It is a bridge bill, Senate Joint Resolution 41, concerning a bridge over the Delaware River.

Is there objection to the present consideration of the resolution?

Mr. BLANTON. Mr. Speaker, I want to ask the gentleman from Alabama what charge this makes on the Treasury? The regular order was demanded.

The SPEAKER. Is there objection to the present consideration of the resolution.

Mr. RANSLEY. Mr. Speaker, I demand a second.

The SPEAKER. The gentleman can object if he desires. Mr. RANSLEY. If it is a unanimous-consent request, Mr. Speaker, I object.

The SPEAKER. May the Chair ask the gentleman from Tennessee if it is the purpose to call up the deficiency appropriation bill immediately upon the conclusion of the consideration of the resolution, S. J. Res. 41?

Mr. BYRNS. That is what I expected and hoped to do, Mr. Speaker.

The SPEAKER. The Chair asked that question with the idea of disposing of the bridge bill as early as possible, so that there may be as much time as possible to consider the deficiency appropriation bill.

Mr. BYRNS. That is my hope.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it.

Mr. STAFFORD. As I understand, it is not the purpose

to call the Private Calendar to-day?

The SPEAKER. No; it is not. Matters of emergency are before the House, and the Chair has taken the responsibility of disposing of them.

Mr. BANKHEAD. Mr. Speaker, I call up the resolution (H. Res. 241) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 241

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. J. Res. 41, a joint resolution granting consent of Congress to a compact or agreement between the Common-wealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof. After general debate, which shall be confined to the joint resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and the amendments thereto to final passage without intervening motion except are motion to recommit one motion to recommit.

The resolution was agreed to.

Mr. BANKHEAD. Inasmuch as the ranking minority member of the Committee on Rules has indicated he may desire a little time, I shall be pleased to yield time to him.

Mr. PURNELL. I would like for the gentleman to yield me the usual 30 minutes. I shall use as little of it as

Mr. BANKHEAD. Mr. Speaker, I desire to make a brief statement in reference to the resolution.

Mr. Speaker, this is a resolution reported from the Committee on Rules, of which at least one Member reserved the right to oppose the rule and the resolution providing for the consideration of the joint resolution to grant the consent of Congress for the ratification of an agreement between the States of Pennsylvania and New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof.

After its passage by the Senate the joint resolution was referred to the House Committee on Interstate and Foreign Commerce and was reported out by that committee, I understand, by practically a unanimous vote.

Messages from the Governors of Pennsylvania and New Jersey represented to the Committee on Rules that the passage of the resolution is a matter of emergency.

The compact was unanimously adopted by the Legislatures of both the States of New Jersey and Pennsylvania, and it only requires the adoption of this resolution giving the consent of Congress under the Constitution for the beginning of the effective operation of this compact.

The committee was further advised that the State of New Jersey had made a contingent appropriation of some six and one-half millions of dollars to be used for the destitute unemployed in the State to be derived from the division of funds arising from the operation of this bridge if this compact is ratified.

Inasmuch as it came to the committee by unanimous request of the authorities of both the States involved, of course, there is nothing left for us to do except to recommend it to your consideration.

The rule provides for one hour of general debate, after ! which the resolution would be subject to amendment under the 5-minute rule. Of course, the compact itself would

That is all I desire to say with reference to the resolution. Mr. EATON of Colorado. Mr. Speaker, will the gentleman vield?

Mr. BANKHEAD. I yield.

Mr. EATON of Colorado. Is this resolution identical with the one presented by the gentleman from New Jersey [Mr. WOLVERTON 12

Mr. BANKHEAD. This is the resolution which was prepared and presented by the gentleman from New Jersey [Mr.

Mr. Speaker, I yield to the gentleman from Indiana such time as he may desire.

Mr. PURNELL. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. Wolverton].

Mr. WOLVERTON. Mr. Speaker, the purpose of the rule has been well stated by Mr. BANKHEAD, the distinguished chairman of the Committee on Rules. The resolution, if adopted, will bring before the House for consideration Senate Joint Resolution 41, introduced by Senator Kean, of New Jersey, which is identical with House Joint Resolution 101, introduced by me on December 8 last. The purpose of these resolutions is to give congressional consent to a compact or agreement entered into between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof.

The subject matter of the agreement has had the legislative approval of the legislatures of the two States. It was passed unanimously by both houses of the Pennsylvania Legislature in June of 1931. It also was passed unanimously by both the house and senate of New Jersey. The bill as passed by the Pennsylvania Legislature was approved by Governor Pinchot on or about June 13, 1931, and the bill passed by the New Jersey Legislature received the approval of Gov. Morgan F. Larson, of New Jersey, on or about June 20, 1931.

After the passage of the legislation by the two States and the approval given by the governors of both, a compact or agreement was entered into by representatives of the Commonwealth of Pennsylvania and the State of New Jersey, and which said compact or agreement embodied the terms of the legislation previously approved by both States.

The agreement was signed, executed, and delivered by the duly authorized representatives of the two States on June 30, 1931. Under the terms of the agreement it became operative the following day, July 1, 1931; and thereupon the Delaware River Joint Commission, as provided for under the terms of the legislation and the agreement entered into as a result thereof, came into existence, composed of eight commissioners representing the Commonwealth of Pennsylvania and eight representing the State of New Jersey. This joint commission has been since the 1st day of July, 1931, and is now engaged in performing the duties required of it by the agreement entered into.

The purpose that actuated the two States in coming to a mutual understanding and agreement as embodied in the compact before the House is best stated in the language of the agreement appearing on pages 2 and 3 of Senate Joint Resolution 41, reading as follows:

Whereas both States have mutual interests in the development of the Delaware River from Philadelphia and Camden to the sea, of the Delaware River from Financipina and Canden to the sea, and particularly in developing the facilities and promoting the more extensive use of the ports of Philadelphia and Camden by coastwise, intercoastal, and foreign vessels; and Whereas it is highly desirable that there be a single agency of

whereas it is making desirable that there he a single agency of both States empowered to further the aforesaid interests of both States: Now, therefore,

The Commonwealth of Pennsylvania and the State of New

Jersey do hereby solemnly covenant and agree each with the other.

Then follows the recital of the creation of a body corporate to be known as the Delaware River Joint Commission. powers conferred upon such commission are as follows:

First. The operation and maintenance of the bridge owned jointly by the two States and the city of Philadelphia, as its

interests may appear, across the Delaware River between the city of Philadelphia in the Commonwealth of Pennsylvania and the city of Camden in the State of New Jersey, including its approaches, and the making of additions and improvements thereto.

Second. The effectuation, establishment, construction, operation, and maintenance of railroad or other facilities for the transportation of passengers across the said bridge, including extensions thereof to the vicinity of Race Street and Eighth Street in the city of Philadelphia, and to the vicinity of Carman Street and Haddon Avenue in the city of Camden.

Third. The investigation of the necessity for additional means of communication between the Commonwealth of Pennsylvania in the vicinity of Philadelphia and the State of New Jersey opposite thereto, and between the ports of Philadelphia and Camden and the sea, and making of such studies, surveys, and estimates as may be necessary to determine the feasibility and cost of any such additional means of communication, whether the same be by bridge, tunnel, canal, or otherwise.

Fourth. Cooperation with all other bodies interested or concerned with or affected by the promotion, development, or use of the Delaware River.

Fifth. The procurement from the Government of the United States of any consents which may be requisite to enable any project within its powers to be carried forward.

Sixth. The promotion of the Delaware River as a highway of commerce between Philadelphia and Camden and

Seventh. The promotion of increased commerce on the Delaware River, both freight and passenger, and, for this purpose, the publication of such literature and the adoption of such means as may be deemed appropriate.

Eighth. To study and make recommendations to the proper authorities for the improvement of terminal, lighterage, wharfage, warehouse, and other facilities necessary for the promotion of commerce on the Delaware River.

Ninth. Institution, through the attorneys general of Pennsylvania and New Jersey, of or intervention in any litigation involving rates, preferences, rebates, or other matters vital to the interests of the ports of the Delaware River.

Tenth. Any other functions which may be of mutual benefit to the Commonwealth of Pennsylvania and the State of New Jersey, in so far as concerns the promotion and development of the ports of Philadelphia and of Camden, and the use by commercial vessels of their facilities.

Under the provisions of the agreement the Delaware River Joint Commission is authorized to issue bonds to repay to the Commonwealth of Pennsylvania, the city of Philadelphia, and the State of New Jersey the amount remaining due to each of them on account of moneys advanced for the construction of the present bridge. This provision will make possible the repayment to the Commonwealth of Pennsylvania of approximately \$10,000,000, to the city of Philadelphia approximately \$10,000,000, and to the State of New Jersey \$13,500,000. Furthermore, said commission is authorized to issue bonds to cover the construction cost of a high-speed system of transportation over said bridge and connecting with the subway system now being constructed by the city of Philadelphia and a subway system to be built in a portion of the city of Camden. This will entail approximately an expenditure of \$10,000,000.

Congressional approval is desired at this time because of a situation that has developed through the inability to dispose of the bonds unless and until there has been congressional approval of the compact entered into between the two States.

It was not generally understood that any additional congressional approval would be necessary beyond that previously given, when Congress gave its approval in 1921 to the building of the Delaware River Bridge; but legal advisers to financial interests claim that, by reason of the constitutional provision requiring congressional approval to any compact or agreement entered into between States, such approval is necessary for the present compact, because its terms are in some particulars different than granted by the original congressional act of approval. While other eminent legal authorities deny for additional congressional approval, yet to grant such approval will undoubtedly make the bonds more readily salable.

There is also an emergency existing in the State of New Jersey that makes congressional action at this time highly desirable and necessary. The emergency to which I refer grows out of the fact, as outlined in a telegram to me from Governor Moore, of New Jersey, that it will be necessary to raise additional funds before July 1 next to give relief to the unemployed of the State. At the present time there are no funds available, and the Legislature of New Jersey is seeking new forms of taxation to raise the revenue to provide the necessary relief funds. If congressional approval is given to the compact or agreement between the States of Pennsylvania and New Jersey, it will thereby enable the bonds to be issued by the Delaware River Joint Commission and the payment made to New Jersey, from which the relief funds will be available and, in my judgment, will thereby remove the immediate necessity of an additional tax burden upon the people of our State.

I also wish to call to the attention of the House that the passage of this resolution at this time will also make it possible for the commission to issue bonds that will enable the commission to proceed immediately with the construction of the high-speed transportation system already planned by the two States. As the amount will approximate \$10,000,000, it will necessarily provide work for great numbers of draftsmen, engineers, and skilled and unskilled labor over a period of many months. It will, therefore, be seen that if congressional approval is given to the resolution it will be a means of providing real, genuine relief to the unemployed of the State of New Jersey and without any expense whatsoever to the Federal Government.

I wish also to call to the attention of the House the fact that no inherent rights of the United States are infringed upon or released under the terms of this resolution. In fact, every right now existing is preserved, and the resolution has the approval of the War Department, the Navy Department, and the Department of Agriculture. It has passed the Senate of the United States unanimously. It has had the unanimous approval of the House Committee on Interstate and Foreign Commerce, and the Rules Committee of the House, recognizing the importance of the legislation and the emergency existing, has granted the rule which is now under consideration and which I sincerely hope will be adopted forthwith by the House.

Mr. COX. Will the gentleman yield?

Mr. WOLVERTON. Certainly.

Mr. COX. How soon will the \$6,500,000 be available? At once, will it not?

Mr. WOLVERTON. We assume it will be available almost immediately; certainly as soon as the legal requirements for the advertising and issuing of the bonds can be complied with. It has been represented that lack of congressional approval is all that withholds action by financial interests providing the money.

Mr. COX. In other words, your legislature has already taken action in anticipation of favorable action upon the part of Congress?

Mr. WOLVERTON. I so understand. Furthermore, our legislature is now in session and, I am advised, is ready and willing to do whatever may be necessary to make the moneys available at the earliest possible day.

Mr. BLANTON. Will the gentleman yield?

Mr. WOLVERTON. Certainly.

Mr. BLANTON. Will this measure create any charge at all against the Treasury?

Mr. WOLVERTON. No. This is the first relief measure that has come before this Congress that will not mean any expense to the Treasury of the United States.

Mr. BLANTON. Does it in any way infringe upon the rights of the United States Government?

Mr. WOLVERTON. It does not.

Mr. BLANTON. Then why not let us pass the resolution without any further debate?

Mr. WOLVERTON. I am in accord with the view of the gentleman from Texas, who sees the point very clearly.

Mr. RANSLEY. Will the gentleman yield?

Mr. WOLVERTON. With pleasure.

Mr. RANSLEY. I understood the gentleman to state that the money would be available at once. Surely the bonds must find a market. Philadelphia is about to attempt to sell \$20,000,000 worth of bonds, and they will undoubtedly conflict one with the other, so that the State of New Jersey could not receive the money at once.

Mr. WOLVERTON. The gentleman is mistaken, for this reason: Philadelphia is to-day offering the \$20,000,000 worth of bonds to which he has referred in his question. Therefore that issue will be out of the way before the bonds to be issued by the commission are offered for sale.

In conclusion, as my time has expired, I do wish to urge with all sincerity favorable action by the House on this important resolution that will mean so much to the future welfare of the people of Pennsylvania and New Jersey. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. Sabath].

Mr. SABATH. Mr. Speaker, I am in favor of this resolution. I am in favor of any legislation that will create employment. To-day we were advised that the conferees have agreed on the revenue bill, which will balance the Budget. I am delighted to hear this, and I hope that the banks, the bankers, the press, and foreign investors will be happy and satisfied. I am hopeful that it will afford some relief and will bring about some benefit to approximately 10,000,000 unemployed. I am for any proposition that will result in employment, because, gentlemen, conditions are serious. I have called your attention to these serious conditions many times.

A few days ago, in the city of Detroit, the mayors of the large cities of America unanimously agreed that the cities they represent are not in a position to feed the starving and hungry multitudes, and appealed to the Federal Government for aid. I say it is absolutely necessary that we legislate in the interest of the unemployed and relieve the existing ominous and serious conditions.

I have advocated relief to municipalities for the last year. I believe that such legislation should be forthcoming, first, because the municipalities are in absolute need of funds to take care of their vast numbers of unemployed and starving people, and, second, because any loan that will be extended to them will be repaid.

There are some gentlemen who do not seem to be interested in the hungry people of America. I do not desire to make a statement that may be construed by some as being revolutionary, but I warn you now, my friends, that we must act and act speedily to relieve existing conditions. The President does not appear to be interested in the starving people. I regret that I have no confidence in the workings of the Reconstruction Finance Corporation management.

Though I have advocated for almost two years the creation of a Federal finance corporation to relieve the financial stringency, save the banks, and extend credit, so that business would not be seriously affected, I have felt, however, that the membership or directorate of such a corporation should consist of men uninfluenced and uncontrolled by Wall Street, and for that reason I have provided in my bill the stipulation that Congress should have the power to name the five directors. In fact, I deemed this freedom from the control of vested interests so important that in one bill I specifically stated by name who these five directors should be. It was my contention that only men of extraordinary ability and men who placed the Nation before partisanship would administer the law in a manner that would bring the greatest good to the greatest number. I was apprehensive lest the Secretary of the Treasury, Mr. Mellon, and the Governor of the Federal Reserve Board, Mr. Meyer, who, though in a position to relieve the financial difficulties, refused to heed my appeals for immediate action, be given full control of the organization. I was fearful that the great

power vested in such an institution and placed in the hands of those closely allied with Wall Street interests would be used solely to aid the big interests and that the legitimate industry and business of the Nation would be disregarded.

And to-day, after this Reconstruction Finance Corporation has been functioning for nearly four months, the fears which I entertained at that time have been justified, for, notwithstanding the large amount that has already been advanced, we find upon close investigation that the railroads, insurance companies, and large banking institutions have been the largest beneficiaries and that the country at large has received little or nothing in the way of aid.

The bill directly provides that loans should be made to building and loan associations; yet to this day only a ridiculously insignificant amount has been advanced to these deserving institutions. I can not help but feel that if the Reconstruction Finance Corporation had used its great power fairly we could have seen the direct benefits accrue from this legislation long before this, and by this time business would have improved, unemployment reduced, and the Federal revenue increased. But, unfortunately, this is not so, and we are to-day obliged to enact this legislation in the hope of balancing the Budget, so as to maintain our credit. There are many provisions in this bill to which I do not subscribe-in fact, to which I am opposed-and for which I dislike to vote, but, unfortunately, we have no alternative but to accept and vote for the bill, for only by the passage of this bill can we enact the legislation in which I am especially interested; that is, legislation that will immediately relieve the millions of the unemployed and starving people, legislation that will grant aid to the States and municipalities, legislation that will create employment, and legislation that will reestablish business.

I feel that we must enact legislation immediately that will relieve conditions before it is too late. I know that inasmuch as I have made these appeals on the floor before, you may be under the impression that I am merely repeating them for grandiloquent effect. Do not be misled, gentlemen. I am repeating them because every day conditions are becoming more alarming. And I will continue to repeat them until we act to remedy the deplorable conditions.

I appeal to the leaders of both sides to face the seriousness of the situation squarely and agree on legislation that will create employment and relieve the conditions which are now threatening the Nation. [Applause.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. RANSLEY. Mr. Speaker, I am opposed to the rule because its passage will bring before the House Senate Joint Resolution No. 41, a resolution that, in the minds of the councils of Philadelphia, would do great injury to the port.

Senate Joint Resolution 41 is opposed by the present mayor, the Hon. J. Hampton Moore, who was a Member of this House for 14 consecutive years, and by the unanimous vote of the councils of Philadelphia.

The councils of our city passed a resolution asking the Committee on Interstate and Foreign Commerce to delay action on the joint resolution until they had completed hearings which are now taking place in the city of Philadelphia. The Legislature of Pennsylvania will meet in a few weeks, and it is our belief that a change can or will be made if this delay is granted.

The bill restricts Philadelphia's control over her own port, and would make possible the construction of additional bridges and tunnels within a 20-mile zone controlled by the commission, without the consent of the councils of Philadelphia. It gives us no opportunity of home rule whatever.

The commission will control the riparian rights, and mark you this. On page 4, article (h), the commission is given the right of eminent domain. This is drastic.

All we want is to postpone action until a more equitable agreement can be entered into.

Mr. BRIGGS. Will the gentleman yield for a question? Mr. RANSLEY. Yes,

Mr. BRIGGS. Is the agreement that has been made and presented here the one entered into by the Commonwealth of Pennsylvania?

Mr. RANSLEY. And the State of New Jersey; yes.

Mr. BRIGGS. Are the identical provisions carried in the resolution that Congress is being asked to ratify?

Mr. RANSLEY. Yes. They were ratified by both States.

Mr. TILSON. Will the gentleman yield there?

Mr. RANSLEY. I yield.

Mr. TILSON. How is it that Philadelphia's voice was not heard at Harrisburg when this resolution was under consideration? How is it that it apparently comes here unanimously from the two States, when Philadelphia is such an important portion of the State? This is what it is difficult for some of us outside of Pennsylvania to understand.

Mr. RANSLEY. I have not anything to disguise, and I will state to the gentleman from Connecticut that we have a new mayor in Philadelphia—

Mr. TILSON. And a good one.

Mr. RANSLEY. And anybody who knows the Hon. J. Hampton Moore knows him to be an honest, honorable gentleman. I do not want to go any further into the matter.

It was the thought of many that after the bridge had paid for itself and the original investment returned to the Commonwealth of Pennsylvania and the State of New Jersey, as well as the \$10,000,000 that the city of Philadelphia had contributed, the bridge would be opened to all free of charge, or at least a nominal amount charged.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, as there are no further requests for time, I move the previous question on the adoption of the resolution.

The previous question was ordered.

Mr. BANKHEAD. Mr. Speaker, I desire to submit a unanimous-consent request. Under the rule it is provided that the time in favor of the resolution shall be controlled by the chairman of the Committee on Interstate and Foreign Commerce. I ask unanimous consent that the chairman of the subcommittee handling this matter, the gentleman from Missouri [Mr. Milligan], control the time.

The SPEAKER pro tempore (Mr. BLAND). Is there objection to the request of the gentleman from Alabama?

There was no objection.

The resolution was agreed to.

Mr. MILLIGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the joint resolution (S. J. Res. 41) granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the joint resolution (S. J. Res. 41), with Mr. DISNEY in the chair.

The Clerk read the title of the joint resolution.

Mr. MILLIGAN. Mr. Chairman, I ask unanimous consent that the first reading of the joint resolution be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MILLIGAN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. Stewart].

Mr. STEWART. Mr. Chairman, Senate Joint Resolution 41 grants the consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof.

This resolution was passed by the United States Senate on February 24, 1932. It was referred to the House Committee on Interstate and Foreign Commerce on February 27, 1932, and reported to the House by that committee on May 19, 1932, with a recommendation that it pass. (Rept.

No. 1383, 72d Cong., 1st sess.) The agreement, creating the Delaware River Joint Commission between the Commonwealth of Pennsylvania and the State of New Jersey was entered into on July 1, 1931. This agreement was authorized pursuant to laws passed by the Commonwealth of Pennsylvania and the State of New Jersey, respectively, during the 1931 sessions of their legislatures.

The Secretary of War, under date of December 29, 1931, approved the passage of this resolution. The Acting Secretary of Agriculture, under date of December 31, 1931, advised the chairman of the Interstate and Foreign Commerce Committee that that department had no objection to the passage of this resolution. Under date of February 10, 1932, the Secretary of the Navy advised the chairman of the committee that the Navy Department had no objection to the

passage of the resolution.

Senate Joint Resolution No. 41 does not involve any expenditures of Federal funds. It merely consents to the agreement between these two States. The rights of the United States are amply safeguarded by the proviso on page 20, "That nothing herein contained shall be construed to affect, impair, or diminish any right, power, or jurisdiction of the United States or of any court, department, board, bureau, officer, or official of the United States, over or in regard to any navigable waters, or any commerce between the States or with foreign countries, or any bridge, railroad, highway, pier, wharf, or other facility or improvement, or any other person, matter, or thing, forming the subject matter of the aforesaid compact or agreement or otherwise affected by the terms thereof."

Article 6 of the agreement specifies that on or before the 30th day of June, 1932, or as soon thereafter as practicable, the commission shall pay to the State of New Jersey an amount equal to the moneys contributed by that State toward the cost of acquiring property for and construction of the Delaware River Bridge and its approaches and expenditures incident thereto, with interest theretofore actually paid by the State of New Jersey or accrued upon the bonds heretofore issued by such State to borrow money to pay its share of the cost of acquired property for and the construction of said bridge and its approaches.

The sum to be due the State of New Jersey under this agreement is approximately \$13,000,000; six and one-half million dollars of this sum are free, unpledged funds.

I have been advised by Gov. A. Harry Moore, of New Jersey, that it is the intention of the State to utilize this sum of six and one-half million dollars for direct unemployment relief.

Governor Moore estimates that on the 1st of July there will be 800,000 inhabitants of our State who will lack food and employment, and the passage of this resolution is of the utmost importance for this reason.

The State of New Jersey has during the last fiscal year expended for unemployment relief a sum in excess of \$20,000,000. This fund will be exhausted by July 1, 1932, and it is absolutely imperative that this resolution be enacted into law before that time.

Should this resolution fail of passage, it will be necessary for the State of New Jersey to levy additional taxes in order to raise funds for unemployment relief during the coming

Governor Pinchot, of Pennsylvania, yesterday advised the governor of my State as follows:

I shall be very glad indeed to communicate promptly with the Speaker of the House and the Members of the Pennsylvania delegation and urge upon them the ratification of the bridge compact between New Jersey and Pennsylvania.

The State of New Jersey, the Commonwealth of Pennsylvania, and the city of Philadelphia have expended over \$34,000,000 in the construction of this magnificent bridge between the city of Camden and the city of Philadelphia.

The Delaware River Joint Commission has under advertisement at this time the sale of bonds in order to refund to the States and the city of Philadelphia the moneys furnished by them and the sale of these bonds is contingent upon the approval by the Congress of this agreement.

The Legislature of the State of New Jersey and the Legislature of the Commonwealth of Pennsylvania have approved the organization of this commission, and the agreement also has the unqualified approval of Governor Pinchot, of Pennsylvania, and Governor Moore, of New Jersey.

Now, gentlemen, I sincerely trust that you will pass this bill. It is imperatively needed. It has been passed on by the legislatures of both States. The Governor of the State and the Governor of the Commonwealth of the State of Pennsylvania have both approved it. They are urging it, and I sincerely trust you will not put these two great Commonwealths in the position they would be placed if you failed to pass the bill. I sincerely hope and trust you will pass it. [Applause.]

Mr. PARKER of New York. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr.

WOLVERTON 1.

Mr. WOLVERTON. I greatly appreciate the favorable consideration that has been given by the House to the rule presented by the Rules Committee which thereby permits Senate Joint Resolution 41 to give congressional approval to the compact or agreement entered into between the Commonwealth of Pennsylvania and the State of New Jersey, creating the Delaware River Joint Commission, to now come before the House for action. Permit me to emphasize the fact that the compact or agreement between the two States, for which we now seek congressional approval, has been signed, sealed, and delivered and been operative and in effect since July 1, 1931, and the commission appointed thereunder has been functioning in a manner that meets with the entire approval of the people of the two States. The only question before this Committee of the Whole House is, in my judgment, to consider whether any rights of the United States are violated by the agreement which has been entered into by these two sovereign States. As an answer to this question, I desire to call your attention to the fact that the War Department, under date of December 29, 1931, advised the chairman of the House Committee on Interstate and Foreign Commerce that, so far as the interests committed to that department are concerned, there is no objection to favorable consideration of House Joint Resolution 101, Seventy-second Congress, first session, which was introduced by me and is identical with Senate Joint Resolution 41, introduced by Senator Kean, and which is now the subject matter of our consideration. The Department of Agriculture, under date of December 31, 1931, informed the chairman of the House Interstate and Foreign Commerce Committee that, after careful consideration of House Joint Resolution 101, which, as I have already stated, is identical with Senate Joint Resolution 41-

It is the view of the department that the proposed compact sets up a desirable plan for providing facilities for commerce by rail, highway, and water; for the management of such facilities; and for additional facilities as may be needed from time to time. therefore, is without objection so far as the department is con-

The Navy Department, under date of February 20, 1932, advised the chairman of the House Interstate and Foreign Commerce Committee as follows:

The interests of the naval service are considered to be ade quately protected by the provisions contained on page 20 of the bill. The legislation does not involve any expenditure of public funds. In view of the foregoing, the Navy Department has no objection to the passage of House Joint Resolution 101.

If any further guaranty were necessary to corroborate the statement that I have made, that no right of the United States is violated by the granting of the consent requested, I would mention then that this bill was referred to the subcommittee of the Interstate and Foreign Commerce Committee presided over by the gentleman from Missouri [Mr. MILLIGAN]. Not only distinguished, but with a reputation for careful, sincere, and conscientious consideration of every matter that comes before his committee. I am certain that the fact that this bill received the approval of Mr. MILLIGAN and the subcommittee, as well as the general unanimous approval of the main committee, is a sufficient guaranty that every right of the United States is well preserved.

Now, then, what reason has been advanced why congressional approval should be withheld?

No one has alleged that it will violate or do harm to any right of the United States. No one has alleged that it will violate or infringe the rights of the people of the Commonwealth of Pennsylvania or of the State of New Jersey.

The only objection that has been presented against the adoption of the resolution is that which emanates from the city of Philadelphia. It would seem that Philadelphia is fearful that some of its rights and prerogatives will be disturbed in the event that congressional approval is given to the agreement. I am of the opinion that the objection which has been made is not well founded or of any real substance. It is a phantom fear, and in making this observation I do not wish to impugn the sincerity of the gentleman from Philadelphia, who has spoken against the adoption of the rule, for I am certain that he is sincere and believes that the objection he has made is well founded. But I insist that a reading of the resolution will show to any fair and unprejudiced mind that there is in fact no foundation for the fears he has expressed on behalf of the city of Philadelphia.

Mr. CONNOLLY. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. With pleasure.

Mr. CONNOLLY. The gentleman is a very able lawyer. He has brought out the fact in his previous remarks to the House that this arrangement between the States of Pennsylvania and New Jersey will provide \$6,500,000 to be used by the State of New Jersey in giving relief to the unemployed.

Mr, WOLVERTON. The gentleman is right.

Mr. CONNOLLY. Does the gentleman think it is right to give to any commission the right practically of eminent domain, so far as 10 miles north and south is concerned?

Mr. WOLVERTON. I thank the gentleman for asking for information upon that question, because it gives me the opportunity to show him and anyone else who may have a like view that there is no foundation or reason for the suggestion that jurisdictional power is given to the Delaware River Joint Commission over that portion of the water front of Philadelphia to which he has referred. In answering the gentleman's question I wish to point out to him that nowhere in the entire agreement entered into between the two States is there any power or jurisdiction given to the commission to control the river front of Philadelphia. The bill merely provides, as set forth in article 9—

That the said Commonwealth and the said State will not authorize or permit the authorization of the construction, operation, or maintenance of any additional vehicular bridge or tunnel, or any additional bridge or tunnel having railroad or other facilities for the transportation of passengers between the said Commonwealth and the said State over or under the Delaware River by any other person or body than the commission within a distance of 10 miles in either direction from the said bridge.

The gentleman will, therefore, see that what he has assumed to be a jurisdiction of the river front of Philadelphia is merely an agreement by the State with those who have taken the bonds of the commission, and for the payment of which the tolls of the bridge are pledged, that so long as such bonds remain unpaid the said States will not grant competitive rights to individuals. If the gentleman will look carefully into the agreement, he will furthermore find that the only power granted to the joint commission is to take over and operate the bridge, which is already in existence, and has been conducted by a joint commission since July 1, 1926, and in addition thereto build a system of high-speed transportation between the cities of Philadelphia, Pa., and Camden, N. J. The additional powers that are granted are merely to investigate and study questions affecting port development and to make report to the legislatures of the respective States. No new project, whether a bridge, tunnel, or anything else of whatsoever kind or character, can be constructed except by the approval of the legislatures of the two States. Furthermore, as an additional protection, no action of any kind or character can be taken by the joint commission unless approved by a majority of the members of the commissioners from each of the States. As a further guaranty to the gentleman from Philadelphia that no harm can come to his beloved city

under the terms of this agreement, I bring to his attention the fact that at the present time six of the eight members of the Pennsylvania portion of the joint commission are residents of the city of Philadelphia. I can not understand what further guaranty my friend from Philadelphia, or the mayor of that city or the city council, would desire or expect.

Mr. CONNOLLY. But there is a joint commission of eight in the State of New Jersey and eight in the State of Pennsylvania.

Mr. WOLVERTON. That is correct.

Mr. CONNOLLY. When the agreement was drawn it provided for the appointment by the legislature of the eight commissioners to represent the State of New Jersey, and on the Pennsylvania side our act of the legislature required that the Governor of the State of Pennsylvania and the attorney general, and so forth, should be commissioners, and that left Philadelphia all the time in the minority.

Mr. WOLVERTON. If six out of the eight present commissioners are a minority, then I am unable to calculate correctly. I again call to the attention of my friend that at the present time there are six members of the Pennsylvania portion of the joint commission from the city of Philadelphia.

Mr. CONNOLLY. But we are speaking of the future.

Mr. WOLVERTON. What the future has in store for Philadelphia I do not know. There was a time when Philadelphia could dictate what the future of Pennsylvania should be. Whether that will continue in the future, I do not know.

Mr. MILLIGAN. Mr. Chairman, will the gentleman yield? Mr. WOLVERTON. Certainly.

Mr. MILLIGAN. Is it not a fact that the mayor of Philadelphia is now a member of this commission under this act and will still be a member of the commission?

Mr. WOLVERTON. That is true.

Mr. MILLIGAN. And further, is it not a fact that when they had a meeting relative to this particular resolution the mayor of Philadelphia failed to appear at the meeting?

Mr. WOLVERTON. That is true. Further, this legislation was not passed by the Legislature of Pennsylvania until the then mayor and other officials of the city government and every representative of the city of Philadelphia in the legislature, both in the senate and the house, had agreed to it. So the present resolution which grants congressional approval to the agreement entered into between the Commonwealth of Pennsylvania and the State of New Jersey had the approval of every member from the city of Philadelphia and it was not until then that the legislature passed it.

Furthermore, the statement that was made by the gentleman from Pennsylvania [Mr. Ransley] that this agreement gives jurisdiction to the commission over 10 miles of water front on either side of the bridge, is not true in fact, as a reading of Articles IX and XII, to which I have previously referred, will show. Anyone who knows Mr. Ransley as well as I do will agree with me that he would never intentionally make a misstatement. He is too honorable; he is too fair; and his motives need no defense from me. But the fact is that he is mistaken, and anyone who will read the resolution from beginning to end will find that nowhere is jurisdiction given to the joint commission over 10 miles of the water front of Philadelphia on either side of the present bridge. It provides only that no private interest shall have the right to build additional bridges or tunnels within that restricted area.

Mr. PARKER of New York. Mr. Chairman, I yield five additional minutes to the gentleman from New Jersey.

Mr. WOLVERTON. It only prevents a private interest from building tunnels or bridges in that district. The joint commission can not do it. They can only do it by consent of the legislatures. What the gentleman is fearful of is that some time in the Senate of Pennsylvania the Legislature of Pennsylvania may not do what the Philadelphia representatives would want them to do. Pennsylvania is the sovereign power. Philadelphia only exists by grace or leave of the State of Pennsylvania, and that is true of every municipal government in any State. A municipality has only such powers as are given as the State deems proper. So what the gentleman is fearful of is the fact that the

city of Philadelphia is the child rather than the parent of Pennsylvania. I, inadvertently, yet not so improperly, made the mistake a day or two ago before the Rules Committee of speaking of the "State of Philadelphia." I was mistaken in that. It is only a theory which some may have that the city of Philadelphia should have the prerogatives and rights of a State rather than a city. In the remaining few minutes I have I wish to emphasize the fact that this agreement represents the act of two sovereign States, unanimously adopted by both legislatures and approved by both governors, having the consent of every member of the legislature from the city of Philadelphia. Representatives from Philadelphia wish Congress to do for Philadelphia what the State of Pennsylvania was not willing to do.

Mr. HASTINGS. Will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. HASTINGS. Does the gentleman make the statement that this agreement was unanimously ratified by both legislatures?

Mr. WOLVERTON. I do.

Mr. HASTINGS. The Legislature of New Jersey and the Legislature of Pennsylvania?

Mr. WOLVERTON. The Legislature of New Jersey and the Legislature of Pennsylvania, and it received the approval of both governors.

Mr. HASTINGS. And was unanimously ratified?

Mr. WOLVERTON. Yes, sir. Aside from the statements that have been made here to-day that might indicate otherwise, the finest spirit of cooperation exists between the members of this joint commission from the city of Philadelphia and the State of New Jersey. They have never had a difference between them. They are working hand in hand, and every member of that commission from Philadelphia is asking that this bill be approved by Congress, with the possible exception of the mayor, and if I should take the time to read to you from the minutes of the joint commission you would see that even the present mayor of Philadelphia, in his statement to the joint commission indicated he would do what he could to remove the objection made to the passage of this resolution by a former Congressman from the city of Philadelphia. The only reason that has ever been advanced by the mayor of Philadelphia publicly, although I do not know what he may have said privately, was that contained in a letter, in which he stated:

I advise that the city of Philadelphia is now advertising a \$20,000,000 bond issue which is sorely needed to meet city necessities and restore city credit. Another issue just at this time, of course, would affect the situation here

That objection does not now exist, for the reason that to-day the city of Philadelphia is advertising and selling its \$20,000,000 bond issue referred to in the mayor's letter. Thus the only objection advanced by the mayor that has come to my attention is probably by this time out of the way and disposed of.

I wish to further call your attention to the fact that every Philadelphia newspaper-Republican, Democrat, and independent—has written the strongest editorials imaginable asking for the approval of this compact between the two States. The president of the Philadelphia Chamber of Commerce publicly stated at a public hearing held recently in Philadelphia that it would be one of the finest things that could be done for the city of Philadelphia. Civic leaders, business men, and public officials in both States are earnestly petitioning this body for favorable consideration of this resolution. I have in my hands now telegrams of the most urgent character that I would like to insert in the RECORD if space would permit.

There is no difference of opinion among good-thinking citizens who believe in the State of Pennsylvania and the port of Philadelphia as to the merits of this bill. [Applause.]

The former Governor of New Jersey, Morgan F. Larson, a Republican, gave of his best efforts for the fulfillment of this great purpose before the completion of his term in January last. The present governor, A. Harry Moore, a Democrat, has taken up the fight where his predecessor left off. He has conscientiously, faithfully, and with great energy used the power and the influence of his office to com-

plete this great and important matter that means so much for the future welfare of the people of these two States. Governor Pinchot of Pennsylvania has given like effort.

To-day, I am in receipt of the following telegram from Governor Moore of New Jersey, reading as follows:

TRENTON, N. J., June 2.

Hon. Charles A. Wolverton,

House Office Building, Washington, D. C.

Have to-day received a letter from Governor Pinchot of Pennsylvania as follows:

"Dear Governor Moore: Your telegram of to-day is just received. I shall be very glad indeed to communicate promptly with the Speaker of the House and the members of the Pennsylvania delegation and urge upon them the ratification of the bridge compact between New Jersey and Pennsylvania.

Sincerely yours,

GIFFORD PINCHOT.

You can use this in your speech because if the governor of Pennsylvania is for this compact, surely Congress should be swayed by that fact rather than by some political objection. A. HARRY MOORE, Governor.

As this telegram indicates, the question is not political. It is a question of permitting two great sovereign States to complete a great undertaking that gives promise of promoting to a high degree the mutual interests of the peo-

ple of their respective States. [Applause.] Mr. MILLIGAN. Mr. Chairman, I yield five minutes to the

lady from New Jersey [Mrs. Norton].

Mrs. NORTON. Mr. Chairman, I do not expect to take five minutes, because I think this resolution has been very thoroughly explained. For the first time since I have been a Member of the House, both sides of the House, the entire State of New Jersey, seems to be in entire agreement as to the bill. I might also say that I think a majority from Pennsylvania is in agreement as to the resolution. The only question in my mind regarding this resolution is that it is within the means of Congress to alleviate the serious situation existing in New Jersey by passing Senate Joint Resolution 41, which, as you have heard, has for its purpose the ratification of a pact between the States of New Jersey and Pennsylvania concerning the operation of a Delaware River bridge between the cities of Camden and Philadelphia.

If the House ratifies the pact, which already has been ratified by the Senate and by the Legislatures of New Jersey and Pennsylvania, it will be possible for the joint bridge commission of the two States to issue \$43,000,000 worth of bonds for the purpose of paying back to New Jersey, Pennsylvania, and the city of Philadelphia the money they invested at the time the bridge was constructed several years

New Jersey will receive \$13,000,000 of this money and will immediately put more than \$6,000,000 into the relief chest. with more to follow as needed. No Federal aid is asked in the handling of this problem.

New Jersey will have to begin immediately the expenditure of \$2,000,000 a month for the relief of approximately 600,000 people, who, through the depression, have been rendered dependent upon public charity. It is believed that 800,000 people will have to be cared for before September. At a conference of the leading business men and bankers in the office of Governor Moore on May 20 last, called to consider public relief, it was reported in one south Jersey town three factories, the sole means of support of the town's working population, will be closed by July 1. This will put practically the entire town upon the dependent list.

Railroad and ferry traffic into the city of New York from our State showed 31,099,221 less riders in 1931 than in 1930. This means that hundreds of thousands of Jersey commuters are out of work.

I sincerely hope the membership of the House will vote for the resolution and help New Jersey, as well as Pennsylvania, in this very serious crisis that confronts them at the present time. [Applause.]

The Clerk read as follows:

Resolved, etc., That the consent of Congress is hereby given to the aforesaid compact or agreement, and to each and every term and provision thereof: Provided, That nothing herein contained shall be construed to affect, impair, or diminish any right, power, or jurisdiction of the United States or of any court, department, board, bureau, officer, or official of the United States over or in regard to any navigable waters or any commerce between the States or with foreign countries, or any bridge, railroad highway, pier, wharf, or other facility or improvement, or any other person, matter, or thing forming the subject matter of the aforesaid compact or agreement or otherwise affected by the terms thereof: And

pact or agreement or otherwise affected by the terms thereof: And provided further, That the right to alter, amend, or repeal this resolution or any part thereof is hereby expressly reserved.

Whereas, pursuant to Act No. 200 of the Commonwealth of Pennsylvania, approved June 12, 1931, and chapter 391 of the Laws of New Jersey, approved June 30, 1931, the Commonwealth of Pennsylvania and the State of New Jersey have entered into a certain compact or agreement, which said compact or agreement has been duly executed and delivered by the Governor of the Commonwealth of Pennsylvania on behalf of said Commonwealth and by the New Jersey Interstate Bridge Commission on behalf of said State: and State; and

Whereas the aforesaid agreement or compact is in substantially

whereas the divisit state of compact is in substantially the following form; that is to say:

"Whereas the Commonwealth of Pennsylvania and the State of New Jersey are the owners of a certain bridge across the Delaware River between the city of Philadelphia in the Commonwealth of Pennsylvania and the city of Camden in the State of New Jersey;

"Whereas the Pennsylvania Commission, existing by virtue of Act No. 338 of the Commonwealth of Pennsylvania, approved July 9, 1919 (Pamphlet Laws, 814), and acts amendatory thereof and supplementary thereto, and the New Jersey Interstate Bridge Commission, existing by virtue of chapter 271 of the Laws of New Jersey of 1929, and acts amendatory thereof and supplementary thereto, are acting jointly under the name of the Delaware River

thereto, are acting jointly under the name of the Delaware River Bridge Joint Commission in connection with the operation and maintenance of said bridge; and
"Whereas the interests of the people of the two States will be best served by consolidating the two commissions in corporate form, and granting additional powers and authority thereto with reference to the said bridge, and to other and further means of communication between the two States in the vicinity of Phila-

delphia and Camden; and

"Whereas additional transportation facilities between the two States in the vicinity of Philadelphia and that part of New Jersey opposite thereto will be required in the future for the accommo-dation of the public and the development of both States; and "Whereas both States have mutual interests in the development

"Whereas both States have mutual interests in the development of the Delaware River from Philadelphia and Camden to the sea, and particularly in developing the facilities and promoting the more extensive use of the ports of Philadelphia and Camden by coastwise, intercoastal, and foreign vessels; and

"Whereas it is highly desirable that there be a single agency of both States empowered to further the aforesaid interests of both States: Now, therefore

"The Commonwealth of Pennsylvania and the State of New Jersey do hereby solemnly covenant and agree each with the other, as follows:"

Mr. RANSLEY. Mr. Chairman, I move to strike out the enacting clause.

Mr. MILLIGAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MILLIGAN. This is a compact between two States passed by their legislatures and signed by their governors. The House can not strike out the enacting clause of the compact. The resolution is the only part affecting the compact over which the House really has jurisdiction, because the rest of it is a legislative act of the State Legislatures of Pennsylvania and New Jersey.

Mr. RANSLEY. It is a compact, but at the same time it is a resolution before the Congress of the United States.

Rule 23, section 854, reads as follows:

A motion may not be made to strike out until the first section of the bill has been read.

I would interpret that part of the joint resolution up to Article I as the first section of the resolution.

Mr. WOLVERTON. Mr. Chairman, I make the point of order that the motion made by the gentleman from Pennsylvania comes too late.

The CHAIRMAN. The point of order is sustained. The Clerk will continue the reading of the preamble.

The Clerk read as follows:

"ARTICLE I

"ARTICLE I

"There is hereby created a body corporate and politic to be known as the Delaware River Joint Commission (hereinafter in this agreement called the 'commission'), which shall constitute the public corporate instrumentality of the Commonwealth of Pennsylvania and the State of New Jersey for the following public purposes, and which shall be deemed to be exercising an essential governmental function in effectuating such purposes, to wit:

"(a) The operation and maintenance of the bridge owned jointly by the two States and the city of Philadelphia, as its interests may appear, across the Delaware River between the city of Philadelphia in the Commonwealth of Pennsylvania and the city of Camden in the State of New Jersey, including its approaches, and the making of additions and improvements thereto.

"(b) The effectuation, establishment, construction, operation, and maintenance of railroad or other facilities for the transportation of passengers across the said bridge, including extensions thereof to the vicinity of Race Street and Eighth Street in the city of Philadelphia, and to the vicinity of Carman Street and Haddon Avenue in the city of Camden.

"(c) The investigation of the necessity for additional means of communication between the Commonwealth of Pennsylvania in the vicinity of Philadelphia and the State of New Jersey opposite thereto, and between the ports of Philadelphia and Camden and the sea, and making of such studies, surveys, and estimates as may be necessary to determine the feasibility and cost of any such additional means of communication, whether the same be by bridge, tunnel, canal, or otherwise.

tunnel, canal, or otherwise.

"(d) Cooperation with all other bodies interested or concerned with or affected by the promotion, development, or use of the Delaware River.

"(e) The procurement from the Government of the States of any consents which may be requisite to enable any project within its powers to be carried forward.

"(f) The promotion of the Delaware River as a highway of commerce between Philadelphia and Camden and the sea.

"(g) The promotion of increased commerce on the Delaware River, both freight and passenger, and, for this purpose, the pub-lication of such literature and the adoption of such means as may

"(h) To study and make recommendations to the proper authorities for the improvement of terminal, lighterage, wharfage, warehouse, and other facilities necessary for the promotion of commerce on the Delaware River.

commerce on the Delaware River.

"(i) Institution, through the attorneys general of Pennsylvania and New Jersey, of or intervention in any litigation involving rates, preferences, rebates, or other matters vital to the interests of the ports of the Delaware River.

"(j) Any other functions which may be of mutual benefit to the Commonwealth of Pennsylvania and the State of New Jersey, in so far as concerns the promotion and development of the ports of Philadelphia and of Camden, and the use by commercial vessels of their facilities. of their facilities.

"ARTICLE II

"The commission shall consist of 16 commissioners, 8 resident voters of the Commonwealth of Pennsylvania, and 8 resident voters of the State of New Jersey, who shall serve without compensation.

"The first eight commissioners for the Commonwealth of Pennsylvania shall be the governor of the Commonwealth, the auditor general, the State treasurer, the mayor of the city of Philadelphia, general, the State treasurer, the mayor of the city of Philadelphia, and the four additional persons now serving as members of the Pennsylvania Commission, existing by virtue of act No. 338 of the Commonwealth of Pennsylvania, approved July 9, 1919 (Pamphlet Laws, 814), and acts amendatory thereof and supplementary thereto.

"The first eight commissioners of the city of Philadelphia, and the service of the commissioners of the city of Philadelphia, and the service of the city of Philadelphia, and the four service of the city of Philadelphia, and the four additional persons of the city of Philadelphia, and the four additional persons of the city of Philadelphia, and the four additional persons now serving as members of the Philadelphia, and the four additional persons now serving as members of the Philadelphia, and the four additional persons now serving as members of the Philadelphia, and the four additional persons now serving as members of the Philadelphia, and the four additional persons now serving as members of the Philadelphia, and th

"The first eight commissioners for the State of New Jersey shall be the eight individuals now holding office, as members of the New Jersey Interstate Bridge Commission, existing by virtue of chapter 271 of the laws of said State of 1929, approved May 6, 1929, and acts amendatory thereof and supplementary thereto, which said eight individuals are hereby appointed by said State as such commissioners, who shall serve for their unexpired terms as members of the New Jersey Interstate Bridge Commission. Succeeding commissioners shall be elected by the legislature to serve for terms of five years.

"For the Commonwealth of Pennsylvania, the governor, the auditor general, the State treasurer, and the executive head of the city of Philadelphia, in office at the time, shall always be members of the commission, and, in addition thereto, there shall be four members appointed by the governor, who shall be known as appointive members. Whenever a vacancy occurs in the appointive membership of the commission, the governor shall appoint a member to serve for a term of five years from the date of his appointment.

"For the State of New Jersey, whenever a vacancy in the office of commissioner shall occur, such vacancy shall be filled for the unexpired term by the legislature. If the legislature shall not be in session when the vacancy occurs, such vacancy shall be filled by the governor, and such appointee shall hold office until the legislature empraned. lature convenes

"All commissioners shall continue to hold office after the expiration of the terms for which they are appointed or elected unless and until their respective successors are appointed and qualified, but no period during which any commissioner shall hold over shall be deemed to be an extension of his term of office for the purpose of computing the date on which his successor's term expires,

"ARTICLE III

"The commissioners shall have charge of the commission's property and affairs, and shall, for the purpose of doing business, constitute a board, but no action of the commissioners shall be binding unless a majority of the members of the commission from Pennsylvania and a majority of the members of the commission from New Jersey shall vote in favor thereof.

"ARTICLE IV

"For the effectuation of its authorized purposes, the commis-

"(a) To have perpetual succession.

"(b) To sue and be sued.

"(c) To adopt and use an official seal.

"(d) To elect a chairman, vice chairman, secretary, and treasurer, and to adopt suitable by-laws for the management of its

The secretary and treasurer need not be members of the affairs.

"(e) To appoint such other officers, and such agents and employees as it may require for the performance of its duties, and fix and determine their qualifications, duties, and compensation. fix and determine their qualifications, duties, and compensation.

"(f) To enter into contracts.

"(g) To acquire, own, hire, use, operate, and dispose of personal

property.

"(h) To acquire, own, use, lease, operate, and dispose of real property and interests in real property, and to make improvements thereon

"(i) To grant the use of, by franchise, lease, or otherwise, and to make charges for the use of, any property or facility owned or controlled by it.

"(j) To borrow money upon its bonds or other obligations either

with or without security.

"(k) To exercise the right of eminent domain.

"(1) To determine the exact location, system and character of, and all other matters in connection with, any and all improvements or facilities which it may be authorized to own, construct,

ments or facilities which it may be authorized to own, construct, establish, effectuate, operate, or control.

"(m) In addition to the foregoing, to exercise the powers, duties, authority, and jurisdiction heretofore conferred and imposed upon the aforesaid Pennsylvania Commission and upon the aforesaid New Jersey Interstate Bridge Commission, severally, or upon both of said commissions jointly, by the Commonwealth of Pennsylvania or the State of New Jersey, or both of the said two States; and

"(n) To exercise all other powers, not inconsistent with the constitutions of the two States or of the United States, which may constitutions of the two States or of the United States, which may be reasonably necessary or incidental to the effectuation of its authorized purposes or to the exercise of any of the foregoing powers, except the power to levy taxes or assessments, and generally to exercise, in connection with its property and affairs and in connection with property within its control, any and all powers which might be exercised by a natural person or a private corporation in connection with similar property and affairs.

"ARTICLE V

"If for any of its authorized purposes (including temporary construction purposes) the commission shall find it necessary or convenient to acquire any real property in the Commonwealth of Pennsylvania or the State of New Jersey, whether for immediate or future use, the commission may find and determine that such property, whether a fee simple absolute or a lesser interest, is required for public use, and, upon such determination, the said property shall be deemed to be required for a public use until otherwise determined by the commission, and, with the exceptions hereinafter specifically noted, the said determination shall not be affected by the fact that such property has theretofore been taken for or is then devoted to a public use, but the public use in the hands or under the control of the commission shall be deemed superior to the public use in the hands or under the control of the same superior to the public use in the hands or under the control of the commission shall be deemed superior to the public use in the hands or under the con-trol of any other person, association, or corporation.

"If the commission is unable to agree with the owner or owners thereof upon terms for the acquisition of any such real property in the Commonwealth of Pennsylvania for any reason whatsoever, then the commission may acquire such real property in the manner provided by Act No. 338 of the Commonwealth of Pennsylvania, approved July 9, 1919, and acts amendatory thereof and supplementary thereto, for the acquisition of real property by the afore-

mentary thereto, for the acquisition of real property by the aforesaid Pennsylvania commission.

"If the commission is unable to agree with the owner or owners thereof upon terms for the acquisition of any such real property in the State of New Jersey for any reason whatsoever, then the commission may acquire, and is hereby authorized to acquire, such property, whether a fee simple absolute or a lesser interest, by condemnation or the exercise of the right of eminent domain, either under and pursuant to the provisions of the act of the State of New Jersey, entitled 'An act to regulate the ascertainment and payment of compensation for property condemned or taken for public use' (revision of 1900, approved March 20, 1900), and acts amendatory thereof and supplementary thereto, or under and pursuant to the provisions of an act entitled 'An act concerning and regulating acquisition and taking of lands by the State of New Jersey, or any agency thereof; providing a procedure therefor, and the manner of making compensation for lands so taken,' approved April 21, 1920, and the various acts amendatory thereof and supplementary thereto. plementary thereto.

"The power of the commission to acquire real property by con-demnation or the exercise of the power of eminent domain in the Commonwealth of Pennsylvania and the State of New Jersey shall be a continuing power and no exercise thereof shall be deemed to

exhaust it.

"The commission and its duly authorized agents and employees may enter upon any land in the Commonwealth of Pennsylvania or the State of New Jersey for the purpose of making such surveys, maps, or other examinations thereof as it may deem necessary or convenient for its authorized purposes.

"However, anything to the contrary contained in this compact notwithstanding, no property now or hereafter vested in or held by any county, city, borough, village, township, or other municipality or port district shall be taken by the commission without the consent of such municipality or port district unless expressly authorized so to do by the Commonwealth or State in which such municipality or port district is located. All counties, cities, boroughs, villages, townships, and other municipalities, and all public agencies and commissions of the Commonwealth of Pennsylvania

and the State of New Jersey, notwithstanding any contrary provision of law, are hereby authorized and empowered to grant and convey to the commission upon its request, but not otherwise, upon reasonable terms and conditions, any real property which may be necessary or convenient to the effectuation of its authorized pur-

poses, including real property already devoted to public use.

"The Commonwealth of Pennsylvania and the State of New Jersey hereby consent to the use and occupation by the commission of any real property of the said two States, or of either of them, which may be or become necessary or convenient to the effectuation of the authorized purposes of the commission, including lands lying under water and lands already devoted to public

use.

"The term 'real property' as used in this compact, includes lands, structures, franchises, and interests in land, including lands under water and riparian rights, and any and all things and rights usually included within the said term, and includes not only fees simple absolute but also any and all lesser interests, such as easements, rights of way, uses, leases, licenses, and all other incorporeal hereditaments, and every estate, interest, or right, legal or equitable, including terms of years and liens thereon by way of judgments, mortgages, or otherwise, and also claims for damage to real estate.

"ARTICLE VI

"The control, operation, tolls, and other revenues of the afore-said existing bridge across the Delaware River between the city of Philadelphia and the city of Camden, and of all real and personal property appurtenant thereto or used in connection therewith, shall vest in the commission on the 1st day of July, 1931, and the terms of the members of the aforesaid Pennsylvania Commission of the aforesa

the terms of the members of the aforesaid Pennsylvania Commission and the aforesaid New Jersey Interstate Bridge Commission shall cease and terminate on that date.

"On or before the 30th day of June, 1932, or as soon thereafter as practicable, the commission shall pay to the Commonwealth of Pennsylvania, the State of New Jersey, and the city of Philadelphia the following sums out of moneys, raised by said commission on its bonds or other obligations:

"(a) An amount equal to the moneys contributed by the Commonwealth of Pennsylvania toward the cost of acquiring property for and constructing said bridge and the approaches thereto, and expenditures incident thereto, with interest at the rate of 4 per cent per annum, such interest to be computed from the dates on which installments of such funds were paid to the Delaware River Bridge Joint Commission by the said Commonwealth of Pennsylvania, as shown by the records of its State treasurer, less, however, the amount returned to the Commonwealth of Penns

Pennsylvania, as shown by the records of its State treasurer, less, however, the amount returned to the Commonwealth of Pennsylvania from the net revenues of the bridge between July 1, 1926, and June 30, 1931, and less interest, at the rate of 4 per cent per annum, upon such amount computed from the dates of repayment to the Commonwealth of Pennsylvania.

"(b) An amount equal to the moneys contributed by the State of New Jersey toward the cost of acquiring property for and constructing said bridge and the approaches thereto, and expenditures incident thereto, with interest theretofore actually paid by the State of New Jersey or accrued upon the bonds issued by said State to borrow money to pay its share of the cost of acquiring property for, and construction of, said bridge and the approaches thereto, and all expenditures incident thereto, less, however, the amount returned to the State of New Jersey from the net revenues of the bridge between July 1, 1926, and June 30, 1931, and less interest, at the rate of 4½ per cent per annum, upon such amount computed from the dates of repayment to the State of New Jersey.

New Jersey.

"(c) An amount equal to the moneys contributed by the city "(c) An amount equal to the moneys contributed by the city of Philadelphia toward the cost of acquiring property for and constructing said bridge and the approaches thereto, and expenditures incident thereto, with interest theretofore actually paid by the city of Philadelphia or accrued upon the bonds issued by said city to borrow money to pay its share of the cost of acquiring property for and construction of said bridge and approaches thereto, and all expenditures incident thereto, less, however, the amount returned to the city of Philadelphia from the net revenues of the bridge between July 1, 1926, and June 30, 1931, and less interest at the rate of 4½ per cent per annum, upon such amount computed from the dates of repayment to the city of Philadelphia. Philadelphia.

"(d) As soon as is practicable subsequently to July 1, 1931, the "(d) As soon as is practicable subsequently to July 1, 1931, the commission shall determine with the Commonwealth of Pennsylvania, the State of New Jersey, and the city of Philadelphia the net amounts due to each, respectively, as of the 1st day of July, 1931, and from that date until the date of payment interest shall be paid by the commission to the Commonwealth of Pennsylvania at the rate of 4 per cent per annum and to the State of New Jersey and to the city of Philadelphia at the rate of 4½ per cent per annum.

"(e) The amount payable by the commission to the Commonwealth of the Commonwealth of

cent per annum.

"(e) The amount payable by the commission to the Commonwealth of Pennsylvania, as aforesaid, shall be paid to the State treasurer of the Commonwealth of Pennsylvania upon a voucher signed and audited by said State treasurer, who is hereby authorized to consummate the said transaction. The amount payable to the State of New Jersey shall be paid to the comptroller of said State upon a voucher signed and audited by said comptroller, who is hereby authorized to consummate the said transaction. The amount payable to the city of Philadelphia shall be paid to the treasurer of the said city upon a voucher signed and audited by said treasurer, who is hereby authorized to consummate the by said treasurer, who is hereby authorized to consummate the said transaction. Upon the receipt of the proper payment each of said officials shall certify to the Delaware River Joint Com-mission that all moneys payable by the Delaware River Joint Commission to the Commonwealth, State, or city, as the case may be, |

have been duly paid.

"(f) Nothing herein contained shall be construed to affect, diminish, or impair the rights and obligations created by, or to repeal any of, the provisions of chapter 352 of the Laws of New Jersey of 1920 and chapter 262 of the Laws of New Jersey of 1924 and chapter 336 of the Laws of New Jersey of 1926 and chapter 336 of the Laws of New Jersey of 1926 and chapter 336 of the Laws of New Jersey of 1927 and chapter 34 of the Laws of New Jersey of 1927 and chapter 34 of the Laws of New Jersey of 1927 and chapter 34 of the Laws of New Jersey of 1927 and chapter 34 of the Laws of New Jersey of 1927 and chapter 34 of the Laws of New Jersey of 1927 and chapter 34 of the Laws of New Jersey of 1927 and chapter 34 of the Laws of New Jersey of 1927 and chapter 35 of the Laws of New Jersey of 1927 and chapter 64 of the Laws of

of the Laws of New Jersey of 1927 and chapter 64 of the Laws of New Jersey of 1928.

"(g) Of the money paid to the State of New Jersey under the provisions of this agreement there shall be paid to the sinking-fund commission, created by the provisions of the foregoing statutes (ch. 352 of the Laws of New Jersey of 1920 and ch. 262 of the Laws of New Jersey of 1924), such sum or sums as said sinking-fund commission may deem necessary to meet the then existing indebtedness and obligations set forth in said statutes, together with such interest and other charges as may be due or may grow indebtedness and obligations set forth in said statutes, together with such interest and other charges as may be due or may grow due. The amount thus to be paid to the sinking-fund commission shall be arrived at and determined by said sinking-fund commission within 90 days after payment is made to the State of New Jersey pursuant to the provisions of this agreement. The moneys to be paid to and received by said sinking-fund commission are hereby appropriated by the State of New Jersey and are to be used

hereby appropriated by the State of New Jersey and are to be used for sinking-fund purposes according to law.

"(h) No failure on the part of the commission to make the aforesaid payments to the Commonwealth of Pennsylvania, to the State of New Jersey, or to the city of Philadelphia shall affect, diminish, or impair the rights of the holders of any bonds or other securities or obligations of said commission, as security for which the tolls and other revenues of the said bridge may be pledged.

"ARTICLE VII

"Notwithstanding any provision of this agreement, the commission shall have no power to pledge the credit of the Commonwealth of Pennsylvania, or the credit of the State of New Jersey, or the credit of any county, city, borough, village, township, or other municipality of said Commonwealth or of said State, or to create any debt of said Commonwealth or of said State or of such municipality.

"ARTICLE VIII

"The commission is hereby authorized to make and enforce such rules and regulations, and to establish, levy, and collect (or to authorize by contract, franchise, lease, or otherwise the establishment, levying, and collection of) such tolls, rents, rates, and other charges in connection with the aforesaid existing bridge across the Delaware River, and any other properties which it may hereafter construct, erect, acquire, own, operate, or control, as it may deem necessary, proper, desirable, and reasonable, which said tolls, rents, rates, and other charges shall be at least sufficient to meet the expenses thereof, including interest and sinking-fund charges; and the commission is hereby authorized and empowered to pledge such tolls, rates, rents, and other revenues, or any part thereof, either presently received or to be received in the future, or both, as security of the repayment, with interest, of any moneys borrowed by it or advanced to it for any of its authorized purposes and as security for the satisfaction of any other obligation assumed by it in connection with such loans or advances.

"Article IX"

"ARTICLE IX

"ARTICLE IX

"The Commonwealth of Pennsylvania and the State of New Jersey hereby covenant and agree with each other and with the holders of any bonds or other securities or obligations of the commission for which there may or shall be pledged the tolls, rents, rates, or other revenues, or any part thereof, of any property or facility owned, operated, or controlled by the commission (including the said bridge across the Delaware River and the facilities for the transportation of passengers across the said bridge); that (so long as any of said bonds or other securities or obligations remain outstanding and unpaid, and unless and until adequate provision is made by law for the protection of those advancing money upon such obligations) the Commonwealth and the said State will not diminish or impair the power of the commission to own, operate, or control said properties and facilities, or to establish, levy and collect tolls, rents, rates, and other charges in connection with such properties or facilities.

"The Commonwealth of Pennsylvania and the State of New Jersey hereby covenant and agree with each other and with the holders of any bonds or other securities or obligations of the commission for which the tolls, rents, rates, or other revenues, or any part thereof, of the aforesaid existing bridge across the Delaware River shall have been pledged that the said Commonwealth and the said State will not authorize or permit the authorization of the construction, operation, or maintenance of any additional vehicular bridge or tunnel or any additional bridge or tunnel having railroad or other facilities for the transportation of passengers between the said Commonwealth and the said State over or under the Delaware River by any other person or body than the commission, within a distance of 10 miles in either direction from the said bridge measured along the boundary line between the said Commonwealth and the said State.

"Article X

"ARTICLE X

"The bonds or other securities or obligations which may be issued by the commission for any of its authorized purposes, and as security for which there may be pledged the tolls, rents, rates, and other revenues, or any part thereof, of any properties or facilities owned, operated, or controlled by the commission (including the aforesaid existing bridge across the Delaware River and

the aforesaid facilities for the transportation of passengers across the said bridge), are hereby made securities in which all State and municipal officers and bodies of the Commonwealth of Pennsylvania and State of New Jersey, all banks, bankers, trust companies, savings banks, saving and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees, and other fiduciaries, and all other persons whatsoever, who are now or hereafter may be authorized to invest in bonds or other obligations of the Commonwealth of Pennsylvania or of the State of New Jersey, may properly and legally invest any funds, including capital belonging to them or within their control; and said bonds or other securities or obligations are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer or agency of the Commonwealth of Pennsylvania or the State of New Jersey for any purpose for which the deposit of bonds or other obligations, either of the Commonwealth or of the State, is now or may hereafter be authorized.

"Article XI

"ARTICLE XI

"ARTICLE XI

"The effectuation of its authorized purposes by the commission is and will be in all respects for the benefit of the people of the Commonwealth of Pennsylvania and the State of New Jersey, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions; and since the commission will be performing essential governmental functions in effectuating said purposes, the commission shall not be required to pay any taxes or assessments upon any property, acquired or used by it for such purposes, and the bonds or other securities or obligations issued by the commission, their transfer, and the income thereof (including any profits made on the sale thereof) shall, at all times, be free from taxation within the Commonwealth of Pennsylvania and the State of New Jersey.

"ARTICLE XII

"ARTICLE XII

"ARTICLE XII

"The commission shall make annual reports to the Governors and Legislatures of the Commonwealth of Pennsylvania and the State of New Jersey, setting forth in detail its operations and transactions, and may make such additional reports from time to time to the governors and legislatures as it may deem desirable.

"Whenever the commission, after investigation and study, shall have concluded plans, with estimates of cost, and means of financing any new project, other than those described in article 1, subdivision (b) hereof, for transportation across or under the Delaware River within the area hereinbefore described, any new project for the improvement of the Delaware River's port facilities, or any other project for the mutual advantage of Pennsylvania and New Jersey and coming within the purposes for which it is created, the commission shall make to the legislatures of each State a detailed report, dealing only with the contemplated project, and shall request of said legislatures authority to proceed with the project described; and it shall not be within the power of the commission to construct, erect, or otherwise acquire any facility or project, except those described in article 1, subdivision (b) hereof, unless and until the legislatures of both States shall have authorized the commission to proceed with the project outlined in its special report thereon.

"In witness whereof this 1st day of July, A. D. 1931, Gifford report thereon.

"In witness whereof this 1st day of July, A. D. 1931, Gifford Pinchot has affixed his signature hereto as Governor of the Commonwealth of Pennsylvania and caused the great seal of the Commonwealth to be attached hereto.

"Governor Commonwealth of Pennsylvania.

"And on this 1st day of July, A. D. 1931, the New Jersey Inter-state Bridge Commission, by its members, pursuant to law, has signed this agreement for and on behalf of the State of New

" JOHN B. KATES

"APTHUR C. KING.
"THOMAS J. S. BARLOW.
"BARTON F. SHARP.
"ALFRED COOPER.
"FRANK L. SUPLEE.
"LUCIUS E. HIRES.
"I NORWOOD GERSCOM "I. NORWOOD GRISCOM.

"DAVID J. SMYTH.
"JOSEPH K. COSTELLO.

"T. HARRY ROWLAND.

The CHAIRMAN. If there are no amendments, under the rule the committee rises.

Accordingly, the committee rose; and the Speaker having resumed the chair, Mr. DISNEY, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee, having had under consideration the joint resolution (S. J. Res. 41), pursuant to House Resolution 241, he reported the same back to the House.

The Senate joint resolution was ordered to be read a third time, and was read the third time.

Mr. RANSLEY. Mr. Speaker, I submit a motion to re-

The Clerk read as follows:

By Mr. RANSLEY: Mr. Speaker, I offer a motion to recommit the resolution to the Committee on Interstate and Foreign Commerce with instructions to report the same back forthwith with an amendment striking out Article II and Article IV thereof.

Mr. MILLIGAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The motion to recommit was rejected. The Senate joint resolution was agreed to.

On motion of Mr. MILLIGAN, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

SECOND DEFICIENCY BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the deficiency bill, and pending that I would like to ask the gentleman from Indiana with reference to the time. I will say to the gentleman that I have requests which amount to an hour and 20 minutes. I do not know whether we will take all of that time or not, but that is the time I think we need.

Mr. WOOD of Indiana. I think an hour and 20 minutes will be sufficient on our side. That will make the total time 2 hours and 40 minutes.

Mr. BYRNS. Pending that, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours and 40 minutes, one-half to be controlled by the gentleman from Indiana, Mr. Woop, and one-half by myself.

The SPEAKER. Is there objection?

There was no objection.

GRADUATION ADDRESS

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an address of Gen. Frank T. Hines, Director of the Veterans'

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. Mr. Speaker, the University of Alabama on May 23, 1932, during the commencement exercises conferred on Gen. Frank T. Hines the degree of doctor

Doctor Denny, president of the university, speaking for the board of trustees, paid high tribute to the distinguished services rendered by General Hines during the World War and in his present important official position as Administrator of Veterans' Affairs.

In May, 1931, the university celebrated its one hundredth anniversary and is rightly classed as one of our country's outstanding institutions of learning. Her sons and daughters have made lasting and worth-while contributions in every field of human endeavor, and on its roll of students appear the names of representative citizens from all of our States, Territories, and insular possessions.

During his visit to the university General Hines was the guest of the local posts of the American Legion and the Spanish-American Veterans, and now, under leave granted by the House, it is my pleasant privilege to extend my remarks by placing in the RECORD a copy of the instructive and inspirational address delivered on that occasion by General Hines to this year's graduating class.

The address follows:

SPEECH OF GEN. FRANK T. HINES TO THE 1932 GRADUATING CLASS OF THE UNIVERSITY OF ALABAMA

Doctor Denny, members of the Alumni Association, members of Doctor Denny, members of the Alumni Association, members of the graduating class of 1932, ladies and gentlemen. With your graduation to-day from college you complete a most important step in your life's work. You are leaving a college rich with the traditions and history of over a century, its distinguished alumni in every State of the Union bearing witness to its sterling service in the educational field. No matter how great your satisfaction in the completion of your courses, I know that satisfaction must be tinged with regret that your solourn here is ended. It may be said that you stand at a closed door about to be opened which will disclose opportunities and possibilities of great importance to you. The path you follow after passing through this doorway will reflect the trend of your inclinations, govern your achieve-

ments, and form the channels of your future lives. At this particular time you find a modern world, disillusioned, chaotic, bewildered, demanding a solution adequate to return to its normal

course.

It has been indicated frequently recently that the fundamental cause of all of our trouble is personal selfashness and fear. We hear it said that men must be changed if problems are to be solved, that we are in need of greater leadership throughout the world, and that this is our primary need. I do not subscribe to all of this, although there may be a just foundation for the theory that the fundamental cause is due to selfashness. I do feel, however, that so far as our country is concerned there is need for greater interest on the part of our citizens in their country and the exercise of the right of citizenship.

Our country and its Government belong to all the people. It ought not to be under the domination of any one element or of any one section. For it to fall under the entire control of the people of wealth, or the people who are wage earners, would be contrary to our declared principles. They all should be partakers in the responsibilities and benefits and all be represented in the administration of our Government. It is important that those who are charged with the conduct of our affairs should be equally solicitous of the welfare of all localities and all classes. Our endeavor should be to have neither outlaws nor favorites, but all deavor should be to have neither outlaws nor favorites, but all should be beneficiaries of the common good through the discharge of common duties.

of common duties.

In looking forward to your future, some of you may look with apprehension—and no doubt the way may be difficult for some and smoother for others—but for all it may be the instrument of progress, mentally and spiritually, if you will pursue it conscientiously, taking advantage of your opportunities and paying strict attention to your obligations.

Education has been defined as the preparation for the art of living. Do not consider that you have completed your education with your graduation to-day; rather feel that you have completed important preliminaries.

A desire to succeed is taken for granted, but while there are many and varied conceptions and evaluations of that thing we call success, in the end it must be measured by service, accom-

many and varied conceptions and evaluations of that thing we call success, in the end it must be measured by service, accomplishment, and the regard of our fellow men. If we can leave, at the end of the journey, a record of diligence, faithfulness to duty, unselfish and honorable dealing in all our contacts, surely we may conclude that we have made a success of our lives, whether our achievement be supplemented by material competence or encompassed by the contentment that accompanies awareness of having done our best through the years.

It is but natural that we all should desire and strive for those things the world invariably associates with success in life—finan-

things the world invariably associates with success in life—financial independence, with a comfortable measure of leisure, personal prestige, and pleasures of social contacts. These things in themselves are worthy enough, but it is in the ways and means through which we seek them that our standards and ethics are proclaimed and our characters formed. It is a continuous process that endures throughout our lives, and few of us there are who can finally feel that the effort is completed. We remain much in the position of the little girl returning from her first day at school, when asked by her mother, "Well, dear, what did you learn to-day?" replied wearly, "Nothing at all; I have to go back to-morrow." We must all go back to-morrow until the job is

done.

I am sure that you all must feel, and rightly so, that in the termination of your college career you have reached a definite milestone in your journey through life, and while, no doubt, you share the bewilderment experienced by many travelers when confronted at a crossroad with a group of signposts, the choice of your road must be made—the journey must go on. You come to this selection with the equipment of the education you have so far acquired plus whatever traits of character you were endowed with at birth or which you have developed along the way. It is assumed that you have also adopted a more or less definite code of ethics. It remains now for the knowledge you have acquired to be transmuted into wisdom, remembering always that while "knowledge is proud that it knows so much, wisdom is humble that it knows so little"; unless knowledge eventually leads to wisdom it is little better than ballast.

The use that you make of the knowledge that has been afforded

The use that you make of the knowledge that has been afforded you, the diligence with which you strive to increase it, and the industry and perseverance which you bring to your chosen endeavors in life, all will be potent factors in determining the degree of your success. It is not a thing that just happens, this business of making a success! It is composed partly of opportunity and partly of capacity, with a large measure of that more prosaic element known as hard work.

And there are plenty of jobs still to be done notwithstanding

And there are plenty of jobs still to be done notwithstanding the almost unbelievable progress which has been witnessed in the commercial and industrial world in the space of your lifetime. Contemplation of the number, variety, and ingenuity of the thousands of new inventions, products, and achievements within the past 20 years almost overwhelms us with a sense of the futility of developing anything new under the sun, but the process goes steadily on and will continue as long as intelligence and

energy exist.
A most impre A most impressive array of achievements during the past 25 or 30 years was cited by Merle Thorpe, editor of the Nation's Business in Washington, in an address broadcast to the graduating classes of 1930, prominent among which were the Panama Canal, the first Pacific cable, the Tungsten lamp, the first transconti-

nental telephone line in 1915, air mail in 1928, trans-Atlantic radio nental telephone line in 1915, air mail in 1928, trans-Atlantic radio telephony in 1927, parcel post in 1913, and commercial photographs by wire in 1925. These were among the things at which your fathers marveled, and even within the last few years there have been added to the list of wonders mechanical switchboards for telephone exchanges, mechanical power station attendants, electrification of railroads for intercity transport, electrically driven ships, and the establishment of radiobroadcasting as a national institution, with commercial television rapidly becoming a reality a reality

Referring again to the more recent developments, Mr. Thorpe said, "You have not forgotten your first photoplay only 15 years ago in your enjoyment to-day of the photoplay's new dimension, the talking picture; you have seen skyscrapers grow two stories a year for each of your 20 years, and observed welding begin to compete with riveting. You may well be anxious as to what there is left for you to do. Chemistry has added to your vocabulary such words as celotex, celophane, celanese, rayon, velox, duco, and pyrex, and has provided you with iceless refrigeration, oil heat, and the world's best music on the air."

Truly everything seems to have been done, but in reality there is no reason to fear that the next 25 years will be less prolific in accomplishments than the past.

But, aside from the opportunities of the business world, there is a clear call to the youth of to-day in the conditions that are daily Referring again to the more recent developments, Mr. Thorpe

a clear call to the youth of to-day in the conditions that are daily becoming more prevalent, constituting a menace not only to our becoming more prevalent, constituting a menace not only to our ideals and traditions but actually to our security as a nation. On every hand we hear or see evidences of unrest, of disregard for the laws of the land, of this or that "racket," and one of the most disturbing features which we must face in these conditions is the fact that so many of the participants are the young. Are we to conclude that the existence of such conditions indicates lack of solidarity in American life; and if so, must we blame that lack on our long adherence to the "melting pot" policy conceived in unselfishness and pursued in the development of that freedom which is the corner stone of our national structure? Is this precious and dearly bought freedom degenerating into a laxity that is penetrating and polluting the most vital elements of our national life?

Unlike the nations of Europe, who pride themselves on their

Unlike the nations of Europe, who pride themselves on their racial unity, we are a hybrid Nation. We have welcomed to our shores, among others, the persecuted and discontented groups of other lands, beckoned hither by the promise of individual liberty and opportunity. This process has endured for many years and we have been proud of our ability as a Nation to assimilate these alien groups, frequently divesting them in the process of racial characteristics inimical to our ideals and fostering those traits which lent themselves to ready acceptance of our standards and customs. In the earlier years of our national life the ards and customs. In the earlier years of our national life the blood strain which we know as American was sufficiently virile and blood strain which we know as American was sufficiently virile and pure to permit of this assimilating and neutralizing without deterioration; but the constant infiltration of alien races has gradually produced an attenuation of this original blood strain which is rapidly becoming more manifest. Supplementing this, we have the usual by-products of our civilization showing the characteristics of unrest, irresponsibility, and disregard for law and order. Economic depression is a fertile field for these elements to prosper in, and with such fertilization discontent spreads and unless adequately controlled becomes menacing to our national safety

and unless adequately controlled becomes menacing to our national safety.

It is high time to do something about it—this unrest is not going to be stilled except by a conscious, deliberate, and determined effort on the part of the citizenry. Never before has there been a greater need or greater opportunities for the manifestation of Americanism, inviolate and militant, to combat and neutralize the activities and influence of antagonistic forces which would destroy the very fabric of our social structure and tear down the ideals we have reared through the years of our development.

Our country was founded on certain great principles fundamental in character. It seems to me in times like these through which we are passing it is imperative to consider these principles and see to it that we shape our lives in accord with them.

which we are passing it is imperative to consider these principles and see to it that we shape our lives in accord with them.

The form and functions of our Government are the result of the independent activity and thought of the people, but with the lapse of time we have settled back into our own more restricted lines of endeavor, leaving the activities of the Government in the hands of a few who have made such matters more or less their life work. life work.

Perhaps some of you are even now asking yourselves "What can I do about it?" And I say to you, you will need to do something very definite about it, if you intend to fulfill your duties and privileges as citizens. It will not be enough to live your own lives uprightly; it is imperative that you take an active part in the affairs of your community, bringing all your courage and resourcefulness to bear against the evil conditions and pracand resoluter thies to bear against the evil conditions and practices you encounter, not fearing to oppose or denounce them openly. Some there are who contend that criticism of our institutions and policies is unpatriotic, that it denotes a lack of proper respect, but that can not justly be said of constructive criticism from an earnest citizen manifestly unselfishly con-

cerned for the country's well-being.

Public opinion is the most potent weapon we can use to fight evil and it behooves each one of us to declare himself whenever the opportunity offers. Inertia and indifference can be as pernicious as crime itself, and what we accept without protest, we tacitly condone.

We may turn in repugnance from the contemplation of un-wholesome conditions, but so long as we allow them to remain unchallenged, passively at least, we are participants.

In my judgment, there is too little recognition of the duties of citizenship and a lack of full appreciation of its privileges.

There is need for a new spirit of public service, an unselfishness that will predominate, and so bring about the overthrow of the self-seeker and the greedy, a new and higher standard of civic relationship and civic responsibility. It is natural that America should look to her college graduates for the fostering of such spirit and such ideals. It is a peace-time service comparable in urgency to that required in time of war which is the first obligation of good citizenship. tion of good citizenship.

A good citizen mindful of his country's traditions should consider its potentialities as an individual nation as well as the significance of its position among the nations of the world, and building day by day on this background assist in preserving the integrity and prestige of his government.

That this responsibility is being widely neglected is evident on every hand. Disregard of law, ridicule of our Congress, of the judiciary, and other men in high public office are prevalent, all of which tend to destroy that confidence in those responsible for the machinery of our Government, which, if carried to the extreme, will undermine the very foundations of good government. We all know that the American people are much attached to their Government and in every contractions are such attached. to their Government and in every great emergency they have come forward to its defense in the fullest measure. Yet in time come forward to its defense in the fullest measure. Yet in time of peace the tendency is to belittle, and interest wanes in those fundamentals of good government that are essential to its progress and stability. If we are to continue as the great nation that we have a right to be, it is necessary that there be developed among our people a greater interest in public affairs, a greater appreciation of the value of citizenship. This work should have its inception in the schoolroom. It is most important that the initial impression given to the children of America should emanate from teachers whose ideals are the true ideals of Americanism. The importance of the work of those engaged in teaching the children of America and carrying on engaged in teaching the children of America and carrying on the education of the youth through the graded schools can not be overestimated, and perhaps we expect too much from the teachers in comparison with the compensation and the position awarded them.

The proper spirit of Americanism, together with respect for law and order, should be one of the first lessons taught in schools.

Patriotism should be an integral part of our every feeling at all times, for it is merely another name for these qualities of soul which make a man, in peace or in war, by day or by night, think of his duty to his fellows, and his duty to the Nation through which his and their loftiest aspirations must find fitting expres-

Young America should be taught to love America, to support its Constitution and its laws; to learn that the violation of its laws is descration of all that is good and destructive of those high is desecration of all that is good and destructive or those high ideals fought for by the fathers of our Nation. Next to love of country should come respect for our institutions and for those who are charged with the responsibility of government. We can not expect the proper spirit of citizenship to prevail if we continue to ridicule those charged with the making as well as with the execution of our laws. It is equally important, of course, that those selected for public service should be able to command the confidence essential to inspire proper respect for their authority.

It is of further importance that our citizens take such interest.

It is of further importance that our citizens take such interest in the affairs of our country—whether it be city, State, or National—as to assure the selection of proper representatives to conduct the business of government for them.

I am sure each one of you would resent any implication of lack f patriotism or love of country on your part, but I wonder how many of you have included in your plans for the future any definite exercise of your rights as citizens, how many of you realize the privileges that are inherent in those rights? How many of you hold this Nation in your thoughts as "my country," not merely "this country"?

We need to feel a sense of possession and inclusion in our relation to our country. We need the stimulus of the pride that such an awareness brings, and we have just cause for pride. No other country of all the world has higher standards of living. No other country offers such opportunities to its citizens. America has never engaged in a war of aggression or conquest. Her strength and support have ever been on the side of liberty, justice, and peace, but her participation in war, when inevitable, has been effective, valiant, and unselfish.

This mention of war brings to mind unavoidably the subject of

This mention of war brings to mind unavoidably the subject of veteran relief. No doubt some of you had an older brother, or perhaps even your father, serving in the World War, so you may know of these matters at first hand, but I feel that it is proper at this time to emphasize to you the liberality of your Government in dealing with her veterans in order that you may realize an additional cause for pride in your country.

in dealing with her veterans in order that you may realize an additional cause for pride in your country.

No other country of all those engaged in the World War has dealt so generously or adequately with the disabled veterans. Commencing in 1636, the Plymouth Colony provided, through their court, that any man sent forth as a soldier and returning maimed should be maintained competently by the colony as long as he lived. In 1776 the Continental Congress enacted the first pension law, giving half pay for life or during disability to every officer, sailor, or soldier losing a limb in any engagement, or who was so disabled in the service as to incapacitate him for earning a livelihood. Later the Congress of the United States developed military pension legislation to take care successively of the veterans of the War of 1812, the Indian wars, the Civil War, and the Spanish-American War.

For veterans of the World War Congress provided compensation | for disability, death compensation to dependents of veterans whose death was due to their service, the privilege of securing up whose death was due to their service, the privilege of secting up to \$10,000 life insurance from the Government at moderate rates, vocational training with pay for veterans who suffered disability constituting an occupational handicap, and training without pay for veterans suffering lesser disabilities. Medical care and hospitalization were also provided without cost to veterans for serviceconnected disabilities.

Subsequent to the original enactments, legislation has provided free hospitalization and domiciliary care for veterans of all wars without regard to the nature or origin of their disabilities. Disability allowances have also been provided for permanent disability allowances have also been provided for permanent disabilities. bilities of nonservice origin and retirement pay for disabled former

emergency officers.

I will not weary you with a recital of the detail of effort and service which have been required to provide and administer all these benefits, but will summarize by telling you that the Veterans' Administration to-day is maintaining and operating 57 hospitals, 10 veterans' homes, and 54 field offices, and is making

monthly payments to over 1,400,000 individuals.

monthly payments to over 1,400,000 individuals.

Disbursements for the last fiscal year were over three-quarters of a billion dollars, of which less than 5 per cent went for administrative cost or "overhead." It is difficult to think in terms of such magnitude, but a few comparisons will help to realize them. For instance, that three-quarters of a billion dollars is more than half of the salaries paid all the teachers in all the public schools of the United States for the same period; it is seven-eighths of the cost of maintenance of all our churches of every denomination; and, to turn to more material affairs, it is almost three-quarters of the value of the average cotton crop for the last 10 years, and more than three times that of our entire for the last 10 years, and more than three times that of our entire

Although the increase of expenditures on account of our brothers in arms has been more or less gradual, the sum total had with the close of the last fiscal year reached the sum of more than fourteen and one-half billion dollars.

Again to make comparisons: This sum is almost three times the total of all the appropriations made by the Congress for all purposes during the eight years just preceding the war—that is, the fiscal years 1909 to 1916, inclusive. It would build four times the number of churches in the United States, nearly three times the number of buildings used for public-school purposes in the United States, and more than fourteen times all our college, university, and technical-school buildings.

States, and more than fourteen times all our college, university, and technical-school buildings.

And now, my friends of the graduating class, go your way and my best wishes are with you. You soon become, if you are not siready, citizens in your own right. Success, a clean life, and happiness to you. Your university has brought you thus far; life in its true sense confronts you. Make the best of it, and may the traditions of your country and the principles for which it was established guide you to useful endeavor and stalwart citizenship. Look proudly to your country, revere its traditions, fight for its prosperity and future, and above all live that life, whatever be its intrinsic reward, which will cause you to know that you have been an honorable citizen, appreciative of the privileges your country affords, jealous of its integrity, and alert in its defense. Be not afraid of patriotism; it is the soul of citizenship. Be not afraid of service, it is the road to contentment, and it is a thing we all can give—as Edgar Guest has written:

thing we all can give—as Edgar Guest has written:

SERVICE

I have no wealth of gold to give away, But I can pledge to worthy causes these: I'll give my strength, my days and hours of ease. My finest thought and courage when I may, And take some deed accomplished for my pay. And take some deed accomplished for my pay. I cannot offer much in silver fees, But I can serve when richer people pay, And with my presence fill some vacancies. There are some things beyond the gift of gold, Some joys life needs which are not bought or sold, A richer treasure's needed now and then; The high occasion often calls for men.

Some for release from service give their pelf, But he gives most who freely gives himself.

THE ALASKA RAILROAD AND THE RICHARDSON HIGHWAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of Alaska, including an address I made before the Territories Committee on that subject.

The SPEAKER. Is there objection?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following remarks made by me before the House Committee on the Territories, on May 17, 1932:

Mr. Taylor. Mr. Chairman, this bill provides for the transfer from the War Department to the Interior Department of the juris-diction over and the activities of the Board of Road Commissioners of the Territory of Alaska. That board was created by Congress in 1905 and put under the Secretary of War and authorized to construct and maintain roads, trails, bridges, and related works in Alaska, and the board has operated ever since in that

capacity in that department. My information is there is no criticism of that department or of that board. But there is a wide-spread feeling throughout Alaska and in Congress and out of Conspread reeling throughout Alaska and in Congress and out of Congress that there should be a systematic combination and coordination of all the 40 or 50 bureaus, boards, and commissions with all their many hundreds of Federal employees that are constantly operating upon the people of Alaska. Many of them are functioning under the guise of "Conservation."

Alaska has been nearly "conservationed" to death. All the departments of our Government and some 36 bureaus are dipping into Alaska.

into Alaska, and Congress appropriates for all those hundred and twenty-four activities about \$12,000,000 a year. That condition has gone on so long that it would be an enormous undertaking to has gone on so long that it would be an enormous undertaking to consolidate, as it ought to be, practically all those activities into one department. It would properly require an exhaustive investigation in a careful and systematic way by a competent commission, and it would require considerable time to accomplish it without doing serious injury to the Territory and to a great many people. But that is no reason why Congress should not make a start at it. Many beneficial changes and transfers can be made without delay. Last year some important transfers were made from the Bureau of Education to the Bureau of Indian Affairs.

The Interior Department has jurisdiction over the public lands, which is about 98 per cent of Alaska. That department also has jurisdiction over all the Indians (about 15,000) and the Eskimos (about the same number) and the large reindeer industry, the national parks, and the Alaska Railroad and boat lines, the governor and the Territorial Legislature, the Geological Survey, the minerals, and many other activities.

minerals, and many other activities.

If the government and control of the vast variety of interests in that Territory are ever to be centered into any one department, the Interior Department is the logical and most natural one. Because of the very great and wide variety of people and property rights now under the supervision of that department, the subcommittee of the House Appropriations Committee for that department or some of its members have several times visited Alaska, and made a personal study of the matters for which they appropriate more at these with the committee with these in 1992. Alaska, and made a personal study of the matters for which they appropriate money. I was with the committee up there in 1923 and again last summer. We visited Juneau, the capital, twice and the other main cities and towns from Ketchikan to Seward. We made a trip from there to Fairbanks over the Alaska Railroad and returned over the Richardson Highway to Chitina and over the Copper River Railroad to Cordova. It was my judgment, and I think the judgment of the other members of the commitover the Copper River Railroad to Cordova. It was my judgment, and I think the judgment of the other members of the committee, that those two main great, very important, and very expensive Government-owned parallel highways, only about 80 miles apart, might very appropriately be put under the control, coordination and management of some one department of our Government.

A special committee of the Senate made an exhaustive and thorough investigation of those two highways. They prepared an elaborate, detailed report, which was printed as Report No. 1230 of January 5, 1931, on Senate Resolution 298. They became thoroughly convinced that for the proper, orderly, and systematic operation of the Alaska Railroad and the Richardson Highway, both in the interest of the Government and the people of Alaska,

they should be put under the control of the same department.

With that thought in view they conferred with both the Secretaries of War and the Interior and those officials agreed with them, taries of War and the Interior and those officials agreed with them, and they jointly decided that the Interior Department was the proper one to take over not only that highway, but all the work of the Alaska Road Commission, and to carry out that determination the chairman of that Senate committee, Senator Howell of Nebraska, was authorized to prepare and introduce in the Senate a bill to that effect, which he did as S. 4525, and as the chairman of the Interior Department House Appropriations Committee, and with approval of the Secretary I have introduced the same bill in the House as H. R. 11717.

The bill may, I think, be appropriately termed purely an administration measure. In the printed report No. 753 on this bill in the Senate, appears a letter from the President to Senator Howell as follows:

> THE WHITE HOUSE, Washington, March 11, 1932.

Washington, March 11, 1932.

Hon. R. B. Howell,
United States Senate, Washington, D. C.

My Dear Mr. Senator: I am sending you herewith a memorandum on the subject of the transfer of the Richardson Highway from the War Department to the Department of the Interior. It is apparent that this can not be accomplished without action of Congress, as the present situation is fixed by statutory law.

I am wondering if your committee would not be willing to introduce such legislation. If so, I have no doubt that the Secretary of the Interior would have the necessary form of legislation prepared at your request. Yours faithfully,

HERBERT HOOVER.

The bill is short and speaks for itself, and I ask to insert it in the RECORD here as follows:

H. R. 11717

A bill providing for the transfer of the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes.

Be it enacted, etc., That from and after the passage of this act the duties authorized and authority conferred by law upon the board of road commissioners in the Territory of Alaska, and upon the Secretary of War, as provided for in the act of January 27, 1905 (ch. 277, sec. 2, 33 Stat. 616), as amended by the act of May 14, 1906 (ch. 2458, sec. 2, 34 Stat. 192), and acts supplemental thereto, and amendatory thereof, are hereby transferred to the Department of the Interior, and shall hereafter be administered by the Secretary of the Interior, or under his direction, by such officer, or officers, as may be designated by him.

officer, or officers, as may be designated by him.

SEC. 2. The Secretary of the Interior shall execute or cause to officer, or officers, as may be designated by him.

SEC. 2. The Secretary of the Interior shall execute or cause to be executed all laws pertaining to the construction and maintenance of roads and trails and other works in Alaska, heretofore administered by said board of road commissioners under the direction of the Secretary of War; and all appropriations heretofore made, and now available, or that hereafter may be made, for expenditure by said board for meeting the cost of such work in the Territory of Alaska, are hereby transferred to the Secretary of the Interior, to be thereafter administered in accordance with the provisions of this act; and the said board is directed to turn over to the Secretary of the Interior all equipment, materials, supplies, papers, maps, and documents, or other property utilized in the exercise of such powers, for the use of the said Secretary in the administration of the construction and maintenance of roads, tramways, ferries, bridges, and trails, and other works in the Territory of Alaska, heretofore administered by said board.

SEC. 3. That with the approval of the President, the Secretary of the Interior shall have power, by order or regulation, to distribute the duties and authority hereby transferred, and appropriations pertaining thereto, as he may deem proper to accomplish a more economical and effective organization thereof, and to make rules and regulations governing the use of roads, trails, and other works, including the fixing and collection of tolls where deemed necessary and adviseable in the public interest.

other works, including the fixing and collection of tolls where deemed necessary and advisable in the public interest.

SEC. 4. That all estimates of appropriations for the construction and maintenance of roads and trails and other works, as heretofore submitted by the Secretary of War, shall hereafter be submitted by the Secretary of the Interior.

However, before asking this committee for this hearing, I made a personal inquiry of and request upon the Secretary of the Interior as to whether or not this proposed transfer would work any additional burden upon the people of Alaska or involve any additional employees or expense upon the Government, and he has answered my request very frankly and fully and I think perfectly satisfactorily, as will appear from his letter of May 16, which is as follows:

THE SECRETARY OF THE INTERIOR, Washington, May 16, 1932.

Hon. Edward T. Taylor,
House of Representatives.

My Dear Mr. Taylor: At your request I am pleased to write you concerning the effect of the transfer of the Alaska Road Commission from the War Department to the Interior Department, as provided by H. R. 11717. It is difficult, of course, to forecast in detail the organization which would be maintained by this department is the transfer ware made effective. This is partially like the contraction of the course of the cou ment if the transfer were made effective. This is particularly true since the appropriation for 1933 carried in the War Department bill has been reduced from \$800,000 for 1932 to \$354,310 for 1933. I can only speak, therefore, on the basis of the present administrative set-up.

I am advised by the Secretary of War that normally six Army officers are employed on the work of the Alaska Road Commission,

officers are employed on the work of the Alaska Road Commission, but that at present there are five actually on duty. He also states that there are 99 civilian employees, all listed as temporary.

The actual expenditures for permanent employees in 1931, according to the Budget report, was \$109,290, with an estimate of \$110,770 and \$111,540 for 1932 and 1933, respectively. The salaries and wages for temporary employees carried by the Budget report for 1931 was \$817,463, with estimates of \$762,275 and \$600,505 for 1932 and 1933, respectively. Civilian employees occupy positions of senior engineers, superintendents, assistant associate engineers, disbursing clerks, mechanics, etc.

senior engineers, superintendents, assistant associate engineers, disbursing clerks, mechanics, etc.

If this activity is transferred to the Interior Department it is my intention to assign the administration to the Governor of Alaska, who is at Juneau, where the headquarters office of the road commission is located. We would expect to operate through so much of the present civilian organization as could be maintained under the prospective reduced appropriations, relieving the Army officers now assigned. This plan does not contemplate establishing new positions and it would be expected that the total present cutlay for salaries, including the pay and allowances of the commissioned officers, would not be exceeded. No curtailment of the road, bridge, and trail construction program is contemplated, except such as may be necessitated by reduced appropriations. This transfer has and trail construction program is contemplated, except such as may be necessitated by reduced appropriations. This transfer has not been urged as a matter of economy in road building but to make possible a smaller deficit on the Alaska railroad and in the interest of effective coordination of related activities now handled by two departments. Nevertheless, there is no foundation whatever for the assumption by citizens and organizations in Alaska, either that a change in the road-building program would result to the detriment of the Territory, or that administration under this department would be more expensive to the Government by reason of operation under a civilian administration: in fact, it would be of operation under a civilian administration; in fact, it would be

our endeavor to continue the efficient operation now maintained by the War Department.

Sincerely yours,

RAY LYMAN WILBUR, Secretary.

On the next day, May 17, 1932, the Secretary wrote a somewhat similar letter to Senator Howell, as follows:

DEPARTMENT OF THE INTERIOR, Washington, May 17, 1932.

Hon. R. B. HOWELL United States Senate.

United States Senate.

My Dear Senator Howell: At your request I am pleased to write you concerning the effect of the transfer of the Alaska Road Commission from the War Department to the Interior Department, as provided by S. 4525. It is difficult, of course, to forecast in detail the organization which would be maintained by this department if the transfer were made effective. This is particularly true since the appropriation for 1933 carried in the War Department bill has been reduced from \$800,000 for 1932 to \$354,310 for 1933. I can only speak, therefore, on the basis of the present administrative set-up. tive set-up

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Sincerely yours.

Sincerely yours,

RAY LYMAN WILBUR, Secretary.

I also asked the chairman of this Committee on the Territories to refer my bill to both the Secretaries of War and Interior for their official report thereon, which he did, and both have reported favorably.

The Secretary of the Interior reported as follows:

DEPARTMENT OF THE INTERIOR, Washington, May 5, 1932.

Hon. GUINN WILLIAMS

Chairman Committee on the Territories,
House of Representatives.

House of Representatives.

My Dear Mr. Chairman: With reference to your request for a report on H. R. 11717, transferring the Alaska Road Commission to the Interior Department, I believe this action to be advisable if we hope to succeed in our efforts to place the Alaska Railroad on a self-sustaining basis. Of equal importance is the effective control which Congress would have in considering the budgets for the main transportation systems in the Territory. The railroad, river, and highway systems would be under one head and expenditures could be properly correlated. The Secretary of War is agreeable to this action, and I inclose a copy of his letter to me of April 4. The change in the draft of the bill mentioned therein has been incorporated in the bill now before you.

been incorporated in the bill now before you.

The Richardson Highway was built from Federal funds and parallels the Alaska Railroad into the interior of Alaska. The rates on the railroad were increased something more than a year ago and since then competition has developed by the establishment of trucking services over the highway which already has reduced the railroad revenue. It is not proposed to fix excessive tolls over the highway, but some tolls are necessary to provide proper regulation. No administrative curtailment of the roadbuilding program for Alaska is expected to result from this transfer.

transfer.

I recommend enactment of this legislation.

Very truly yours,

RAY LYMAN WILBUR, Secretary.

The Secretary of War reported thereon as follows:

WAR DEPARTMENT, Washington, D. C., May 12, 1932.

Hon. GUINN WILLIAMS.

Chairman Committee on the Territories,

House of Representatives.

Dear Mr. Williams: In response to your request of April 30, 1932, for a report on the bill H. R. 11717, providing for the transfer of the duties authorized and conferred by law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior and for other nurroses you are equised as follows: of the Interior, and for other purposes, you are advised as follows:
While it is believed that the activities referred to have been

efficiently and economically administered under existing law, the War Department interposes no objection to the enactment of the proposed bill.

Sincerely yours,

PATRICK J. HURLEY, Secretary of War.

Mr. Campbell. Does the War Department favor the transfer of the highway to the jurisdiction of the Department of the Interior?
Mr. TAYLOR. Yes; the reports here from both Secretaries officially

Mr. TAYLOR. 1es, the reports here from both Secretaries officially recommend this transfer.

Mr. Driver. I assume that the purpose of the bill is to effect economies in operation?

Mr. Taylor. Yes; and to bring about a proper cooperation in these two closely related activities both owned and operated by the Government

Mr. Driver (interposing). Do you find some fault with the sys-

tem of road construction and operation there now?

Mr. TAYLOR. No; I am not finding fault. Mr. Wickersham, the
Delegate from Alaska, is a member of this committee and he is here now in the room, and he will address the committee shortly. He thoroughly knows the situation and can correct me if I am in error. I know that railroad is not at all self-supporting. During the past several years my committee has been appropriating about a million dollars a year for the operation of this railroad, 470 miles long, over and above its receipts, and that parallel highway nearly 400 miles long is costing the Government a very large amount of money every year, and that country is not developing the way it should. It is a question in my mind as to how long the Government should or how long Congress will keep up both of those

highways at that expense.

Col. O. F. Olson, the superintendent and general manager of the Alaska Railroad, has during the past two years cut down the number of employees on the railroad and reduced the operation number of employees on the railroad and reduced the operation costs very greatly, and we have this year cut his appropriation down about one-half of the former amount. The subcommittee on the Interior Department appropriations allowed only \$500,000 for next year for the Alaska Railroad. Mr. Olson is doing a splendid work by trying in every way possible to effect economies and reduce the expenses of that railroad as well as the branch and the boats on the Yukon and the Tanana Rivers oper-

ated in connection with it.

This Richardson Highway is only open about four months in the summer time. It cost the Government \$2,732,000, and its maintenance and improvement has cost an additional \$3,820,000, making the total cost to June 30, 1931, \$6,552,000. Of that amount it is estimated that Alaska has contributed \$2,600,000. There was expended upon that road during the fiscal year 1930, for maintenance and otherwise, about \$303,000.

Mr. Parsons. How long is this road?

Mr. Taylor. About 400 miles.

Mr. Parsons. And there are more than 100 employees as a maintenance cost?

maintenance cost?

Mr. Taylor. Yes; there are now 5 or 6 Army engineers and 99 civilian employees. The Secretary of the Interior and his executive assistants think they can dispense with these Army officers without any detriment to the Government or the work and allow the civilians to go ahead without filling those six places. They feel that the present civilian engineers and other civilian employees can handle this work very efficiently.

Of course, this committee understands that this Richardson Highway is not the only activity the Alaska Road Commission has. It has roads and trails running all over Alaska. There are 1,750 miles of wagon roads, 1,400 miles of dog-sled roads, and 7,300 miles of trails that have altogether cost \$17,273,794.62 up to June 30, 1931, and of that amount Alaska has contributed \$3,769,418.62. The greatest part of all that work is done by civilians. In the The greatest part of all that work is done by civilians. In the pioneer days it was best to put all that work under the War Department. I think the Army engineers have made a splendid record, but it is believed we have reached a period when that work could be much more appropriately done by civilians under the jurisdiction of the Interior Department. It is the idea of Secretary Wilbur that these road-building and

It is the idea of Secretary Wilbur that these road-building and maintenance activities should be put under the direct personal supervision of the Governor of Alaska. The present governor, George A. Parks, is an able engineer, and he holds his office under the jurisdiction of the Department of the Interior. He has lived in the Territory about 30 years and is there all the time and is nearer in touch with the people all over the Territory and personally knows the local conditions better than anyone else could.

Mr. DRIVER. Do you understand that the economies that would be effected by this proposal would be small? Is it not more a matter of coordinating these activities?

Mr. TAYLOR. Yes. It is believed to be a step in the direction of consolidation and systematic civilian government throughout

Alaska. Personally, I believe this proposed transfer would bring about a great many economies. When it is considered that the people of Alaska contribute out of their meager receipts quite a people of Alaska contribute out of their meager receipts quite a large sum toward the construction and maintenance of those roads, trails, and bridges, I feel perfectly confident that Governor Parks could and would handle that work much more satisfactorily to the local people and get more work and improvements for the same amount of money than the Army engineers can possibly do. That is not the slightest reflection upon the Army officers or the board of road commissioners. It is just ordinary common sense and human nature. People very naturally try to spend their own money as carefully and judiciously as they possibly can.

Mr. Driver. In what respect does their operation under these separate organizations and administrations conflict and interfere

separate organizations and administrations conflict and interfere with proper administration on either or both the highway and the

Mr. Taylor, My understanding is that there is some lack of harmony between the subordinate officials of these two departments in the operation of the two Government-owned systems of ments in the operation of the two Government-owned systems or transportation and that as a result Uncle Sam is getting the worst of it. I haven't sufficient information to go into details. But I know both the railroad and all the roads and trails are most awfully expensive. We have a hard fight, both in the Appropriations Committee and in Congress, every year to get these appropriations. There is a very determined and growing sentiment in Congress that the Government should either get out of that railroad and blokway transportation business or very greatly. ment in Congress that the Government should either get out of that railroad and highway transportation business or very greatly reduce that enormous expense. These appropriations come very near being beaten every year. They have been reduced over half this year below what they were last year, and unless times greatly improve, or my committee can show substantial economies, the entire amount may be cut out next year. I am trying desperately to save both roads. Alaska needs all the roads and trails we can possibly give them. They have got to have them to develop that Territory.

Mr. Driver. Does any highway in Alaska operate under a toll

system?

Mr. TAYLOR. No; I do not think so. But times have never before been as they are now. They may have to operate less expensively or not at all. This bill would give the Secretary of the Interior the same authority to fix a toll or rates and conditions on the roads the same that he now has over the railroad.

Mr. Driver. Is that matter addressing itself to the local administrative but the level and the severemental activities.

istration or both the local and the governmental activities?

Mr. Taylor. Secretary Wilbur, in his letter before the committee, officially and definitely states that he would put the whole road and trail business throughout the entire Territory under the direct supervision of the Governor of Alaska, who would be officially responsible to the Secretary, and the governor would carry on this civilian organization. The six Army officers would be retired and the present civilian engineers and employees would continue the work under the supervision of the governor, as I understand his

Mr. CAMPBELL. Do they not charge a certain license on the trucks

operating upon that highway?

Mr. TAYLOR. I do not know the license system of Alaska.

Mr. Wickersham. Every truck pays a Territorial license, as in the United States; but there is no particular license charge on account of that highway.

Mr. CAMPBELL. Does the income from that license go to upkeep-

ing that highway?
Mr. Wickersham. No.

Mr. Campbell. Have you a gasoline tax in Alaska? Mr. Wickersham. No. Mr. Parsons. What is your annual license fee for cars?

Mr. Parsons. What is your annual license fee for cars?
Mr. Wickersham. An automobile pays \$15 a year, I think, and the license for a truck costs about the same. The proceeds from this source go into the general Territorial fund. The Territory itself makes large appropriations for this road.

Mr. Taylor. I think the Territory of Alaska appropriates all it reasonably can for all the roads. The funds of the Territory are very limited, but they contribute as much as they can, and I think the people of Alaska should have more to say about where and how their money is spent.

Mr. Wickersham. The Territory has appropriated about 31 per cent of the total cost of this.

Mr. Taylor. The Alaskans proudly call the Richardson Highway

Mr. Taylor. The Alaskans proudly call the Richardson Highway the finest dirt road in America. It was started in 1905, the first trail was broken through from Valdez to Fairbanks in 1907, the first wagon team went through in 1910, and the first automobile made the trip in 1913. That was several years before we built the Alaska Railroad. That railroad was built not for profits but to develop Alaska. I was a member of the committee that drafted and put through the bill providing for the construction of that road. We had a long and hard fight over it.

Mr. Douglass. The highway was in existence before the railroad?

Mr. TAYLOR. Yes; several years. I think the railroad was completed in 1923.

Mr. Wickersham. The Richardson Highway was constructed under the act of 1905 and the Alaska Railroad was constructed under the act of 1914.

Mr. Parsons. Of what material is that highway constructed?
Mr. Taylor. It is a good dirt road. I rode over it last July.
Many thousands of people ride over it every summer.
Mr. Parsons. It is not a hard-surfaced road.

Mr. Taylor. No. It is an expensive road to maintain. I think it crosses four ranges and there are several fords and a ferry or it crosses four ranges and there are several fords and a ferry or two. We got into the rivers three or four times. The men in charge of the road had to provide caterpillar tractors to pull us through several streams. The highway crosses many streams. Some are bridged and some are not. It is a summer road, opened each year at great expense, and kept open about four months. The highway has lately been extended from Fairbanks northerly to Circle City, making the road from there to Valdez 531 miles long. It is practically the only long road in the world that has no crossroads at all. When you start out on that 400-mile road you can turn neither to the right nor to the left but keep on going—if you can.

can turn neither to the right nor to the left but keep on going—
if you can.

Mr. Dayver. Is this maintenance a joint enterprise between the
Territory of Alaska and the Federal Government?

Mr. Taylor. Yes; to a certain extent. The Territory contributes
what it can toward it and also toward the maintenance of all
trails and roads throughout all Alaska. The Territory contributes,
I think, as much as it reasonably can. But the War Department
is in control of all those roads and trails, while the Governor of
Alaska is not under the War Department, and he has little or
nothing to do with it. These Army officers are in command of
this highway and all the others.

Mr. Douglass, I am wondering what the Army is doing in

Mr. Douglass. I am wondering what the Army is doing in

Alaska anyway.

Mr. TAYLOR. The act of Congress of 1905, authorizing the construction of these highways in Alaska provided, "that all moneys derived from and collected for liquor licenses, occupation, or trade licenses," and so forth should be used in building roads. trade licenses" and so forth, should be used in building roads, bridges, and trails. That law is still on the statute books.

Mr. Parsons. Was this intended as a national-defense propo-

sition?

Mr. TAYLOR. The primary object of the construction of all those roads and trails and that railroad was to develop that Territory. But the whole matter of road building was put under the jurisdiction of the War Department, and that was entirely proper at that time. That was in 1905, and still is, a vast moun-tainous undeveloped region, and they wanted good engineers and they wanted an iron hand in control of the system. But military control is not necessary there now.

Mr. Douglass. They thought, perhaps, that the Bolsheviki were going to try to retake that country.

Mr. Taylor. The element of national defense is considered more

Mr. Taylor. The element of national defense is considered more or less in nearly all road building. The War Department has run this Richardson Highway ever since its start and there has been a feeling for many years that it is not now a necessary or proper function for the War Department. The matter of putting it under the Department of Agriculture was considered, but, finally, these executive cabinet officers have, with the approval of President Hoover himself, decided that this road building that was originally to be done largely from the receipts of liquor licenses, and was put judger the War Department, should now be transand was put under the War Department, should now be transferred bag and baggage to the Department of the Interior and relieve the Army engineers and the War Department of that

relieve the Army engineers and the War Department of that work, and let them be assigned to work at other places.

I think it is unnecessary for me to say that there is nothing but the kindest feeling on the part of the Interior Department Appropriations Committee and all of its five members for Alaska. We gave the Territory practically every item and nearly all that the Budget recommended for Alaska for this next year. We cut from other places \$6,273,920 under the Budget estimate.

Mr. Smith. You cut the Geological Survey.

Mr. Taylor. Yes. We reduced the amounts somewhat for some activities that we thought might very well be furloughed a year or two, under the existing condition of the Federal Treasury, especially that \$100,000 asked for to make fundamental research into abstract geologic science. That was entirely too visionary to spend so much money on during these tragic financial times. We did not in any way injure the development of Alaska. There was no thought of harming Alaska, or retarding her development of here was no thought of harming Alaska, or retarding her development. was no thought of harming Alaska, or retarding her develop-ment, and we do not feel that we did. My sworn duty compels me to always guard the Federal Treasury. At the same time, I want to see "America's last frontier" grow.

want to see "America's last frontier" grow.

Last year the Interior Department annual appropriation bill for the fiscal year of 1932 carried \$89,247,606.73. This year the same bill for the fiscal year of 1933, as it was signed by the President on April 22 of this year, carried \$45,533,672.32. However, I should say that \$20,000,000 of that last year's bill was for flood control which was strictly not chargeable to the Interior Department. But, figuring last year's bill at \$69,247,606.73, the reduction made in that bill this year for the next fiscal year is 34.2 per cent. If the other departments of our Government and the other committees of Congress would make as good a showing proportionately toward economy as the Interior Department bill makes this year, the current expenses of our Government would be reduced approximately half a billion dollars. ernment would be reduced approximately half a billion dollars.

ernment would be reduced approximately half a billion dollars.

Mr. Driver. Both the railroad and the highway were constructed for the development of Alaska?

Mr. Taxlor. Yes. There was no expectation that they would be profitable for several years at least, and I am not at all surprised that they are not yet self-sustaining.

Mr. Driver. To conserve the convenience and business welfare of the people of Alaska?

Mr. Taxlor. Yes, sir. No one can visit Alaska without being proud of those red-blooded Americans up there—especially the old "sour doughs"—the pioneers of 35 years ago.

Mr. Driver. If we should place a toll on the users of that highway, do you not think that will interfere to some extent with the development of Alaska?

Mr. Taylor. That would of course depend upon the amount of the toll and upon whom and where it was placed. Secretary Wilbur says, "There is no foundation whatever for the as-sumption by citizens and organizations in Alaska, either that a

which says, there is no foundation whatever for the assumption by citizens and organizations in Alaska, either that a change in the road-building program would result to the detriment of the Territory, or that administration under this department would be more expensive to the Government by reason of operation under a civilian administration; in fact, it would be our endeavor to continue the efficient operation now maintained by the War Department."

I am perfectly confident the people of Alaska can implicitly rely upon that formal official statement of Secretary Wilbur.

Mr. Chairman, it is a condition and not a theory that confronts us. Our Federal Treasury, in fact our country, is now in a tragically critical condition financially, in fact an unprecedented crisis. Congress has absolutely got to bring about economies. We are imperatively commanded by the American people to very greatly reduce the \$4.400,000.000-a-year current expense of running our Government, and to balance our National Budget. If the membership of this Congress does not do so, the changed membership of the next Congress will. Everybody defantly demands that no taxes be increased and no salaries be reduced. Yet everybody wants and appeals to us for the same large appropriations

that no taxes be increased and no salaries be reduced. Yet every-body wants and appeals to us for the same large appropriations they have been making during our flush times. But the burden of getting those appropriations devolves upon a very few men. I don't know how long Congress will continue to appropriat-these large sums of money for Alaska. Last year our appropria-tions for Alaska were nearly \$12,500,000. That is not at all the fault of the people of Alaska. There are, as I recollect, something like 800 Federal employees drawing salaries for doing something in connection with Alaska.

Mr. Finney. But a large number of those employees are taking care of the Eskimos and the Indians, the same as the work is done for the Indians here. Others take care of public lands, They are not dealing exclusively with 30,000 or 40,000 white people in Alaska.

Mr. Taylor. There are not 30,000 or 40,000 white people in Alaska. I doubt if there are 25,000. Alaska has not asked for and is not responsible for and ought not to be charged with all that

swarm of Government employees.

Mr. Driver. We have Alaska, and, like many of the activities in our own country, in view of existing national emergency, we feel that it is well to curtail those activities to the very bone; but this question also enters, How far are we furthering or staying progress in Alaska? We have these investments in Alaska, covering both roads and the railroad, which are for the purpose of developing Alaska. Suppose we should allow them to fall into disuse and deteriorate? Here, however, is the thing that runs through my mind—the use of the toll there would be for one of two purposes, namely, either to contribute to the maintenance of highways and thereby reduce the expense to that extent, or to interfere with the operation of truck lines on the highways to an extent that the railroad would get the business. In either event, the Government would benefit. We all want to effectuate that. The question is how far that may be done under the provisions of this bill. To what extent do the trucks on the highways deprive the railroad of tonnage?

Mr. TAYLOR, I can not give any definite data on that mat The trucks do not take any traffic away from the railroad in the wintertime or for about eight months of each year, and it is equally certain that they and the boats do take a great deal of business away from the railroad during three or four months of each year. But I have not the figures as to just how much.

Driver. To what extent is this particular highway usable

during the course of a year?

Mr. TAYLOR. It is usable only in the summer time. Mr. Driver. How long is that? Mr. Wickersham. About four months in the year.

Mr. Taylor. Mr. Chairman, I think we are giving too much attention to just this one road. This bill pertains to all the thousands of miles of roads and trails and bridges and ferries all over a Territory one-fifth the size of the entire United States. Alaska is twice as large as Texas and as big as 500 Rhode Islands. Alaska a Territory one-fifth the size of the entire United States. Alaska is twice as large as Texas and as big as 500 Rhode Islands. Alaska is an Indian word meaning "the great country," and it is grandly and sublimely great in every respect. Our object is to coordinate that whole system so that we may be able to show some improvements, economies, and other substantial benefits that will justify us in making this transfer and thereby keep up all those means of transportation and enable a few of us to continue to obtain from Congress these appropriations which we have only gotten by the skin of our teeth this year. The United States and Canada are now cooperating in the construction of a great international highway to extend from Seattle, through Canada, to Fairbanks. Canada has already spent a very large amount of money in building several hundreds of miles of that road, and when it reaches our border, of course, it comes under our jurisdiction and we are expected to continue that highway so that there will be a good, safe automobile highway from Seattle to Fairbanks.

That is one thing the Department of the Interior has especially in mind. It feels that these highways should be coordinated and under a centralized control. There is a great deal of data on this international highway matter that we are now working on. There are, roughly, about 200 miles of that highway in the Territory of Alaska, between the border and Fairbanks, and a part of it is now constructed. This is a large and very important proposition.

Mr. Campeell. What is the nature of our national income from Alaska?

Mr. Taylor, I prefer to let Judge Wickersham answer that.

Alaska?

Mr. Taylor. I prefer to let Judge Wickersham answer that. Mr. Wickersham. I will tell you that when I speak.

Mr. Taylor. I have at my office some information on the different activities of every department of the Government functioning

Mr. CAMPBELL. Could you put that in the record?
Mr. TAYLOR. Yes. There is a human side of this question, the financial side, the practical and businesslike side. I feel that financial side, the practical and businessike side. I feel that while you should, of course, take into consideration the wishes of the people of Alaska, you should also take into consideration the wishes of the President of the United States, the Secretary of the Interior and the Secretary of War, and you must be mindful of the conditions of our Federal Treasury.

Mr. Douglass. Is there any other part of the United States where a tay is placed on public roads?

a tax is placed on public roads?

Mr. Taylor. I do not know. I have recently heard about building toll bridge

Mr. Driver. Have you procured from any source, or have you an estimate of the amount of money that would probably be realized from a toll in connection with these highways?

Mr. Taylor. No; I do not know that any toll would be necessary.

If Congress quits appropriating money for either the railroad or the roads and trails of Alaska, or all of them, it may become necessary to establish tolls or abandon its roads. Secretary Wilbur says it will depend on the amount of money Congress appropriates. That will depend upon the amount of money we have to appropriate. I wish you would all read the book Alaska—Uncle Sam's Attic, by Mrs. Mary Lee Davis, a former resident of my congressional district. It is the best description of Alaska that I have ever read.

Alaska is a country of marvelous and enormous potential wealth. But it is not developed and it never can be developed without a vast system of roads and trails. There are many millions of dol-lars worth of fish, minerals, and furs taken out of Alaska every year, but the people who take it all out do not leave very much in Alaska for it all. At least, that's the way it seems to me. They are taking out all that enormous wealth, Alaska's own birthright,

and shipping it all away.

Mr. Wickersham. They are shipping it to the United States. Mr. TAYLOR. Yes, that is true. They ship many millions of dollars of gold to the United States Mint and sell it to Uncle Sam. They ship out millions of dollars of copper from the fabulously rich Kennecott Copper Mines. They ship the furs to St. Louis, the greatest fur market in the world, and sell them to the large the greatest fur market in the world, and sell them to the large organized fur dealers. The organized salmon industries ship the fish to San Francisco, Los Angeles, and Seattle, and sell it to the fish combinations. One author says, "The canners buy all their supplies outside Alaska, and hire three-fourths of their help outside Alaska under the "yellow-dog" contracts; a large percentage of such help is Asiatic, hired at slave's wage and paid off—not in Alaska but in Seattle or San Francisco. They bring nothing to the country and they take all they dare from it." Two-thirds of the entire world's supply of canned salmon comes from Alaska. But where does either Alaska or the Federal Treasfrom Alaska. But where does either Alaska or the Federal Treasury come in on all that big business?

Mr. Driver. And without that operation their returns would be

very much diminished.

Mr. Taylor. How do you mean? Mr. DRIVER. From the enterprises.

Mr. Taylor. Possibly so. Mr. Douglass. When you say white people you mean our citi-

Mr. WICKERSHAM. You mean Chinese, Filipinos, Mexicans, and such?

such?

Mr. Taylor. By white people I mean white people. Not Chinese, Filipinos, Mexicans, Japanese, Indians, or Esquimos. I did not see any Negroes up there. Those people that are taken to Alaska on the fishing boats that I saw are not white people or citizens of this country. They are, practically speaking, contract laborers. I do not want to criticize things in Alaska. I want to be helpful to the Alaskans. I would not have the people of Alaska feel that we are working against them in any way; but the House Appropriations Committee is the Budget Committee of our Government. It is the real watchdog of the Federal Treasury, and all of us members of that committee, especially the Interior Department subcommittee, are having a hectic time trying to justify to Congress appropriations of about \$12,000,000 a year to Alaska.

Mr. Wickersham. You are getting that much gold every year out of Alaska.

Mr. Wickers out of Alaska.

Mr. Taylor. Uncle Sam does not get any gold that he does not pay for. What I mean is, it seems to me that those great interests are not helping to build up Alaska as they should. I do not see where those who take so many millions of dollars out of Alaska leave much for Alaska.

Mr. Wickersham. They do not, but they build up Seattle, Portland, and San Francisco very much.

PARSONS. But the money does not get to the Treasury of

the United States.

Mr. CROWE. Do you mean that the interests that are taking coal and other resources out of Alaska are on the same basis for purposes of comparison? Judge Wickersham has shown us how these people go to Alaska, get the fish, and leave nothing. Do you mean that the Government keeps up a road for some such people who take the resources from Alaska and leave nothing? Is it on the same basis as the fishing industry?

Mr. TAYLOR. Yes; to some extent, but not much of that material

Mr. TAYLOR. Yes; to some extent, but not income the first is sent out over the Richardson Highway.

Mr. Campbell. That is all for the benefit of certain private parties like the Guggenheims and the fishery interests?

Mr. Wickersham. They do not use this road—the Guggenheims

and the fishery people.

Mr. TAYLOR. The copper people have their own railroads and boats and everything else, including a commissary.

Mr. Finley. To what extent does the tourists' crowd contribute to the receipts of the Territory of Alaska?

Mr. Taylor. The tourists' business is increasing a little all the time associally those gainst to the Market Market Market and the Market Ma

time, especially those going to the Mount McKinley National Park. Mount McKinley is the highest mountain, 20,300 feet, and the most sublime sight on this Western Hemisphere, and in the years to come untold millions of people from all over the world will journey to Alaska to see it. That sight-seeing business is a will journey to Alaska to see it. That sight-seeing business is a very important enterprise and should be helped and encouraged I we reasonably can.

Mr. Parsons. I should like to have the total cost of the railroad

Mr. Parsons. I should like to have the total cost of the railroad there and the maintenance cost.

Mr. Taylor. The original cost, including equipment, was \$57,-000,000. I will put in the record the amount we have been paying out on account of it every year. The Interior Department sub-committee handles all of the appropriations for that railroad.

Mr. Parsons. Has that railroad ever paid interest on the invest-

Mr. Taylor. No. It was run well but very expensively until Colonel Olsen took charge of it about three years ago. He is a wonderfully competent engineer and he is doing a fine job, cutting down expenses wherever possible. We were for some time appropriating about a million dollars from the Federal Treasury each year on account of this railroad, but Colonel Olsen has reduced that he have been account of the railroad but Colonel Olsen has reduced that he have been to the colonel of the same account of the railroad but colonel Olsen has reduced that he have been to the colonel of the same account of the railroad but colonel Olsen has reduced that he was the same account of the same duced that by about 50 per cent. That million dollars was over and above the receipts of the railroad. We appropriated \$500,000 for this railroad for the next fiscal year.

Mr. Finley. How is he maintaining the railroad?

Mr. Taylor. He is doing a very good job. He is a thoroughly experienced railroad man and very economical, and wonderfully industrious. He comes from a country that produces thrifty and reliable men.

FARMING IN ALASKA

Mr. Chairman, in the terrific jam of official business that is Mr. Chairman, in the terrific jam of official business that is heaped upon us all the time, especially upon the members of the Appropriations Committee, I have never been able to take the time to make the intensive study of Alaska that my official responsibilities would warrant. But I have thought a great deal about that vast region and the many thousands of courageous and indomitable citizens of our States that have gone up there and staked their lives upon the development of that, "Our last frontier." And when I think of the hopes, ambitions, determinations, and character of those people, most of them from the Western States, many from Colorado, and contemplate the marvelous variety of natural resources, in fact, the fabulous latent wealth of that Territory, and then look at the conditions there, now 65 years since it came under our flag, I can not resist feeling that there is something wrong somewhere.

now 65 years since it came under our flag, I can not resist feeling that there is something wrong somewhere.

The fault, if there is any, is not in the Territory and not much, if any, is chargeable to those people. I think the principal fault is here in Washington. I do not believe that Alaska can or will ever develop the way it should, or have a prosperous and increasing citizenship unless and until our policy toward that Territory is changed. They have absolutely got to have very much cheaper and better means of transportation between the States and the Territory; and also throughout all the main parts of the Territory. It can not develop without that, and the local residents have not the means and can not construct all the necessary truck roads and Malemute roads and trails and bridges. Road building and maintenance are both frightfully expensive.

and maintenance are both frightfully expensive.

and maintenance are both frightfully expensive.

Another thing: The people have got to develop farming and dairying and eat good healthy home-produced food, and quit shipping it all in from New York or somewhere. During our visit to Alaska last summer, I inquired of residents in some 12 or 15 towns what per cent of the foodstuffs that are consumed by the people who come from the States is imported from the States, and I think in every place I was told 100 per cent. The Territory can never develop and the people can never be prosperous as long as they live out of cartons and tin cans. The freight and express and passenger rates on both the ocean ships and river boats and on the railroads are, in my judgment, utterly prohibitive of any reasonable development of the Territory. Of course, they justify that on account of the very small amount of business and the high cost of maintaining the transportation facilities, which is true. Nevertheless, I think the amount of business will continue to be very small, and the Territory will remain practically

is true. Nevertheress, I think the amount of business will continue to be very small, and the Territory will remain practically at a standstill for many years to come if that condition continues. Senator Dickinson of Iowa, when he was a Member of the House and was chairman of the House Department of Agriculture appropriations subcommittee, went with his committee up to Alaska two or three years ago and made quite an extensive trip over the Territory, examining so-called farms (they went there for that express purpose) and upon his return he stated to me that on all the farms he yisited there he saw only one woman. Of course, he did not claim to have seen all the farms in Alaska. But anybody who knows anything whatever about a farm knows that a farm without a woman on it isn't any farm at all.

Alaska has a very great variety of climates, and crops of practically all kinds that grow in the Northern States can be raised in abundance in some parts of the Territory. But the present inhabitants are not raising them in any appreciable quantities. Of course, no one can expect the old sourdough to ever give up the lure of gold and go to farming. Nevertheless, that situation up there has got to be changed somehow. For several years I have had a kind of a solution in my own mind if it becomes necessary. It may be only a visionary hallucination or an iridescent dream. But it is to this effect: The present population, who went up there from the States, are adventurous and fearless pioneers who have the heroic pioneer spirit. They went there mostly to get into the mining or some business connected with it.

I doubt if one out of a thousand ever went there to farm, and they never will or can successfully farm; and unless we can induce a class of people to settle up there who are accustomed to that kind of a climate and are contented to live there and are willing kind of a climate and are contented to live there and are willing and competent to do the kind of hard, constant, and confining work and lead the kind of a life that is imperatively necessary to build up that country, my thought is that our State Department ought to before long systematically take up with Norway or Sweden a policy of modifying our immigration laws so as to permit as a start, say, 500 select, young, experienced farmers from within 300 or 400 miles of the Arctic Circle, and who, with their ancestors, have lived there for many generations under the same conditions and in the identical kind of a climate that Alaska has, and arrange to have them and their wives go and settle on suitable and arrange to have them and their wives go and settle on suitable lands in Alaska. There is more good agricultural land in Alaska than there is in all Norway, Sweden, and Denmark combined. Those people are honest, very industrious, thrifty, saving, hardworking, law-abiding, God-fearing, home-loving, splendid people, who have been very successful in their own country. They pay their debts and keep their account in the black and attend to

their debts and keep their account in the black and attend to their own business and don't waste their money. They make the best kind of citizens and would all become well off.

Sweden is only one-fortieth the size of Alaska. Alaska has possibly 28,000 people from the States. Sweden has over 6,000,000 people. Sweden has more cattle to the acre than any other nation in the world. They ship considerable butter to New York City and sell it at a profit. Those people can and will be glad to live in the rigorous climate and make the best and most successful farmers and they will raise the finest dairy stock and fine families. They would have about ten times the opportunities for success they now have in their country. They would furnish all kinds of they now have in their country. They would furnish all kinds of farm and dairy produce to all the people of Alaska. They would also develop the metalliferous mines and coal mines and lumber

and many other industries and make a substantial citizenship and solvent backbone for the entire Territory.

Mr. CAMPBELL. But at the present time we do not need any more

farm products.

Mr. TAYLOR. Of course the people here in the States do not need any more farm products than we have and there is not the slightest danger of there ever being any farm products shipped here from Alaska; but the people of Alaska need more farm products. That is the reason I would limit the number of Norwegian farmers to settle there to the number necessary to supply Alaska only with

agricultural and dairy products.

Mr. CAMPBELL. They get their foodstuffs from the United States?
Mr. TAYLOR. Sure they now get their foodstuffs from the States
at an outrageous expense for freight, and that is all right for us.
But I am thinking and talking about the future welfare and possible development of our own Territory of Alaska and of our own
people up there. Of course, they could not ship their farm products to the States, but they could supply Alaska and possibly a part of northwestern Canada. Generally speaking, our people who went to Alaska did not go there to farm and they are not farming. Most of them went there to make a stake and hoped to make it quickly. The average boy and girl of to-day raised in this country with our splendid climate and all our modern conveniences and comforts and educational and social and all possible up-to-date advantages are not going and this generation never will go to aliaska to farm. No one can blame them for not wanting to go off to some isolated place and take a piece of land in the primitive condition that it has been in for millions of years, and put in many years of the hardest, most backbreaking, and heartbreaking work on earth trying to make a farm and a home. And even after they get the four to producing something they must keep up they they get the farm to producing something they must keep up that constant hard work 16 hours every day and 7 days every week and 365 days every year, and only spend about \$7 a year for clothes and nothing for anything else. Practically speaking, "They must live with the cow, the sow, and the hen."

live with the cow, the sow, and the hen."

I speak from sad personal experience, because that is the way I spent the first 19 years of my life. The frontier pioneer farmers of our country deserve a monument as high as the Washington Monument, and their wives deserve a monument twice that high. And yet I do not believe the hopes of either the people of Alaska or of the States will ever be realized unless and until there is a contented and successful farming and poultry-raising, dairying population in Alaska sufficient to supply all the products of that kind that all its population can consume. I intend to follow up this subject somewhat if nobody from the United States is willing to actually farm in Alaska and see if I can get some husky Swedes to do it.

to do it.

Mr. Finley. What portion of Alaska is timbered? Mr. Wickersham. All the southeastern part of Alaska is timbered. In the interior there is a small covering of timber, but not

much, except along the streams.

Mr. Taylor. I feel that I should say with the utmost kindly feeling toward the people of Alaska that from nearly 24 years of experience in the House of Representatives, and half of that time experience in the House of Representatives, and hair of that time being a member of the Budget Appropriations Committee of Con-gress, and many years a member of the Interior Department Ap-propriations Subcommittee, of which I at present have the honor of being chairman, we have had a long struggle in Congress secur-ing these vast appropriations for the upbuilding of Alaska, and I feel that we could have proportionately kept up this support un-der ordinary conditions, but in the present unprecedented crisis of our country I feel practically certain that very great economies

of our country I feel practically certain that very great economies and changes have got to be brought about in Alaska.

The appropriations for the roads, bridges, trails, and so forth in Alaska carried in the War Department bill have for several years past been \$800,000. For the next fiscal year, as you are all aware, the Bureau of the Budget reduced that amount to \$656,000. The War Department Appropriations Subcompilities recommended that War Department Appropriations Subcommittee recommended that that amount be cut for the next year to \$354,310. And when the bill came up for hearing on the floor of the House on the 19th day of May, 1932, the Chairman of the Economy Committee, Mr. McDuffie, of Alabama, offered an amendment to the bill to strike out that entire amount and leave no appropriation whatever for any work of that kind upon any of the roads, trails, bridges, and so forth, of Alaska throughout the entire Territory for the next

so forth, of Alaska throughout fiscal year.

And after a spirited debate on the matter, in which I took an active part, his amendment was only defeated by a vote of 56 to 50, showing very conclusively the sentiment of the House of Representatives on this subject. (See Congressional Record of May 19, 1932, pp. 10681-10683.) We have always had opposition to these Alaskan appropriations, but we never came so near not only being defeated but having them all wiped out. So that I say in all seriousness and kindness to the people of Alaska and to their all seriousness and kindness to the people of Alaska and to their friends everywhere that it is not wise nor in the interests of Alaska to oppose any reasonable efforts toward consolidation and coordination, and economies that we are absolutely compelled to practice to the utmost extent, not only in Alaska; but everywhere

practice to the utmost extent, not only in Alaska; but everywhere under the American flag.

About 30 years ago, William Allen White, editor of the Wichita (Kans.) Gazette, wrote an article entitled, "What's the Matter with Kansas," and overnight it made him nationally and almost internationally famous. He and that article have been referred to ever since. I wish some genius would perform a similar service for Alaska and awaken and arouse our hundred and twenty-five million Americans to the boundless treasures and limitless possibilities of "the land of the midnight sun," the richest jewel that was ever owned by any nation in all history. Sometime some one will have that inspiration and electrify our country with it. But we Members of Congress are too frantically busy these days trying to find out "what's the matter with the United States" to give scarcely any attention to anything else.

RECEIPTS AND EXPENDITURES IN ALASKA

Last summer, before we visited Alaska, I asked the Bureau of the Budget and Mr. Ebert K. Burlew, the administrative assistant of the Secretary of the Interior, to furnish me a statement of the amount of expenditures, Federal and Territorial, in Alaska from 1925 to 1930, inclusive. And at the request of the chairman, and for the information of the committee, I ask to insert in the record that statement, which is as follows:

Receipts and expenditures (Federal and Territorial) in the Terri-tory of Alaska, 1925-1930

War Department Navy Department Agriculture Department of Labor Treasury Commerce Post Office Department Department of Justice INTERIOR	Period							
	19	025	1923					
	Receipts	Expenditures	Receipts	Expenditures				
	\$81, 578. 45 150, 068. 04 1, 227. 00 567, 208. 15 349, 174. 83 70, 965. 36 399, 346. 94	\$2, 582, 899, 45 171, 787, 88 777, 327, 37 11, 936, 09 382, 504, 13 1, 265, 357, 17 771, 221, 59 638, 453, 99	\$155, 308. 99 129, 155. 04 1, 295. 50 711, 351. 29 180, 607. 42 77, 563. 18 365, 809. 63	\$2,044,580.11 247,592.96 941,068.29 12,691.28 380,262.17 1,184,189.82 774,535.90 633,127.85				
National Parks Geological Survey Education General Land Alaska Alaska R. R Chief clerk	68. 93 2, 888. 22 33, 290. 19 1 990, 388. 38 861, 374. 13 49, 288. 34	11, 909. 89 94, 384. 64 545, 977. 65 81, 629. 72 1 976, 308. 21 2, 836, 559. 14 301, 224. 71	135. 45 50, 801. 53 21, 197. 90 11, 248, 662. 14 1, 067, 511. 87 47, 311. 00	14, 087, 86 94, 691, 02 575, 585, 61 73, 718, 10 1 920, 488, 84 2, 831, 681, 46 216, 081, 55				

	Period						
Activity	19	27	1928				
	Receipts	Expenditures	Receipts	Expenditures			
War Department Navy Department Agriculture Department of Labor Treasury Commerce Post Office Department Department of Justice	\$91, 695, 82 257, 706, 53 1, 371, 00 557, 534, 68 285, 249, 27 81, 311, 96 429, 320, 66	\$1, 881, 988. 36 224, 329. 74 881, 357. 83 12, 191. 88 387, 632. 20 1, 167, 079. 03 762, 559. 38 609, 136. 38	\$230, 730. 17 151, 197. 18 1, 230. 00 527, 022. 14 306, 163. 39 90, 196. 58 343, 478. 04	\$1, 809, 458, 53 209, 864, 52 916, 673, 01 15, 152, 00 505, 397, 15 1, 258, 100, 21 771, 224, 96 673, 769, 52			

expenditures made therefrom.

Receipts and expenditures (Federal and Territorial) in the Territory of Alaska, 1925-1930—Continued

Se We the Hall Day	Period						
Activity	19	027	1928				
	Receipts	Expenditures	Receipts	Expenditures			
INTERIOR	(Suite State		hal las	15 151			
National Parks	\$45.68	\$18, 867. 15	\$63, 04	\$22, 490. 00			
Geological Survey Education	16, 996, 73	70, 963, 93 638, 466, 59	7, 409, 31	75, 308. 00 675, 573. 76			
General Land	29, 028, 44	69, 688, 66	32, 038. 85	81, 103. 90			
Alaska R. R.	1 1,379, 792, 20	1 1,204, 561. 30	1 1,046, 372. 00 1, 451, 734. 64	1 1, 172, 353. 92 2, 719, 343. 48			
Chief clerk	1, 333, 682, 88 59, 668, 66	2, 691, 670, 74 274, 019, 87	89, 197. 07	241, 960, 5			
Total	4, 523, 404. 51	10, 884, 513. 04	4, 226, 832. 41	11, 147, 773. 47			
	Period						

	Period						
Activity War Department	19	29	1930				
	Receipts	Expenditures	Receipts	Expenditures			
		\$2, 137, 355. 84 246, 988. 77	\$152, 847. 64	\$1, 880, 380. 67 292, 139. 66			
Agriculture	172, 455, 67	968, 925, 92	155, 726, 82	842, 135. 03			
Agriculture Department of Labor	1, 303. 00	16, 419, 62	1, 546, 50	15, 983. 73			
Treasury	1, 215, 604. 86	587, 715. 50	994, 802, 87	782, 271. 05			
Commerce	352, 557. 99	1, 295, 477. 55	278, 341, 85	1, 559, 862. 40			
Post Office Department		750, 717. 60	103, 879, 71	787, 199. 10			
Department of Justice State Department	462, 916. 10	784, 563. 86 46, 800. 22	407, 093. 13	746, 511, 87 54, 071, 76			
INTERIOR DEPARTMENT	fell g						
National Parks	1, 203. 84	36, 087. 96	213. 18	37, 679, 80			
Geological Survey	90 000 07	78, 060, 02	0.040.04	78, 922, 40			
Education General Land	29, 999. 87 25, 048, 69	802, 873, 92 79, 969, 98	6, 049. 94 28, 550. 38	817, 100, 80 75, 341, 30			
Alaska	11, 287, 284, 47		11, 132, 608, 72	1 1, 246, 994, 75			
Alaska R. R	1, 613, 935, 01	2, 087, 684, 98	1, 582, 527. 98	2, 816, 027, 73			
Chief clerk	1, 134, 14	291, 676, 58	2, 087. 09	299, 024. 85			
· Total	5, 474, 887. 75	11, 433, 966, 91	4, 846, 275. 81	12, 331, 646. 90			

¹ Receipts from Territorial sources deposited in Territorial treasury of Alaska and expenditures made therefrom.

Concerning the Alaskan Railroad: The original cost was figured at \$52,000,000, and the expense of equipment has been about \$5,000,000 additional. For many years the expense of operation of the railroad and the boat lines in connection with it and the Curry Hotel and power plant and other activities have cost the Government about a million dollars a year more than the receipts. I think the hearings will show that the total appropriations that have been made to this railroad and its incidental accessories have been something over \$70,000,000, and our total receipts have been approximately \$14,000,000. In other words, the loss for the operation of the railroad from its construction up to October, 1931, was approximately \$10,700,000 over and above the total receipts.

At the request of the committee, I also insert herewith a statement of the appropriations in the War Department acts for construction and maintenance of roads and trails in Alaska for 1924 to 1932, inclusive, which are as follows:

1924	\$650,000
1925	725,000
Supplemental	55, 000
1926	900,000
1927	900,000
1928	1,000,000
1929	825, 000
1930	800,000
1931	800,000
1932	800,000
man and the second seco	7 455 000

PROHIBITION

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection?

Mr. HASTINGS. Mr. Speaker, one of my opponents in the primary, both on the platform and in his literature, erroneously states:

My opponent, W. W. Hastings, recently voted in Congress not to permit the people to vote on prohibition. Thus, Mr. Hastings and I are at issue. When Mr. Hastings voted against submitting the prohibition question to a direct vote of the people he in effect

asserted that the American people are incompetent and denied them their inalienable right to decide such questions for themselves. This was contrary to every Democratic principle.

This is not true. It is only another effort to mislead the people. There was no resolution voted on in Congress which "submitted the prohibition question to a direct vote of the people," but to conventions in the several States. We have, in the 143 years since the Federal Constitution was adopted, ratified 19 amendments, all submitted to the legislatures of the several States and none to conventions. In our State we have the primary system for the nomination of members of the State legislature, where the people have a direct vote. We have abolished the convention method. The Beck-Linthicum resolution provided as follows:

That the following article is proposed as an amendment to the eighteenth amendment of the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution of the United States when ratified by conventions chosen for that purpose in the several States.

We have always had prohibition in the Indian Territory part of Oklahoma. The enabling act required a continuance of prohibition in that part of the State for 21 years from statehood. When the State constitution was adopted the people by popular vote permanently extended it to the entire State "and thereafter until the people of the State shall otherwise provide by amendment of this (State) constitution and proper State legislation." This same constitutional provision included and prohibited "beer, ale, and wine" (sec. 7, art. 1). Legislation was enacted by the State legislature to vitalize and enforce this provision.

The adoption of the Beck-Linthicum resolution would not affect the Oklahoma constitution nor repeal the State laws, and therefore would not legalize the sale of intoxicating beverages in the State of Oklahoma.

Our State constitution (sec. 1, art. 5) reserves to the people the power of the initiative and the referendum, a principle of government which I heartily approve, and no one who indorses such provisions can consistently object to a legal referendum on any issue.

The national Democratic platform in 1928 contained the following provision on prohibition:

The Republican Party, for eight years in complete control of the Government at Washington, presents the remarkable spectacle of feeling compelled in its national platform to promise obedience to a provision of the Federal Constitution which it has flagrantly disregarded and to apologize to the country for its failure to enforce laws enacted by the Congress of the United States. Speaking for the national Democracy, this convention pledges the party and its nominees to an honest effort to enforce the eighteenth amendment and all other provisions of the Federal Constitution and all laws enacted pursuant thereto.

As a representative of my district I have always followed the mandate as expressed in the vote of the people and will continue to reflect the sentiments of the people of my district and State on all questions as instructed through State legislation and the party platform.

THE HULL-O'CONNOR BEER BILL

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the Hull-O'Connor bill

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, on Monday the House will vote on the bill to legalize the sale of beer upon which a tax of 3 cents a pint is proposed. It is not probable that there will be a majority in favor of the measure, but the vote will serve to show the exact strength of the opponents of the Volstead Act as it has been interpreted by the Treasury Department and the courts.

It will also serve to advise the voters who favor the legislation of brewing just how many of the Members of the House obey the mandate of their constituents. That there are upward of 5,000,000 voters who have expressed themselves in favor of the modification of the Volstead Act was demonstrated through the presentation of a petition by the Congressional Districts Modification League, which contained the signatures of upward of 5,000,000 American citizens demanding that their representatives in Congress

modify that unenforceable law to the extent of permitting the manufacture and sale of light wines and beer, and the Literary Digest poll indicated that the country, by a substantial majority, stands opposed to national prohibition.

While it is not expected that there will be a majority in favor of the Hull-O'Connor beer bill, it will undoubtedly disclose the fact that there has been a very great increase in the numbers of Members elected to the present Congress who favor modification of the Volstead Act as compared with the number elected to any previous Congress since the enactment of that unpopular and unenforceable law. The vote will enable the electorate to determine who among the Members of the present House shall be reelected if a majority of each constituency favors the change which the so-called "beer bill" proposes to bring about. It should not be forgotten that the enactment of that bill into law will accomplish two prime purposes: It will serve to aid the enforcement of the prohibition law as it is not and can not be enforced to-day and will add at least half a billion dollars to the Federal revenues and almost as much more to the income of the States which take advantage of the opportunity by some sort of license law under which the sale of light wines and beer may be regulated and controlled. Also it will curtail the profits of the bootlegger and make beer obtainable at moderate cost, and, above all, will serve to furnish employment to hundreds of thousands of men in the malting, brewing, and many mechanical industries, such as cooperage, carpentry, glass blowing, iron industries, and a score or more of other trades.

The question of prohibition and modification of the existing law can not be ignored. Whether or not either or both great political parties incorporate a liquor plank in their national platform, it is inevitable that the question will come up in at least 75 per cent of the contests for seats in the next House to be elected in November, and I do not hesitate to predict that no matter what the outcome of the vote may be to-day there will be a substantial majority to favor modification in the House which will be in control of legislation after the 4th of next March.

Congress can change the allowable alcoholic content of beer without violating the eighteenth amendment. That can be done in 48 hours, but 7 years may be required to bring about the repeal of the amendment itself.

Our Budget troubles would be over, our unemployment problem lessened, our crime wave diminished, and our country would be in better order if we should modify the Volstead Act and do it now.

SECOND DEFICIENCY BILL

Mr. STAFFORD. Mr. Speaker, may I inquire whether it is the purpose of the gentleman from Tennessee to have general debate only to-day, or is it is his intention to proceed with the consideration of the bill?

Mr. BYRNS. My purpose is to proceed until the House determines to adjourn.

Mr. STAFFORD. Does the gentleman think it will be possible to finish the bill to-day? Two hours and 40 minutes will bring us until nearly half after four.

Mr. BYRNS. I would like to begin the reading of the bill and read just as much of it as we can. There are no controversial subjects in the bill.

Mr. SNELL. It is simply a question of how much time will be taken in general debate?

Mr. BYRNS. That is it, and we may not consume that much time.

The SPEAKER. The Chair does not know whether the gentleman from Tennessee understands that it is the intention to have the committee rise at 4 o'clock?

Mr. BYRNS. I understand that, but I do not think all of this time will be consumed.

The SPEAKER. The question is on the motion of the gentleman from Tennessee that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12443, the second deficiency bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the

consideration of the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, with Mr. Disney in the chair.

The Clerk read the title of the bill.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The gentleman from Tennessee makes the point of no quorum. The Chair will count.

Mr. BYRNS. Mr. Chairman, I withdraw my point of no quorum, and I yield one hour to the gentleman from Alabama [Mr. Bankhead]. [Applause.]

Mr. BANKHEAD. Mr. Chairman, I am very much indebted to the chairman of the committee for his indulgence in granting to me so much time this afternoon. I shall endeavor to conclude my remarks without having to consume all of the time that has been allotted to me for the purpose of giving some expressions to matters that might be regarded as of a political nature.

Ours is a government by political parties, and properly so. I think the developments of time, of legislation, and party policies have demonstrated that is the only consistent, logical, and proper way in which to conduct the public affairs of the people of this country.

The time is now approaching when the two great political parties of this country, the Republican and Democratic Parties, will go to the country upon their party platforms and upon their party achievements for the indorsement of the electorate in the November contest.

I desire this afternoon to have your attention while I undertake to answer a statement made a short time ago over the radio, a public political address, by the distinguished Senator from the State of Iowa, Senator Dickinson. I realize that if he had made this statement upon the floor of the Senate of the United States, on account of the comity existing between the two Houses, it would not have been proper for me to have referred to his speech, but this was a public address delivered outside of the Senate forum and over the radio, of course, to a very large public audience in America.

In the course of these remarks the distinguished Senator used this language:

The preponderance of evidence is that the Democratic Party has a congenital incapacity for government.

[Applause on the Republican side.]

I anticipated that that quotation would arouse the applause of my Republican friends.

Mr. SNELL. Will the gentleman yield?

Mr. BANKHEAD. I will not yield now, but I will be glad to yield later. As I stated in the beginning, the very purpose of this address upon my part is to demonstrate that that statement and claim, which will be reiterated in this campaign throughout the length and breadth of America. has absolutely no historical basis; and my purpose before I conclude is to answer from the annals of our political proceedings in the Congress of the United States and demonstrate that, instead of there being a historical justification for the statements made by the distinguished keynoter of the coming Republican convention, I can satisfy any candid and fair-minded man, who is not governed and swayed by political bias, that that statement is historically untrue [applause], and that the Democratic Party has a magnificent record of constructive legislation from the very time when Thomas Jefferson founded it in the beginnings of the Republic. [Ap-

I am not going to undertake to go very largely this afternoon into any ancient history, but I think the student of our national and political development in this country will certainly agree that among the outstanding former Presidents of the United States are Thomas Jefferson, Monroe,

Madison, Jackson, Cleveland, and Woodrow Wilson. All of them were leaders in Democratic thought and policies. [Applause.]

The Democratic Party claims Thomas Jefferson as its political godfather and patron saint, and the only times when our party has gotten into serious political difficulties in its long history have been upon those occasions when it has departed from the ancient faith of Thomas Jefferson with reference to the fundamentals of Government procedure. [Applause.] And remember that the Democratic Party has had many opportunities to make mistakes. I grant this, because it is an ancient political organization. Others, like the Federalist Party and the Whig Party and the Know-nothing Party, have come and played their short time upon the stage and then have disappeared from the scene of action, but the party of Thomas Jefferson, founded essentially upon the fundamental principles announced in the Declaration of Independence and in his first and second inaugural addresses, has endured and held the affections of a great number of people in the United States of America during its more than 100 years of existence.

I wish the limitations of time would allow me to go more extensively into the history of our party's development and of its organization and of the things that it has stood for during the passing of the decades and of the generations, but, as I have said, the limitations of time will not permit this.

If you will take a map of the continental territory of the United States of America to-day, every single foot of it, with the exception of the territory covered by the original 13 Colonies, with all of its wealth, with all of its great developments and all of its growing population, came under the flag of this Republic under Democratic administrations. [Applause.]

But let us get down to more modern times. I said that I propose to challenge the statement made by the Senator from Iowa that the Democratic Party was congenitally incapable of constructive government. I further said that under our system of government a party is legitimately to be charged with responsibility for failure or success when it is intrusted with political power by the people.

I shall not have time to take up all of the constructive legislation placed upon the statute books under the eight years of Wilson's administration when we had the Presidency and both branches of the Congress, but I will refresh the recollection of my Republican friends, and particularly of their distinguished keynoter, with a few of the outstanding achievements, and leave it not to the partisan but to the disinterested and fair-minded people of America in this coming campaign to determine from the facts whether or not the accusation made is justified.

Let us go into the realm of business and finance and commerce. For a great many generations in this country there was established no real financial system to control the credit and the currency and the stability and the elasticity of our financial institutions. The charge was made, and it was firmly grounded, that for a great many years the great financial interests, dominated by the banking institutions of New York and Chicago and London, absolutely controlled the elasticity of our currency, as well as the credits of the country, and could fix the interest charges as they saw fit and to suit their own selfish purposes and precipitate upon the people of America great financial panics; and it was left for the constructive brains and genius and statesmanship of Mr. Wilson's administration, and the Congress serving under him, to devise and place upon the statute books our great Federal reserve system, and without the sound and safe provisions of that law every candid man must admit it would have been absolutely impossible for us to have financed the great World War or to have measurably withstood the present great financial panic that is pressing down upon the business of the country; and it was placed upon the statute books, my friends, despite the opposition of that great center of banking interests that had heretofore controlled the financial destiny of America, and despite the opposition of the leaders of the Republican Party.

Mr. WOOD of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. No; I will not yield now. I will say to the gentleman that if I have time I will be pleased to yield later on.

This was constructive legislation. If it has not been, why have not those who are opposed to it and those who are criticizing the Democratic Party made any effort to repeal its basic provisions when they have been in power?

It is candidly admitted that probably the most equitable tax ever devised in this country, or in any other, to gain revenue to carry on the expenses of the government is an income tax. Without the provisions of the income-tax amendment, as written into law, during all the recent years of our history it would have been impossible for us to have fairly laid tribute of taxation upon those most able to bear it in America, and yet our friends of the Republican Party, with all of their long years of power in this country, with few exceptions since the Civil War, have never thought about providing this fine and equitable system of taxation; but it was submitted to the people of the United States and ratified and became a part of the American Constitution under a Democratic administration.

If our party during its eight years of power had done nothing else except to inaugurate and put into effect these two great measures I have suggested, in my opinion, it would forever deserve the praise and commendation of the people of the United States. [Applause.] Is this constructive legislation or is it destructive legislation?

In order that combinations and matters in restraint of trade and unfair commercial practices might not be resorted to in this country and might be legally restrained, the Democratic Party, in this same administration to which I am referring, conceived the idea of establishing a Federal Trade Commission in order that legitimate competition might be fairly conducted among the business interests of America.

That is constructive legislation. If it was not, why have not you gentlemen of the opposition sought to repeal it?

We have heard a good deal about the tariff of late. Under the Democratic administration of Woodrow Wilson we passed what, in my opinion, was one of the fairest and soundest tariff bills of modern times—the Underwood tariff bill—under the provisions of which our neighbors in foreign countries, those to whom we sold our goods, were willing to accept it as a matter of fair competition, and it did not bring into being these great hordes of retaliatory tariffs that have been ruining our foreign trade under the provisions of the Smoot-Hawley Act. We had general prosperity in the United States of America in industry and employment of labor under the provisions of that tariff act.

What about agriculture? Did the Democratic Party, when it had its last lease of power, do anything whatever for the men that follow the furrow, the men who provide food and clothing and shelter for the people of this country? For years and years they had been subjected to exorbitant interest rates when they attempted to borrow money for their needs.

The Democratic Party established the system of Federal loans to the farmers over long periods of time, at a low rate of interest, emancipating them in a large measure from the usurers of this country. Was that constructive legislation? If not, why have not you gentlemen sought to repeal it?

Since the establishment of this Government the people of the United States had no real adequate highway system. We were in the mud. It took them days to make journeys that now we make in a few hours. It was under the same Democratic administration that there was put into law our magnificent program of Federal aid to highways. That was the first development of a real modern up-to-date highway system in America, which has permeated nearly every section of our country to-day. Was that destructive or constructive legislation?

Conceding that the youth of America was entitled to some little stimulant or encouragement along lines of vocational education, the Democratic Party placed on the statute books provisions, with a small Federal appropriation, largely augmented by appropriations from the States, giving these youths vocational education, making them more useful and more capable citizens.

In the interest of soldiers who lost their earning capacity in the World War, we inaugurated the Federal system of vocational retraining for crippled soldiers of the World War.

The Democratic Party inaugurated the valuable system provided by the Smith-Lever Act, by which the farmers have been so greatly aided in methods of modern and scientific agriculture. If it is not a useful function for agriculture, why does not some leading Republican move to repeal it?

What has it done for labor-the men and women of America who toil, the man in overalls, the woman in gingham, the hewers of wood and the drawers of water in our industrial life? Under that administration to which I am referring, in order that labor and its representatives and its interests might have a spokesman and mouthpiece in the seats of the mighty, we established permanently the Department of Labor in order that men of the class to whom I have referred might have a hearing in the councils of the Nation and that their interests, their welfare, might not be disregarded. Recognizing the great principle of humanity and of real democracy, that human labor is not a commodity, we enacted the Clayton amendment to the antitrust act, which gave labor organizations, agricultural and industrial, the right to organize themselves into unions for their own protection and for the improvement of their working conditions without being subject to prosecution by law. I feel justified, Mr. Chairman, in asserting, without any undue partisan claim, that the whole history of the Democratic Party from its very origin up to this time has evidenced an anxiety and solicitude for the average man in America. [Applause on the Democratic side.] That is the reason why it has not gone out of existence like some of these other political competitors in the arena of our public affairs.

We put afoot for the first time in this country a recognition officially that there ought to be some limitation upon the number of hours a man should toil in this country, and we enacted the Adamson 8-hour law in the Wilson administration, affecting the employees of the railroads of the country.

That was the beginning of an agitation which is now becoming more apparent, that under our industrial system, in this great machine age, when the machine has displaced so many millions of our men and women, it is necessary to further reduce the hours of labor. It was but a recognition of the principle that we have to extend still further in the interest of getting employment to the unemployed masses of our country. Even among the great industrialists of our land we find an agitation for a 6-hour day and for staggered employment. Will our Republican friends say that that was destructive legislation, that the Democratic Party when it had responsibility and power proved itself generically incapable of undertaking constructive government for the benefit of the masses of the people of our country?

We established a Children's Bureau in the Department of Labor, which has been of very great service to childhood and motherhood in this country.

Mr. McCORMACK. Mr. Chairman, will the gentleman

Mr. BANKHEAD. Yes. Mr. McCORMACK. May I suggest, along the matter of the hours of labor, that in a bill that the Ways and Means Committee reported out to-day we provide for a 5-day work week on public works.

Mr. BANKHEAD. That is but an illustration of the principle I suggested a few moments ago, that in the evolution of our social and economic system we have to keep abreast of the times. My friends, the Democratic Party has always been willing to experiment along some lines of social progress and not forever stand pat on an archaic, outof-date system. [Applause on the Democratic side.]

Mr. JOHNSON of South Dakota. Mr. Chairman, will the gentleman yield for a question there?

Mr. BANKHEAD. I am afraid that I can not yield to a question now. I may yield a little later. What about popular government? Under our conception of government,

it is government by the people, by their franchise, and by their direction.

I do not know whether the personnel has been improved any or not by the innovation to which I shall refer; but for a great many years Members of that great body at the other end of this Capitol, which is sometimes referred to as the greatest deliberative body on earth, were elected by a small group of politicians, assembled in the State legislatures often dominated by the sinister influence of a favored privileged class, exercising an undue influence in the selection of those two representatives in each State in the Senate of the United States. The Democratic Party when last in power, believing in popular government and the right of the people to control their affairs and their offices, submitted for the ratification by the people of the United States an amendment providing for the popular selection of United States Senators by the people in the States of the Union. We also put afoot and passed the woman's suffrage amendment to the Constitution of the United States along the line of popular and universal suffrage in this country.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield? Mr. BANKHEAD. I yield for a brief question.

Mr. GIFFORD. In order to ask the gentleman if that august body at the other end of the Capitol has been greatly improved under the present method?

Mr. BANKHEAD. I said that gentlemen might draw their own inferences as to whether the system had improved, but I was illustrating the cardinal principle of the Democratic faith, that the people themselves are entitled to have a voice in the selection of their Representatives, whether they make successful selections or not. I do not think it would be possible to change it now, and I doubt if the gentleman from Massachusetts [Mr. GIFFORD] would submit a proposition to repeal the amendment to the Constitution providing for popular election of United States Senators. That is what I am talking about. They get up here and say, as this distinguished Iowa Senator said in this radio speech, that the Democratic Party is incapable generically of constructive government, and yet when we stand here and point out the undisputed facts of our political history repudiating and disproving that charge, gentlemen sit silent and do not and will not, on these great major propositions that had Democratic origin which I have suggested, dare stand up and say they stand for the repeal of them. The truth of the business is that they are seeking merely to further put afoot that old fallacy, announced by Senator Dickinson, and the other one that they are seeking to again fool the people with, that you can only trust prosperity to the people of the United States under a Republican administration. I will have something to say about that in a few moments.

We have heard a great deal of late about national defense. the protection of the flag and of the interests of our people. It was under Mr. Wilson's administration and a Democratic Congress that the great national defense act of 1916, which is the basis of our present Army organization, was founded and established. Is that constructive legislation or not? Yet I have heard many gentlemen on the minority side during the present session of Congress argue very earnestly not to break down that fine system of national defense which was established under a Democratic administration.

The Federal water power act, of such great importance to the people of this country, was of Democratic origin and sanction. Was that destructive? Would you have the water power of this country unregulated and uncontrolled by the financial buccaneers of the country, who could first grab off the franchises and licenses, or would you have them regulated and controlled by some function of the Federal Government, to put equitable and just restrictions upon their operation and manipulation? If you would have the proper regulation, then you must admit the Federal power act was one piece of constructive Democratic legislation.

What about our merchant marine, our ships upon the high seas, which carry what little commerce we have left from this country to our foreign customers? In 1916, when the Democratic Party passed the original shipping act, which is now the law of the country, with some few amendments,

only 6 per cent of the foreign commerce of the United States was carried under the American flag, manned by American sailors.

Under the construction program set afoot under that administration, even to-day, although a great many of our ships have been sold and gone out of commission; under the inspiration and organization of the American merchant marine some 40 or 45 per cent of our foreign commerce is carried under the American flag on ships manned by American sailors. Is that destructive or constructive legislation?

Mr. GIFFORD. Will the gentleman yield there? The gentleman was looking this way.

Mr. BANKHEAD. There are other gentlemen over there aside from the gentleman from Massachusetts. The gentleman is very agreeable to look at. I have yielded to the gentleman once and I do not yield further.

In my opinion, another great outstanding achievement of Mr. Woodrow Wilson's administration and that of his advisers was the way in which we conducted and won the Great World War. During the carrying forward of our military and naval operations in the short period we were engaged in the World War it became necessary to call to the colors millions of men and to expend billions of treasure; but within a time that was not anticipated when we went into that war it was brought to a glorious and successful conclusion.

One thing about its administration that has always appealed to me as an American and as a Democrat was the fact that although this Government spent some \$30,000,-000,000, which passed through the hands of officials chosen by a Democratic administration, after the war was over, after our friends the Republicans came into power in Congress, thinking it would be possible for them to uncover many cesspools of corruption, they appointed some 53 different special committees of one sort or another, trying to find, no doubt for political purposes, some acts of corruption on the part of the Democratic administration, or at least some of its high officials. After they had spent thousands and tens of thousands and hundreds of thousands of dollars from the Treasury of the United States in this insidious effort to uncover some Democratic corruption in the administration of Woodrow Wilson, I heard the chairman of the last one of those "smelling" committees stand on this floor and make his final report, and upon my interrogation I drew from him this statement-and it is embalmed in the records of this Congress in yonder Library-that after all of their investigation, through all of these activities, involving all the temptations to cupidity and corruption that might be submitted to man, he had to stand here and confess to this House and to the American people that they were unable to lay their fingers upon one single Democratic thief. [Applause.]

I think that is somewhat of a constructive record in these days and times—just plain, common honesty.

I do not want to refer to any unhappy things that followed the Wilson administration, but some things did follow which still shame the recollection of the American people. When the next administration came into power it is a matter of familiar history to our people how many men, not in low places but in high places of dignity and responsibility, either through their weakness of character or from their incapacity to resist temptation, although they had been honored with high dignity in the performance of duties for the American people, were found guilty of shameless dishonor. Cabinet officers, administrative officers, men holding positions of great trust and responsibility, driven from their high office by the scourge of public and popular indignation at the betrayal of their trust. [Applause.]

I say it is an unfortunate and despicable page from the annals of the American people.

Then ensued the orgy of control by the great interests of this country during three Republican administrations. The present Executive has been at the head of the Government for about three and one-half years. Senator Dickinson, when he goes out to deliver his stirring keynote speech to my Republican brethren in Chicago, will, no doubt, tell them about the great constructive glories of the Republican Party and of this administration.

Now, we have known Brother Dickinson in this body. I see men who served with him many years. The time was when he was the well-recognized leader of the farm bloc on the Republican side of the House of Representatives, and I remember with very great clearness the speeches he used to make to you on the Republican side as the leader of the farm bloc when he would demand upon the part of the farmers of this country some legislation that would put agriculture upon a parity with industry in America. He was the leader who finally secured the passage through Congress of the Haugen equalization fee, which was subsequently vetoed by a Republican President.

When Mr. Dickinson, in his keynote speech out yonder in Chicago a week or two from now, gets up to tell you the glories of the Republican protective-tariff system and of the great anxiety that his party has for the promotion of the interest and welfare of the agriculture of the United States of America, I would like for him to remember these words of his which I am now going to quote and which he gave out publicly soon after Mr. Coolidge had vetoed the equalization fee bill. It makes very interesting reading. Here is what he said:

Considerable importance has been attached to Mr. Mellon's declaration in the Capitol, where the economic principles he opposes already have been defeated in the House and are approaching a vote in the Senate.

proaching a vote in the Senate.

Representative Dickinson described as "absolutely without warrant" the Secretary's statement that the equalization fee, while technically to be paid by the farmer, would in reality be paid by the consumer, and said his purpose evidently was "to solidify opposition to the bill, especially among the workingmen of the country." Mr. Mellon's arguments, he added, sounded "strangely like those of Mr. Hoover," the Secretary of Commerce.

Obviously referring to the defeat of Senator Cummins by former Senator Brook Marx, insurgent, in the recent Republican primary

Obviously referring to the defeat of Senator Cummins by former Senator Brookhart, insurgent, in the recent Republican primary in his State, Mr. Dickinson declared that if the Mellon view "is the verdict of the administration, then the thunderbolt that came out of Iowa the other day is merely the sheet lightning of the coming storm."

[Applause.]

I want to say to you, my friends, that if what we can hear from the plains of Iowa to-day and from that great northwestern country, whose statesmen and citizens still realize they are not securing any assistance under the provisions of the protective-tariff system but on the contrary are being penalized under its provisions, and that the leaders of this administration are not going to approve of any legislation along the lines indicated formerly by Mr. HAUGEN and Mr. DICKINSON and you other farm men here in this section-if what we can hear of the noise of the coming revolt out in that section of the country means anything, it is but the lightning before the tornado, because if Mr. Dickinson was stating the truth when he was the spokesman of the farm bloc here in the House of Representatives when the farmers here and those interested in farm legislation were seeking to enact legislation that the farmers themselves wanted for their benefit—I say to you, if that is the type of statesmanship that is going to dominate the keynoter and the Republican convention, the farmers of that section will have a right to refer to this statement made by the Senator in 1928.

Now, we have had some constructive legislation in the last three years, I suppose, under the administration now in power. If I were asked to pick out what I, as a student of congressional history, would consider the two outstanding achievements of the present Republican administration, they would be the Smoot-Hawley tariff bill and the Federal farm marketing act. These are the things I imagine the keynoter and others will refer to with great pride.

Now let us see what has happened to the commerce and industry of the United States of America under the provisions of the Smoot-Hawley tariff bill. It is important that the people of this country in the coming campaign should know something about the facts of what has resulted in the practical administration of this great beneficent measure for the intended protection of American industry and American agriculture. Let us see what effect it has had on the driving away from America of American money that ought to have been invested, under the proper system of tariff, here in our own country for the employment of American laborers.

I do not know that I will have time to mention all of this, but I would like very briefly to call attention to the following facts: In 1930 the country's foreign trade fell \$2,737,000,000 under that of 1929, and in 1931 it fell below that of 1930 by \$2,389,000,000. In the two years it fell from a total of \$9,600,000,000 in 1929 to \$4,514,000,000. Meanwhile the Government now running the country under this great constructive policy was erecting a new building for the Department of Commerce in Washington at a cost of \$17,500,000, and expenditures for that department were increasing from a little more than \$34,000,000 for the fiscal year 1928 to \$54,000,000 for the current fiscal year.

Mr. Chairman, I ask unanimous consent at this point to incorporate in my remarks a few other statistics along the line of foreign trade.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, the following figures tell the story of the economic losses sustained during the last two years:

	1929	1931	Increase (+) or decrease (-)
Exports.	\$5, 240, 995, 000	\$2, 424, 000, 000	-\$2, 816, 995, 000
Imports	\$4, 399, 361, 000	\$2,090,107,000	-\$2, 219, 254, 000
Total foreign trade	\$9, 640, 356, 000	\$4, 514, 107, 000	-\$5, 126, 249, 000
Favorable trade balance	\$841, 134, 000	\$340, 000, 000	-\$501, 134, 000
Bank clearings	\$714, 365, 900, 000	\$409, 620, 000, 000	-\$304, 705, 900, 000
Bank suspensions (Federal			
Reserve Board)	642	2, 290	+1,548
Deposits in suspended banks.	\$234, 532, 000	\$1, 759, 000, 000	+\$1,524,468,000
Commercial failures (R. G.			M. REAL PROPERTY.
Dun & Co.)	21,094	28, 285	+7, 191
Liabilities suspended com-			
panies	\$483, 250, 196	\$736, 309, 102	+\$253, 058, 906
Value farm crop	\$8, 088, 494, 000	\$4, 122, 850, 000	-\$3, 965, 644, 000
Steel output (tons)	54, 312, 279	24, 900, 000	-29,412,279
Railroad earnings (gross)	\$6, 213, 100, 000	\$4,064,400,000	-\$2, 148, 700, 000

Based on figures published in the Wall Street Journal, it was estimated at the close of 1930 that from the peak of the bull market to December 31, 1930, securities outstanding in the United States, listed and unlisted, had shrunk by more than \$80,000,000,000. This shrinkage continued steadily during 1931, so that the shrinkage in the market value of securities is considerably in excess of \$100,000,000,000. On January 1, 1932, in its financial section, the New York Times published a table showing that on the preceding day the average price of stocks listed on the New York Stock Exchange was 21.7 per cent of the average of prices on September 19, 1929, a drop of 78.3 per cent.

On January 23, 1932, the National Industrial Conference Board placed the shrinkage in national wealth during 1930 at a little more than \$32,000,000,000, the estimate covering only physical assets and not including securities and credits. For the same year it placed the reduction in national income at \$14,000,000,000. For 1930 the Industrial Conference Board placed the national wealth at \$329,700,000,000 and the national income at \$71,000,000,000. If the same rate of shrinkage continued during 1931, the total reduction for two years in national wealth was more than \$64,000,000,000 and in income more than \$28,000,000,000.

With reference to the removal of American capital to foreign countries under the operation of this great constructive legislation, the Smoot-Hawley tariff bill, in plants which have been located in Canada is a branch of the United States Steel Corporation near Windsor representing an investment of \$60,000,000. There is a branch of the Aluminum Co. of America in Quebec, the largest of its kind in the world, capable of producing 400,000,000 pounds of aluminum annually.

Gentlemen, I do not think it is necessary to continue with any further statements of fact as to the adverse effects of the Smoot-Hawley tariff bill upon American trade and commerce. Men will say that other foreign countries have also lost a part of their foreign trade, but it is particularly significant that the statistics show that the United States of America has lost 15 per cent more of its foreign trade than any of our other competitors abroad.

Do our friends point with any degree of pride to the operations of the Farm Board? As I stated a few moments ago, the representatives of agriculture who came to Congress asked either the enactment of the equalization fee or the debenture system, which would give agriculture the benefit of the operation of the tariff. However, both were denied to agriculture, and the administrations of Mr. Coolidge and Mr. Hoover insisted that the only relief that would give any benefit and which would provide constructive and helpful relief was to set up this Farm Board and give it \$500,000,000 with which to operate.

What has been the result of that system? Practically all of that money, that tremendous sum of money, under the false system of operation set afoot by that board, under its mismanagement, under its actual speculation in commodities with Federal money, under its bad system of making unwise advances to the Stabilization Corporation and other bad business practices—the result of it is that they have practically exhausted all of the fund, and agriculture to-day is at the lowest ebb it has been certainly in the last 50 years. Yet those are the two chief outstanding accomplishments of this administration since it went into power.

They will go out in this campaign and say that the Democratic Party is now in control of the House of Representatives in this Congress, and that it has failed to accomplish anything; that its leadership has fallen down; that it has no coherency of action; and that it has again proven the axiom announced by Senator Dickinson that we are incapable of constructive government.

We have only a very meager majority on the Democratic side in the control of the present House of Representatives, just a handful, so to speak, or a theoretical majority, yet I want to say to you and I want to say to the country that I am not ashamed, in fact I am proud, of the record made by the Democrats in the House of Representatives in this session of Congress as far as we were able to enforce our policies. [Applause.]

When we came back here and assembled in December what was the condition of the country? Before we came the President of the United States sent out an alarm message to all the Representatives that the whole fabric of the financial structure of the world was about to tumble about our ears and that unless in advance we committed ourselves to a moratorium upon our foreign debts he would not be answerable for the disastrous consequences that might fall upon the people of our own country. When we came back here, in our anxiety, in a nonpartisan way, to go ahead on the recommendation of the man we thought we had the right to rely upon in this great crisis of our country, a great many of us on this side heeded his request and voted for his moratorium. However, looking back upon it to-day, I say for one, although I did it as a measure of cooperation at that time, and felt in my heart we were justified in answering that appeal on the part of the President in that emergent situation, that if I had it to do over again, I would not vote for a moratorium [applause] because in my opinion it was the entering wedge-conceived in large measure by the great financial interests which are involved in it-in a program for the ultimate cancellation and noncollection of every dollar of our foreign debts. [Applause.] I make the prediction here and now that it will be a long, long time, if ever, before the influence of that moratorium upon the minds and hearts of those who owe us those debts will be removed, but on the contrary they are going to rely upon the theory that we are not going to really demand the collection of those debts.

We voted for the President's Reconstruction Finance Corporation upon the same theory. A great many of us did it on the idea that it would afford facilities for the great institutions of the country—the banks, the railroads, and other credit organizations—to tide themselves over and have some money to put into the channels of trade. Yet I submit—although it has no doubt saved some institutions from failure, although it has served that beneficent purpose in a large degree, and I am gladly willing to concede it—that upon the whole extension of that tremendous amount of

credit to these institutions in its effect has not helped the average man in America one particle.

The Democratic Party in this session of Congress, willing to show its spirit of adventure in constructive policies, as I suggested awhile ago, has tried to meet this present situation. I took occasion a few days ago in a few brief remarks to say that the time had come in the history of this Congress when we were going to have to burn some of our bridges behind us in our preconceived notions of economic policy. So in our desire to help the farmers of this country, who are in an utter state of destitution and hopelessness to-day—and I am glad we were joined in that by some of our friends on this side of the House who are deeply interested in agriculture—we passed a bill which had for its purpose the stabilization of commodity prices, so as to give back to the man who produces the cotton, the wheat, and the corn of this country something for the stuff he produces.

As I say, we passed the Goldsborough stabilization bill, directing the Federal Reserve Board to use its credit and all the powers it had to try to revive the prices received for agricultural products, as well as other business products in this country, so that there might be some purchasing power and some breaking up of these frozen credits. You gentlemen on that side who voted for that bill will not deny that was constructive legislation.

Mr. MICHENER. Will the gentleman yield?

Mr. BANKHEAD. For a brief question.

Mr. MICHENER. With reference to that particular bill, is it not true that Senator Glass has stated that the bill can not pass, and he himself has inserted something else in its place?

Mr. BANKHEAD. I do not care what Senator Glass or anybody else says about it. I am talking about the sincere effort on the part of the Democrats in this House to do something which, in our opinion, will be of benefit to the farmers and other laboring people in this country. [Applause]

Mr. STEAGALL. Will the gentleman yield? Mr. BANKHEAD. For a brief question; yes.

Mr. STEAGALL. The substitute offered by Senator Glass in the Senate is itself an effort to enlarge the currency supplied to the people of this country with a view to accomplishing the same purpose intended by the Goldsborough bill

Mr. BANKHEAD. Yes; and inasmuch as my distinguished colleague from Alabama has just risen, I want to say that, in my opinion, he has contributed almost invaluable service to the people of this country in the financial legislation he has sponsored as chairman of the Banking and Currency Committee at this session of the Congress. [Applause.]

In our desire as a party to protect the deposits of the people of this country in the banks, involving the savings of their lifetime, the money that they had put away for a rainy day and for all of the exigencies that may occur in human experience, we are seeking through the Steagall bill for the guarantee of deposits in the banks of this country—National and State—to remove in the future the possibility of this terrible tragedy that has come upon so many communities and so many hearts and homes in America in the last few years under the present system of instability of a great many of our banking institutions. This, in my opinion, is constructive legislation.

We have passed the appropriation bills and sent them to the Senate in this session of Congress and reduced the President's own budget by \$165,000,000.

Called upon by the President and using our own judgment as to its necessity we passed a tax bill to balance the Budget and to restore business confidence in this country and sent it to the Senate.

We expect to bring out here for your consideration and, I trust, approval, within the next few hours a bill that has for its object the restoration of employment to thousands, if not millions, of people in this country [applause], who are now hopeless and desperate, without food and without clothing and without shelter.

Furthermore, we propose to give into the hands of your President—my President as well, of course—an opportunity to have a fund, sufficient in amount, whenever in his opinion the desperate necessity arises, to take care of the actual destitution and hunger and poverty of millions of our people in the great congested industrial centers of this country. We are proposing to give him the power and we are willing for him to exercise his humanity and his judgment to use this fund to see to it that the American people do not starve.

Some gentlemen talk about the dole, and this is one of the bridges I was talking about a few moments ago.

In my opinion the first duty of any government, particularly a government like ours, is to preserve itself. This is a government of the people, and we are not going to preserve in all its pristine stability and security the Government of the United States as long as we have eight or ten million starving, homeless, hopeless people under our flag. [Applause]

I say to you, my friends, I believe it is a legitimate function of the Congress of the United States, if such a desperate emergency does occur, to carry out the provisions of the Rainey bill, which will be up for consideration in a day or so here in this House, involving the proposition of giving to the Chief Executive sufficient funds with which to see to it that people do not actually starve and shiver to death in this country, and also to provide work for our hordes of idle workers.

There are other things involved in the record of the House of Representatives that I might refer to, but my time has about expired.

Gentlemen, of course, what I have said has been in the nature of a partisan address. I realize we have honest differences of opinion in this country upon questions of policy, but I do feel in my heart of hearts that the time is now upon us, more than it has been in many generations, when we are going to have a real test of democracy in America, a real test of representative government in America. New developments, new conditions, social and economic and financial, are going to call upon us as a challenge to exercise our genius for legislation and our constructive leadership to meet the new conditions, and we may not expect to rely absolutely upon the old, archaic, and unstable policies of the past that are not sufficient to meet the conditions with which we are now confronted. And looking back upon the long and illustrious record of my party, during all the decades of its organization, taking the history of its accomplishments, fairly and without undue praise, I feel, my fellow Democrats, that in this crisis, particularly if in the November elections we are given full control of this Government, in the White House and in the Senate of the United States, the people of America may rely with security upon our earnest and diligent effort to bring forth constructive legislation of the sort I have mentioned under the last Democratic administration—that will bring deliverance and peace and renewed prosperity to the people of our country. [Applause.]

Mr. WOOD of Indiana. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, it has been very interesting to hear the address of the gentleman from Alabama [Mr. Bankhead]. He has attempted to reply to and to criticize the address of the Senator from Iowa [Mr. Dickinson] over the radio the other night, when Senator Dickinson said that the Democratic Party had a constitutional incapacity to govern.

Has there ever been a better illustration of the truth of Senator Dickinson's charge than the handling of the House of Representatives by the Democratic Party since the first of last December? They brought in a tax bill, framed by their own Ways and Means Committee, and they allowed it to be picked to pieces. They brought in an economy bill from their own committee, selected by them, and they allowed it to be picked to pieces and absolutely destroyed. And now to-day we are advised by the suggestion of the gentleman from Massachusetts [Mr. McCormack], during the speech of the gentleman from Alabama, that they have reported the so-called Garner unemployment relief proposition.

When this proposition was called to the attention of the House I went into it with a view to analyzing it, and analyzing what it will do for the workingmen of America. I approached it from the standpoint of what relief these projects will give to men out of work. I approached it from the standpoint of whether or not in fact, in view of the history of the country and its different corporations and its municipalities, its counties, and its States since the depression occurred, whether or not it is a sound policy for us to embark on.

I want for a moment to discuss that situation here in the House. In the appropriation bills we have passed for 1933 there is carried for new projects \$277,000,000, and it is estimated by the department bureaus that have that work in charge that it costs to put a man to work on river and harbor work \$4,700. It costs to put a man to work on public-building projects \$5,666. To put a man to work on Veterans' Bureau hospital construction propositions it costs \$3,140. To put a man to work on Navy projects it costs \$3,333. To put a man to work on public roads—and they say that is the most fertile field—costs \$3,600. To put a man to work on flood control costs \$1,250. That is because they pay, as I understand, less than a dollar a day for labor.

The following table shows in detail the picture of what all public works cost and will produce in the nature of employment in the fiscal year of 1933, beginning July 1, next. The table shows the number of employees provided for, indirectly, which is, I believe, absolutely erroneous and more than double what would actually result. The last column shows the cost of putting one man to work for one year in each of the so-called schemes. The table follows:

Type of work	Funds al- ready pro- vided for 1933 in bills passed by the House		Average number of employees provided for indirectly as claimed by bureau	Direct cost per em- ployee per year
Rivers and harbors	\$37, 000, 000 85, 000, 000	8, 000 15, 000	8, 000 25, 000	\$4,700 5,666
Veterans' Bureau	17, 000, 000	5, 400	5,000	3, 140
Navy	9, 000, 000 100, 000, 000 29, 000, 000	2,700 27,777 23,000	2, 500 55, 554 5, 000	3, 333 3, 600 1, 250
Total	277, 000, 000	81, 877	101, 054	1

While it can truthfully be said that the expenditure of a large portion of what is already provided is to an extent for projects which serve a useful purpose, nevertheless, a large portion of them are nonproductive and will require very large appropriations by the Federal Government and the States to maintain.

Why should we go ahead and provide work for the people by embarking on projects which run up a tremendous big expense and do not give employment relief at all in proportion to the amount expended? Why should we so increase the bonded indebtedness of the Federal Government and the bonded indebtedness of our States and the tax burden upon our people that they will never be able to work out of it? Why should we rather not loan the money to the States, which is necessary, temporarily, to feed the people wherever that is necessary, and reduce our taxes, stop borrowing money, restore confidence to business, and permit it to go ahead, and permit employment conditions to improve?

Tremendously large expenditures at this time will simply put a very small percentage of our unemployed to work. Such expenditures can only be met by a tremendous bond issue, which will ruin the credit of the Government and impose a tremendous tax burden on our people which they can not meet.

This tax and these bond issues will prevent business recovery and cause greater deflation. They will keep private industry back and prevent it from obtaining the funds which are necessary to put industry back on a stable basis. Let us rather turn the remaining wheat, which the Farm Board has, over to the States or to the Red Cross to be used in feeding the people, and get rid of the 100,000,000 bushels of wheat

which are a constant menace to the market, and give our farmers a chance to sell our wheat products at better prices.

Let us, by the adoption of sane business and economic methods, restore the confidence of our people, and give our business communities an opportunity; and, by economical, sound action, reduce our expenditures to the limit. By doing this we will put five times as many people to work as we possibly could put to work by any of the so-called aid schemes. All of these schemes just add another burden to the taxpayers, destroy confidence, and prevent economic recovery and increase unemployment. The real friends of the laboring man will oppose these schemes. I am opposed to bills providing for embarking on large Federal projects, some of which might be desirable if business conditions were right and the Treasury had a surplus and the Budget were balanced. I am opposed under any circumstances to projects which simply make added burdens to the Treasury, and which are not needed now or at any other time. Most of these projects which are in this bill are not needed at any

Mr. HOWARD. Mr. Chairman, will the gentleman yield? Mr. TABER. I do not yield. For instance, we propose to relieve unemployment and distress in the United States by building a post office in the Virgin Islands, by spending \$825.000 to construct buildings in Alaska.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield? Mr. TABER. Yes.

Mr. SIMMONS. In addition to the \$825,000 for two public buildings in Alaska, the Garner proposal carries half a million dollars for forest roads and trails and five different river and harbor projects, to take care of unemployment among 60,000 inhabitants.

Mr. TABER. The basic industry there, gold mining, is the industry in all the world which is flourishing at top speed.

In my home town they have provided a post office to be built at a cost of \$315,000, which I did not ask for, and which I know we do not need at this time. I am not going to cast a beam into the other fellow's eye and have one in my own. All we want there, when business gets back, is a small addition to the present building, costing possibly \$50.000 or \$75.000.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOOD of Indiana. Mr. Chairman, I yield five minutes more to the gentleman from New York.

Mr. TABER. Our country started off on a false economic theory when this depression came along. We thought we could relieve unemployment by embarking upon vast schemes of public work, which would not be looked at in ordinary times. Where did we get? We drove all of our railroad corporations into bankruptcy, we drove our great big utility corporations into bankruptcy, and to-day, as a result of it, our States and our cities and our counties can not borrow money, and we have to help them out. Why we should indulge in such ridiculous expenditures at this time is away beyond me. The number of people that could possibly be put to work by the expenditure of \$846,000,000 under the Garner scheme, the greatest possible number, is 291,613, and that is a very liberal estimate. But the expenditure of that sum of money can not be made short of two and a half to three years in these projects that have been laid out. The expenditure of that sum of money will so put Uncle Sam into the red that it will further destroy the confidence of the people and destroy the confidence of business, and instead of putting men to work, some 291,613, it will destroy that confidence and force three or four times as many men out of work in private industry.

Why can we not face this problem intelligently, why can we not face it as it is without spending money foolishly and give our people and the taxpayers a chance to recover? They have recovered from every depression that we have ever faced. America can recover from this depression, but we must learn our lesson from the depression. We must economize. We must go along on a reasonable basis and permit business to come back and we must function on such a basis as we can get along on and sustain. If we have to

relieve distress, it should be done through the States. If the States can not finance the matter, we might have to loan them the money. That is legitimate. But let us stop going at this job wrong end to and begin now, right now, by firmly resolving to put patriotism above the idea of placing a post office in some place that does not need it, by putting patriotism above our desire to get some great big expenditure in our district that we can glory in. The people back home do not want big expenditure. They want a chance to recover. For God's sake, let us give it to them, let us start right now. The people do not want these expenditures, they do not want anything of the kind, but they do want business to get a chance to come back. Let us turn down this proposition and turn it down so vigorously that the country will be restored to confidence and business can come back and millions upon millions of men can be put to work, instead of putting a couple of hundred thousand men to work and driving a million and a half out of work. [Applause on the Republican side.]

Mr. WOOD of Indiana. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. Johnson].

Mr. JOHNSON of South Dakota. Mr. Chairman, for the past 20 years, whenever it was necessary for an alibi to be presented for the delinquencies of the Democratic Party, the distinguished and able gentleman from Alabama [Mr. Bankhead] has been called upon. If there is anyone who can present a thorough alibi it is that gentleman, because he is a man of distinction, ability, and attainments, and one of the few of this body who can handle a political situation with the dexterity that is required under the circumstances.

The gentleman always begins his remarks by invoking the shades of Jefferson, and he invokes them well, overlooking the fact, perhaps, that the measures which he has indorsed here so highly to-day are exactly contrary to the policies laid down by that great statesman, Jefferson, who, instead of wishing a bureaucratic government, even insisted that the States pay the expenses of the Revolution.

It will not be possible for me to answer many of the statements which the gentleman has made, because his was a carefully prepared speech, and I did not expect to speak until a moment ago, when I had the pleasure of listening to the gentleman's remarks.

The gentleman discussed the Underwood tariff bill and stated what a great piece of legislation that was, but neglected to mention the fact that in 1913, just before war broke out in Europe, there were 3,000,000 men out of work in the United States, a greater percentage of men out of work, compared to the situation existing in 1913, than there are out of work to-day at the close of a great European war and at a time of universal, world-wide depression.

The gentleman brought up the iniquity of the Farm Board and its stabilization policy, and said that the Republican Party did not understand how those things ought to be done, and a moment ago I happened to pick up the Congressional Record of April 25, 1929, and on page 572 I find that the distinguished gentleman from Alabama voted for the formation of the Farm Board, to which so much objection is made, and if I understand correctly, a great many gentlemen interested in cotton have been very interested in its perpetuation.

The gentleman discussed all of the legislation of much moment in the United States since the time of Abraham Lincoln, and stated specifically that its adoption was all due to the intellect and ability of the Democratic Party. For instance, the gentleman said the Federal Reserve Board had accomplished wonders. We agree with that, but those of us who know our history know that it was initiated by the great President of the United States, William Howard Taft, who initiated the first investigation of that great subject. and that the passage of the bill was simply work done by men, Republicans and Democrats alike, who were students of the banking situation, and neither party can claim credit for that act any more than they can claim credit to-day if we amend the bank laws in a Democratic House and a Republican Senate. No one can claim credit for the passage of any of this legislation.

Of course, I could not help but smile when the distinguished and affable gentleman from Alabama claimed credit for the Democratic Party for the good-roads program inaugurated in the United States. That, my friends, was not because of the Democrats. That was because of the automobiles, and they, their manufacturers and mechanics, rather than the Democratic Party, ought to be given the credit.

I could not help but listen to the gentleman with a great deal of interest when he discussed the war, because I happened to have been present in this House during the early stages of the European war, and I can well remember in May, 1916, when, on the floor of this House, we had the votes to pass the Kahn amendment to the Hay bill, the War Department appropriation bill, which would have doubled the size of the Army on July 1, 1916, and kept us out of that European war if a member of President Wilson's Cabinet had not come on the floor of this House and deliberately said that the administration wanted no preparation, and the votes were changed. If I recall correctly, 11 votes, changed on that day in 1916, when all of us knew we were being led into the World War, would have doubled the size of the American peace-time Army and would have created a General Staff. They can not claim much for the Democratic Party in those days.

Then I recall, in August, 1916, the President of the United States came to this House and asked that the Council of National Defense be created, and we Republicans unanimously voted for it, because we knew we were being led into the European war without any preparation whatever and that our sons were to be conscripted. That bill was enacted, and they met within two weeks after the election, when he kept us out of war, and formulated the food control act and the conscription act that we passed immediately after war was declared in 1917.

I do not think anyone will want to express many alibis for Republicans in those negotiations, or claim much credit for Democrats, if they are familiar with the history of what actually happened and what is shown by the record. It is impossible to fool the people of the United States.

That is so manifest that in the succeeding election President Harding received a majority of 7,000,000 votes, but any Republican who could have secured the nomination could have been elected at that time because the American doughboy and the American people knew what had been done to them when the Kahn amendment was voted down, when the Council of National Defense bill was brought out, when we were kept out of war and then declared war. It is common knowledge of the citizenry that any Republican could have been elected. It was because of the faults of our Democratic friends and not because of our strength.

I can recall exactly 10 years ago this month when the gentleman from Michigan [Mr. Woodruff] and myself made the original attacks on men connected with the Harding administration, particularly in the legal department of the Government, and we secured no help from the Democratic side except one gentleman, to whom I am glad to give credit, because he was of some assistance, and that is the distinguished Democratic floor leader to-day, Mr. Henry Rainey; but the fight had to be made within the ranks of the Republican Party.

I do not think any Democrat can claim much credit for what occurred in those days, and to-day I still see the same things being done to national defense by this Democratic majority when they eliminated 2,000 officers from the military service when that action will not save a dime for the Government because it will be compelled to transport those officers to their homes. We are going through the same national-defense wrecking again. Why, I would almost think that we had another Democratic President in the White House to keep us out of war from the attitude that has been taken by the Democratic leadership in breaking Army morale during this recent Democratic House control.

I can not help but discuss the Garner bill. In reading the bill, on page 58, I found a very concrete illustration of Democratic efficiency under its administration of legislation. On page 58 I found that they were to build a post office in

Stephan, S. Dak., at a cost of not exceeding \$55,000. I know Stephan. In the brave days of my youth at one time I hauled coal there at \$1.75 a ton with which to get some money to go to school. It is 22 miles from a railroad, 25 miles south of Highmore, served by rural route No. 22. Fifty-five thousand dollars put into Stephan, S. Dak., is more money than every farmhouse within a radius of 10 miles around that post office would bring on the market, and there is no one living there who does not know it. There is a symptom of Democratic efficiency in the so-called Garner bill that will be brought up in the House in a very short time, and these remarks are symptomatic of what will happen when they bring it up under suspension of the rules. I will say we are going to vote it down. We will not vote for a post office in Stephan, S. Dak., where the post office will cost more than all the land and houses in two townships will bring in the open market. We will vote it down, and then you will go out to the people of the country and say, "Oh, the Republicans voted it down."

If you want to be fair with it, bring in a rule, and you can bring it in, and we will get a motion to recommit and go right along with you in trying to take care of whatever aid is required in the way of such self-sustaining buildings as are required and whatever is needed for the Reconstruction Finance Corporation, because then you will be going along the road the President is traveling. You can not go to the people of the country after this speech and bring the Garner bill up under suspension of the rules without the trickery being exposed.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JOHNSON of South Dakota. On December 7 the House of Representatives was organized by the alleged Democrats.

On December 8 they revised the rules.

On December 9 the demagoguery started.

Up to that date the people of the country had some hope that Representatives, fresh from the people, would have a constructive policy.

After one look at the new organization, I doubted it, and on December 9 said:

Frankly, I feel sorry for anybody who tries to lead the Democratic side during the next year, because it is the most disorganized group politically that has ever yet been disorganized. * * * I have grave doubt about your Democratic leadership, because the Democrats will be like an army; and you can not make an army out of a disorganized mob going in different directions, thinking different things, and having different equipment. But if you do succeed in making an army out of it and will follow the suggestions of the President of the United States, Mr. Hoover, our people will not starve; and in anything looking toward that end you will get the cooperation of this (the Republican) side, just as it gave cooperation to President Wilson at a time when there was a complete Democratic administration. This demonstration of Democratic leadership in these times of distress is rather illustrative of what will happen during the rest of the session. I think the Democratic Party to-day ought to get busy and organize the committees and get to work * * *

Since that time there has been nothing but demagoguery. Democrats have ruined the Democratic majority and Democratic hopes for success, have disorganized the Budget, and by their actions in one week in the mob scenes during the debate on the tax bill wiped out \$3,000,000,000 of the value of grain, cattle, stocks, and bonds. They have done nothing but practice their old campaign speeches, which many of them prepared 10 years ago and have been polishing up ever since. Originally they were practiced and proclaimed in their own congressional districts. Since Congress convened, while the country suffered, they have been, with flourishing gestures and oratorical voices, inflicted upon the House of Representatives.

On this same day that I pointed out the Democratic disorganization, the gentleman from Alabama [Mr. Bankhead], to show the stability and cohesion of the Democratic majority of this House, said:

The gentleman from South Dakota speaks of our organization as though we were a disorganized mob; yet I point to the fact that in every preliminary caucus that the Democratic Party has had since this Congress was called into session, although we recognize honest differences of opinion in our ranks on many economic

and social problems, every action we have taken with respect to the future government of the country as administered through the House of Representatives has been by unanimous vote.

I wonder, Mr. Chairman, what he thinks of it now. It is said that the Speaker of the House is hardly on speaking terms with the chairman of the Appropriations Committee, and everywhere one goes he hears the Democratic backlash of vituperation used against some other Democrat.

The Democratic majority never could and can not now function.

Billy Mason, of Illinois, expressed it when he said, "No wonder the Democrats can not run the House of Representatives. Sometimes it is difficult for smart Republicans to do so."

This Democratic House reminds me of a supposedly great musical organization—all piccolo players. Its inefficiency reminds me of a legless frog in a whirlpool or a bill-less pelican in an eating contest. One day it seems that the Democrats of this House are an aggregation of second-class privates, marching under the direction of the gentleman from New York, General LaGuardia, and the next moment they look and act like a combat unit, composed exclusively of fat, old, retired major generals, with neither field officers, noncommissioned officers, nor privates in their ranks.

At that I want to compliment my friend from New York, General LaGuardia. He will be emblazoned in the annals of history for many great actions and attributes, and the greatest of those achievements will be the Democratic ides of March, when he took charge of a clear Democratic majority in the House of Representatives of the United States and "marched the troops right up the hill and marched them down again." Without even a pipe to play, but like the pied piper of Hamelin in the year 1284, he marched through the well of this House followed by a lot of full-throated mice and left them in the deep waters, in which they are now going down for the third time.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I yield the gentleman from South Dakota five additional minutes.

Mr. JOHNSON of South Dakota. If Uncle Billy Mason could come back to the House—because nobody could do justice to this disorganized session except our old friend Uncle Billy—and see some of the new Democratic leaders—and they all think they are leaders—he would say, "Every time one of them gets up in the morning and puts on his pants he thinks half of the world is dressed, and every time one of them walks up Pennsylvania Avenue he wonders why the other side of the Avenue does not tip up."

After many of these oratorical outbursts it is apparent that the men responsible for them, like the flea on the wagon wheel, look back and say, "Good gosh, what a heck of a dust I'm raising."

All in all, this disorganization and complete parliamentary breakdown of the Democratic majority of this House is a tragedy, not only for real Democrats but for real Republicans and the people of the United States.

Now, I do not want to become prominent in advising the Democratic majority. It has, however, followed General Laguarda into the deep water, and if it would follow up my advice it would come up after the third dip.

At 4 this afternoon the Democrats are to hold a caucus. That, of course, is dangerous for the Democratic Members of this House. They should have Kenneth Romney, Sergeant at Arms, meet them at the door and search them for weapons. Not for pistols and bowie knives, the famous old Democratic weapons, but for gas bombs, hat pins, stilettos, and radio broadcasting microphones. There would be none but verbal casualties.

After that caucus bring in the sales tax, the only fair tax that will balance the Budget, pass the economy and reconstruction bills without pork, and we Republicans will join with you in passing them.

You ought to be able to get enough votes, excepting what Mr. Hearst calls the jackass rabbits, together with the 153 Republicans, to secure a substantial majority.

If you do that, you will have a chance to bring the country back to some prosperity. With this indecision

about the tax bill, with this demagoguery, and with all these things that happened, every market—stock, grain, cattle, hogs, and everything—has dropped to nearly nothing because Congress talked; it fiddled and did nothing. If you would pass this legislation, there would be something done.

Mr. SABATH. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I have not the time.

Mr. SABATH. Mr. Chairman, a parliamentary inquiry.

Mr. WILLIAMSON. Mr. Chairman, I make the point of order that the gentleman from Illinois is out of order.

Mr. JOHNSON of South Dakota. Again repeating what I said, this disorganization that has been caused by this indecision and with the defeat of the sales tax—

Mr. SABATH. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. Does the gentleman from South Dakota

yield for a parliamentary inquiry?

Mr. JOHNSON of South Dakota. I do not yield. Mr. Chairman, this is an illustration of Democratic disorganization. They do not even know the rules of the House. I repeat, if you want to rectify what has been done, you need only to bring out the measures advocated by the President. You could bring out the sales tax.

Mr. KELLER. Why do you not do it?

Mr. JOHNSON of South Dakota. I have been with him on all these things. The difficulty is with the gentleman from Illinois and men of his type. They are responsible for the situation of disorganization in the House. The difficulty is not with me or men of my type. [Applause.] We would join with you and you could get back all of this value of grain, hogs, cattle, and everything. You could not return everything to the price it brought before this disorganization. That could not be done at once because of this Democratic disorganization.

You know, I am not much of a partisan, because I do not believe so much in partisanship, but when I find that partisanship is carried to the extent it has been carried here, then I must complain about it, because it has affected every basic industry in the United States. It has wiped out everything from manufacturer to agriculture. Then a further attempt is made to disorganize the finances of the country by building a post office in every little country village. When such pork barrel bills are presented to us I simply can not keep silence. I must give expression to some of my opinions. However, I will say that if you will bring in fair measures without the pork barrel we will give you the votes to pass them. [Applause.]

Mr. BYRNS. Mr. Chairman, I yield 15 minutes to the

gentleman from New York [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I think we all enjoyed the good-natured raillery of our colleague from South Dakota. We can all acquit him of being a very virulent partisan. He has never displayed that tendency in my association with him on the floor of this House for many years, but in his effort to be humorous he omitted to be accurate. I hope he will pardon me if I make a correction with respect to the origin of the items in the so-called "pork barrel" bill. The Speaker of this House, who presented the bill subsequently introduced by Mr. Rainey, did not evolve these post offices in hick towns out of his own mind. He did not conjure them up out of the air. Does the gentleman know where those items came from? They came from the interdepartmental committee.

Mr. JOHNSON of South Dakota. I know perfectly well that the one at Stephan did not come from the Republican administration.

The CHAIRMAN. Does the gentleman yield?

Mr. GRIFFIN. No. I am going to tell the gentleman something about where it came from. It came from the administration's own commission, the interdepartmental committee, to which we foolishly delegated our authority once upon a time in a lapse of wisdom and good judgment.

Mr. JOHNSON of South Dakota. Will the gentleman yield?

Mr. GRIFFIN. I will yield later.

Mr. JOHNSON of South Dakota. The Democratic Party is not going to follow that commission, is it?

Mr. GRIFFIN. It must be emphasized that it was this partisan commission that planned this much-criticized program of public buildings. I might say that, while they have projected buildings in Republican villages of 1,500 inhabitants and planned to build post offices many times the value of all the public improvements in the vicinity, they have ignored good Democratic centers like the city of New York. For instance, in Bronx Borough, of 1,300,000 inhabitants, the Federal Government purchased a site 19 years ago for \$176,000. The interest on that has been lost for that period, amounting to \$209,000. There is an aggregate stalemate there of nearly half a million dollars simply because we could not persuade this amiable commission, which is responsible for these items in the Rainey bill, to erect a post office in a Democratic borough of 1,300,000 people.

However, I do not intend to and did not arise to make a partisan speech.

THE NEW REVENUE BILL

In view of the fact that we are on the eve of taking up the much-talked-of revenue measure, containing various new taxes—increases in postage, increases in income tax, and so forth—I am prompted to give the intimation to this House that we ought not to be in such a hurry to adjourn that we should feel obliged to pass an improvement, thoughtless, stupid measure.

TAXATION

Taxation is one of the most vital functions of government. It has been said that the power to tax is the power to destroy. The power to tax has been at the bottom of all tyranny throughout the ages, and it may fairly be said that every revolution of any moment in the world's history has been due to the fact that those who were at the head of government forgot the necessities, the needs, and the sufferings of their tax-ridden people and imposed burdens upon them beyond their power to endure.

Take, for example, our own Federal Budget—four billion dollars! This means \$33 tax on every man, woman, and child throughout the United States, and this is separate and apart and distinct from local taxation. In my own municipality we have a budget of \$600,000,000, which means a burden upon every man, woman, and child in the city of New York of nearly \$100; and where a man and his wife and three children are struggling to get along, this means a deduction from his wages of \$500 a year. In other municipalities the taxes are equally onerous.

I appeal to those who have shown such anxiety to reduce salaries to consider what this means. In the city of New York the municipal taxation is \$500 for a family of five. Add to this \$165 of Federal taxation, which ultimately falls upon the backs of the consumers, and we have \$665 that the average head of a family of five has to bear.

Taxation is like dust thrown into a vessel of water. It stays on the surface for the moment, but soon precipitates to the bottom, so taxes settle upon the backs of the ultimate consumers, who, having nothing to sell but their labor, can not shift the burden any lower. This is a truth that can not be contradicted. The struggle throughout the ages has been to find a tax that will stick where it is put, and not fall upon the ultimate consumer. The only known way to accomplish this is to make the initial tax so small that there is no incentive to shift it or pyramid it.

THE INCOME TAX

If there is any part of our economic system which needs revision more than any other, it is our income tax. The law as it stands, with its deductions, its exemptions, its exceptions, its modifications, its allowances, and its brackets, absolutely defeats its avowed purpose.

TAX DODGING INVITED

It is so inequitable, it invites evasion. Take corporations as an illustration. In 1930, 498,110 corporations filed income-tax returns. Do you know how many paid taxes? Just 214,000 corporations reported net incomes that were taxable. Two hundred and eighty-three thousand corporations ducked, dodged, or evaded their tax liabilities.

What was the gross income of these corporations? One hundred and twenty billion dollars—and they paid taxes on \$5,627,312,995. That is on about $4\frac{1}{2}$ per cent of their total

In the case of individual incomes, the contrast is not so glaring; but even there, out of 3,376,552 returns, 1,429,877 persons evaded or ducked the payment of any income tax whatever.

Mr. McFADDEN. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. McFADDEN. Is the gentleman aware of the fact that there is now pending before the Treasury Department practically \$900,000,000 of unpaid taxes?

Mr. GRIFFIN. I would not be surprised-I have not gone into that phase of it.

However, in preparation for this talk to-day, and not being certain that I would be able to get time, I put in the RECORD of last Thursday tabulations which I prepared with a great deal of pains, and I have had the remarks reprinted in pamphlet form and I expect every Member of the House will have them on his desk to-morrow. The title I have given the pamphlet is Tax Gross Incomes One Cent a Dollar, reprinted from the Congressional Record of May 26, 1932.

Going back to the corporations, the gross income of these corporations was \$120,000,000,000, and they only paid \$618, 000,000, or one-half of 1 per cent. This was the average. Actually those who were honest enough to pay any income tax at all actually paid as much, in some instances, as 10 per cent of their gross earnings. The general average is so low because so many corporations paid no tax at all.

TAXLESS INCOME RETURNS

Here is the glaring fact that there were 52,411 corporations in 1930 which showed no net income whatever. They paid no taxes, yet they showed a total gross income of \$41,-000.000.000.

How do they evade their income tax? It is needless to tell anyone within the sound of my voice of the horde of "tax experts" who put their services at the disposal of anyone who can afford to pay them. They show the dishonest how to juggle the law so as to show no income. Then there are the "refunds."

Mr. SABATH. Will the gentleman yield? Mr. GRIFFIN. I yield.

Mr. SABATH. I observe that the gentleman has spent a great deal of study and time going into these matters, and I wonder whether he has made an examination of the number of refunds and the amount of those refunds to corporations by this administration, and whether the same lawyers that represented corporations in some instances that have received millions from the Government are the same lawyers that represented them when they failed to pay the \$900,000,000 due the Government, referred to by the gentleman from Pennsylvania [Mr. McFadden]?

Mr. GRIFFIN. That is true in many cases, but I do not propose to touch on that to-day, because that is simply cumulative argument. Having these facts before you, how would you cure the situation?

Mr. McFADDEN. Before the gentleman leaves that subject, will he yield to me?

Mr. GRIFFIN. I yield.

Mr. McFADDEN. I am very much interested in what the gentleman is saying, because I, too, have been doing some research work in regard to the very matter he is talking about. Of the \$900,000,000 that is due and pending now before the department, running over several years, probably \$200,000,000 of that are taxes which foreign steamship companies in the United States have evaded payment of through just such practices as the gentleman has referred to.

Mr. GRIFFIN. I am glad to have that contribution.

[Here the gavel fell.]

Mr. BYRNS. I yield the gentleman five minutes more, Mr. GRIFFIN. I am glad to have that contribution. Now permit me to offer the solution of this vexing problem. My proposal is to put a tax of 1 cent on all gross incomes as embraced in my House Joint Resolution 381, which I introduced on May 7, 1932. It is very brief, and I will insert it here:

THE SOLUTION

Resolved, etc., That there shall be levied, collected, and paid by individuals and corporations, irrespective of and in addition to, the income tax they are subject to under the existing law, or any amendment thereof, a special tax of 1 cent on each dollar of gross income for the calendar years 1932, 1933, and 1934.

The fundamental principle of just taxation is that it shall have a broad base; that it shall bear equitably and in proportion to ability to pay, on all classes on which it is imposed, and not be capable of being shifted, pyramided, or evaded.

GROSS INCOME AS A BASIS

The advantage of using the gross income as a basis is that it is self-determining and not susceptible of being manipulated or concealed.

Under the present income tax law it is in the deductions and exemptions and complicated brackets that the opportunities for tricky bookkeeping occur.

The basic idea of my plan is to put a 1 cent per dollar tax on the overhead, irrespective of the existing income tax law. Let them work out their manipulations in avoidance of taxation in their income-tax returns and take advantage of the exemptions and deductions allowed by the existing law, so long as we retain its stupidities, on the statute books.

But tell them, "On your gross income you will hereafter pay 1 cent per dollar tax on your receipts, in addition to the usual income tax." By that, I mean the present income tax and not the proposed Senate amendment.

IT WILL AVOID INCREASING PRESENT TAX RATES

You will thus see I am proposing a plan to avoid the threatened increase of the existing income-tax rates. My plan is to spread the tax equitably on the basis of the existing law to meet the present emergency; but, if the Senate increases become law, it would be obviously unjust to superimpose the cent-a-dollar tax which I propose. I am offering this plan as a substitute; it will prevent an unjust increase in the present income-tax rates; it will raise more revenue and it will lessen administrative costs.

THIS IS PRACTICALLY A SALES TAX

In effect, it is manifest that this proposal is tantamount to a sales tax of 1 cent on the dollar; but it is one that is fundamentally just because it exempts no one whatever. It is a "true sales tax," because it is computed at the source on the receipts from what is sold, and not on what is bought or consumed. To tax what the consumer has to buy is a "consumption tax." It is a nuisance tax and a fraud on the consumer. It is a despicable fraud, because it taxes those whose necessities are greatest. It is unscientific, because the tax is imposed not only on the original cost, but upon all intermediate profits-from the original down to the very last transaction. It taxes not only the employed, who have good wages with which to buy, but also those who are living from hand to mouth, thus making their poverty more difficult to bear.

A tax imposed on the product or thing is slapped squarely on the consumer. While if a very small tax is drawn out at the fountainheads it etherealizes to nothing by the time it reaches the backs of the consumers.

HOW THE GROSS-INCOME TAX WORKS Corporations

A corporation selling \$1,000,000 worth of goods would pay a \$10,000 tax. If the article they manufactured and sold was, for instance, frying pans, and they manufactured and sold 4,000 of them at 25 cents each, the tax on each frying pan would figure out about one-fourth of 1 cent-too small to be shifted, pyramided, or otherwise burdensome to the consumer.

Individuals

With respect to individuals the Internal Revenue Bureau reveals that under the present law few, if any, married men drawing less than \$4,000 a year pay any income tax whatever. First, they are allowed \$3,500 exemption, and then \$400 for each child. Under my bill a married man drawing \$4,000 would pay \$40 and would have the satisfaction of knowing that he was contributing something for the relief of his country in its present emergency. This, it seems to

hundred dollars in his salary as the present indications point out is likely to happen.

In tabulation A, which I will insert in a moment, it will be noticed how equitably and fairly the "cent-a-dollar special tax " works out.

I compare it with the raise in the income-tax rates as proposed in the Senate. I make bold to state that the proposed Senate rates will give no comparable increase in revenue, while unduly taxing those in the lower brackets. On the contrary, under my plan the total revenues will actually be increased, owing to the greater spread.

Looking at this Table A, it will be noticed that a single person, with a net income of \$5,000 per annum, will pay under the proposed Senate rates a tax of \$101.25. Under my plan, \$89.38.

With a ten-thousand-a-year income, the individual under the Senate-plan proposal will pay \$433.75; under my plan, \$291.88; and so on down the list.

me, is a good deal better than standing a cut of several | TABLE A.—How the tax of 1 cent per dollar of gross income will affect single persons

Gross income	Net income less exemptions	Tax under existing law	1-cent-per- dollar tax suggested	Total tax	Tax under proposed Senate bill
\$3,000	6,500	\$16, 88	\$30. 00	\$46. 88	\$48, 75
\$4,006		28, 13	40. 00	68. 13	75, 00
\$5,000		39, 38	50. 00	89. 38	101, 25
\$8,000		121, 88	80. 00	201. 88	282, 50
\$10,000		191, 88	100. 00	291. 88	433, 73
\$20,000 \$30,000 \$50,000 \$100,000	18, 500 28, 500 48, 500	911. 88 2, 071. 88 5, 171. 88 16, 351, 88	200. 00 300. 00 500. 00 1, 000. 00	1, 111. 88 2, 371. 88 5, 671. 88 17, 351. 88	1, 653, 73 3, 353, 73 8, 243, 73 28, 653, 73
\$500,000	498, 500	116, 351, 88	5, 000. 00	121, 351, 88	230, 653, 73
\$1,000,000	998, 500	241, 351, 88	10, 000. 00	251, 351, 88	493, 153, 75

THE TABULATIONS

In tabulation B. which I here insert, it will be noticed that individual income-tax receipts will be enhanced over \$222,000,000.

TABLE B .- Individue! incomes -- Effect of 1-cent

Net-income classes (thousands of dollars)	Number of returns	Gross incomes (estimated)	Net incomes	Income tax paid	1 cent per dollar on gross income	Total to be realized
Croup A Under 1 1 and under 2 2 and under 3 5 and under 4	767, 684		\$86, 891, 887 1, 494, 526, 118 1, 864, 161, 556 2, 286, 739, 153	\$37, 282 1, 269, 089 3, 309, 537 2, 346, 256		
	2, 476, 372	87, 165, 398, 390	5, 732, 318, 714	6, 962, 164	\$71, 653, 983	\$78, 616, 147
## Group B ## and under 5 ## 5 and under 10 ## 15 and under 20 ## 15 and under 20	121, 711 49, 802		856, 744, 495	3, 006, 094 16, 590, 248 16, 165, 387 16, 421, 454		
	1, 097, 934	9, 556, 587, 484	7, 645, 269, 983	52, 183, 183	95, 565, 874	147, 749, 057
20 and under 25	25, 863 18, 226 25, 352 13, 536		575, 995, 409 416, 064, 179 958, 269, 153 911, 577, 008	16, 665, 118 16, 245, 618 55, 968, 901 86, 666, 791		
	79, 977	3, 577, 382, 184	2, 861, 905, 749	175, 546, 428	35, 773, 821	211, 320, 249
Group D 100 and under 500	311		993, 401, 742 207, 742, 387 355, 661, 694	143, 419, 364 33, 825, 869 60, 470, 813		
	6, 152	1, 946, 007, 278	1, 556, 805, 823	237, 716, 046	19, 460, 072	257, 176, 118
Total	3, 660, 435	22, 245, 375, 336	17, 796, 300, 269	472, 407, 821	222, 453, 750	694, 861, 571

In tabulation C, which is here inserted, it appears that in | \$1,202,917,116. It also appears from this table that the gross 1930 the gross incomes of corporations were \$120,291,711,697. incomes of individuals is \$21,665,505,860, on which they Under the cent-a-dollar plan they would pay a revenue of | would pay \$216,655,058.

	Number of re- turns showing net income	Number of re- turns showing no net income	Number of corporations inactive	Total gross incomes	Taxes paid	Taxes which must be paid under the i-cent- per-dollar plan	Total to be realized
CORPORATIONS Number of returns (498,110)	214, 412	231, 287	52, 411				
Total amount	Gross income \$79, 147, 023, 818	Gross income \$41, 144, 687, 879		\$120, 291, 711, 697	\$618, 246, 431	\$1, 202, 917, 116	\$1, 821, 163, 54
Number of returns (3,376,552)	1, 946, 675	1, 429, 877		21, 665, 505, 860	473, 689, 563	216, 655, 058	690, 344, 62
Grand total				141, 957, 217, 557	1, 091, 935, 994	1, 449, 572, 174	2, 511, 508, 16

¹ Taxes dodged (not taxed).

THE PROPOSED LAW WILL BE SELF-REGULATORY AND INESCAPABLE

THE PROPOSED LAW WILL BE SELF-REGULATORY AND INESCAPABLE

The tax is self-regulatory. It is figured on the income-tax returns and paid at the same time and in the same manner as the income tax. It can not be evaded. There will hereafter be "no taxless income-tax returns." All will pay on the basis of business done, whether they show a net profit or not.

A 1-cent-per-dollar addition to the income tax will spread the burden, and the steadiness of revenue obtained will enable Congress to eventually get away from the intricate bracket schemes in the present law—a thing that every honest business man is anxious to accomplish.

By arranging their budgets, corporations and individuals will be able to figure on this special tax as a part of their overhead, the same as rent, heat, or light. It is not an arbitrary tax, but one depending on the business done or salary received.

It is suggested that it is wrong to impose a tax on corporations, which "report" no net income under the income tax law. That, however, is not where the wrong is done. The real wrong is done to the taxpayers of the country in the loose provisions of the law which allow gross

earnings to be frittered away by padded pay rolls, bonuses, exemptions, imaginary deterioration of plant and technical losses, which enable them to escape taxation. It is, of course, true that these exemptions are intended to mitigate the drastic provisions of the income tax as applied to corporations. But, it would be better to lessen the unreasonable exactions on corporate bodies than to continue rates which tempt them to exaggerate the exemptions to which they are reasonably entitled.

The fact is that the showing of no net income is a mere matter of bookkeeping. A corporation doing business, year in and year out, without showing an actual net profit is unthinkable. A corporation doing business without profit must necessarily eat into its capital and is, to that extent, perpetrating a fraud on its stockholders. The sooner such corporations wind up their affairs and go out of business the better it will be for themselves, their stockholders, their competitors and the general public. They are a potential fraud on investors so long as they are encouraged to exist.

METHOD OF ADMINISTRATION

And it is going to be very simple in operation. It will be added at the foot of every income-tax return. Your income-tax return will show the gross income. Every return begins with that. At the foot of your return you would simply add 1 cent per dollar on the gross income and send it to the Treasury. It will need no additional forces or overhead expenses to administer it.

Under this plan we can avoid 3-cent postage and the proposed increases in the income tax in every bracket. Sooner or later I hope to see a complete abolition of the brackets and the whole complex, complicated, and absurd system we now have of purely punitive income taxes. [Applause.]

Mr. WOOD of Indiana. Mr. Chairman, I yield two minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman, during the last two years, ever since the passage of the Hawley-Smoot Tariff Act, the charge has been repeatedly made by Democratic Party Members of Congress, and by the Democratic Party press, that the Republican tariff act of 1930 is responsible for the investment of millions of dollars of American capital in industries in foreign lands. This afternoon I listened attentively to the very able address of the gentleman from Alabama [Mr. Bankhead]. He repeated the charge this afternoon by stating that the Smoot-Hawley Tariff Act was responsible for the action taken by the Steel Corporation in investing their money in a steel plant in the city of Windsor, Ontario. A few minutes ago I went to the telephone and called up the representative of the United States Steel Corporation in order to find out when they invested their money in this plant. He informed me that the United States Steel Corporation invested their money in the steel plant in Windsor, Ontario, 15 years ago. Mark you! This plant was constructed 15 years ago at a time when we were not operating under a Republican protective tariff law but under the Underwood Democratic Tariff Act. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WOOD of Indiana. Mr. Chairman, it is not my purpose to answer the gentleman from Alabama [Mr. BANK-HEAD] with reference to those things to which he pointed with pride as the accomplishments of the Democratic Party; but, in justice to history and in justice to the present generation, I think there are some other things that we should point to-with want of pride-as the accomplishments of the Democratic Party. The gentleman from Alabama, at the very outset of his speech, in referring to the accomplishments of the Democratic Party took full credit for the Federal reserve act, when everyone who is acquainted with the history of that act knows that it is almost verbatim a copy of the Aldrich-Vreeland bill which had been introduced and considered at a session of Congress prior to the time of its enactment. It has answered well its purpose, and I hope it may continue to do so and be strengthened to answer its purpose in the future; but it is unfair, unjustified for anybody to claim its origin on the Democratic side of the House when its real authors were Republicans. The

gentleman does not point with pride to the attitude of his party in 1896, when they were proclaiming from the house-tops that the panacea for the ills we were then suffering was free silver. Is there one among you to-day who would go before the people of this country and proclaim such a fallacy?

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Indiana. The gentleman did not yield to me. I will, later, if I have time. That is what the gentleman said to me. Again, four years later, they held up to the eyes of the public the great danger of our becoming an imperialistic government, and that we were going to make McKinley king of the United States. Is there anyone among you that believes there was any danger of that thing at that time? Is there one among you who will point with pride to the attitude of the Democratic Party in advocating that fallacy?

Another thing to which the gentleman did not advert was the attitude of the Democratic Party with reference to free trade. He does not point with pride to the Democratic Party's attitude for more than 100 years upon that great economic question. For 50 or more years in every recurring presidential campaign they took the position that a tariff for any purpose other than to raise revenue was unconstitutional, and many speeches were made on that side of the House to that effect. Among the speakers who proclaimed it was the late Speaker Champ Clark, and I heard him myself say that he hoped he would live to see the day when the customhouses would be razed to the ground. Is there a man on your side of the House to-day who subscribes to that doctrine, then so loudly proclaimed and stuck to throughout a century? The gentleman also referred to the fact that under the Hawley-Smoot bill our customs receipts in 1930 and 1931 have been greatly reduced. But he did not say anything about what happened under the Fordney-McCumber tariff bill. When that bill was under discussion before this House, I heard many speakers on this side say it would absolutely destroy imports and exports to and from the United States. As a matter of fact, instead of doing that, the imports were more than doubled and the exports were likewise more than doubled. We were receiving, prior to that time, about \$300,000.000 in customs dues. They increased to more than \$600,000,000, and the exports in the same proportion.

It is not fair to contrast the customs dues we have collected during this period of depression, when the whole world practically is bankrupt, when countries across the sea, who would pay those customs dues, have nothing with which to pay. That is one of the pities of it all. Had it not been for that existing condition in Europe, we in this country would be far better off, for we have surpluses upon every farm and surpluses in every factory that we would be glad to sell to them if they had the money with which to buy.

During the course of his speech the gentleman pointed with pride to the adoption of the constitutional amendment requiring that United States Senators be elected by the direct vote of the people, and challenged anyone to say that he would change that thing. I accept the challenge, and I declare here and now that it was the first blow at the fundamentals of the Constitution of the United States. It has wrought more damage, it has wrought more woe, it has wrought more trouble as far as legislation is concerned, than any other evil that has ever befallen the Congress of the United States. Change it? How could it be changed? In order to change it, it would be necessary to submit it to the States again, to undo what they have already done. Does anyone think we would ever get such a resolution formulated in this House and through the Senate? There are now gentlemen over there and would be then, who would not have been there but for the election by popular vote of the people, who would defeat such a proposal, so we can accept this as one of the adopted and forever-to-be-had evils in our political system.

The gentleman also said that he regretted having voted for the moratorium, for he earnestly and honestly believes it is the entering wedge to our forgiving our foreign debtors. I am as firmly convinced now as I was then that there was never any idea, when this moratorium was proposed, that we would cancel one cent of the debt that is due us. I, for one, will stand here as long as I am a Member of this House and vote against any proposition that has to do with the reduction of one dollar of that debt. The fact of the business is we have reduced it too much already. [Applause.] There is one thing that is dead sure. As long as the much-abused Andy Mellon remains in Europe, they will never draw the wool over his eyes to get him to consent to a reduction of that kind, or to its being forgiven, for he has stood adamant against it during all the time he was Secretary of the Treasury of the United States, and he will stand adamant now, even though he is at the Court of St.

Mr. Chairman, the time is almost up when this Chamber is to be used by what is denominated by the Chicago Daily Tribune as "America's Champion Hog Caller." [Laughter.]

I would like to call attention to this cartoon appearing in the Chicago Daily Tribune of Tuesday, May 31. I think it is one of the most illustrative of all cartoons I have ever seen in the public press. It represents our beloved Speaker occupying the dome of the Capitol as a pork barrel, and he is calling his hogs. They are coming from every State, from every hamlet in every State, expecting to get their own. I am reminded of a number of years ago when our Speaker, then an ordinary Member of this House, was a stanch advocate of the pork barrel, and he said, "When the rest of you are getting your pork, I want to get at least a ham." He is going to get more than a ham now, for he is going to give the whole hog to every township and hamlet, if necessary, in all the United States. What does it mean?

We have heard to-day from the gentleman from Georgia that we have succeeded in balancing the Budget. Why balance the Budget when we are going to involve ourselves in debt again? And for what? If you please, pork, pork, pork, and nothing but pork. You can take that bill from first to last and you will find that pork will be provided for every Member of this House. They provided it for my district a plenty, but I do not propose to be inveigled. I will vote against this bill, and I think that every man who has the best interests of his country at heart, who has the best interests of his State and his district at heart, should vote against it.

To my mind, there never has been such an attempt at pork-barrel dealing as is involved in this bill. So I hope that after this hog tying is over this afternoon we will be here to see the performance when this bill is introduced, and add our mite in opposition to its enactment into law.

Mr. Chairman, I yield seven minutes to the gentleman from Wisconsin [Mr. Stafford].

Mr. STAFFORD. Mr. Chairman, there is carried in the pending deficiency appropriation bill an item for the settlement of claims amounting to \$162,000 paid by the District Commissioners under authorization of an act of Congress passed in 1930, whereby the District Commissioners are authorized to settle all claims arising through the negligence of the officers and agents of the District up to the amount of \$5,000.

The gentleman from Mississippi [Mr. Collins] this week introduced a resolution providing for the appointing of a joint committee to devise some method as regards the adjudication of private claims. Ten years ago the Private Calendar of an entire Congress would only comprise about 300 bills. At the present session over 800 private bills have been reported, 400 of which have been given provisional consideration. Something must be done to relieve the Private Calendar of the number of these private claims. If the authority the last Congress vested in the District Commissioners, delegating to them the right to settle claims up to the amount of \$5,000 where the employees of the District were guilty of negligence has worked out satisfactorily, then I believe we should delegate to some board of the departments like authority so as to save Congress the trouble and the tedious annoyance of examining these little claims.

Under existing law the departments have authority to settle claims up to the extent of \$500 where those claims arise out of injury of individuals. The Post Office Department and the War Department in large measure are using trucks, and many of these claims on the Private Calendar result from injuries occasioned by the neglect of employees of the War Department and the Post Office Department.

I would be willing to vest jurisdiction in a board supervised by the Assistant Secretaries, perhaps, of the Post Office Department, the Treasury Department, and the War Department to settle claims at least up to \$2,000. We must find some means to relieve Congress and the Committee on Claims of the burden of passing upon these little claims.

There are instances where even after the department passes upon claims presented to them for consideration that the claimants refuse to accept the adjudication and come to the Committee on Claims, and the Committee on Claims in their wisdom reports out the bill. There are instances where the Committee on Claims reported a bill for consideration under the employees' compensation act where the commission has refused to consider the claim as without merit, and in those cases I have consistently objected to the bills because I want that commission to have the final word and not have the burden thrown upon the Committee on Claims or upon Congress.

Mr. BLACK. Mr. Chairman, will the gentleman yield? Mr. STAFFORD. I yield to the gentleman who has given so much close attention to this subject during the present session as chairman of the Committee on Claims.

Mr. BLACK. Has the gentleman from Wisconsin thought of the feasibility of authorizing Government departments which use trucks to take out insurance as a business concern would?

Mr. STAFFORD. No great corporation that is able to pay claims takes out insurance. The Government is too vastly resourceful to pay premiums to a private agency for insurance against damages. As I have stated, I would favor granting to the departments the right to settle claims at least up to \$2,000, and perhaps up to \$5,000, as we did in the law through which we conferred jurisdiction on the District Commissioners to do that thing.

I can not see any reason why we should be deluged with these claims. We have faith in the executive officers of the Government, and we should do something, although nothing has been done for 10 years, in the amendment of the law.

I should take more time, but I do not wish to go into this subject at length. Either the resolution introduced by the distinguished gentleman from Mississippi, Mr. Ross Collins, should be considered and passed, or some other remedial legislation increasing the power of the department heads to settle these damage claims should be passed.

Mr. GILBERT. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. GILBERT. Can the gentleman give us information as to how the Underhill bill worked?

Mr. STAFFORD. That bill passed the House but was never enacted into law.

There should be some committee appointed to pass upon these various proposals to see whether some remedial meassure can not be adopted whereby Congress will be relieved of this burdensome and irksome work, which is so uninviting and yet has to be done. [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. Disney, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, and had come to no resolution thereon.

THE TAX BILL

Mr. CRISP. Mr. Speaker, this morning, at the request of the House, I asked that the Printing Office print the tax bill for the use of the House. The Printing Office advises me that it will be necessary for the House to pass an order to do that, and they will be delighted to do it and send a copy of the bill to each Member's house in the first mail to-morrow morning. Therefore I ask unanimous consent that the House order that the tax bill be printed as agreed to in conference.

The SPEAKER. Is there objection? There was no objection.

TAXATION

Mr. ROMJUE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROMJUE. Mr. Speaker and Members of the House of Representatives, there is perhaps no subject that is of more importance to the people of our State and Nation than that of taxation and the equitable distribution of the burdens it creates. I want to approach the discussion of this subject now as fairly and clearly as I may. From my early boyhood I recall that my father and grandfather usually met the problems, whatever they were, that came before them in a calm and deliberative manner, and they were not given to the use of their tongues until their heads were put into operation. They were not given to swallowing and believing half-baked ideas without giving a thorough and thoughtful study of any matter before them. I hope I may, in what I here say, emulate their characteristics in every regard.

At the close of the World War there existed a Federal tax law that was written by a Democratic Congress and signed by a Democratic President that placed the greater part of the burdens of this Government's expenses upon the greater wealth and larger incomes of this country, where in my opinion it should have been placed. I take no joy in being unjust to wealth and those who possess the vast wealth of the country, but on the other hand, too much burden must not be laid upon the backs of the poor. From the time Mr. Harding became President and both branches of Congress were thereafter under control of the Republican Party. there has been a far too active interest to take the tax off of the wealth and to place it on the poor and average man, as we call him. This fight has been going on for the past few years. The burdens of taxation were not so keenly felt while prices of farm products commanded a fair price and men were employed everywhere in gainful occupations, but when President Hoover, with a Congress of his party, came along and upset the trade of America and the world with the Smoot-Hawley Tariff Act, business was thrown out of joint and farm prices declined. The burden of taxes, interest, and deflated prices has been troublesome ever since.

For the first time in more than 10 years the Democratic Party has a small paper majority in the House of Representatives, while the Senate and President still remain Republican, and I will say to the everlasting credit of the House and Senate that during this session of Congress the governmental expenditures have been cut approximately \$600,000,000 below the expenses of last year, and such expenditures have been cut more than one hundred and sixty million dollars below what Mr. Hoover and his Budget estimate requested or recommended to be spent, and I predict still more cutting of governmental expenses will be made before Congress adjourns.

There is a drive on by the big financial interests of the country to force Congress to pass the sales tax, which Congress has indicated it would not do. I, like many others, have opposed the sales tax because it puts practically as much tax on the poor as on the rich. Such of the metropolitan press as is under the influence of the money power of this country can misrepresent Congress all they want to, and may, by misleading the people, cause some to innocently turn against their best friends in Congress, but I know there are a large number of Congressmen who would rather

go out of office than to surrender their self-respect or turn against the interest and welfare of the masses of the people.

There is a tendency by some sordid and selfish interests to try to make the farmer believe that Congress or the Federal Government is spending his taxes, when, as a matter of fact, not one cent of the taxes a farmer pays on his farm or his cattle, hogs, or other livestock is expended by Congress or the Federal Government, but all of his taxes are spent by the State, county, and schools where he resides, unless such farmer pays a Federal income tax, and he does not pay a Federal income tax unless he, under the present law, makes a net profit of \$3,500 a year, and I do not think there is a single farmer in my section who makes any such profit. If not, then none of the property tax he pays goes to pay any kind or part of governmental salaries nor for mail services nor other National Government expenses. Of course, under the present Republican high tariff a burden is placed upon the consumer, but that is no part of the property tax the farmer pays. Congress has no power or control over, and does not spend, the farmer's property tax on his farm, as I said before. That matter is all controlled by the people through their State.

A few years ago, much in advance of the present depression, I believed I could foresee where an unjust tax was being levied on lands and other real estate in the various States, and I introduced a resolution in Congress asking the President to call the various governors of the entire 48 States together to discuss at such conference the best method of combating and checking the rising taxes on the people's lands. Had the President followed such a course at the time and had the governors of the various States called the matter to the attention of the various legislatures, a policy could have been adopted by the States which would have avoided much, if not all, of the present tax dilemma.

The average man is so busy with his own affairs trying to make a living for himself and family that he has little time for making a technical study of the tax question. A few days ago I received a telegram from a chamber of commerce from a town in the congressional district which I have the honor to represent, complaining to Congress about the high taxes. In less than a week after getting the telegram I learned that the people of this same town had voted a bonded indebtedness on the city of over \$300,000, after sending the telegram complaining about taxes. I do not know anything about the merits of the bond issue or the question involved. It may have been, for all I know, perfectly proper, but neither the Federal Government nor Congress had nor could have anything to do with creating the additional taxes necessary to pay these bonds.

Under the last year of Woodrow Wilson's administration, a Democratic President, the income taxes and excess-profits taxes collected by the Federal Government amounted to \$3,569,829,389. Most of this, of course, was collected off of the greater wealth of the country. It was collected off of those most able to pay taxes, while the income taxes collected during this last calendar year 1931, under Mr. Hoover's administration, off of this class of taxpayers amounts to \$1,368,-411,625. This is according to an official report of the United States Treasury. The difference, therefore, of the amount of money collected in these taxes from the wealthy and more fortunate people financially in the United States under the last year of Woodrow Wilson and the last year under Mr. Hoover is \$2,201,407,764. That alone is enough money to completely wipe out the present deficit in the United States Treasury. Now we find such of the metropolitan press of the country that is under the influence of the powers that be, attacking Congress, trying to array the common people against them and trying to coerce the passage of a sales tax to be saddled upon the backs of the masses and poorer class of people of this country.

By whom, and when was this deficit created? It was created under an administration Republican in every branch. The last Democratic Governor of Missouri left a surplus of over \$5,000,000 in the State treasury. Woodrow Wilson left a balance in the United States Treasury. Then along comes Republican rule in both State and Nation and "budged the balance," and the cry is now made on every

hand, "balance the Budget" and warning is sent out by the Republican cohorts for all postmasters to get on the "firing line" to elect Mr. Hoover. Will it not come to pass that the Republican Party in November will be on the "fired line"? The mastery of the Government will yet remain in the hands of the people is my solemn prediction. How badly at this hour the Nation needs an Andrew Jackson, and how badly Missouri needs a William Joel Stone or an Alex M. Dockery.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Nelson of Missouri, indefinitely, on account of illness in family.

IN MEMORY OF MAJ. AUGUSTUS P. GARDNER

Mr. ANDREW of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a brief account of the ceremony last Sunday at the Arlington Cemetery in memory of my predecessor, Maj. Augustus Peabody Gardner.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDREW of Massachusetts. Mr. Speaker, many colleagues still serving in the House recall the stalwart personality of Maj. Augustus Peabody Gardner, and the notable service he rendered the country during his eight terms as a Member of this body. They remember his valiant effort to persuade our Government to prepare for its inevitable part in the World War, and how, when the fateful moment came, he resigned his place here to rejoin the Army in which he had served in the war with Spain and with which, in the late war, his life ended.

I am sure they will be interested in the following brief account of the annual tribute to his memory, which was rendered last Sunday at his grave in the Nation's cemetery at Arlington.

The account is from the pen of a soldier comrade, Commander A. Coulter Wells, of the Augustus P. Gardner Post, No. 18, of the American Legion.

On one of the beautiful hills of Arlington National Cemetery overlooking the Potomac River and the city of Washington—in the immediate foreground the classic amphitheater, the impressive Tomb of the Unknown Soldier, the sacred Lincoln Memorial, and the magnificent new marble and granite bridge spanning the Potomac and connecting the Nation's Capital with the former home of Robert E. Lee and Arlington Cemetery—lie the remains of Maj. Augustus P. Gardner. Around his grave at this historic place on Sunday morning, May the 29th, gathered his comrades of the late war, as represented by the Augustus P. Gardner Post, No. 18, of the American Legion, of the District of Columbia, to honor his memory.

18, of the American Legion, of the District of Columbia, to holds his memory.

After brief tributes had been paid to this gallant soldier and able statesman by Brig. Gen. William E. Horton and Maj. A. Coulter Wells, commander of the post, a wreath was placed by General Horton on behalf of the Augustus P. Gardner Post, of South Hamilton, Mass., and one presented by the local post was placed by Lieut. Col. J. Miller Kenyon, past departmental commander of the American Legion of the District of Columbia. At the conclusion of these exercises a Regular Army sergeant from Fort Myer sounded taps.

These two posts were named after Major Gardner, who resigned

sounded taps.

These two posts were named after Major Gardner, who resigned as a Member of Congress from Massachusetts in 1917 to enter the military service of the United States during the World War, and was at the time of his death a major of the One hundred and twenty-first Infantry. He was awarded the distinguished service medal "for exceptionally meritorious and distinguished services during the World War." * * His entire service was characterized by untiring zeal, devotion to duty, and marked success. His splendid example of patriotism will always serve as an inspiration to his countrymen.

Among those gathered to pay respect were Maj. Gen. C. C. Williams and his wife. Mrs. Williams was the widow of Major Gardner.

SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 361. An act for the relief of Mary E. Stebbins: to the Committee on Claims.

S. 1594. An act for the relief of Albert Gonzales; to the Committee on Claims.

S. 2352. An act amending the act entitled "An act authorizing the Court of Claims to hear, determine, and

render judgment in the civilization fund claim of the Osage Nation of Indians against the United States," approved February 6, 1921 (41 Stat. 1097); to the Committee on Indian Affairs.

S. 2960. An act for the relief of the estate of Anton W. Fischer; to the Committee on Claims.

S. 4020. An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict; to the Committee on the Judiciary.

S. 4379. An act for the relief of Yvonne Hale: to the Committee on Claims.

S. 4495. An act amending section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454); to the Committee on the Public Lands.

S. 4780. An act to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer fallowing, during the year 1932; to the Committee on Banking and Currency.

S. J. Res. 113. Joint resolution to commemorate the one hundredth anniversary of the first public singing of America; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4911. An act for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2325. An act for the relief of the United States Hammered Piston Ring Co.;

S. 2697. An act for the relief of Clarence G. Young; and S. 2698. An act for the relief of Herman Ingman.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President for his approval bills and a joint resolution of the House of the following titles:

H. R. 1029. An act for the relief of Basil N. Henry;

H. R. 4868. An act for the relief of George E. Casey;

H. R. 208. An act to authorize the transfer of the abandoned Indian school site and buildings at Zeba, Mich., to the L'Anse Band of Lake Superior Indians;

H. R. 3691. An act for the relief of J. P. Moynihan;

H. R. 4143. An act for the relief of the Sherburne Mercantile Co.:

H. R. 4270. An act for the relief of Carroll K. Moran;

H. R. 4453. An act for the relief of Pasquale Mirabelli;

H. R. 7305. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum

H. R. 9254. An act to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota; and

H. J. Res. 341. Joint resolution providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 2 minutes p. m.) the House, in accordance with its previous order, adjourned until to-morrow, Saturday, June 4, 1932, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows: 601. A letter from the Secretary of War, transmitting a copy of H. R. No. 3150 introduced in the Seventy-first Congress by Mr. James, requesting that a similar bill be introduced in this session; to the Committee on Military Affairs.

602. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the Treasury Department for the fiscal year 1929, amounting to \$1,665.27 (H. Doc. No. 349); to the Committee on Appropriations and ordered to be printed.

603. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ended June 30, 1931, for the War Department, for printing and binding, amounting to \$21,-949.01 (H. Doc. No. 350); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BYRNS: Committee on Appropriations. H. R. 12443. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes; without amendment (Rept. No. 1491). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary, H. R. 5657. A bill forbidding the transportation of any person or persons in interstate or foreign commerce kidnaped or otherwise unlawfully detained; with amendment (Rept. No. 1493). Referred to the House Calendar.

Mr. ELLZEY: Committee on Claims. H. R. 11204. A bill to authorize the Department of Agriculture to issue a duplicate check in favor of the Mississippi State treasurer, the original check having been lost; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. S. 3765. An act to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion at Portland, Oreg., during the month of September, 1932; without amendment (Rept. No. 1495). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MILLER: Committee on Claims. H. R. 3625. A bill for the relief of Cora A. Bennett; without amendment (Rept. No. 1496). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 9285. A bill for the relief of C. K. Morris; with amendment (Rept. No. 1497). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 11478. A bill for the relief of Aileen A. Weber; without amendment (Rept. No. 1498). Referred to the Committee of the Whole House.

Mr. ELLZEY: Committee on Claims, H. R. 11905. A bill to provide for the reimbursement of certain civilian employees of the naval operating base, Hampton Roads, Va., for the value of tools lost in a fire at Pier No. 7 at the naval operating base on May 4, 1930; without amendment (Rept. No. 1499). Referred to the Committee of the Whole House.

Mr. ELLZEY: Committee on Claims. H. R. 11941. A bill for the relief of A. C. Francis; without amendment (Rept. No. 1500). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11765) granting a pension to Myra A. Pennington; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 11764) granting a pension to Sarah Linnehan; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 11767) granting an increase of pension to Melissa E. Bemis; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS: A bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. HOWARD: A bill (H. R. 12444) to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability or to estates of such deceased Indians; to the Committee on Indian Affairs.

By Mr. RAINEY: A bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program; to the Committee on Ways and Means.

By Mr. WILLIAMS of Texas: A bill (H. R. 12446) to provide for certain changes in the government of the Territory of Hawaii; to the Committee on the Territories.

By Mr. SUMNERS of Texas: A bill (H. R. 12447) to authorize the use of vessels or vehicles, forfeited to the United States for violation of the customs laws or the national prohibition act, by United States marshals for the transportation of prisoners or the service of process; to the Committee on the Judiciary.

By Mr. HILL of Alabama: A bill (H. R. 12448) to amend the laws providing retired pay for certain officers and former officers of the Army, Navy, and Marine Corps of the United States; to the Committee on Military Affairs.

By Mr. HUDDLESTON: A bill (H. R. 12449) to further unemployment relief by authorizing the Secretary of War and the Secretary of Agriculture to make available the personnel and equipment of their respective departments in aid of such organized programs for unemployment relief as may be approved by them, respectively, and by extending all powers heretofore granted to Reconstruction Finance Corporation and to all farm-loan agencies so as to include and confer upon them, respectively, the power to make loans in furtherance of such organized programs for the location of unemployed on farms as may be approved by such respective agencies; to the Committee on Labor.

By Mr. SOMERS of New York: Resolution (H. Res. 247) approving and encouraging the efforts to hold an international economic conference; to the Committee on Foreign Affairs.

By Mr. SUMNERS of Texas: Resolution (H. Res. 248) to reduce expenses connected with funerals of Members of the House; to the Committee on Accounts.

Also, resolution (H. Con. Res. 32) to reduce expenses connected with congressional funerals; to the Committee on Accounts

By Mr. COCHRAN of Missouri: Resolution (H. Res. 250) providing for the consideration of H. R. 5657, a bill forbidding the transportation of any person in interstate or foreign commerce kidnaped or otherwise unlawfully detained; to the Committee on Rules.

By Mr. SWING: Joint resolution (H. J. Res. 415) to authorize Mr. Knowles A. Ryerson, principal horticulturist in charge of Division of Foreign Plant Introduction, Bureau of Plant Industry, United States Department of Agriculture, to accept a decoration from the Sultan of Morocco; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS of California: A bill (H. R. 12450) granting a pension to Flora B. Thomas; to the Committee on Invalid Pensions.

By Mr. GILBERT: A bill (H. R. 12451) granting a pension to Lucy Leach; to the Committee on Invalid Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 12452) for the relief of Helen E. Trainor; to the Committee on Military Affairs.

By Mr. HAUGEN: A bill (H. R. 12453) granting an increase of pension to Emma N. Deckerd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12454) granting an increase of pension to Louise C. Goldsbery; to the Committee on Invalid Pensions.

By Mr. JONES: A bill (H. R. 12455) granting a pension to Hiram Overby; to the Committee on Invalid Pensions.

By Mr. MONTAGUE: A bill (H. R. 12456) for the relief of Lina M. Llewellyn; to the Committee on Claims.

By Mr. PRATT: A bill (H. R. 12457) granting a pension to John Schoonmaker, jr.; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 12458) granting an increase of pension to Mary Cook; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 12459) granting a pension to Harriet A. Ward; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 12460) granting a pension to W. M. C. Craig; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8120. By Mr. AYRES: Petition from citizens and farmers of Marquette and McPherson, Kans., asking the repeal of the farm marketing act and discontinuance of the Federal Farm Board: to the Committee on Agriculture.

8121. By Mr. CRAIL: Petition of Imperial-Coachella Canal Progress Committee, urgently petitioning Congress to immediately enact emergency legislation to provide funds for the early commencement of all-American canal and appurtenant structures in order to provide employment for those in need and distress; to the Committee on Ways and Means.

8122. Also, petition of Louise Vester and many citizens of Los Angeles, Calif., urging favorable action on the \$5,000,-000,000 prosperity loan for public construction; to the Committee on Ways and Means.

8123. Also, petition of Oscar O. Ayres, of Los Angeles, Calif., presenting a plan to raise revenue for the Government; to the Committee on Ways and Means.

8124. Also, petition of Lodge No. 465, Brotherhood of Railroad Trainmen, Los Angeles, Calif., favoring the enactment of the proposed \$5,000,000,000 bond loan to be used to alleviate the unemployment and business depression; to the Committee on Ways and Means.

8125. Also, petition of Los Angeles Unemployed Voters Association, urging immediate adoption of a \$5,000,000,000 bond issue to be used for public improvements; to the Committee on Ways and Means.

8126. Also, petition of many citizens of Long Beach, Calif., petitioning Congress to make no backward step on prohibition, but to maintain the eighteenth amendment and enforce it without any question of resubmission; to the Committee on the Judiciary.

8127. By Mr. LEAVITT: Petition of 89 residents of Cascade County, Mont., urging enactment of House bill 5857, a bill to provide legal-tender money without interest secured by community noninterest-bearing 25-year bonds, etc.; to the Committee on Banking and Currency.

8128. By Mr. PATMAN: Petition of the delegation from the first congressional district of Texas, at the State Democratic Convention at Houston, Tex., submitted by Mrs. R. F. Lindsay, chairman of the delegation, urging the repeal of the agricultural marketing act: to the Committee on Agriculture.

8129. By Mr. RAINEY: Petition of Carroll R. Bassett and 102 other citizens of New Jersey, favoring a balanced Budget; to the Committee on Ways and Means.

8130. By Mr. SPARKS: Petition to repeal the agricultural marketing act, signed by Milo Cook, H. F. Engel, and J. F. Bell, of Burr Oak, and 41 others of Jewell County, Kans.; to the Committee on Agriculture.

8131. Also, petition to repeal the agricultural marketing act, signed by W. W. Thompson, J. M. Weaver, Charles Willcox, of Phillipsburg, and 22 others of Phillips County, Kans.; to the Committee on Agriculture.

8132. By Mr. WELCH of California: Petition of Board of Supervisors of the City and County of San Francisco, urging Congress to enact a statue imposing a severe penalty for the crime of kidnaping; to the Committee on the Judiciary.

8133. Also, petition of Board of Supervisors of the City and County of San Francisco, urging Congress to pass bill providing for loans from Reconstruction Finance Corporation to finance construction of San Francisco Bay bridges; to the Committee on Ways and Means.

SENATE

SATURDAY, JUNE 4, 1932

(Legislative day of Wednesday, June 1, 1932)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin Copeland Hayden Robinson, Ark. Bankhead Costigan Couzens Cutting Robinson, Ind. Sheppard Hull Barbour Barkley Johnson Jones Shortridge Blaine Dale Kean Kendrick Smith Smoot Keyes Logan McGill Bratton Dickinson Thomas, Idaho Broussard Bulkley Fess Frazier Thomas, Okla. Townsend George Glass Trammell Vandenberg Bulow McKellar Goldsborough Capper Metcalf Wagner Walcott Caraway Carey Moses Neely Gore Hale Walsh, Mont. Harrison Hastings Cohen Norbeck Watson White Coolidge Hatfield Oddie

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. Swanson] is necessarily absent as a member of the Geneva conference and that the junior Senator from Louisiana [Mr. Long] is necessarily absent from the city.

The VICE PRESIDENT. Sixty-seven Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 41) granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof.

SOPHIA A. BEERS

Mr. McNARY. There is a House message on the desk which I request that the Chair may lay before the Senate.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 811) for the relief of Sophia A. Beers, which were, on page 1, line 7, to strike out "\$5,100" and insert "\$2,000"; and on page 1, line 11, after "Washington," to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the con-

trary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. McNARY. I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. Howell, Mr. Steiwer, and Mr. Logan conferees on the part of the Senate.

ABRAM G. O'BLENESS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 326) for the relief of Abram G. O'Bleness, which was, on page 1, line 11, after "Ohio," to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. BULKLEY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

UNION FERRY CO.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 6) for the relief of the Union Ferry Co., owners of the ferryboat Montauk, which were, on page 2, line 3, after "sustained," to insert "either by the Government or the said Union Ferry Co.," and on the same page, line 6, after the word "parties," to insert "but with no allowance for interest or claim for damages by reason of the delay in considering said action prior to rendering judgment herein, and."

Mr. COPELAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

ESTATE OF ANNIE LEE EDGECUMBE, DECEASED

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2437) for the relief of the estate of Annie Lee Edgecumbe, deceased, which were, on page 1, line 6, to strike out "\$5,000" and insert "\$3,000," and on the same page, line 9, after the name "Florida," to insert a colon and the following

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or in excess of 10 per cent thereof shall be paid of delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. FLETCHER. I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. Howell, Mr. Capper, and Mr. Trammell conferees on the part of the Senate.

ALFRED G. SIMMONS, JR.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2436) for the relief of Alfred G. Simmons, jr., which was, on page 1, line 9, after the name "Florida," to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or

received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. FLETCHER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PETITIONS AND MEMORIALS

Mr. JONES presented a resolution adopted by the Pend Oreille County Development League, of Newport, Wash., protesting against any change in the present laws governing the public lands, which was referred to the Committee on Public Lands and Surveys.

He also presented resolutions adopted by Seattle Aerie, No. 1, Fraternal Order of Eagles, and the Olympic View Improvement Club, both of Seattle, Wash., favoring the passage of legislation authorizing a \$5,000,000,000 bond issue to finance a nation-wide program of public works, so as to furnish employment, which were referred to the Committee on Banking and Currency.

Mr. TYDINGS presented a resolution adopted by German H. H. Emory Post, No. 8, the American Legion, of Baltimore, Md., favoring the elimination or reduction of the interest rate on loans to veterans on adjusted-service certificates. which was referred to the Committee on Finance.

Mr. ASHURST presented telegrams in the nature of memorials from Ernest A. Love Post, No. 6, American Legion, of Prescott; Guy R. Moore, president Local No. 323, Federation of Federal Employees, of Kingman; and Jewell M. Decker, secretary-treasurer Local No. 213, National Federation of Federal Employees, of Fort Huachuca, in the State of Arizona, remonstrating against the 10 per cent reduction in the compensation of Federal employees, which were ordered to lie on the table.

Mr. BARBOUR presented a resolution adopted by the officers and directors of the chambers of commerce of Newark and Jersey City, N. J., favoring the prompt balancing of the Budget and the early adjournment of the present session of Congress, which was ordered to lie on the table.

EMERGENCY OFFICERS' RETIREMENT

Mr. BARBOUR presented a letter from Roberts Williams, of Bordentown, N. J., relative to emergency officers' retirement, which was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

BORDENTOWN, N. J., June 2, 1932. DEAR SENATOR BARBOUR: You may be able to read this letter be-DEAR SENATOR BARBOUR: You may be able to read this letter before final action is taken on the economy bill. I have the utmost
sympathy with your difficult situation in endeavoring to balance
the Budget. I realize no taxes or pay cuts will be popular. Nevertheless, justice should come even before economy, and I am addressing this plea to you to use your vote and influence to have
the section 7, that relates to retirement of emergency officers of
the Army, be amended to conform to the following principles of
justice and fairness:

- justice and fairness:

 1. There should be specific amendment that an officer wounded in battle and otherwise eligible to retirement shall have his disability specifically deemed service connected. An emergency officer that served in battle and was wounded certainly had length and quality of service worthy of consideration, and for such cases the burden of proof should be on the bureaucrats of the Veterans' Administration to prove an officer wounded in battle and now receiving retirement pay should be removed from the rolls rather than that a wounded and disabled officer should have to prove this to an unsympathetic retiring board.
- 2. There is every reason of economy, justice, and political expediency in putting regular officers of the Army, Navy, and Marine Corps on the same basis as regards retirement as emergency
- 3. Earning power is as fair a test of real disability as any can be devised. You will serve economy, justice, and political expediency by adopting following scale: Retirement pay or portion thereof shall not be paid if total income, including retirement pay, in any year exceeds \$3,000 for a single man, \$4,200 for married man with dependent wife, \$400 exemption for other bona fide dependents up to maximum of \$6,000.
- I thoroughly agree with many Senators there are retired officers who ought to be deprived of retirement pay at once, as their disabilities are of doubtful service origin, not serious, and they re-

ceive large incomes in governmental or private employ. There are as many regular officers retired without good reason and receiving full retirement pay as emergency officers. Why discriminate? Take away all retirement pay from all officers able to command relatively large incomes in such a time as this, but do not penalize those of us who fought in battles and whose earning power has been ruined or almost eliminated by our war disabilities.

Sincerely yours Sincerely yours.

ROBERTS WILLIAMS,
Formerly Chaplain Department of New Jersey, American Legion.

SALARY REDUCED-ATTITUDE OF RURAL CARRIERS OF AIKEN COUNTY, S. C.

Mr. BYRNES. Mr. President, I wish to place in the RECORD the statement that at the annual meeting of the Rural Carriers' Association of Aiken County, held at Aiken, S. C., last Monday, before the pending bill was reported to the Senate, the rural carriers went on record as agreeing to the proposed 10 per cent reduction in salaries, and adopted a resolution advising the Members of the Senate and House of Representatives from that State of their action.

W. B. HARRISON ON BRANCH BANKING

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. W. B. Harrison, president of the Union National Bank of Wichita, Kans. I have known Mr. Harrison for years. He is a good example, to my mind, of what a banker ought to be in and for his community. Also he is considered one of the soundest bankers in the State of Kansas; one of the best informed. In a recent letter to me he expressed some views on the question of branch banking, which I believe worthy of the attention and careful consideration of the Senate and the country. I might add that I concur thoroughly in the opinion he expresses so well that branch banking is contrary to the public interest. I send his letter to the desk with the request that it be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

THE UNION NATIONAL BANK, Wichita, Kans., May 18, 1932.

Senator ARTHUR CAPPER

Senator ARTHUR CAPPER.

Washington, D. C.

Dear Senator: The Glass banking bill has, in my opinion, several commendable features, especially those that separate securities sales corporations from national banks. There is, however, one feature of the bill that is of vital importance to the bankers of Kansas, probably as much or more so than to the bankers of any other State in the Union. I refer to the branch banking provision

ing provision.

The agitation for branch banking in the United States dates The agitation for branch banking in the United States dates back over a period of 25 years in my personal experience. Time and again the subject was brought up at conventions of the American Bankers Association, and until the last five years was always repudiated. The mushroom growth of the Bank of Italy in California, later the Bank of America, and the development of branch banking in 22 States of the 43 in the United States under permissive State laws places such a concentration of banking power and prestige in the hands of a few big banks that they are able to make themselves felt in the councils of the American Bankers Association and in high political circles, with a result that during the last five years we have had a continuous, steady demand from these quarters for branch banking.

In the meantime the house of cards which the proponents of this plan were depending upon has largely tumbled. The organizations associated with the Bank of Italy (now the Bank of America), through the tremendous losses of its affiliates, the quarrels of its stockholders in New York, and the fall of its prestige, is no longer held up as a shining example of the success of branch banking. Its scheme for a world-wide chain of banks has broken, and it is settling back into California, where it started, to fortify and rebuild its own position without attempting to girdle the globe.

The failure of 42 banks in one chain in the Southern States, that wrought havoc with business interests over a vast territory for several years, has pointedly demonstrated the possible disasters from chain banking and branch banking. These, followed by the failure of the Bank of the United States, in New York City, which was one of the most powerful in the country, and with the cancellation of plans for numerous groups all over the United States, which had been planning to gobble up the independent banks into syndicates promoted by the same celebrated financiers who showered this country with stocks and bonds of very questionable value prior to 1929, have, fortunately, given a considerable setback to the movement for branch banking, and furnished ample answer to most of the arguments its proponents have presented. The failure of 42 banks in one chain in the Southern States,

This brief historical résumé brings us down to the present situation and the sole and only argument worthy of consideration presented in favor of branch banking, which is safety to deposi-

It is true that there have been numerous losses in independent banks, chain banks, group banks, and banks with branches in the United States during the last three years. Let it be remembered that all classes mentioned have been included

pendent banks, chain banks, group banks, and banks with branches in the United States during the last three years. Let it be remembered that all classes mentioned have been included in the losses, and that the heaviest losses have been in the banks with branches. In fact, the comparative figures in dollars and cents between losses in the larger banks with branches, and losses in the so-called independent banks, are quite startling, as they show losses in one bank with branches in New York City that exceed those in hundreds of other banks combined. The losses in national banks since the organization of the National Banking System, have been far smaller than is generally supposed. I believe the office of the Comptroller of the Currency will advise you that the average payment to depositors in falled national banks over the entire period has been above 85 per cent. This includes only the deposits in the falled banks. If figured on the basis of deposits in all banks, the losses would be so insignificant that it would be hardly worthy of notice.

Nevertheless, no good banker is content with the present system, but he wants it strengthened in every way possible, to insure as nearly as possible 100 per cent safety in national banks. This can best be done by building up the examination and management of independent banks. I refer to national banks particularly, as Congress has control of the national banking system and not of the State system, but, of course, if national banks are permitted to have branches in Kansas, State banks will come under the same rule as cuickly as the State laws can be changed.

Kansas has no large cities, Wichita being the largest except Kansas City, Ko. It some of the biggest handicaps the State has that our systems of transportation, commerce, trade, and banking all center in Kansas City, Ko. I know of no other State so unfortunately situated in this regard as Kansas. If branch banking goes into effect our banking operations will be dominated very largely by interests outside of the State. an unfortunate event.

an unfortunate event.

Branch banking concentrates the control of credit, and the control of credit is the most dangerous weapon of all the implements in commercial and industrial warfare. Some years ago a bank in Montreal, Canada, that had branches all over the Dominion, and had on its board a large manufacturer of a household article used in thousands of homes in Canada, sent word to its branches as far west as Winnipeg, that no credit was to be extended to competing manufacturers of this article. This instance will illustrate the inevitable tendency of the system. A very responsible man, now a Member of Congress, some years ago told me this instance: A bank with branches that wanted to buy a competing independent bank, and was unable to induce the owner to sell, either by threats or competition, finally sent an agent out to buy the deposits of the competing bank, and when it had secured 60 per cent of its deposits, presented a demand at the independent bank for the cash or for control of the bank. This first-class institution, and it was compelled by these methods to sell.

The independent bank serves its community. It is the center of activity and progress, as well as the balance wheel of the commercial life of its vicinity. The independent unit bankers, numbering more than 20,000 scattered all over the United States, have been in a large degree responsible for the steady development and progress of the industrial life of this Nation, contemporaneously with the slow, dull, and backward existence of the Dominion of Canada on our north, which has a larger territory and less than 10 per cent of our north, which has a larger territory and less than

with the slow, dull, and backward existence of the Dominion of Canada on our north, which has a larger territory and less than 10 per cent of our population or wealth.

The independent banker makes no effort through his organization to control politics. The banking systems of countries where branch banking exists are in politics to their ears, and through their credit facilities they dominate and determine the policies of the government itself. Branch banking in the United States would be antagonistic to the American instinct and a ball and chain on Uncle Sam's ankles in the progress of the Nation. It would subject this whole country to an aristocracy of wealth and powerselfish, arrogant, insolent, and domineering, whose patriotism would be encased in its pocketbook, and whose interest in humanity would be swallowed up in a sublime faith in God-given authority to direct and control the affairs of men.

May I add that since I wrote you as above on this matter we have had another striking illustration of the dangers of concentrated credit. I refer to the exposures in the Ivar Kreuger bond and stock flotations in the United States. These dealings were sponsored by some of the most distinguished bankers in our country, who have in this instance clearly demonstrated that concentrated wealth does not mean concentrated banking ability.

We have been shown by testimony in the New York hearing that approximately \$150,000,000 of Kreuger securities were marketed in the United States with practically no sound collateral behind them. Without a large central organization, which had branches, affiliates, and associates, with all the strength that wealth, power, and prestige confer, it would not have been possible to have perpetrated this colossal fraud. Branch banking would be a convenient medium for such undertakings.

A large element in the safety of credit is diversification. centration of credit weakens diversification and enhances the risk. Branch banking would not cure the ills in our present system, but would bring greater evils, not only to the banking system but to the economic and social order.

Respectfully yours,

W. B. HARRISON, President.

PROHIBITION ENFORCEMENT

Mr. SHEPPARD. Mr. President, I desire to submit for insertoin in the RECORD a statement by the Board of Temperance and Social Service of the Methodist Episcopal Church South relating to the enforcement of the prohibition law.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

The Board of Temperance and Social Service of the Methodist The Board of Temperance and Social Service of the Methodist Episcopal Church South, following instructions of the general conference of 1930 to carry out its declared policy concerning the liquor traffic, hereby transmits to you a copy of a statement adopted by the general board of missions of that church in session at Nashville, Tenn., on May 4, 1932. The board of missions is composed of all the bishops and of men and women from every section of the church, and is the most representative body of the church next to the general conference. The resolutions follow:

" RESOLUTIONS OF MISSION BOARD

"The purpose in the establishment of this board of missions "The purpose in the establishment of this board of missions is to aid in the bringing in of the kingdom of God on earth. One of the greatest evils opposing the accomplishment of this purpose in our own and in other lands is the traffic in intoxicating liquor. By the adoption of the eighteenth amendment that traffic has been justly branded as criminal, as the enemy of the home, the school, the church—indeed, of the entire social order. The present-day whisky rebellion is based principally upon the appetite or covetousness of the rebels and not in any change in the awful results inherent in the traffic itself. The conflict between the church of Christ and this traffic is inevitable and irrepressible. There is no discharge in this war, no surrender, no retreat. No compromise is possible: Therefore be it

"Resolved: 1. We emphasize both the duty of strict observance

"Resolved: 1. We emphasize both the duty of strict observance and of ever-increasing efficiency in enforcement of the prohibition law. 2. We declare our uncompromising opposition to any effort to remove the brand of the criminal from the liquor traffic whether in the entire Nation, or even in one State. We emphasize that this question is to be settled not by the clamor of wet newspapers, of organizations opposed to prohibition, not even when these organizations are composed of high-society women, but that this question must be settled by the people themselves in the election of Senators, Congressmen, and members of State legislatures. In the strenuous efforts now being made to modify the prohibition law, even to the extent of repealing the eighteenth amendment, we urge our pastors, teachers, and people to stand for the election of Senators, Congressmen, and members of State legislatures who believe that prohibition ought to be the law, and who being elected on that platform, will positively oppose, therefore, any effort to repeal or submit again the eighteenth amendment. The fight on this question should be carried aggressively into the coming senatorial and congressional elections, just as in the years before the submission of the eighteenth amendment by Congress in 1917. In this coming conflict the awful facts concerning the liquor traffic as it evisted in the so-called legond. "Resolved: 1. We emphasize both the duty of strict observance the years before the submission of the eighteenth amendment by Congress in 1917. In this coming conflict the awful facts concerning the liquor traffic as it existed in the so-called 'good old days' before prohibition must once again be brought forcibly to the attention of our people, and all the moral forces of the country must meet their responsibility in this rebellious renewal of the struggle with beverage alcohol, the age-long enemy of the human race

W. N. AINSWORTH.

"NATHAN NEWBY.

As the permanent active agent and representative of the church As the permanent active agent and representative of the church in making effective its oft-declared policy on the prohibition of the liquor traffic, this board, as stated in the above resolution, will enter "aggressively into the coming senatorial and congressional elections" and will positively support all candidates who favor the maintenance of the eighteenth amendment and will earnestly oppose candidates who favor "any effort to repeal or submit again the said amendment."

In view of the effort which is being made by the opponents of prohibition to secure a declaration by the Democratic and Repub-lican National Conventions in favor of the submission or repeal of the eighteenth amendment, thus securing an unfair advantage by bringing undue and unprecedented pressure to bear upon Congressmen and Senators, who should represent the views of their own districts and States on the prohibition question, our board enters its vigorous protest against any such action by said conventions, and, furthermore, insists that the extreme limit to which said conventions could go without infringement upon the rights of the people of the several States and congressional districts would be the adoption of a declaration substantially as follows:

"THE EXTREME LIMIT

"Fully cognizant of the discussion throughout the country concerning prohibition and recognizing the demands which have been made before the committee on resolutions for action of varying kinds, this convention would emphasize: "First. It is an outstanding fact that in the years of discussion prior to its adoption the eighteenth amendment was not considwas any plank adopted by any National Democratic or Republican Convention favoring or opposing the submission of this amendment by Congress. So to-day this convention declares that any question pertaining to the modification or the repeal of the eighteenth amendment should likewise be considered and determined by the people themselves entirely free from the pressure of any

by the people themselves, entirely free from the pressure of any political-party platform favoring or opposing such submission.

"Second. The demand in some quarters for a popular referendum on this question is futile, at present. There is no provision in the Federal Constitution for a popular referendum on any question. It would first be necessary to amend the Constitution in the regular way in order to provide for a popular referendum.

"Third This convention would furthermore appreciate that

"Third. This convention would furthermore emphasize that whenever the people themselves desire to amend or to repeal the whenever the people themselves desire to amend or to repeal the eighteenth amendment or to amend the Constitution to provide for a popular referendum, the people can exercise their right so to do exactly as they did in writing the eighteenth amendment into the Constitution; namely, by electing Senators, Congressmen, and members of State legislatures or conventions favorable to such modification or repeal.

"Fourth. This convention pledges the party and its nominees to the vigorous, efficient enforcement of the eighteenth amendment, as an integral part of the Constitution of the United States."

By adopting such statements the conventions would leave the

By adopting such statements the conventions would leave the people free to decide what pledges they would require on the prohibition question from candidates before electing their Congressmen, Senators, and members of State legislatures, and such officials when elected would be entirely free to carry out the expressed wishes of their constituents, without any reference to action taken by the national party conventions. However, should either or both conventions take unfair and unprecedented action on the prohibition question, not only should we insist that the people ignore such action and elect their Congressmen and Senators, as in the past, to represent their views on this great social, moral question, but the friends of the eighteenth amendment would doubtless confer as to what course to pursue for the best interests of the prohibition cause. By adopting such statements the conventions would leave the

interests of the prohibition cause.

Respectfully,

BOARD OF TEMPERANCE AND SOCIAL SERVICE, METHODIST EPISCOPAL CHURCH SOUTH, JAMES CANNON, Jr., Chairman.

EUGENE L. CRAWFORD, General Secretary.

MAY 26, 1932.

REDUCTION IN COMPENSATION OF FEDERAL EMPLOYEES

Mr. BULKLEY. Mr. President, I present a petition signed by about 10,000 citizens of Cuyahoga County, Ohio, relating to the question now before the Senate. The petition itself is 252 feet long and, inasmuch as it bears so many signatures, I shall not ask that they be printed in the RECORD, but I do ask that the body of the petition itself may be read at the desk in order that it may appear in the RECORD.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

Various bills have been introduced in the House of Congress and Various bills have been introduced in the House of Congress and Senate providing for a salary reduction and furloughs without pay for all Federal employees. Therefore we, the undersigned citizens of Cleveland, Ohio, and Cuyahoga County request the Members of both the House and Senate to vote against any and all pay reductions and furloughs without pay for the letter carriers, postal clerks, railway mail clerks, Customs Department, Immigration Bureau, and all other branches of the Federal service for such proposed action would reduce the purchasing power of thousands of these employees and would also have a tendency to prolong the present depression instead of helping to relieve same.

The VICE PRESIDENT. The petition will lie on the table. Mr. BULKLEY. Mr. President, I also present and ask to have printed in the RECORD at this point a petition in the form of a resolution signed by 157 citizens of Youngstown, Ohio.

There being no objection, the petition in the form of a resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

Resolved, That we, the employees of the Youngstown (Ohio) Post Office, protest against salary reductions for the following

Whereas we are convinced that a return of prosperity can not be brought about through a persistent and constant reduction in the

what is needed is an increase in the purchasing power of the masses of the people; but

What is needed is an increase in the purchasing power of the people, enlarge the market, extend the use and consumption of goods, rather than to impair it, limit it, or curtail it through reduction in wages and salaries.

Whereas we can conceive of no greater blow which could be

struck at a return of longed-for prosperity than the imposition through legislative enactment at this session of Congress of a reduction in salaries upon Government employees.

Whereas a vicious and most depressing example would be set for private industry if the Government, which is a large employer of

whereas a victor and most depressing example would be self to private industry if the Government, which is a large employer of labor, would force a reduction in wages.

Whereas the Members of Congress should be constantly reminded that the salaries paid Federal employees are very modest and hardly any are in excess of the budget requirements necessary for the maintenance of a family in decency and comfort.

Whereas many workers in private industry shared in the increases in wages which were paid during the war period and subsequent thereto, the Government employees were not so fortunate, as their salaries were stationary.

Whereas if they did not participate in a full measure in the increased wages which were paid during the war period, when the cost of living was increased in a most substantial way, why should they now be compelled to accept a reduction in salary and wages as great as or greater than some large corporations have imposed upon employees engaged in private industry?

We call your special attention to the King bill (S. 2490), which would be a blow to the civil service and be a detriment to the efficiency of the Rural Delivery Service, which is at present of a very high standard.

very high standard.

very high standard.

For these special reasons, and for other convincing reasons which could be properly submitted, we most earnestly and sincerely submit our protest to you against any and all legislative proposals which provide for a reduction in the salary and wages paid Government employees.

PROHIBITION ENFORCEMENT

Mr. FLETCHER. Mr. President, for the information of those who are interested one way or the other, I ask to have printed in the RECORD a communication and accompanying memorandum.

There being no objection, the communication and accompanying memorandum were ordered to be printed in the RECORD, as follows:

THE ANTI-SALOON LEAGUE OF AMERICA, Washington, D. C., June 3, 1932.

Senator Duncan U. Fletcher, Washington, D. C.

DEAR SENATOR FLETCHER: Pursuant to a request from your office for a list of the States where liquors in excess of one-half of 1 per cent could be legalized under existing State law, the following is respectfully submitted:

There is one State, Maryland, in which no state-wide prohibition.

law has ever been enacted. There are local prohibition laws in effect in 20 of the 23 counties, however. The definition of liquor

effect in 20 of the 23 counties, however. The definition of liquor there varies.

There are four States, New York, Montana, Wisconsin, and Massachusetts, where State prohibition laws have been repealed and where no law exists on the subject.

In one State, Nevada, the State law has been held unconstitutional by the State Supreme Court.

In five States, Connecticut, California, Missouri, Pennsylvania, and Minnesota, the State law attempts to adopt by reference the definition of intoxicating liquors contained in the Federal law. In some of these the legislature has attempted to incorporate any future change the Congress might make. There are court decisions, however, holding that a State legislature can not delegate to the Federal Congress such authority as to future changes. See In re Opinion of Justices (133 N. E. 453), decision of the Supreme Judicial Court of Massachusetts. To the same effect, State v. Intoxicating Liquors (117 At. 588), decision of the Supreme Court of Maine. Also the language of the Supreme Court of Louisiana in State v. Coco (92 So. 883).

It is, of course, competent for a legislature to adopt by reference an existing Federal definition. See the decision of the Supreme Court of California in Ex parte Burke, 212 Pac. 193. In view of the court decisions, therefore, in four States, California, Missouri, Pennsylvania, and Minnesota, where the legislature has attempted to adopt future changes in the Federal law, there is serious legal question presented whether, if Congress were to change the definition of the National Prohibition Act, it would not be necessary for the State legislature to meet and expressly adopt such change before liquors of an alcoholic content in excess of one-half of 1 per cent could legally be sold in such State.

In addition the prohibition statutes of South Carolina and Texas fix the legal alcoholic content at 1 per cent.

We inclose a memorandum in which you will find the definition contained in the laws of the States where they have attempted to adopt the Federal law

adopt the Federal law by reference.

In the remaining States the State laws prohibit liquors containing one-half of 1 per cent or more of alcohol by volume, or in some instances prohibit all malt liquors or all alcoholic liquors, regardless of alcoholic content, as in Mississippi. (See Purity Extract Co. v. Lynch, 226 U. S. 192.)

We trust this will give you the desired information. Should you care for the exact text of the definition of intoxicating liquors in

each State we shall be pleased to supply it.

Yours cordially.

EDWARD B. DUNFORD.

STATE LAWS IN RE 2.75 PER CENT BEER

STATE IN WHICH NO STATE-WIDE PROHIBITION LAW EVER ENACTED

1. Maryland: No state-wide prohibition law ever enacted. There are local prohibition laws in effect in 20 out of 23 counties. These vary in definition.

STATES IN WHICH STATE PROHIBITION ENFORCEMENT CODES REPEALED

2. New York: Mullan-Gage Enforcement Code, chapter 155, Laws 1921, repealed by Laws 1923, chapter 1690, effective June 1, 1923.
3. Montana: Initiated law (Laws 1927, p. 603), effective November 20, 1926, repealing chapter 29, Revised Code 1921, as amended.
4. Wisconsin: Laws 1929, chapter 129, effective May 31, 1929, repealed State enforcement code, chapter 441, Laws 1921, as amended.

amended.

5. Massachusetts: Following referendum in 1930, the "baby Volstead Act," chapter 370, Acts 1923, which had been adopted upon referendum, was repealed. Effective December 4, 1930.

STATE IN WHICH LAW DECLARED UNCONSTITUTIONAL BY STATE SUPREME COURT

Nevada: In Ex parte Mantell (216 Pac. 509), decided July 5, 1923, the State prohibition law (Whiteley Act) was held unconstitutional because of defective title.

STATE IN WHICH PRESENT FEDERAL DEFINITION ADOPTED BY REFERENCE

7. Connecticut: Public Act 1921, chapter 291, section 1. The term "spirituous and intoxicating liquors" shall be held to include all spirituous and intoxicating liquors, all mixed liquors, all mixed liquor of which a part is spirituous and intoxicating, all distilled spirits, all Jamalea ginger, all wines, ale and porter, all beer manufactured from hops and malt or from hops and barley which are declared by the laws of the United States to be intoxicating liquor, and all fermented cider sold or kept for sale, except for sale to a person holding a permit from the United States Government to manufacture vinegar. Government to manufacture vinegar.

STATES IN WHICH FEDERAL DEFINITION, INCLUDING ANY FUTURE CHANGES MADE BY CONGRESS, ADOPTED BY REFERENCE

CHANGES MADE BY CONGRESS, ADOPTED BY REFERENCE

8. California: Wright Act, Statutes 1921, chapter 80, page 79, section 3. California hereby recognizes that its power to enforce the eighteenth amendment to the Constitution of the United States should at all times be exercised in full concurrence with the exercise of the like power of Congress; and to that end, whenever Congress shall amend or repeal the Volstead Act or enact any other law to enforce the eighteenth amendment to the Constitution of the United States, then the provisions of sections 1 and 2 of this act shall apply hereto. (Effective December 22, 1922.)

9. Missouri: Laws 1919, page 408, section 6602. The phrases "intoxicating liquor" or "intoxicating liquors," whenever used in this article, shall be construed to mean and include any distilled, malt, spirituous, vinous, fermented, or alcoholic liquor; all alcoholic liquids, whether proprietary, patented, or not, which contain one-half of 1 per cent of alcohol by volume and which are potable or capable of being used as a beverage: Provided, however, That when the above-mentioned phrases, "intoxicating liquor" or "intoxicating liquors," are hereafter defined in the laws of the United States, then such definition by Congress shall supersede and take the place of the definition of said phrases in this section and shall apply to the provisions of this article with the same force and effect as if the same were written herein.

10. Pennsylvania: Laws 1923, No. 25, page 34, section 2 (a). The phrase "intoxicating liquor," as used in this act, shall mean anything found and determined, from time to time, to be intoxicating by act of Congress passed pursuant to, and in the enforcement of, the Constitution of the United States of America.

by act of Congress passed pursuant to, and in the enforcement of, the Constitution of the United States of America.

11. Minnesota: Laws 1931, chapter 305, page 274, provides that future changes in the Volstead Act shall become the law of the

State, as follows:

"Section 1. Definition of intoxicating liquors: That section 3200, General Statutes of Minnesota, 1923, be amended so that the

shall read as follows:

same shall read as follows:

"'Whenever used in this act the terms "intoxicating liquor" and
"liquors" shall include and mean ethyl alcohol and any distilled,
fermented, spirituous, vinous, or malt liquor or liquid of any
kind potable as a beverage whenever any of said liquors or liquids
contain one-half of 1 per cent or more of alcohol by volume; and
shall also include and mean any liquor or liquid of any kind
potable as a beverage which is in fact intoxicating. If the Congress of the United States shall hereafter by a valid act define
the words "intoxicating liquors" as used in Article XVIII of the
Constitution of the United States of America, then such definition,
from the time such act of Congress becomes operative shall be from the time such act of Congress becomes operative, shall be the definition thereof under this section * * *."

"SEC. 2. This act shall take effect and be in force from and after

its passage. Approved April 23, 1931."

STATE NOW HAVING A 3 PER CENT DEFINITION

12. Rhode Island: Laws 1932 amended the State prohibition law define intoxicating liquors as those containing 3 per cent of alcohol by weight.

REPORTS OF COMMITTEES

Mr. ODDIE, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 10494) to provide a postage charge on notices to publishers regarding undeliverable second-class matter, reported it with an amendment and submitted a report (No. 766) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amend-

ment and submitted reports thereon:

H. R. 278. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn (Rept. No. 767);

H.R. 4594. An act to fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located (Rept. No. 768);

H. R. 10244. An act fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes (Rept. No. 769); and

H. R. 10247. An act prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes (Rept. No. 770).

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 4808) relating to the acquisition of restricted Indian lands by States, counties, or municipalities, reported it without amendment.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on yesterday, June 3, 1932, that committee presented to the President of the United States the following enrolled bills:

S. 2325. An act for the relief of the United States Hammered Piston Ring Co.;

S. 2697. An act for the relief of Clarence G. Young; and S. 2698. An act for the relief of Herman Ingman.

EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRATTON:

A bill (S. 4818) to authorize the transfer of certain lands in Bernalillo County, N. Mex., to the city of Albuquerque, N. Mex.; to the Committee on Public Lands and Surveys.

By Mr. GEORGE:

A bill (S. 4819) for the relief of Louise Ramsing; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 4820) to provide for the appointment of deputy collectors of the Internal Revenue Service; to the Committee on Finance.

A bill (S. 4821) providing for Federal contributions to the local school district at McNeil Island, in the State of Washington; to the Committee on the Judiciary.

By Mr. BARBOUR:

A bill (S. 4822) to amend the Reconstruction Finance Corporation act to authorize loans for the purpose of providing additional employment through the construction of economically sound projects, and for other purposes; to the Committee on Banking and Currency.

By Mr. BARKLEY:

A bill (S. 4823) for the relief of Robert E. Masters; to the Committee on Military Affairs.

By Mr. BANKHEAD:

A bill (S. 4824) to further unemployment relief by authorizing the Secretary of War and the Secretary of Agriculture to make available the personnel and equipment of their respective departments in aid of such organized programs for unemployment relief as may be approved by them respectively, and by extending all powers heretofore granted to the Reconstruction Finance Corporation, and to all farmloan agencies so as to include and confer upon them, respectively, the power to make loans in furtherance of such organized programs for the location of unemployed on farms as may be approved by such respective agencies; to the Committee on Agriculture and Forestry.

By Mr. McNARY:

A joint resolution (S. J. Res. 172) authorizing the distribution of Government-owned wheat to the American Na-

tional Red Cross for relief of distress; to the Committee on Agriculture and Forestry.

AMENDMENT TO LEGISLATIVE APPROPRIATION BILL

Mr. GOLDSBOROUGH submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 56, line 24, strike out the words "for night work."

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting several nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. JONES. Mr. President, on yesterday in referring to the \$9,000,000 saved by the proposal of the House and the estimate of the expert as to the amount saved by the amendment of the Senator from California [Mr. Johnson], \$26,000,000, I overlooked the fact that the House makes its exemption all along the line, not only on salaries of \$2,500 and less, but it applies its cut only on \$500 of a \$3,000 salary, and so on up, while the amendment proposed by the Senator from California exempts all salaries of \$2,500 and under. I thought it advisable to mention that fact.

Mr. JOHNSON. Mr. President, I suggest to the Senator from Washington that the amount is greater than he has indicated, but that is of little consequence.

Mr. BLAINE resumed and concluded the speech begun by him yesterday. The speech follows entire:

Friday, June 3, 1932

Mr. BLAINE. Mr. President, I desire to present some views upon this proposition before any vote is taken upon any amendment.

We have heard a great deal about balancing the Budget. The President the other day advised the Senate that certain forebodings respecting the movement of gold were threatening to disturb the financial standing and integrity of the United States, and he asked that the Budget be balanced so that that menace might be removed. I find, Mr. President, from a news report on the day following the message of the President to the Senate that gold was going out of the United States on last Wednesday to the amount of \$44,000,000, only \$21,000,000 of which was earmarked gold; but it is significant to observe that \$23,000,000 of that gold shipment was not earmarked. Commodity prices continue to fall. Mr. President, these facts demonstrate that we have not come to a time when there is very much hope for an upturn in our economic affairs; and if I were to undertake a prophecy, judging from the experiences of the past, I think it is reasonable to assume that the prophecy would be more nearly correct if it were to the effect that if our Government policies continue as they have been for the last several years we are bound to face a long, agonizing period of bankruptcy. So I submit, Mr. President, that under the present circumstances and the present trend of affairs it will be utterly impossible for the American people to discharge debts, public and private, aggregating in excess of \$200,000,000,000.

The public debts—that is, debts of the Government of the United States, of our States, and of the subdivisions of our respective States—are only a fractional part of that total indebtedness. The larger portion of the indebtedness, by far the larger proportion, is an indebtedness upon agriculture, upon industry, and upon transportation. So when we are considering the question of balancing the Budget we ought to take into consideration not one year but, in all probability, many years to come.

I think it is a very moderate statement to suggest that the \$11,000,000,000 of bonded indebtedness against our transportation systems, against the railroads, in all probability, will never be discharged except through a process of receivership and bankruptcy. The Government of the United States, and that means the people of the United States, will refuse

to levy taxes upon the people to pay that obligation of our transportation systems. So the possible billion dollars that may be loaned through the Reconstruction Finance Corporation to the railroads of the country will only mean a drop in the bucket; it may save a few railroads for a time from receivership and bankruptcy, but the time will come when those obligations will be due and payable. In my opinion, if all the railroads of this country against which are bonded obligations or mortgages were sold to-day in a market where there was a purchaser or where there were purchasers ready and willing and able to pay, the properties of the railroads would not bring the amount of the debt against them.

May I also suggest that agriculture is no less in financial distress. It is currently reported that farm mortgages amount in the aggregate to something over \$9,000,000,000. In making up that estimate there are forms or evidences of indebtedness which are not disclosed by any public records, and therefore the Agricultural Department, no doubt, has underestimated the total aggregate farm indebtedness.

Briefly, those forms or evidences of indebtedness consist of what are commonly known as land contracts. They frequently obtain where the individual farmer sells his farm to his son or to some other purchaser. They often occur where the owner of the farm, in order to obtain a loan, deeds the farm to the person from whom he is obtaining his loan. A land contract is entered into; but in neither of those cases do the instruments that are recorded disclose the amount of the mortgage debt. I think it is safer, if we are to approach more accurately the facts, to estimate that the farm indebtedness against land will probably mount up to \$12,000,000,000.

I submit the same proposition that I did respecting our railroads. If all the farms of the United States against which there is an encumbrance in some form were offered for sale, and there were a purchaser or purchasers willing, ready, and able to buy, those mortgaged lands would not bring the amount for which they are encumbered.

It is estimated by Cornell University, through their agricultural economics department, that corporate or industrial mortgages and encumbrances upon physical property amount to about \$76,000,000,000. I doubt very much, if there were a purchaser or purchasers willing, ready, and able to purchase, if those properties could be sold for the amount of the encumbrances against them.

Then there is the urban property, the hotels, the office buildings, the apartment houses, and other like property within the urban centers of our country, mounting up to about \$37,000,000,000. I think it is a fair statement to say that if those properties were offered for sale, and there were a purchaser or purchasers ready, willing, and able to buy, they would not bring the amount of the encumbrances against them.

The life-insurance policies held by individual policyholders amount to two or three billion dollars. Those loans are probably of a character that could be liquidated in full.

Then there are other loans. They range as high as four or five billion dollars. I shall not attempt to analyze those loans.

In the aggregate, the debts, including public debts, in 1930 amounted to \$203,000,000,000. Since that time there has been an accumulation of interest, a large portion of which remains unpaid. A large portion of that interest has been compounded, until to-day those loans, together with the accumulated interest, no doubt will reach the staggering figure of \$210,000,000,000.

Our Government loans comprise those of the National Government, a trifle over \$18,000,000,000, as I recall, and our State, county, and local indebtedness, ranging in the same neighborhood.

Under present conditions, with the tremendous amount of unemployment in this country, with the low level of commodity prices, if we are to discharge the total of that stupendous, pyramided debt of \$210,000,000,000, it will take the brawn, the back, the agony, and the distress of the men and women of this country who labor long into this century before those debts are discharged.

That is not a very bright picture to face, but it is a picture painted with indelible facts. We are faced with these

realities. What are we going to do about a situation which promises the grief and the agony and the distress and the toil and the labor necessary to discharge these obligations?

A few days ago, before the Committee on Banking and Currency, I asked Mr. Meyer, of the Federal Reserve Board, a very pertinent question as to how he proposed, as a responsible officer of the financial affairs of our Government, that those debts and obligations might be discharged. Instead of offering the committee a suggestion, he took umbrage, felt offended and peeved, and declined to answer.

That is symbolical of the administration. It is set against any suggestion. It is blind to the facts and perfectly oblivious to the realities. So it blunders along, talking in such idle terms as "balance the Budget," and all of the satellites of the administration join in the refrain, "balance the Budget."

How is it proposed by the administration and the administration spokesman to balance the Budget? First, its process of balancing the Budget is to unbalance the Budget and to drive through Congress an appropriation of \$500,000,000—half a billion dollars—for the use of the Reconstruction Finance Corporation. A half billion dollars taken out of the Public Treasury; a sum about twice the amount proposed to be saved under this so-called economy measure which the Senate is now considering.

That was the first proposition—a half billion dollars, which the responsible officers of the Treasury Department and the administration ought to have known would have brought the Treasury of the United States to the condition in which we now find it.

I will revert to this proposition a little later on in discussing this question of balancing the Budget. The administration now proposes to take the money from the poor by strong-arm processes; to take from the pocket of the charwoman 10 per cent of her meager salary; to take 10 per cent from the meager earnings of the janitors, some of whom do not receive over eleven or twelve hundred dollars a year; to pinch out of their salaries 10 per cent, and all under that cry of a patriotic duty.

Patriotism, like religion, too often cloaks the scoundrel. During the war it was the handy and usual cloak in which the war profiteers robed themselves while they were plundering the American people and sending our boys overseas, two or three thousand miles away, to fight in a war in which we had no concern.

During that time of stress, when the fathers and mothers and sisters and brothers were left at home to carry on the essential labors, and were forced to live upon substitutes prescribed by Mr. Hoover, as Food Administrator; when men and women were compelled to give, as was said, "until it hurt," under the beguiling slogans which we all heard—then it was that those who were profiting out of that war cloaked themselves in the robes of patriotism while they were picking the pockets of the American people and the American sons were dying on the field of battle.

Of course, balancing the Budget under the cloak of patriotism is a perfectly safe slogan for everybody. Everybody favors it. Nobody can talk against it. Therefore when you have not anything to talk about, when you have not any program to submit, talk about balancing the Budget. The United States Chamber of Commerce are the handy means of dinging into the ears of the people that slogan, "Balance the Budget," and it, too, cloaks itself in the robe of patriotism, as does the scoundrel and the hypocrite.

The first observation, as I have pointed out, clearly indicates that the administration proposal to balance the Budget last January was to unbalance the Budget through the appropriation of half a billion dollars for the Reconstruction Finance Corporation. Without that appropriation this bill would not be before us. Without that appropriation out of the Federal Treasury the farmers, the merchants, the other people of this country would not have to pay 1 cent more per gallon of gasoline, as they will be compelled to pay in the next fiscal year.

Had that appropriation of half a billion dollars been withheld there would have been no tax imposed upon the consumers of electric energy, such as is proposed by the committee of conference, which recently reported the revenue bill.

Had that appropriation of half a billion dollars been withheld there would have been no tax upon each check of 2 cents.

There would have been no tax upon the cheap furs which are to be worn by those who are subjected to the inclemency of our northern clime, and other nuisance taxes need not have been imposed.

I want to call to the attention of the Senate, and, so far as my feeble voice may reach, to the attention of the Nation, the fact that if the administration had not brought forth this appropriation of half a billion dollars for the Reconstruction Finance Corporation, Congress would have passed a tax bill, so far as a tax bill would have been necessary, 90 days ago.

We have been engaged in the delightful pastime, first, of unbalancing the Budget and then, cloaking ourselves in the robe of patriotism, demanding that the Budget be balanced.

Mr. President, I want to proceed to some other items in this process of unbalancing the Budget. It is not my purpose to introduce into this discussion the question of prohibition, nor am I going to discuss the fundamental objections to prohibition. That is quite beside the proposition as I desire to present it.

Congress has appropriated to the Attorney General's Department slightly over \$10,000,000 for the enforcement of the Volstead Act. At the time the appropriation bill for that purpose was before the Senate I called attention to the fact that the Volstead Act created crimes the enforcement of which was to be by a separate and specific method, while all the other crimes against the people of the United States, all other character of offenses against the United States, were to be punished under the general enforcement plan set up by the Government and without any specific reference to the enforcement of any specific law.

I contended then that prohibition enforcement should fall in the same category with other offenses, so far as enforcement was concerned, and that an appropriation should be made only for the purpose of impartial enforcement of all laws. That theory was rejected, and so this unbalanced Budget, unbalanced at that time to the extent of half a billion dollars, had another charge of \$10,000,000 against it.

Then we appropriated another \$16,000,000 to the Coast Guard for the special enforcement of the Volstead Act, and another \$16,000,000 was added to our unbalanced Budget.

Then we appropriated for the Treasury Department, I do not recall how much, but additional millions of dollars, for the enforcement of the Volstead Act. That was not all. Several millions were appropriated to build additional Federal penitentiaries to house the thousands who are sent to prison every year for no other offense than that they violated the Volstead Act—that is, sold somebody something he wanted—and those millions were added to the then unbalanced Budget.

We appropriated approximately a quarter of a million dollars just to supervise those prisoners—the violators of the Volstead Act. We appropriated three and a quarter million dollars for the salaries and expenses of the offices of the United States attorneys, over one-half of whose work is the enforcement of the prohibition law, and those millions were added to an already unbalanced Budget.

We appropriated \$600,000—I am giving these figures in round numbers—for the fees of the United States commissioners, whose principal work was the preliminary examination of witnesses in these cases of violation of the Volstead Act. The larger portion of the labors of the United States commissioners is work in ascertaining whether or not some one accused of having sold another a drink should be held to the grand jury. Most of that \$600,000 is added to the already unbalanced Budget.

Then we appropriated \$4,000,000 for fees of witnesses, the great percentage of which represented fees to witnesses in prohibition cases, adding to the then unbalanced Budget that amount of money.

Mr. President, this does not include the additional judges, the additional court rooms, the additional printing made necessary in the specific enforcement of that law. All of those sums, of course, go to make up a tremendous total in unbalancing the Budget. Those appropriations, beginning with the Reconstruction Finance Corporation appropriation, and the additional amounts for the enforcement of prohibition, reach nearly \$550,000,000.

It ought to be obvious to anyone, even to the half-baked promoters of the propaganda that has been spread over the country, that there is no justification for balancing this unbalanced Budget by taking it out of the pockets of Federal employees who are to-day receiving less than a living wage—janitors, charwomen, clerks, typists, and stenographers here in the city of Washington and other large cities who are subjected to exactions for room rent that are nothing short of exploitation.

These small-salaried employees are subjected to a cost of living not one penny less than they were in the days of 1928 and 1929. Go to a second-class or a third-class restaurant and do a little slumming yourself before you undertake to pinch the money out of the pockets of the lower-salaried employees.

Go to any restaurant, go to a restaurant in the neighborhood, if you please, of the Department of Justice or the Veterans' Bureau; go with me to breakfast in the morning, and you will find that you will pay for the same coffee, for the same glass of milk, for the same breakfast food, for the same eggs, for the same bacon, for the same fruit, for any other article of food you may choose the same old price that has been paid for the last several years.

Ride on the street cars and you will find the transportation charge has increased. Go and seek your cheap clothing; try it out yourself. I can be a personal witness when it comes to clothing. I find that in May, 1932, I paid the same price for the same type, character, and quality of suit that I am now wearing as I paid in the same month of 1928 at the same place. That suit is in the category of cheaper clothing.

Of course, wholesale prices are at a lower level; the prices the farmer receives are at a lower level; but go to any of these restaurants in any city—the cheapest of them—and you will pay 10 cents for an egg, 5 cents for a glass of milk. You will pay the same price for the commodities produced by the farmer that you paid in the years gone by.

Yet, Mr. President, the lower-salaried clerks and employees are to be ground down; it is proposed to pinch the money out of them, although without the batting of an eye, without the least mental compunction, without any questions asked, we have already unbalanced the Budget \$550,000,000 by reason of the items for which appropriations have been made to which I have called attention.

Now, let us look at some of this "unbalancing of the Budget." I think the slogan "unbalancing the Budget" should be made the more popular characterization of what the administration has been doing. Last year we appropriated \$36,000,000 merely for a little private graft, to a few choice friends, for the transportation of ocean and air mail, \$7,000,000 of which was for the support of an air mail line to South American countries. Literally hundreds of thousands of dollars have been paid in the form of subsidies to concerns carrying the mails.

Now, let us examine the extent of that system of graft. When we want to be gentlemanly and polite in the use of parliamentary language, we describe such forms of graft as subventions, but that word does not make the vile thing smell any sweeter. Mr. President, this system of subsidies and subventions has grown to such a stage that it is putrefying; it smells to heaven.

Then after we have mucked around here for a few days with these rotten subsidies—subventions, to use strictly parliamentary language—after we have been in that mess up to our waists, then, to give us some cleanliness of character, we are going to "balance the Budget" by taking the money out of the pockets of the lower-paid employees and dumping their coin into the laps of those who have more influence with the powers that control the Government.

Let us examine into some of these forms of graft. Of course, they are sustained upon high moral grounds—patriotic grounds. The slogan of patriotism again is used to

by picking the pockets of the janitor and the charwoman, and to the tune of no small amount. Let us examine some of these species of legalized robbery, of legalized pocket picking.

Mr. President, the Government has established a policy respecting payments for the carrying of the mails, and the rates, as I recall, are fixed under section 4009 of the Revised Statutes of the United States. I have here a table showing the volume of mail carried and the compensation paid to contractors under the merchant marine act of 1928 for the fiscal year ending June 30, 1931. I find that the American Line Steamship Corporation would have been entitled for carrying the mails for that year to \$28,202.51. I find, however, that it received \$390,293.49; that is, it received, in round numbers, \$362,000 in excess of the standard cost of carrying the mails. We, therefore, propose to take this three hundred and sixty and odd thousand dollars received by this corporation in part from 124,678 public employees who receive under \$1,000 per year. That is exactly what we are doing; but, of course, we are doing it in a very indirect way; we are doing it in a way by which we may be able to fool the American people. Perhaps we can, but I think not. I do not believe the people are willing to let their public servants, the men and women who are laboring for less than \$1,000 a year, have their pennies, their nickels, and their dimes taken and put in the hands of any great corporation as a subsidy.

That is not the worst case. Let us look at the American West African Line (Inc.). Had it received the standard rate for carrying mail during the fiscal year to which I have called attention, it would have received \$5,341.93. It received, however, \$300,645.57. And here we propose to take the pennies, nickels, dimes, and dollars from 124,678 employees who receive \$1,000 a year or less and contribute those pennies, nickels, dimes, and dollars to a shipping company to the tune of several hundred thousand dollars for nothing less than a species of graft.

That is not all. I find that the Dollar Steamship Line, had it received the standard rate for carrying the mails, would have received during the fiscal year ending June 30, 1931, \$104,857.85. It received \$1,036,438.15-\$900,000 and more in a subvention, a part of which it is proposed shall be taken out of the salaries of the men and women receiving under \$1,000 a year.

That is not all. There is the Export Steamship Corporation. I will not go into the details, but it receives nearly \$1,300,000 in excess of the standard rates for carrying the

The Grace Steamship Co. would have received \$278,610.15 under the standard rates, but in fact during that fiscal year it received \$1,120,575.85, a large portion of which is to be taken out of the pockets of the lowliest-so far as compensation is concerned-men and women who work for Uncle

If Uncle Sam were a person in the flesh, I wonder if he would look with favor upon his financial agents in this transaction.

Mr. President, I have the schedule to which I referred, which gives the list of transportation companies, showing the volume of mail carried and the compensation paid for the fiscal year ending June 30, 1931, in considerable detail. I ask that this table be inserted in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See Exhibit A.)

Mr. BLAINE. Mr. President, I have made a summary of the table. I find that if this mail had been carried on the poundage basis at a fair price per pound, the cost would have been \$2,925,216.25; but instead we paid \$18,790,765.72, or the snug subsidy or subvention of \$15,865,448.98. A large portion of the deficit, due to these subventions, will be paid by taking the dollars from these men and women, and especially the men and women with such low salaries that it is difficult for them to make ends meet, at least for those

cloak these scoundrels who are willing to line their pockets | and the most of our Federal employees are obliged to live in the large cities, where the cost of living has but slightly declined.

> Mr. President, I am not talking about the high-salaried employees. I am not discussing the salary of \$3,000. I am not discussing the salary of \$5,000. I am not discussing the salary of \$10,000. Nor do I see any mark of patriotism in taxing a charwoman or a janitor who receives under \$1,000 a year at the same flat rate as we propose to tax ourselves by a salary reduction. I am talking about the lower-paid employees of the Government of the United States.

> So far as I am concerned, I am quite willing to accept any reduction the Congress of the United States may impose. I am not discussing that. This is not a personal matter. I am discussing, however, the inequitable proposal of the committee to tax-for that is what this is; it is a form of taxation; it is a form of taxation as direct as though we were to say, "We will tax your salary 10 per cent." It is just as direct when we say, "We will deduct 10 per cent from your salary," and quite as effective so far as the employee is concerned.

> I can not agree with the argument of the Senator from New Mexico [Mr. Bratton]. I agree with him when he is right. I never want to agree with him when he is wrong. The Senator from New Mexico argued, as I recall, on yesterday that this 10 per cent reduction or 10 per cent levy had to do with relativity of service. That is, the Government of the United States had set up a policy, and it had determined that a certain employee or class of employees were to be paid for their services so many dollars, and that another category or class of employees were to be paid so many dollars, larger sums than the other class, and so on, and therefore that there was a classification of salary on the basis of service; and the committee proposed to maintain the same classification in making a reduction in salary.

> Mr. President, we are not revising the salaries. That is not the proposition here. We are not engaged in a revision or classification of salaries. What we are doing, and what the Senator from New Mexico proposed to do, is to maintain this relativity of service—and for what purpose? To balance the Budget, as a contribution, an act of charity, by the employees.

> Of course, he characterized it as an act of patriotism. What it really is, however, is an act of charity. It is a contribution, an act of charity, toward those who have been receiving and will continue to receive these enormous subventions, some of which are nothing short of graft, out of the Public Treasury.

> Since this is a matter of contribution, we ought to place it on the basis of ability to contribute, the same as we place cur income tax. In that instance it is based on ability to pay. In this instance it should be based on ability to contribute. The person who receives \$1,400 or \$1,500 a year will find it necessary to have food, will find it necessary to have shelter, will find it necessary to have heat and light and clothing, identically the same as a public official who receives \$10,000 a year. Of course, they do not live in mansions or in Mayflowers, and their ability to contribute is not comparable with the ability of the higher paid officers and employees of the Government. Therefore it is an unfair and unjust basis for the imposition of this reduction, or rather the imposition of a mandate that "You shall contribute in the same percentage as those who are best able to pay.'

> Mr. President, I do not want to detain the Senate. If anybody wants to take a vote, I am perfectly willing that a vote should be had at this time; but I do not want to talk against time, nor do I want to talk against the hour of recessing. I have not covered the subject of unbalancing the Budget comparably with the necessities of the case; and I am inclined at this time, without concluding, to yield the floor for the day if it is the desire of those in control of this legislation to take a recess, desiring, however, to resume at the opening of the session to-morrow.

Mr. JONES. Mr. President, I was going to ask the Senator if he thought there was any chance of having a vote this afternoon, or whether some of the Members are workwho live in the city of Washington and other large cities, ing on a proposition in the nature of a substitute that they

hope to have ready to present to-morrow. If they could not get that ready to-day, I am not disposed to keep us here just to be staying here. I believe that every Senator is acting sincerely for the best interests of the country as he thinks he should act, and if any of our colleagues want time to prepare a substitute, I am perfectly willing that we should take a recess now. What does the Senator think about that?

Mr. BLAINE. Mr. President, I had intended to discuss this question of unbalancing the Budget through to the end, because I think I can demonstrate that these items, together with other tens of millions of dollars—running very close, if my computation is correct, to three-quarters of a billion dollars—are the items that have unbalanced the Budget. I also want to present in the course of my remarks the fact that all of those items will mean a continuance of the unbalancing of the Budget through the years to come and that we are simply frittering away our time here in undertaking to balance the Budget by taking the money from the low-salaried employees when these other enormous sums have already unbalanced the Budget. They are responsible for unbalancing the Budget, and they will continue to unbalance the Budget into the future years.

The appropriations to which I have referred are not merely for this one year. They will be projected into the future, and we are going to face them then; and it is utterly impossible to balance the Budget against these enormous appropriations. We can cut out three-quarters of a billion dollars—in fact, we can cut out practically all of the salaries, and do away with our employees—and we are not going to balance the Budget in the years to come if the program that has made the appropriations to which I have referred is to be continued in the years to come.

What I want to emphasize here now, Mr. President, is that we may go to the country on this, we may fool our constituents, we may fool the American people, but when they reflect that in 12 months from now we will be in a more desperate condition, economically and financially, than we are to-day, they must and will realize that the balancing of the Budget as proposed here is merely temporizing in an endeavor to postpone the cataclysm that is bound to follow through the passive, inactive attitude of the administration and those in charge of public affairs.

Mr. President, I have not this afternoon engaged in this debate for the purpose of prolonging the debate or for the purpose of permitting some one to rig up a salary schedule. I have had no such thought in mind. My thought has been to call to the attention of the Senate, if possible—and, as I said, so far as my feeble voice can reach, to the attention of the country—the fact that we are simply engaged in boys' play. The damage has been done. The balanced Budget has been unbalanced, and that unbalancing process will be projected into the future.

Mr. President, I am not questioning anybody's integrity or honesty or sincerity or purposes. I am questioning policies, not men. I regard all of my colleagues as honorable men, men who are endeavoring to do that which they believe to be for the public benefit; but I am condemning policies, I am condemning programs, I am condemning proposals, and endeavoring to point out how those proposals must, in the very essence of the things, be a failure.

(At this point Mr. Blaine yielded the floor for the day.)

Saturday, June 4, 1932

Mr. BLAINE. Mr. President, yesterday I discussed the processes by which Congress has been unbalancing the Budget. Before leaving the subject of ship subsidies for carrying the mails I want to call attention to a very outstanding example. The country has noticed articles in the newspapers, particularly articles written by special correspondents, implying considerable criticism against Members of the Congress in their use of the franking privilege. If those special correspondents and the other correspondents of the various newspapers will carry this very significant information they will undo the misrepresentations that have been made to the people of the country and will present to them a truthful picture of the processes used to unbalance the Budget.

I point out that two steamship lines—the Mississippi Shipping Co. and the South Atlantic Steamship Co., of Delaware—in 1931 carried 231 pounds of mail. Those two shipping lines alone received for the carrying of that mail, in round numbers, \$970,000, while the amount to which they would have been entitled under the standard rates would be, in round figures, \$128. They received, however, as I have stated, \$970,000. Here is the significant fact that the special reporters and news-gathering agencies ought to carry to the country: That those two steamship lines alone received \$250,000 more than the entire cost of the franking privilege indulged in by Congress. I repeat, for emphasis. that mail sent under the franking privilege, if it had been paid for at the regular rates, would, according to the report of the Postmaster General, have returned a postal revenue of \$723,671.

The franking privilege consists of the free transmission of mail by Members of Congress to those constituents who make inquiries regarding legislation, who make inquiries regarding their business before the departments, in the prosecution of veterans' claims, in the sending out of bulletins and documents published by the Government. Some Members of the Congress send out some printed matter under the franking privilege other than what I have indicated, but the use of the franking privilege costs the Treasury of the United States, so far as Congress is concerned, a total of \$723,871, while these two shipping lines alone, for carrying 231 pounds of mail last year, received over \$970,000.

I do not know whether this information will reach the country, but I know that, so far as the people of my State are concerned, they shall know the truth, for I shall tear off the cloak of hypocrisy and cant and present the naked facts to the people whom I represent.

Mr. President, I shall analyze further some of the items that unbalance the Budget. I will refer now to the air mail subsidies. Some \$20,000,000 a year is appropriated for the air mail service. The Assistant Postmaster General admitted in a hearing before the Post Office Committee of the House that all the mail carried by airplanes could be carried for \$5,000,000, and he said that the difference represented the subsidy necessary to get the American people to use the airplane in travel.

What earthly business is it, Mr. President, of the Government of the United States whether its people travel by air, by railroad, by automobile, by bus, by ox team, or whether they walk? Why should the American taxpayer be mulcted to the tune of \$15,000,000 as a subsidy to afford a special privilege to those who desire to use the airplane as a method of travel? That adds another \$15,000,000 to the already unbalanced Budget, as I have pointed out.

Then I come to another proposition. There will be found on page 108 of the annual report of the Postmaster General for the fiscal year ending June 30, 1931, a "summary of the postal revenues from special services: Number of transactions and average revenue per transaction for each of the special services for the fiscal year 1931."

I find that the second-class mail, which includes news-papers and periodicals, is carried at a cost to the Treasury over and above what it pays in postage of \$96,674,617.93. In other words, the newspapers and periodicals of this country are subsidized to the extent of nearly \$97,000,000, all of which, of course, unbalances the Budget. Yet these selfish interests, through the columns of their newspapers, are demanding of Congress that we balance the Budget, while they are profiting out of the taxpayers of this country.

Why, Mr. President, men have become fabulously rich out of the generosity of the Government of the United States. We have scores of men who have waxed rich out of the Treasury of the United States through the subsidies that are granted to them in carrying their newspapers and magazines. Yet we find these men using the power of the press to misrepresent the condition of the Treasury of the United States, and to bludgeon Congress into the reduction of the salary of the charwoman and the janitor, and take the money away from the men who suffered in camp and upon the battlefields.

These are times when plain words must be spoken in this Chamber and out of this Chamber. These are times when, so far as I am concerned, the gentlemen who are receiving these subsidies from the Government of the United States are not going to get away with their loot without a challenge.

They ask the farmers, they ask the merchants, they ask industry, to pay heavy tolls in added taxes that they may continue to receive the privileges and the subsidies they are now receiving out of the Treasury of this country. They are only a part of this army that is constantly putting its hands into the pockets of the people, and at the same time using the power of the press and the radio and the magazine to misrepresent and falsify the true causes of an unbalanced Budget.

Let us go to another class of mail—the third class, which includes circulars, books, and catalogues—catalogues of the mail-order houses, all used for the purpose of advertising their wares at the expense and cost of the local merchants in our towns and cities who pay the taxes to carry on our schools and to carry on the cost of Government; yet that gentry use the mails of the United States at a cost over and above what they pay for the service, and took out of the Treasury over \$23,000,000 for the last fiscal year, and a large amount for this purpose will be taken out in future years. Of course, we have increased the postage on certain classes of mail temporarily. We have asked these plunderers of the public funds to pay for a brief period of time a portion of the cost of the service of the Government to them.

Then the fourth class, the parcel-post class, over and above what is paid for that service, takes out of the Treasury of the United States another \$20,000,000 to unbalance the Budget, and to result, as it has resulted, in the imposition of taxes—even taxes upon the candy of the children!

Mr. President, these grasping interests would not hesitate to steal the copper pennies from the eyes of the dead man if there were not some other richer field in which they could operate; but they find a richer field. They find a field in the Government of the United States whereby they can filch from the pockets of the American people these millions of dollars in subsidies.

That is not all, Mr. President. The items to which I have referred in a single year aggregate \$722,000,000. Those are the items that unbalance the Budget; and yet these interests would take away from the soldiers of this country the \$2.65 a day that the Government pays them while they are languishing in hospitals and sanatoriums! In order that these specially nurtured interests may continue to receive their subsidies and their subventions, they would take the money required for that purpose out of the pockets of the widows, out of the pockets of the men with families who are struggling along in the service of the Government on the low rate of salaries I have pointed out.

Yes, Mr. President; these wasteful, extravagant, unjustifiable appropriations are the cause now of bringing before this body a so-called economy measure by which to take out of the pockets of the poor, the sick and disabled veterans, the necessary money to continue the payment of these extravagances and useless appropriations.

But that is not all. As was pointed out by the junior Senator from Michigan [Mr. Vandenberg], as I recall, some days ago, the duplication in the Foreign Service, the duplication in the character of work and in the personnel, costs the Government of the United States \$5,000,000. The present method of handling public works and public improvements is a most extravagant system. Go into the War Department, the Navy Department, the Marine Corps, the Coast Guard, the Treasury Department, and you will there find fully equipped offices for engineering, draftsmanship, and all the essential preliminaries for the initiation of public works, all of which could be consolidated, all of which could be reorganized; and I am informed that a modernization of our system of letting contracts, as proposed in a bill which was introduced in the House and introduced in the Senate by myself, and the reorganization and consolidation of some of these departments, or all of them, would save the Government of the United States \$25,000,000.

Let me say here that the lack of coordination and consolidation is unbalancing the Budget; and, as I said on yesterday, the several items I have enumerated aggregate over \$750,000,000—three-quarters of a billion dollars.

Mr. President, it may be said that the Reconstruction Finance Corporation appropriation refers to the fiscal year 1932. Technically, that is true, but there is not much difference between June 30, 1932, and July 1, 1932, the end of one fiscal year and the beginning of the next. Theoretically only does the Reconstruction Finance Corporation appropriation not affect the condition of the Treasury in this respect. Actually whatever money is taken out of the Treasury of the United States in the last six months of the fiscal year 1932 is at once reflected in deficits in the Treasury of the United States in the first six months of the fiscal year 1933.

Mr. President, every single item which I have enumerated is a direct expenditure, every one of them, an exhibition of extravagance, some of them of extravagance of the most vicious character, most of them nothing short of gifts to the strong and powerful interests which can sway administrations, and sometimes the public, because the avenue of communication is open to them and closed to the public.

Let us analyze, let us take a peek into the Reconstruction Finance Corporation. That corporation is lending money to railroads, allegedly on the theory that such railroads would otherwise go into bankruptcy or receivership. The railroads to which loans have been made are indebted, or have been indebted, to private bankers, such as Morgan & Co., so the Reconstruction Finance Corporation comes to the assistance of Morgan & Co. by way of the railroads.

Through the advancement of these large sums to the railroads, the presidents of those railroads will enjoy the privilege of a continuation of their salaries, running as high as \$100,000 a year. So by this circuitous, indirect process we are turning over to the railroads money out of the Public Treasury, unbalancing the Budget, thus permitting officials of the railroads to continue to reap their fabulous salaries, all the way from \$25,000 to \$100,000, and then we propose here to perpetuate that system by taking the money out of the pockets of the employees of this Government, and going into the sick room of the soldier and taking away from him his \$2.65 a day while he is lingering in the hospital.

A beautiful process of balancing the Budget! It ought to receive the encomium, of course, of every veteran who is going to lose his compensation, of every soldier who is lying sick in a hospital, and whose family is starving to death in a hovel. I am surprised that the soldiers of this country are not marching to Washington by the hundreds of thousands to induce this unwilling Congress to take their money away from them and turn it over to the railroad companies, to J. P. Morgan & Co., to the newspapers and magazines, many of whose owners are becoming fabulously rich. That is what you are doing; that is exactly what you are doing. I can not state the proposition more moderately than I have stated it. I do not believe I have stated it as emphatically as it should be stated.

Let us analyze it just a little further. We are not privileged to know to what banks the Reconstruction Finance Corporation has advanced money, but I have an intuitive sense that leads me to a conviction that many millions of dollars advanced by the Reconstruction Finance Corporation, which unbalances the Budget, are loans to banks the presidents of which are receiving fabulous salaries.

Mr. GORE. Mr. President-

The PRESIDING OFFICER (Mr. Patterson in the chair). Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. BLAINE. I yield.

Mr. GORE. I would like to remind the Senator that according to my information the conferees on the revenue bill have just agreed to strike out an amendment which I secured levying a tax of 80 per cent on these bonuses, which constitute theft from the stockholders.

Mr. BLAINE. Mr. President, I am quite sure the Senator is not so credulous as to believe that the gentry who are getting away with nothing less than robbery would not be protected.

Mr. GORE. We hear universal acclaim in favor of the restoration of confidence, and we hear lack of confidence assigned as one of the chief causes of our distress, and I think that is true. I think the public has lost confidence

in stocks and securities on account of "rackets" such as this amendment was intended to prevent, and I think a lack of confidence in securities will continue, and perhaps ought to continue, as long as legalized plunder of this sort receives the sanction of the Congress of the United States.

Mr. BLAINE. Mr. President, I can not agree with the Senator from Oklahoma that lack of confidence is in any

way responsible for our depression.

Mr. GORE. Mr. President, I do not mean that lack of confidence created the situation, but the present stage is a lack of confidence, which has resulted from a combination of causes. It is, at least for the present, a passing phase.

Mr. BLAINE. Mr. President, I can not agree with the Senator in that observation. I do not believe that lack of confidence has anything to do with the situation. Confidence can only be a mental state, and that is not the trouble to-day. The trouble to-day is stern realities. Lack of confidence has nothing to do with the 8,000,000 men who are out of employment to-day. It is not lack of confidence; it is lack of employment.

Mr. GORE. Mr. President-

Mr. BLAINE. I am not going to misrepresent the Senator's position. I have disagreed with him, and I am going to give him my position.

Lack of confidence has nothing to do with the man who is starving. Lack of confidence has nothing to do with the soldiers, many of whose families have not had a single mouthful of food for days, and whose little children are becoming emaciated. Lack of confidence has nothing to do with that. It is the indifferent regard of a Government which called upon those men to sacrifice even unto their lives, and then neglected and betrayed them.

Lack of confidence has nothing to do with the low prices of farm commodities. The low prices of farm commodities

are due to lack of purchasing power.

Lack of confidence has nothing to do with this \$210,000,000,000,000 of debt which rests upon American industry, agriculture, transportation, and Government. Confidence can never discharge that obligation and those debts.

Lack of confidence has nothing to do with the foreclosure of mortgages, and the receiverships which are prevailing all

over the country.

"Confidence" is merely a slogan. It is the slogan we have heard from the lips of the President, from the lips of the Secretary of the Treasury, and from the lips of the head of the Federal reserve system, and a plea for the return of confidence has been the only thing offered by them.

Confidence is a thing as empty as an old barrel with one end caved in. We have heard too much of this word "con-

My remarks are not directed to the Senator from Oklahoma, or to the suggestions he made, because I know that he no doubt feels as I do about this proposition, and that we are not going to lift ourselves out of this depression by this vaporing of the brain which results in the creation of

the slogan, "Confidence."

Mr. GORE. Mr. President, will the Senator yield again? Mr. BLAINE. I yield.

Mr. GORE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. BLAINE. I yield.

Mr. GORE. I do not think that confidence is the primary or originating cause, or that lack of confidence was the primary or originating cause, either of this depression or of our existing distress. The depression is the result of a series of various causes. The present phase or stage of our situation, however, I think, is reflected in the want of confidence. The Senator from Wisconsin says that confidence is a state of mind. That is true. It is much more than a state of mind. But, Mr. President, even state of mind is as stern a fact, is as stern a reality, as a granite mountain or a roaring cataract. Revolutions with all their violence form states of mind. Of course, there are causes which bring about these varying states of mind.

Here is what I have in view. The Senator says that the low price of farm products is not due to lack of confidence,

but to lack of purchasing power. As I see it, the lack of purchasing power is in part due to the lack of confidence. Manufacturers do not have sufficient confidence that they can buy raw materials produced on the farms, fabricate them into finished products, and, when finished, that they can find a market for those products which will return the cost of production. That lack of confidence prevents them from running their factories.

Mr. BLAINE. May I suggest to the Senator-

Mr. GORE. I apologize.

Mr. BLAINE. I do not ask for an apology. I do not want to be diverted to a discussion of the question of confidence. The Senator had interrupted me and suggested confidence, and I undertook to analyze this thing called confidence. But I had been undertaking to analyze the processes by which the Budget has been unbalanced, and I think I have disclosed the fact that the Budget has been unbalanced to the tune of \$750,000,000—three-quarters of a billion dollars—in the granting of appropriations for the most wasteful, extravagant, and in some cases—I was about to characterize them as nothing short of criminal purposes.

Mr. NORRIS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. BLAINE. I yield.

Mr. NORRIS. I hope Senators, and particularly the Senator from Wisconsin, will not forget that the interruption of the Senator from Oklahoma was in regard to a concrete case. I was sorry to see the two Senators get into a discussion of confidence. The Senator from Oklahoma called attention in his interruption to an amendment to the tax bill. which passed the Senate, that had been rejected by the conferees. I think it can be well stated, and that both Senators will agree to the statement, that by the rejection on the part of the conferees of such an amendment as that to which the Senator referred, levying a tax on the bonuses and the unholy contracts that have been entered into, we are going a great way toward helping to bring about the destruction of whatever it may be, whether we call it confidence or whether we call it something else. When we refuse to tax such things we are going a great distance toward increasing unemployment, and I might say, if there is anything in the confidence argument, toward increasing the lack of confidence that the people have in Congress for permitting such unholy things to go on without putting into the law amendments such as the Senator from Oklahoma has suggested.

Mr. BLAINE. Mr. President, I have undertaken to limit my discussion entirely to the proposition of unbalancing the Budget and to point out how the Budget has been unbalanced, how it has been unbalanced to the tune of threequarters of a billion dollars-\$750,000,000. I did not wish to discuss the soldier's problem at this time and I am not going to do so at any great length, but I have undertaken to discuss the so-called economy bill, which proposes to balance the unbalanced Budget by a process of taking money from the soldier; for instance, who, not upon his own request or his own initiative, is commanded by the Government of the United States to proceed to a hospital for examination, and if he fails to respond to that command, he will be charged with a lack of cooperation and whatever compensation he may be drawing will immediately be cut off. Yet he is put under Army rules and the Veterans' Bureau commands him to go to a hospital, and then the committee brings before this body a proposal that during that time he shall not receive the meager sum of \$2.65 per day during the examination and observation.

The Government has compelled him to go to that hospital. He will be kept in that hospital so long as the directors of the hospital may require him there to be kept. During that time his wife and his little children, when he has been receiving but a meager compensation in any event, will be permitted to starve, and so far as this bill is concerned they will be permitted to die. Of course, it is taking money from the disabled and the sick soldier, a most unjustifiable proposition, one which can not be defended on the ground of necessity or emergency. There is no such necessity and there is no such emergency as to demand of the sick and

disabled soldier that he shall languish in a hospital without | compensation while his family starves.

I am not at this time going to discuss the amendment regarding veterans. I pointed out the one illustration to show how unfair and unjustifiable is this proposal to balance the Budget after we have gone to such lengths in unbalancing the Budget through the wasteful and unnecessary appropriations to which I have called attention.

Mr. President, I want to proceed to a discussion of other phases of our Government which directly unbalance the Budget. Mr. Mills, Secretary of the Treasury, on Wednesday, April 6 last, submitted to the Senate Finance Committee in its hearings on the 1932 revenue bill a list of Federal expenditures for 1932. National defense—that is, for the Army and Navy-\$721,438,400, and yet there is scarcely a whisper on the part of Appropriations Committees or Economy Committees or any other committees to make a material reduction in that item.

Then we have certain fixed charges, \$605,000,000 as an interest charge, interest upon United States bonds, most of which were issued during the war and for war purposes. Now, in order to balance the Budget after those interest charges unbalanced the Budget we propose to make up the deficit from the sick and disabled soldiers and the charwomen and the janitors and other Federal employees who are receiving a wage below that necessary for a decent standard of living, and we propose to permit those who profited out of the billions of dollars obtained by bonds during the war to escape their obligation to the Government. Oh, yes; the whole proposition of this economy bill, so far as the veterans and soldiers are concerned, is that having given them the privilege of doing the fighting, now they shall do the paying.

I am not surprised to find that an army of soldiers and veterans is marching on Washington. It may not be significant at this time, but if these injustices and these wrongs are going to continue to be perpetrated, if the men who did the fighting, they and their families, are to do the paying, the armies of veterans marching on Washington in future years may be of significance. I sound that note of warning to the smug gentry who are attempting to protect themselves against the imposition of just taxes to discharge the obligations of the Government.

Mr. President, falling within the same category as the interest upon our public obligations are the payments on account of debt retirement, amounting to \$411,946,000 for 1932, and these two items, interest and debt retirement, will be substantially the same in the fiscal year 1933.

Mr. President, another item given by Mr. Mills which makes up war costs-past, present, and future-is that for veterans of foreign wars, amounting to \$989,500,000. I have examined that item. Aside from a few discriminations and inequalities I can not see how a single dollar of that item can be reduced. Not only can I not see how it can be reduced, but, in my opinion, in justice to those men, it ought not to be reduced.

When those men marched off to war there was stimulated a public zeal. Fathers and mothers and relatives and friends of those boys had but a single thought in mind; that thought was that they were giving their loved ones to their country; but there were other gentry in our midst in those days. Those were the men who expected to profit out of the service of the soldiers who went to war. They were the men who mounted the platform, waved the flag, told these boys what a great privilege it was for them to offer themselves as a sacrifice to their country. But those gentry had their fingers crossed on one hand, and with those fingers crossed they knew that they would get the other hand into the pockets of the people and reap the profits of war. The hand with the fingers crossed was the hand that was giving the gesture to those boys, with the promise that when they came back jobs would be procured for them, would be saved for them; while they were away their dependents would be cared for; and when they returned, disabled, sick, injured, or otherwise incapacitated, a just and generous Government would see to it that they were fully compensated. Those gestures were made with the fingers crossed. They knew the time would

come in the Congress of the United States when pleas would be made such as are going to be made in connection with this bill-again the plea of patriotism, the plea of sacrifice, the plea of service-to withhold what is due the men who marched away with the bands playing and the colors unfurled. Ah, they well knew that some time there would be an opportunity to breach the promises then made.

In part that time has now come. This is but the first step to break down our compensation system for the soldiers, to curtail hospitalization. The camel is just getting its nose under the tent; it will not be long until the camel will walk in and take possession of the tent.

Nothing but an aroused public opinion can stay the hand of those who are determined here and now to begin the process of taking away from the soldier the necessary and essential hospitalization and compensation. They do not come here as beggars; they do not come here in any suppliant mood; they are not asking for alms; but they are asking that when a soldier is commanded to go to the hospital a per diem shall be paid in order that his family and his little children may survive.

Yes, the proposal of the Economy Committee, it will be said, does not go very far, but it goes altogether too far, and this is the entering wedge looking toward a breakdown of the system which we have set up for the rehabilitation and the compensation of our soldiers.

Mr. President, when the people of the United States come to that point in their economic distress where everyone is reduced to the same economic level, that will be time enough to suggest that those least able should make the sacrifice. When that time comes, neither soldiers, charwomen, janitors, nor other Federal employees would hesitate. But that time has not come in the face of the exposition of facts which I have brought before the Senate, that \$750,000,000 has been appropriated which directly affects the Budget for 1933-appropriations, I regret, some of them useless, some of them unnecessary, most of them extravagant.

Moreover, Mr. President, the sources of income that ought to be tapped have not been tapped; sources of income where fabulous estates are being built up to be handed down to the select few of the rich; enormous incomes only partly reached. Until those sources of revenue have been drawn upon, I can not give my approval to a proposition that to balance a Budget unbalanced through extravagant and unnecessary appropriations we should take the money from the sick and disabled soldiers, and from a large number of faithful public employees whose incomes scarcely meet the bare necessities of life, and who are compelled to live in cities where the essential elements in the cost of living are no lower, but in many instances higher, than they have been for the last several years.

Of course, Mr. President, if we are to indulge in the process of taking from those who have not and giving to those who have, then this Congress is setting up an ideal system compatible with that kind of philosophy.

As I said during the course of my remarks, when the necessity comes, even though that necessity arises unjustly, I am perfectly willing to have a fair and reasonable reduction in the salaries of employees and officers of the Government; but when it is proposed in effect to tax those least able to pay for the benefit of those best able to pay, I can not subscribe to that doctrine.

Mr. LOGAN. Mr. President-

The PRESIDING OFFICER (Mr. BRATTON in the chair). Does the Senator from Wisconsin yield to the Senator from Kentucky?

Mr. BLAINE. I do. Mr. LOGAN. I should like to ask the Senator if he places any credence in the rumor, or if he has heard the rumor, that certain prominent politicians have been to certain large business interests seeking information as to how much they might count on in the way of campaign contributions, and that they were advised by these business interests that they could make none unless they could cut their wages, and that they could not cut their wages unless the Congress of the United States should cut the wages of the Federal employees?

Mr. BLAINE. Mr. President, I have no facts concerning the suggestion of the Senator from Kentucky; neither do I close my eyes to a political party's prospects for campaign funds. It is said that this is a year when there is a depression among campaign contributors. We have relieved that depression considerably. We have granted a good many subsidies, a good many subventions; we have extended a great many privileges and a great many favors to a very limited and very select group of men in this country, all of whom, no doubt, have the sense of honor that is said to exist among thieves, and will make their contributions according to the benefits received.

I think it is a well-known fact that when these large contributions are made to a political party the contributors make those contributions not out of a sense of generosity at all but as an investment—an investment in politics—and they expect to derive dividends upon those investments; dividends in the nature of special privileges from the Government under the domination of the successful party which was the beneficiary of those campaign funds. So, in accordance with past practices, I have no doubt whatever but that the same gentlemen will expect a continuance of favors in

the future, and they will make the campaign contributions, not out of the generosity of their hearts but rather on the basis of an investment. In fact, it has been more profitable to invest money in campaigns than it has been to invest it in stocks and bonds. Dividends have been returned manyfold as favors and privileges from the Government.

Mr. President, I have endeavored to present the facts respecting the items that go to unbalance the Budget. I do not believe that there is any Senator who will dispute those facts. I do not believe that there is any Senator who can or will deny that by appropriation acts during this session of the Congress, either actually passed or in contemplation of passage, \$750,000,000 has been poured out, not for public service but for the special benefit not of groups even but of individuals and corporations. An appropriation that goes for the benefit of a very large and extensive group among the people of our country has some justification, of course; but it can not be said that any appreciable amount of the three-quarters of a billion dollars which I have discussed goes to the benefit of any appreciable number or group in the United States. It goes specifically into the hands of particular individuals and particular corporations.

EXHIBIT A

Table showing volume of mails carried and compensation paid to contractors under the merchant marine act, 1923, for the fiscal year ended June 50, 1931

	United States mails; (2) foreign transit closed mails	Letters and post cards	Prints	Parcel post	Total	Compensation	Average rate	Cost at rates under sec. 4009 R. S.	Subvention
32. American Line Steamship Corporation	(1)	Pounds 9, 838 4, 155	Pounds 93, 250 72, 485	Pounds 110, 956 10, 454	Pounds		Per pound		
		13, 993	165, 735	121, 410	301, 138	\$418, 496. 00	\$1.39	\$28, 202, 51	\$390, 293, 49
26. American Mail Line (Ltd.)	(1)	185, 005 55, 771	2, 600, 073 131, 466	1, 060, 371 45, 407	,-				
		240, 776	2, 731, 539	1, 105, 778	4, 078, 093	1, 070, 784. 00	. 26	461, 697. 85	609, 086. 15
16. American Scantic Line (Ltd.)	(1)	51	62	2, 496, 265 135					
	1000	51	62	2, 496, 400	2, 496, 513	708, 063. 00	. 28	199, 751. 69	508, 311, 31
6. American South African Line (Inc.)	(1)	3, 643	59, 936	157, 741 155					
	42	3, 643	59, 936	157, 896	221, 475	264, 832, 00	1. 20	20, 333, 99	244, 498. 01
17. American West African Line (Inc.)	(1)	1,811	16, 594 530	31, 534 19					
		1, 901	17, 124	31, 553	50, 578	305, 987, 50	6. 05	5, 341. 93	300, 645. 57
47. Do	(1)	44	89		133	87, 862, 50	660. 62	42, 32	87, 820. 18
18. Atlantic and Caribbean Steamship Navigation Co	(1)	54, 682 13, 458	423, 731 261, 670	414, 768 1, 628					
· · · · · · · · · · · · · · · · · · ·		68, 140	685, 401	416, 396	1, 169, 937	372, 419. 00	. 32	123, 580. 40	248, 838. 60
19. Colombian Steamship Co. (Inc.)	(1)	27, 211 11, 581	230, 795 284, 387	369, 354 2, 754					
	ID S. S.	38, 792	515, 182	372, 108	926, 082	264, 940. 00	. 29	82, 876. 46	182, 063. 54
25. Dollar Steamship Line	(1)	127, 399 3, 158	2, 096, 604 39, 990	810, 800 20, 996					
		130, 557	2, 136, 594	831, 796	3, 098, 947	1, 262, 664. 00	. 41	337, 476. 58	925, 187. 42
27. Do	(1)	27, 928 635	633, 156 575	393, 564 5, 449					
	SOUTH OF	28, 563	633, 731	399, 013	1, 061, 307	1, 141, 296. 00	1, 08	104, 857. 85	1, 036, 438. 15
15. Eastern Steamship Line (Inc.)	(1)	11, 950	56, 679		68, 629	229, 416. 00	3. 34	13, 094. 32	216, 321. 68
5. Export Steamship Corporation	(1)	9, 728 186	59, 319 1, 171	914, 167 163					
		9, 914	60, 490	914, 330	984, 734	1, 463, 774. 50	1.49	85, 756. 89	1, 378, 017. 61
8. Grace Steamship Line	(1)	128, 937 46, 005	1, 273, 130 775, 417	759, 075 20, 612					
	il us	174, 942	2, 048, 547	779, 687	3, 003, 176	1, 399, 186. 00	. 47	278, 610, 15	1, 120, 575, 88
38. Grace Steamship Line	- (1)	316	2, 356	220	2, 892	238, 500. 00	82, 47	458, 88	238, 041. 12
22. Gulf Mail Steamship Co. (Inc.)	(1)	2,770 42	27, 361 2, 077	85, 539					
	CHAIR CO.	2,812	29, 438	35, 539	67, 789	22, 962. 80	. 34	7, 331, 74	15, 631. 00

Table showing volume of mails carried and compensation paid to contractors under the merchant marine act, 1923, for the fiscal year ended June 30, 1931—Continued

	United States mails; (2) foreign transit closed mails	Letters and post cards	Prints	Parcel post	Total	Compensation	Average rate	Cost at rates under sec. 4009 R. S.	Subvention
23, Lykes Bros, Steamship Co. (Inc.) 35. Mississippi Shipping Co	(1)	Pounds 188 115	Pounds 223 25	Pounds 330 21	Pounds 741 161	\$317, 916, 50 607, 792, 50	Per pound 429.04 3,775.11	\$194.64 95.68	\$317, 721, 86 607, 696, 82
4. Munson Steamship Line.	(1)	127, 046 10, 093	1, 163, 562 99, 888	518, 491 11, 052					
		137, 141	1, 263, 450	529, 543	1, 930, 134	1, 433, 002. 00	\$0.74	242, 738, 40	1, 190, 263, 60
20. New York & Cuba Mail Steamship Co		79 5, 603	154, 831	109, 888 17					
		5, 682	154, 833	109, 905	270, 420	721, 088. 00	2.67	15, 747. 67	705, 340. 83
21. Do	(1)	3, 863 6, 047	25, 512 166, 867	160, 184					
		9,910	192, 379	160, 186	362, 475	419, 536, 00	1.16	25, 376, 86	394, 159, 14
10. New York & Puerto Rico Steamship Co		14, 010 2, 207	120, 687 85, 893	87, 110 1, 370					
		16, 217	206, 580	88, 480	311, 277	44, 400. 00	.14	31, 466, 41	12, 933. 59
24. Oceanic Steamship Co	(1)	106, 371 10, 275	1, 960, 263 48, 820	320, 437 1, 891					
Rocker of well-drawn's Hardward for the		116, 646	2, 009, 083	322, 328	2, 448, 057	692, 886. 00	. 28	272, 030. 01	420, 855. 99
30. Oceanic & Oriental Navigation Co	(1)	2, 754 141	45, 350 1, 821	35, 107	************				
Do	(2)	2, 895	47, 171	35, 107	85, 173	169, 740. 00	1.99	8, 740. 58	160, 999. 42
31. Do	(1)	2, 490	27, 110	23, 989	53, 589	210, 960. 00	3. 94	6, 079. 92	204, 880. 08
48. Do	(1)	21	3	62, 247 2, 944					
		21	3		65, 215	223, 580. 00	3. 43	5, 099. 84	218, 480. 16
49. Do	(1)	14		39, 572 550					
		14		40, 122	40, 136	300, 210. 00	7.48	3, 196. 21	297, 013, 79
34. Pacific Argentine Brazil Line (Inc.) 37. Panama Mail Steamship Co.	(1)	3,982	961 8, 985 47	725 9,653 397	1,694	286, 398. 42	169, 07	141, 28	286, 257, 14
	E I E	3,982	9, 033	10,050	23, 065	443, 152. 00	19, 21	4, 692, 26	438, 459. 71
23. South Atlantic Steamship Co. of Delaware	(1)	37	37		74	363, 022, 50	4, 905, 71	32, 56	362, 989, 94
28. States Steamship Co	(1)	9		51, 044 25, 154					
	10 10	9		76, 198	76, 207	399, 540, 00	5, 24	4, 971. 11	394, 568, 89
29. Do	(1)	4		37, 695 3, 674					
	fee out all	4		41,370	41, 374	184, 440. 00	4, 46	3, 147. 47	181, 292. 58
36. Tacoma Oriental Steamship Co	(1)	21		14, 305 7, 141					
		21		21, 446	21, 467	347, 679. 00	16. 20	1, 411. 14	346, 257. 86
45. Tampa Interocean Steamship Co	(1)	72 5, 844	13 27, 486	14, 250	85 47, 580	438, 775. 00 392, 762. 50	5, 162, 06 8, 25	58. 64 8, 014. 08	438, 716, 36 384, 748, 42
43. United States Lines	(1)	129, 191	805, 509	1, 740, 263					
Do	(2)	9, 907	49, 122 854, 631	1, 700	2, 735, 692	490, 248. 00	. 18	311, 398. 87	178, 849, 13
44. Do	(1)	92, 239 4, 775	704, 131 15, 540	1, 240, 376					
a Barrier Bonding Cons		97, 014	719, 671	1, 240, 878	2, 057, 563	1, 052, 454. 00	. 51	231, 169. 06	821, 284. 9
Total.	and the state	1, 263, 800	14, 655, 592	12, 184, 208	28, 103, 600	18, 790, 765. 72	. 67	2, 925, 216, 25	15, 865, 548, 97

The VICE PRESIDENT. The question is on the amendment of the Senator from California [Mr. Johnson] to the amendment of the committee, on which the yeas and nays have been ordered.

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst Austin Bailey Bankhead Barkley Blaine Borah Bratton Bulkley Bulow Byrnes Capper Caraway Carey Cohen Connally Coolidge Copeland Costigan Couzens Cutting Dale
Davis
Dickinson
Fietcher
Frazier
George
Glass
Glenn
Goldsborough
Gore
Hale
Harrison
Hastings
Hatfield

Hayden Hebert Howell Hull Johnson Jones Kean Kendrick Keyes Logan McGill McKellar McNary Metcalf Moses
Neely
Norbeck
Norris
Nye
Oddie
Patterson
Pittman
Reed
Robinson Ark.
Robinson, Ind.
Sheppard
Shipstead
Shortridge

LXXV-753

Smith Thomas, Idaho Smoot Thomas, Okla. Steiwer Townsend Stephens Trammell

s, Idaho Tydings s, Okla. Vandenberg end Wagner nell Walsh, Mass. Walsh, Mont. Watson Wheeler White

The VICE PRESIDENT. Eighty-one Senators having answered to their names, there is a quorum present.

The question is on agreeing to the amendment of the Senator from California [Mr. Johnson] to the amendment of the committee, on which the yeas and nays have been ordered.

SEVERAL SENATORS. Let it be read.

The VICE PRESIDENT. The amendment to the amendment will be read.

The CHIEF CLERK. At the end of line 11, page 45, it is proposed to insert:

Provided, however, That the said reduction shall not apply to the compensation or salaries herein described which are not in excess of \$2,500 per annum; and compensation and salaries herein described of said \$2,500 or less per annum are exempted from the provisions of this section.

described of said \$2,000 or less per annum are exempted from the provisions of this section.

Provided further, That the reduction on compensation or salaries over \$2,500 shall not operate to reduce such compensation or salaries below the exemption of \$2,500 as fixed in this section.

The VICE PRESIDENT. The year and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson]. I transfer that pair to the senior Senator from Colorado [Mr. Waterman] and vote "nay."

Mr. BLAINE (when Mr. La Follette's name was called). My colleague [Mr. La Follette] is unavoidably absent. He is paired on this question. If he were present and voting, he would vote "yea."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Alabama [Mr. Black]. Not knowing how he would vote, I withhold my vote. If permited to vote, I should vote "nay."

The roll call was concluded.

Mr. BAILEY. I am paired for the day with the senior Senator from Wisconsin [Mr. La Follette]. I am informed that if he were present he would vote "yea." If I were permitted to vote, I would vote "nay."

Mr. GLASS (after having voted in the negative). I have a general pair with the senior Senator from Connecticut [Mr. Bingham]. Being assured that if present he would vote as I have voted, I permit my vote to stand. I understand the Senator from Connecticut is specially paired on this question.

Mr. GLENN. I have a general pair with the junior Senator from Louisiana [Mr. Long]. He is necessarily absent, and I therefore withhold my vote.

Mr. HATFIELD. I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. Not knowing how that Senator would vote if present and voting, I withhold my vote.

Mr. McNARY. Mr. President, I desire to announce the following special pairs on this question:

The senior Senator from Connecticut [Mr. Bingham] with the junior Senator from Washington [Mr. Dil];

The senior Senator from Iowa [Mr. BROOKHART] with the junior Senator from Utah [Mr. King];

The senior Senator from Ohio [Mr. Fess] with the senior Senator from Missouri [Mr. Hawes]; and

The junior Senator from Connecticut [Mr. Walcort] with the junior Senator from New Jersey [Mr. Barbour].

I also desire to announce that the Senator from Connecticut [Mr. Bingham], the Senator from Utah [Mr. King], the Senator from Ohio [Mr. Fess], and the Senator from Connecticut [Mr. Walcott], if present and voting, would vote "nay," and that the Senator from Washington [Mr. Dill], the Senator from Iowa [Mr. Brookhart], the Senator from Missouri [Mr. Hawes], and the Senator from New Jersey [Mr. Barbour] would, if present and voting, vote "yea."

Mr. SHEPPARD. I desire to announce that the junior Senator from Illinois [Mr. Lewis] has a general pair with the junior Senator from Minnesota [Mr. Schall].

The result was announced—yeas 25, nays 51, as follows:

	YE	AS-25	
Ashurst Blaine Bulow Capper Caraway Carey Coolidge	Copeland Costigan Cutting Davis Johnson Kean Keyes	Logan McGill Neely Oddie Pittman Robinson, Ind. Shipstead	Shortridge Wagner Walsh, Mass. Wheeler
	NA	YS-51	
Austin Bankhead Barkley Borah Bratton Broussard Bulkley Byrnes Cohen Connally Couzens Dale Dickinson	Fletcher Frazier George Glass Goldsborough Gore Hale Harrison Hastings Hayden Hebert Howell Hull	Jones Kendrick McKellar Metcalf Moses Norbeck Norris Nye Patterson Reed Robinson, Ark. Sheppard Smith	Smoot Steiwer Stephens Thomas, Idahø Thomas, Okla, Townsend Trammell Tydings Vandenberg Walsh, Mont. Watson White
	NOT V	OTING-20	
Balley Barbour Bingham Black Brookhart	Dill Fess Glenn Hatfield Hawes	King La Follette Lewis Long McNary	Morrison Schall Swanson Walcott Waterman

So Mr. Johnson's amendment to the amendment of the committee was rejected.

Mr. MOSES. Mr. President, when the Senator from California [Mr. Johnson] presented his amendment the other day he stated that it involves a question of policy to be determined by the Senate. That is correct in so far as it related solely to the question of exemptions. There is another and a larger question of policy, however, it seems to me, which the Senate should determine as between the matter of reductions by percentages and the so-called furlough plan.

I wish to offer an amendment as a complete substitute for Title I of the bill. Wishing to be entirely sure about my parliamentary rights in the matter, I ask if that may be done now? My proposal is to determine whether we shall adopt the policy outlined in the bill as presented by the committee as a policy to be adhered to by the Senate, or whether the furlough plan shall be substituted in its place.

The VICE PRESIDENT. Amendments to that part of the bill to perfect the text would have precedence over the amendment to be offered by the Senator from New Hampshire.

Mr. MOSES. I would like to ask the present occupant of the chair at what time I may be free to offer the amendment?

Mr. ROBINSON of Arkansas. Mr. President, I point out to the Senator from New Hampshire that that is not a parliamentary inquiry because it is impossible of answer. I do not see how the Chair could tell the Senator when he may offer his amendment.

Mr. MOSES. I am not talking about the hour or the minute when I may do it. Of course, I know something about the rules of the Senate.

Mr. ROBINSON of Arkansas. Yes; I understand the Senator does and that is the reason why I am surprised that he should ask such a question. I have no objection if the Chair can answer the question.

Mr. MOSES. At what stage of the progress of the bill may an amendment in such sweeping terms as proposed by me be offered?

The VICE PRESIDENT. There is an agreement to consider the committee amendments first.

Mr. MOSES. Then I ask unanimous consent to present the amendment now and have it printed and lie upon the table

The VICE PRESIDENT. That will be done.

Mr. MOSES. I should like to ask the Senator from Washington [Mr. Jones] if it is his purpose or his hope that the bill is going to be completed in its entirety to-day, because, if it is, then of course the printing of my amendment would be useless unless the Printing Office could make haste with it.

Mr. JONES. Mr. President, it is my hope that we can complete the bill to-day. I do not know that my hope has any foundation of any kind.

Mr. MOSES. May I ask the Senator if he is not more hopeful than confident about it?

Mr. JONES. Oh, yes.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. MOSES. I am quite willing to yield to the Senator

Mr. NORRIS. I understand the Senator has presented an entirely new plan.

Mr. MOSES. Yes. Mr. NORRIS. It is obvious, even though in a general way we know what the plan is, that Senators will be unable to study the plan and give it proper consideration unless we do so after it has been printed. I think there is no doubt that we will not act finally on the bill to-day. The very fact that the Senator from New Hampshire has presented such an amendment is a good reason for that belief, it seems to me. It is an important amendment, and I should like to have an opportunity and time to consider it.

Mr. MOSES. May I suggest to the Senator from Nebraska that possibly he may get a unanimous-consent agreement that we should not deal further with this title to-day, but take up the other parts of the bill. There are plenty of things in the bill to be considered other than this.

Mr. NORRIS. We could go on perfecting the bill, but I think it would be very proper, when we have it perfected, that the Senator's amendment should be considered in order.

Mr. MOSES. If I were ruling on the question myself, I should hold that when the stage of individual amendments had been reached I would be free to offer the amendment.

Mr. NORRIS. I think the Senator would be entitled to

Mr. BORAH. Mr. President, may I ask the Senator from New Hampshire a question?

Mr. MOSES. Certainly.

Mr. BORAH. We are somewhat familiar with the administration ideas relative to a furlough plan. Does the amendment of the Senator from New Hampshire embody those

Mr. MOSES. Yes; I am perfectly free to say that the amendment which I have offered embodies the views of the administrative officers of the Government in dealing with this question.

Mr. NORRIS. I think we ought to consider it carefully, but I do not believe we can do it to-day.

Mr. MOSES. Having submitted it to be printed and lie on the table, I shall offer it when the period of individual amendments is reached. It involves a broad question of policy.

Mr. NORRIS. Mr. President, I offer an amendment which I send to the clerk's desk. It is the same amendment that I offered before and withdrew, with the exception of certain changes as to striking out certain portions of the 'House text.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. The Senator from Nebraska offers the following amendment: On page 45, line 7, amend the House text as follows:

Strike out the figures "\$2.500" and insert in lieu thereof "\$1,500," and in line 8, after the semicolon following the word "reduction," strike out down to and including "\$2,500" in line 10 and insert in lieu thereof the following:

And that part of any annual compensation in excess of \$1,500 and not in excess of \$2,500 shall be reduced by 5 per cent; that part of any annual compensation in excess of \$2,500 and not in excess of \$4,000 shall be reduced by 10 per cent; that part of any annual compensation in excess of \$4,000 and not in excess of \$5,500 annual compensation in excess of \$4,000 and not in excess of \$5,500 shall be reduced by 15 per cent; that part of any annual compensation in excess of \$5,500 and not in excess of \$7,500 shall be reduced by 20 per cent; and that part of any annual compensation in excess of \$7,500 shall be reduced by 25 per cent.

Mr. NORRIS. Mr. President, I think the amendment has been sufficiently discussed and, so far as I am concerned, I am ready for a vote.

SEVERAL SENATORS. Vote! Vote!

Mr. PITTMAN. Mr. President, I voted for the amendment of the Senator from California [Mr. Johnson] and I shall vote for the amendment of the Senator from Nebraska [Mr. Norris], but I do not desire that my vote shall indicate that I favor this policy of wage reduction in any sense whatever. I am entirely opposed to it. I think that when we have to resort to the reduction of the wages of Government employees for the purpose of raising revenues instead of placing taxes on all the people of the country in proportion to their ability to pay, we are advocating a defeatist policy which will not reestablish confidence in our Government either at home or abroad.

The Government employees have never received wages proportionate to those paid outside of Government employment. Their increases in salaries have never been proportionate. During so-called prosperous times, when expenses were enormous, they suffered by reason of their low salaries in comparison with the salaries received by those in civil industry.

Again I think the Senate should take judicial notice of the fact that the chief charity work which has been done during these times of suffering and destitution has been done by those who have been fortunate enough to earn a salary or wage. I have not any doubt that substantially every employee of the Government to-day is contributing to the support of some relative or many relatives. The contributions throughout the country for charity would never have accomplished the relief that has been reached if it had not been for that calm, quiet, modest, secret contribution to members of the family by those who are working.

I am opposed to this entire policy. There are other sources of taxation, and taxation is the only way on earth to equalize charity. In fact, there should not be any such thing as charity. It is our duty to furnish work instead of charity and through taxation supply the Government with funds for employment. The whole policy of the Government has in one sense been a Fabian policy and in the other a defeatist policy. We have never attacked the enemy. We have retreated every time there was a threat.

Everyone knows the foundation of this country is the purchasing power of the people. Instead of doing some-thing that may tend to increase their purchasing power, everything we do is something to decrease it. We have to-day 8,000,000 idle people in the country. They can not purchase. The farmers of the country can not purchase. Now, we hear we are going to have an international conference for the purpose of raising commodity prices, and yet in the very face of that announcement of the intention to raise commodity prices we are going to cut the wages of Government employees on the theory that commodity prices are low. If it were totally impossible to find any source of revenue other than we have by which we could hope to take care of the obligations of the Government, of course this would be necessary; but until my mind is convinced that it is necessary I shall not vote for such a policy.

I do not think there is such a hurry that I should be jammed into something that is violative of my whole theory of the economics of the country. I can not stand it and do not believe in it a single minute. I can not help looking back when I think of the defeatist policy of this Government. Whenever the retailers can not find a market for their goods they stop purchasing from the wholesaler, and the wholesaler stops buying from the manufacturer and the manufacturer discharges men, and thus adds to the nonpurchasing power of the country. We have done everything we could to destroy the purchasing power of the country, and yet now we propose to reduce wages to add to the lack of purchasing power. If the Government is to cut down the purchasing power of its employees, then, of course, it should follow that the wages of everyone in industry should be cut down proportionately, and we should even take into consideration the higher wages for the same services that they are receiving. That is the ultimate end of this defeatist policy. Instead of attacking, we retreat.

I can not help but remember the first Battle of the Marne, when the life of France was in the balance; when destruction far greater than anything of which we can now conceive not only faced France but faced the Allies and probably faced this country; when Foch sent his celebrated message to Joffre.

My left wing is crumpled; my right wing is falling back; I have ordered a charge all along the front.

And that turned the history of the war from defeat to victory.

There has not been a voice raised with any force or any effect, certainly not by the administration, to meet the crisis that is threatening us, but constantly there has been the admission that it is overpowering, and, instead of an attack all along the line, we are now directing not only that our left and right wings retreat but that we retreat all along the line. We have been retreating for two years under the advice of those who consider themselves the great economic and financial advisers of this country. They have made a mess of the whole thing by their cowardice, or, if that word is too abrupt, call it overcaution; by their constant drawing in even after every facility has been offered to them to advance; by their constant advice not to aid in increasing the purchasing power, but by every act known to those who are selfish further to decrease the purchasing power, further to decrease the ability of those who are fortunate enough to have a wage to aid their suffering relatives.

I can not stand for such a policy. I am not so much interested that we should balance the Budget to-day so as to give a psychological effect upon foreign countries or our bond buyers. The taxing power of this Government goes to capital as well as to income; it goes to every piece of property in the United States, the richest property in the world; and if we were not pursuing this defeatist policy and would announce that we had the revenue available and would get it, without constantly humiliating ourselves in the face of the world by this constant surrender and defeatist policy. the disastrous psychology that has been aroused not only in the last two years in the minds of the people of our own country but of the world would not exist; but we will never banish that psychology; we will never overcome that lack of confidence or that fear when we have to resort to this pusillanimous method of balancing the Budget.

Mr. NORRIS. Mr. President, I find myself to a very great extent in complete agreement with the Senator from Nevada. I have been voting for amendments and propositions here for two or three weeks which I did not like. If last December when the present session of Congress convened I had been asked to vote upon the amendment offered by the Senator from California [Mr. Johnson] which was recently defeated I certainly would have supported it. I would have favored going higher than the figures embraced in that amendment. I believe if we had taken the right step at the beginning and, as the Senator from Nevada has said, "made an assault all along the line," we would not be in the condition we now find ourselves. However, we were unable to do it. Our commander was not like the commander in France. We are not in command of the army; to a great extent we are merely soldiers in the army, and no order came to advance all along the line.

The first order which came from our commander was to pass the moratorium bill, and to pass it awfully quick. Like good soldiers, we did it. Then came the other commands, every one of which was going to clear the atmosphere and clear the field of all obstacles, and we were going to live in peace and prosperity ever afterward. However, we have been going around that "corner," chasing the phantom of prosperity, from that time to this, and conditions have been getting worse and worse and worse, until we are now confronted with propositions which are entirely different, and, after all these failures, we are compelled, I think, because of the very condition in which we find ourselves, to vote for a great many propositions which, under ordinary circumstances, we would never vote for or support.

I realize that cutting down wages destroys, to some extent, the purchasing power of a large number of people. I may be wrong in my figures; I may be wrong in the line that I have drawn in my amendment of \$1,500. Certainly,

I would not have drawn that line six months ago, but I have drawn it at \$1,500, and propose making an exemption of \$1,500 because, in the first place, I believe that it is probably the highest point that we can fix an exemption and succeed.

I realize also, Mr. President, that everybody must, to some extent, share the responsibility and the distress that must come from the raising of the money to be derived by the provisions which we have already embodied in the tax bill. I see no escape from it. I was desperately——

Mr. SHIPSTEAD. Mr. President-

Mr. NORRIS. I will yield to the Senator in just a moment—I was desperately opposed to the proposition of the committee to make a flat cut in salaries. To my mind, there is no justice in that proposal; to my mind, that is bearing down the hardest upon those who are already overburdened.

The committee says, "Here are \$120,000,000 that we are going to save from this source by cutting down salaries; we ask the poor to stand half of it, and a little more than half of it; we ask those who are hardly making a living to stand one half of this burden and let those in a better condition stand the other half." A tax levy upon the big salary is no material hardship, but upon the small salary the further you go down the greater the hardship. When you get down to the lowest salary the proposition of a 10 per cent flat cut, it seems to me, is the very essence of cruelty and injustice. Have we come now to the position where we must lay the heavy hand upon those who are scarcely able to live and support their families? I now yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, the Senator from Nebraska called attention to the injustice of having the poor pay for the suffering and the misery of the depression. As a matter of fact, we are now paying for the mistakes we have made as a Government during the last 15 years under the leadership that has determined the policies in which have been incorporated these mistakes. Of course, if those who are responsible could be compelled to pay for their mistakes, the poor would not have to pay; but now we must all pass the hat to pay for the mistakes of the Congress and the administration. That is where the injustice comes; that those who carry no responsibility must pay.

Mr. NORRIS. Mr. President, the Senator from Nevada told us another thing that, as an abstract proposition, as a fundamental principle of philosophy, it seems to me is 100 per cent correct. He spoke of the contributions for charity and then said, "There ought to be no charity." A properly organized government, Mr. President, would be one where there would be no necessity of taking up charitable contributions from the people of the country. If we had laws that were just to all and did not give privilege to those who have more than they can possibly enjoy, our charitable organizations could disband. But we do not have that condition, we are not confronted with an ideal condition, we are confronted with an abnormal and illogical condition, and we have to make the best of it.

I may not be right in the amendment which I have offered, Mr. President, and I realize that it is subject to the criticism that it will not produce as much money as will the committee's proposal. That is true; it will produce much less; the experts say that my amendment, by the reduction in salaries it proposes, will make a saving to the Government of but \$23,000,000, while the committee's proposal will result in a saving of more than \$100,000,000; but why must we say, Mr. President, to those who are laboring, especially to the lower-paid officials and employees of the Government, "We have a budget proposition here; we are going to tax you \$120,000,000?" There is not any law that requires that; there is not any justice that requires it. That claim is not made on any theory of logic or fair dealing, but it is arbitrary. Those upon whom the heavy hand is to be laid are not here; they can not defend themselves; but we say to them, "We are going to cut your salary 10 per cent."

Those who are drawing salaries of \$10,000 a year, such as Senators and Members of the other House, can stand a 10 per cent cut; but the man who is drawing \$1,000, if it takes \$1,000 to support himself and his family, will fail in that obligation. If he has to suffer a 10 per cent cut in the wage he is now receiving, he can not live; he can not support his family; and we shall have added to those who must be sup-

ported by public charity.

If the figure fixed in my amendment is not right, of course, we ought to change it. The first bracket in this amendment proposes a reduction of only 5 per cent, and then the rate of reduction increases until it applies to everybody drawing salaries of \$7,500, with a cut of 25 per cent. Even this proposition will be much easier upon those who are drawing higher salaries than it will upon those who are drawing low salaries.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. Has the Senator made an estimate of how much the amendment, if adopted, would reduce the pay roll? In other words, how much would it save the Government?

Mr. NORRIS. It would save the Government \$23,000,000.
Mr. THOMAS of Oklahoma. I should like to ask another guestion. I understand that the report of the committee indicates that the committee amendment, if adopted, will save the Government approximately \$121,000,000?

Mr. NORRIS. Yes.

Mr. THOMAS of Oklahoma. If the Senator's amendment should carry, it would leave a deficit of approximately \$100,000,000?

Mr. NORRIS. Yes, sir.

Mr. THOMAS of Oklahoma. Has the Senator given consideration to any plan for raising that \$100,000,000?

Mr. NORRIS. If I had my way, I think I could raise it; but, for argument's sake, if I admitted that it could not be raised, I would still say that that is no excuse for levying this heavy tribute upon the lower-paid employees.

Mr. THOMAS of Oklahoma. Mr. President, will the Sen-

ator yield further?

Mr. NORRIS. Yes: I vield.

Mr. THOMAS of Oklahoma. It is the Senator's contention, then, that this item in this bill should be considered wholly from the standpoint of the human element?

Mr. NORRIS. Exactly.

Mr. THOMAS of Oklahoma. Will the Senator yield for me to have read at the desk an amendment which I propose to offer in the event the Senator's amendment is carried?

Mr. NORRIS. Will the Senator permit me to finish this, and then do that? I should be glad if he would do that.

Mr. THOMAS of Oklahoma. I will say to the Senator that my amendment is to eliminate from all appropriation bills items for construction like public buildings, flood control, highway improvement, and other permanent improvements; to take those from all the bills and set them over in the form of relief legislation.

Mr. NORRIS. I understand the Senator's proposition. He spoke of it here the other day. I think he offered an amendment the other day in regard to it.

Mr. THOMAS of Oklahoma. I said I was going to, and I intend to.

Mr. NORRIS. I am going to vote for the Senator's amendment. I think it is good logic. I think it will be a great help.

In other words, Mr. President, when we reach the stage where there is not anything to take, we can not get anything, can we? We are now approaching the man with the \$1,000 income, with a wife and family, perhaps, and we are going to take \$100 from him, according to the committee's theory. We can not do it. It can not be done. These people must live; and if we take their income away from them, then we must support them by some other means of taxation. We can not afford to drive the children out upon the streets unfed and unclothed, and if we do we will have to pay the bill. So it is not economy to take away from the man with an income already too small something that will make it impossible for him to make both ends meet.

The question that the Senator asked me reminds me of something I referred to on the income tax—and this is just like an income tax bill. It has the same effect. We are levying upon the man with a salary of \$1,000 an income tax of 10 per cent. When we were levying the income tax we never dreamed of levying such a high tax. That is unheard of and unspeakable, Mr. President. So in reducing these salaries it is important, it is vital, to consider how much the man has left after we have lowered his salary. When we do that we can not avoid the conclusion that we can not, we must not, in the discharge of the duty that we owe to humanity and to our people, take away this enormous amount from the lower-paid officials.

How can we defend a proposition that in raising \$120,-000,000, which we do by the committee's saving—which is just the same as raising it—is going to take half of it from the poor and the other half from the people who can stand it better?

The Senator asked me where we would raise it. I have in my hand a letter which came to me this morning through the mail. It is from Branch 541 of the National Association of Letter Carriers at Lebanon, Pa. I want to read some of it to the Senate. The first paragraph says:

Shall all the postal workers and all other Federal employees have the satisfaction of knowing that we are part in a saving of \$121,000,000, and at the same time to continue payments of present mammoth subsidies to certain steamship companies at the rate of \$50,000 a day and \$45,000 a day to air-mail contractors?

I will say to the Senator from Oklahoma that there is one source where we can save expenses. Instead of paying subsidies to the Shipping Trust and paying these huge prices for carrying the mail in the air, we had better cut down those appropriations and go a little easier upon the people who toil.

Mr. WALSH of Massachusetts. Mr. President-

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Nebraska yield to the Senator from Massachusetts?

Mr. NORRIS. I do.

Mr. WALSH of Massachusetts. What did the Senator say was the figure for subsidizing the air mail service?

Mr. NORRIS. Forty-five thousand dollars a day.

I do not want anybody to get the idea that I would like to see the carrying of mail by airplane abolished; but I would rather abolish it under the conditions that exist now than to make a levy upon those who are already overburdened; and I think we ought to abolish it entirely until we reach a period in our history, which we all hope will not be far distant, when prosperity will again smile.

Let me read some more of this letter:

Another glaring example: An American steamship line-

And this is nothing new. It has been related to us by the Senator from Wisconsin [Mr. Blaine] and the Senator from Tennessee [Mr. McKellar] over and over again; but this only shows that the people out in the country are realizing it and knowning about it and writing about it.

Another glaring example: An American steamship line plying between Galveston and San Domingo carried mail with \$665 in postage thereon since October, 1926, and received \$789,256 from the Treasury for carrying it. The regular mail facilities would have given them for that work \$665; but we paid them as a subsidy out of the Treasury of the United States \$789,256.

There is a place where we can save more than anything that is in this item—in that one steamship subsidy. I am opposed to a subsidy under any conditions; but those who believe in subsidies, and are conscientious, as I know they are, ought to say, "We can not pay it now. We must first let our people live before we squander the money in such large quantities."

Another American line, making six sailings, carrying 6 pounds of letters—

Just think of that! Six pounds of letters in six sailings, averaging 1 pound per each sailing.

And they also carried 6 pounds of printed material, amounting to \$5.28 all told.

carrying 6 pounds of letters and 6 pounds of printed matter-12 pounds?

Under a Government contract, this line received from the Treasury for carrying these 12 pounds of mail on these six sailings \$59,620.

Almost \$5,000 a pound. We could save a little money there; could we not? Would it not be better to stop paying that enormous subsidy to a company that probably got its ship from the Government of the United States, built and paid for by the taxpayers, and got it for practically nothing, and then borrowed money from the Government at less than 2 per cent interest to put it in shape and operate it, and in addition to all that we pay them practically \$5,000 a pound for carrying the mail?

This information is contained in Senate Document No. 69 of the present Congress.

Mr. GLASS. Mr. President-

Mr. NORRIS. I yield to the Senator from Virginia.

Mr. GLASS. May I say to the Senator that there were those of us on the Appropriations Committee who would very gladly have required the rescinding of those contracts if it could have legally been done; but we ascertained that it could not be done, and therefore we were helpless.

Mr. NORRIS. I am not finding fault with the committee for reporting it. I think they would have been justified in cutting it out, and let me say to you why: In other words, we are said to be bound by a contract. There is a question, I understand from the Senator from Tennessee [Mr. McKel-LARI, as to whether it is legal or not; but, assuming that it was legal, why not declare a moratorium and suspend that contract? A railroad company that is carrying mail, running a train across the continent, is liable any day, by an order from the Post Office Department, to have that mail cut off from that train and carried in some other way.

Now, let me call attention to what the Government is doing:

Away out on the plains in southwestern Nebraska there is a little town called Lebanon, in the Beaver Valley, one of the most beautiful valleys in the great West, the home of the alfalfa, surrounded as that town is by what a few years ago was a prosperous community of farmers, Americans-99 per cent of them-intelligent, with their children going to school, everything lovely until this depression came on. There was a cooperative organization of farmers at that town. Under the law that we passed-and no one will dispute but that it is a just law; no one will deny, at least, that it is the law-we relieved cooperative organizations of that kind from the payment of an income tax under certain conditions that we provided in the law.

That little organization of farmers, whose board of directors and manager and everybody were actual dirt farmers, owned an elevator. They were operating it. They made a return showing that they were entitled to exemption; that they did not owe any tax. But a smart aleck from the Bureau of Internal Revenue came along and dropped in on them, scared them to death, made them believe they were about to go to the penitentiary, and when he left he had in his pocket a check for over \$2,000 that he said they owed the Government. They paid it.

After a while they commenced to think the matter over. They made an investigation, got somebody to look it up, and finally induced the department here in Washington to make an investigation of that payment of \$2,000 and over. twenty-two or twenty-three hundred dollars. What happened? The Bureau of Internal Revenue under its own agents, under its own investigation, reached the conclusion that they were wrong; that the fellows who went out there and mulcted this organization for \$2,000 had no authority to do it; that they did not owe a dollar; that they were exempt; not a dollar did they owe; and that is the record of the Bureau of Internal Revenue from their own investigation.

In the meantime, while all this was going on, the statute of limitations expired; and when this little organization of farmers wanted their \$2,000 that the Government had

That is the postage on them. What did we pay them for | and was never entitled to, that it had forced them to put up, almost, you might say, at the mouth of a gun, what did the Government representatives do? They said, "Oh, the statute has expired; you can not get it."

When a bill was introduced and went to the Committee on Claims, it was referred to the Treasury Department, and the great philanthropist Andrew W. Mellon advised the committee of the fact that the time had expired. They admitted the Government owed the money, they admitted the Government had no right to take it, but these farmers had lost their day in court, the statute of limitations had run, and Mr. Mellon advised the committee to make an adverse report and not to pay the money.

Mr. GLASS. Mr. President— Mr. NORRIS. In just a moment I will yield. I want to finish this story.

The committee, nevertheless, unanimously turned down the recommendation of Mr. Mellon and reported the bill. The committee's report is on file. The Senate passed the bill and it went over to the House.

That is a case where the Government is declaring a moratorium against these farmers. We will not pay a cent. although we admit we took this money unlawfully and wrongfully, that we had no right to it. We forced it out of the farmers. We refused to pay it back because the statute of limitations ran against it.

Day before yesterday in the House of Representatives, when they were calling the Unanimous Consent Calendar, that bill met defeat. Why? The only reason given was that it would take some money out of the Treasury, and we are too hard up and could not pay it. The next day the very man who objected to that bill was pleading with the House to pass a bill to give \$5,000 annual pension to the widow of a President.

If the Government can refuse to pay these farmers, from whom it has taken money unlawfully and wrongfully, I wonder why it can not declare a moratorium against a shipping concern which is getting \$5,000 a pound for carrying mail.

Now I yield to the Senator from Virginia.

Mr. GLASS. Mr. President, I simply wanted to remind the Senator that four years ago on the Senate floor I called attention to an almost identical case and charged, without any denial, that an employee of the Internal Revenue Bureau deliberately delayed the mailing of a check to an industry in my State for several days in order to enable the Government to make a plea of the statute of limitations. I suggest to the chairman of the Committee on the Judiciary that the law ought to be so modified as to make an infamous thing like that impossible.

Mr. NORRIS. Mr. President, we have the remedy. would not be in favor of eliminating the statute of limitations, because a good many times it is all right to take advantage of it. But in a case of this kind, or in a case like that the Senator recites, I can not conceive of my country taking advantage of a statute of limitations. If the Senator from Virginia got money from me under those circumstances and took advantage of the statute of limitations, I would not be able to find words in the English language severe enough to condemn him.

Mr. GLASS. I can supply the language right here and now. It is nothing in the world but legalized theft by the Government.

Mr. NORRIS. Mr. President, I do not think that half expresses it. I could add some emphasis to the Senator's language, but I would not dare do it on the floor of the

Mr. GLASS. I find myself using that language now with greater facility than I ever said my prayers in my life.

Mr. NORRIS. When we get along so that the Senator from Virginia and myself will be allowed to express ourselves as we want to, we will have to change the rules; and when we do that, we will give the Senate an exhibition of what language can show in cases of this kind. [Laughter.]

Mr. President, it does not seem to me to be wrong to say to this shipping concern, "We have not the money. We can money.'

That is what I say when the Senator from South Carolina says to me, "The mortgage on your farm is due, \$5,000," and I say, "Well, I can not pay it. I know that I am legally bound, but you go ahead and collect it, foreclose and take the land or do what you please, but I can not pay it."

I think we would not be doing any worse at least if we treated the Shipping Trust the same as we treat the farmers, who are toiling to produce the food that feeds the Nation.

Mr. President, I am not alarmed because there would not be as much money raised under this amendment as under the provision in the bill. If we never raise the money, we will not balance the Budget by a few dollars; but who cares about that? This bugaboo, this buncombe, about balancing the Budget has run its course and done all the damage it can do. It is an overexaggerated phrase that has been put out only in a great propaganda in order to compel Congress and the people to do things they would not do under ordinary. circumstances.

Mr. GORE. Mr. President, I am certain that it is as distressing to me as it is to the Senator from Nevada or the Senator from Nebraska to vote in favor of reducing the salaries of Government employees. I think the Senator from Nebraska might well dispute with Abou Ben Adhem his right to the first place among those who love their fellow men.

I have heard a good deal about painless surgery. I have never had much faith in that process. I have had less experience. The operation of reducing these salaries is certainly not a painless operation. It is not painless to those who suffer a cut in their salaries. It certainly is not painless to those who feel obliged to vote in favor of a cut in the salaries.

Mr. President, I look upon this process as an operation, dictated by necessity, not a matter of choice but a matter of necessity. No one desires to undergo an operation, and no one desires to perform an operation. But occasions arise when there is no choice. I will join the Senator from Nebraska in voting to abolish the ship subsidies to which he has referred. I regard them as a scandal. I will vote with him to place the air mail service upon a rational basis. I would rather vote to abolish subsidies than to reduce salaries.

This, in a sense, is a contest between the head and the heart. No Senator, if he consulted his feelings alone, would vote in favor of reducing these salaries. But some of us. when we consult our judgment and the public exigency which now prevails, are constrained, against our feelings, to vote in favor of these reductions.

I believe Calhoun divided the people into tax eaters and tax payers. I had a letter on yesterday from a constituent who divided the citizens of this country into tax spenders and tax payers. He insisted that the taxpayers had received too little attention, too little consideration at the hands of Congress. He insisted, in language which I thought significant, that the expenditures for government, from the county, the city, the State, up to the Nation, must be reduced; that we must practice economy, that we must lighten the burden of the taxpayer. I agree with him. Virtually every family beneath the flag has been obliged to practice economy.

Much has been said about the charwoman, naturally one of the first to challenge our sympathy. I remember that when I was chairman of the Committee on Agriculture an old charwoman who had been discharged from the Department of Agriculture came to me and appealed for help. She spoke to me in the broken accents of a foreign tongue. She had 10 children depending for their daily bread upon her daily toil. I intervened and had her restored to her place and her pay.

Naturally, Government employees receiving the lower salaries have a stronger appeal to our sympathy, and, when possible, to our protection. Take those who receive \$1,200 a year, insufficient, of course, to live in accordance with standards which every citizen, every Senator, desires to see maintained in this country. But when that salary was fixed at \$1,200 four years ago, 12 bales of cotton would pay a full

not pay this. We will not pay it now. We have not the | year's salary. To-day it takes 60 bales of cotton to pay a \$1,200 salary.

> When that salary was fixed at \$1,200 four years ago, the clerk who drew such a salary could have bought only 12 bales, and to-day he can buy 60 bales of cotton.

> If we reduce their pay 10 per cent, or \$120, that would save six bales of cotton, and the pity of it is that the cotton farmers down South have to dig that cotton out of the ground and pay the taxes which pay these salaries.

> When we reduce a \$1,200 salary 10 per cent, we save \$120, or the price of six bales of cotton. The Senator from South Carolina will bear witness to the fact that six bales of cotton is the average crop of the average 1-horse farmer down South. When we save six bales of cotton in this reduction, we save the average cotton crop of an average farmer in Georgia and in Alabama. A Government clerk receiving \$1,200 a year can now buy 60 bales-the whole crop of 10 average cotton farmers in Oklahoma. This gives point to this tragedy. These salaries must be paid with 5-cent cotton.

> Unfortunately, this takes the form of a contest between the salaried clerk on the one hand and the driven taxpayer on the other. Senators hesitate to reduce these salaries, and I appreciate their feelings. I, too, hesitate to reduce salaries, but I hesitate even more to maintain these unbearable burdens on the bended backs of our taxpayers.

> Take wheat: When these salaries were fixed four years ago at \$1,200 a year, 800 bushels of wheat would pay an annual salary of that amount. To-day it takes more than 3,000 bushels of wheat, farm value, to pay a \$1,200 salary to a Government employee. The farmers in Oklahoma and Nebraska must deny themselves the necessaries of life to pay these taxes in order to pay these salaries. They must dig this wheat out of the ground. When we reduce a \$1,200 salary 10 per cent—that is, \$120—at present prices it saves 400 bushels of wheat, farm value. We save that much and still leave the employee \$1,080, ten times as much as the average wheat farmer is receiving to-day over and above the cost of operating his farm-enough to buy the aggregate crop of 10 average wheat farmers.

> It is a distressing issue between the wheat farmer on the one hand and the Government employee upon the other. I join Senators who regret to reduce these salaries. I know in their hearts they regret their inability to maintain these salaries without at the same time perpetuating burdens that are too grievous to be borne. Our farmers have to pay these salaries with 30-cent wheat.

> Take cattle: When these salaries were fixed four years ago at \$1,200, twelve steers, which had required three years to produce would have paid the yearly salary of one of these employees. To-day it takes 40 steers to pay one of these salaries. Four years ago the Government clerk with his \$1,200 salary could have bought only 12 steers. To-day he can buy 40. If we cut his pay down 10 per cent he loses only 4 steers; he can still buy 36; but the taxpayer who produces the steers in Wyoming and Montana can have those four steers with which to pay State taxes, interest on his mortgage, and other inescapable obligations. The farmers are paying these salaries—are paying their taxes with 3-cent

> Take hogs: When these salaries were fixed four years ago at \$1,200, 1,500 pounds of pork on the hoof would have paid an annual salary. To-day it takes 60,000 pounds of pork on the hoof to pay one of these \$1,200 salaries. Reduce that salary \$120, distressing, of course, to the employee, but you save 6,000 pounds to the farmer-to the taxpayer. When we save \$120 we leave the employee \$1,080, or ten times as much as the average farmer is realizing to-day.

> It should be remembered that the proposed cut in salaries is a uniform percentage; it applies to the great and the small, to the high and the low alike. The committee has devoted much time and much thought to this measure. I feel bound in a way to support their recommendations.

> Mr. President, these jobs or places, as I conceive it, are not created primarily or exclusively for the benefit of those who hold the places or perform the services or draw the pay.

The Government is under obligation to discharge certain | functions to its citizens—the public. It parcels out those services, and stipulates to pay a certain amount for certain services in proportion to time, the place being created for the public or the citizenship of the country and not primarily for the person who fills the post, not primarily for him who receives the pay.

I think that enters into this equation; and while this sympathy for these employees is certainly to be commended, there are, after all, two sides to the question, two horns to the dilemma. It is a distressing dilemma, and we must be impaled, it seems, upon one horn or the other. We must either reduce the compensation of employees or we must increase the burden upon the backs of our taxpayers. I do not complain of Senators who vote against such reductions. It is to the credit of their hearts. I am sure they will not complain of us who feel constrained to vote to protect the taxpayer in this distressing dilemma. The farmers are paying these salaries with 2-cent hogs. Taxes everywhere are being defaulted. The farmers are losing their farms. Sixty thousand farms were sold in one day in Mississippi. The taxpayers in the towns are in like distress.

Mr. President, the public press reported some time since, when a motion was made in the Senate to make a flat reduction of 10 per cent in the appropriation for the Post Office Department, that the chief of that department stated that if such a reduction were made he would feel obliged to discharge 36,000 employees. No one would be willing to see such a wholesale catastrophe. No one could tell upon whose neck that heavy ax would fall. Every neck would be on the block, the guillotine would hang over everyone, every postal employee, every letter carrier, whether in the country or in the city. This plan at least will result in no discharges. Everybody will be able to hold his position, at reduced salary, it is true, but infinitely better than to lose their employment entirely and to lose their compensation entirely. I think the Senate will have to do one or the other, and I would prefer this uniform reduction of salaries rather than outright dismissal from the service, and thus protect the employees themselves against the possibility and mayhap the certainty of such indiscriminate dismissals.

Mr. President, an army of unemployed-an army of unemployed soldiers-is assembling in this city this day. How many of the unemployed, how many million men, how many million women-hungry and naked and homeless-would be transported with joy to have these places, to render these services, and receive these salaries, diminished not by 10 per cent alone but diminished even as much as 50 per cent? Our Government provides, as it should provide, for its multiplied thousands of employees here in Washington comfortable quarters, reasonable hours, certain pay, and life tenure with retirement pay during life's evening twilight. How many soldiers, how many citizens, how many taxpayers are yearning this day for one of these salaried positions?

In remembering the salaried employees let us not forget the unsalaried citizen, the citizen who toils and pays the taxes. The only way to reduce taxes is to reduce expenses.

I feel certain, sir, that we can not tax ourselves out of distress; that we can not borrow ourselves out of debt; that we can not spend ourselves out of adversity; that we can not squander ourselves out of this depression.

Mr. President, I doubt not that in the years to come, when this storm has spent its fury, I doubt not that the employees of our Government who are called upon to make this sacrifice will rejoice that they made their contribution in this hour of their Nation's need.

Mr. WALSH of Massachusetts. Mr. President, it is quite apparent the issue in the Senate is now between a graduated scale of reduction and a flat reduction of 10 per cent. Senators are practically united in the judgment that there should be reductions in salaries of Government employees. The proposal of the Senator from Nebraska is objectionable in that it does not provide the amount of revenue that ought to be obtained if we enter the field of reduction of salaries at all. Furthermore, it is not graduated scientifically. It is apparent a majority of the Senate want reductions substantially amounting to \$100,000,000. I want reductions, but I want the reductions to be graduated on the basis of ability to spare. I shall vote against the amendment because it does not go far enough in providing the saving that ought to be secured if we undertake to make reductions in salaries. though it has my general approval as to graduating reductions.

Whether the amendment of the Senator from Nebraska is adopted or not, I shall propose immediately the amendment which the Senator from New York [Mr. COPELAND] and I have been working on for several days, together with the generous assistance of the Senator from Michigan [Mr. COUZENS], which provides for a graduated reduction beginning at 3 per cent in the brackets between \$1,000 and \$1,500 and reaching 15 per cent in the brackets of \$10,000 and above. That proposal, which I shall offer after the vote upon the amendment of the Senator from Nebraska, will bring approximately a saving of between \$90,000,000 and \$100,000,000. I shall amplify my statement when the time comes.

Mr. ODDIE. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement of Mr. Charles F. Trotter, superintendent of post-office service in the Post Office Department, before the House Committee on the Post Office and Post Roads on February 3, 1932; also a statement by Mr. Coleman in the hearings before the subcommittee of the House Committee on Appropriations on the 1933 appropriation bill.

These statements show that there will be an automatic decrease in the pay of numbers of postmasters throughout the country because of the falling off of business. I want it to be understood clearly that the straight 10 per cent cut will therefore work an injustice to many of our postmasters because it will mean a double cut.

Without objection, it is so The VICE PRESIDENT. ordered.

The statements are as follows:

STATEMENT OF CHARLES F. TROTTER, SUPERINTENDENT POST-OFFICE SERVICE, POST OFFICE DEPARTMENT, BEFORE THE HOUSE COMMITTEE ON THE POST OFFICE AND POST ROADS ON FEBRUARY 3, 1932

Mr. TROTTER. Mr. Chairman, I have before me H. R. 142. in some respects, is the same as the bill that was considered in the last session, on which I was heard. That bill, however, pro-

the last session, on which I was heard. That bill, however, provided that no reduction should be made for the one year 1932; this provides that no reduction shall be made in 1932, 1933, and 1934, on account of reduction in receipts, and includes postmasters and offices as set forth in the act of 1925.

So far as 1932 is concerned, those reductions have already been made. The reductions were based on receipts for the calendar year December 31, 1930, and became effective July 1, 1931, and are now in effect. The reductions for that year, as I recall, amounted to \$691,422, as follows: Of postmasters' salaries 4,631 were reduced, amounting to a total reduction of \$575,900; assistant postmasters amounting to \$24,000; supervisors 323, amounting to \$40,700; amounting to a total reduction of \$575,900; assistant postmasters 232, amounting to \$24,200; supervisors 323, amounting to \$40,700; clerks, in the 94 offices that were reduced from second to third class, 125 clerks, amounting to \$234,800.

Mr. Brunner. How many clerks?

Mr. TROTTER. One hundred and twenty-five clerks in 94 post

Mr. Brunner. You mean 125 in all? Mr. Trotter. Yes. Mr. Brunner. And how much money? You say 125 men were

Mr. Brunner. And now much money? You say 125 men were reduced how much money?

Mr. Teotrer. The money involved in these 125 reductions amounted to \$234,000. However, there were some offsets, because when these offices went back to the third class they were given allowances from the appropriation for clerk hire at third-class post offices, amounting to \$184,178. So the net reduction at those offices amounted to only \$49,822.

The total reductions for all these postmasters, supervisors, and clarks amounted to \$601,422.

amounted to \$691,422.

While we have no figures for 1933, the adjustment of the post-masters' salaries is in process of being made now. It will not be completed until about the 1st of May, but we have no doubt, the way the business has been falling off during the four quarters ending December 31, 1931, that the reduction will amount to as

ending December 31, 1931, that the reduction will amount to as much as last year and probably more.

As to 1934, which will be based on receipts for the four quarters ending December 31, 1932, we can not say but we hope there will not be a greater loss than in 1933, but that is only a hope. The way it is headed now, it will be greater.

I can only say for this bill that the Postmaster General does not look with favor upon it, not only on account of the money involved, but on account of making a law that will operate in only one direction and will not operate in another. Under the present law the postmasters and superintendents go up as receipts. present law the postmasters and superintendents go up as receipts

increase, and they have been going up for years and years, but under this law when they turn and go down, if they are going down, they would not suffer any loss. For that reason the Postmaster General does not believe that the bill is equitable.

Mr. Kelly Mr. Trotter, these employees that you mention have

actually suffered a reduction in compensation, have they not?

Mr. TROTTER. Yes, sir; the order has been made on the books reducing all of them.

Mr. Kelly. Is there any other group in the Postal Service that has suffered actual reduction so far?

Mr. TROTTER. No; I do not think so. Mr. Kelly. I do not know of any other.

Mr. TROTTER. Only postmasters and supervisors, and clerks at offices relegated to the third class.

Mr. Sweeney. You state this system has been going on for

ars and years. Is it not a fact that this became operative in years 1925?

Mr. TROTTER. The original law providing for the basing of postmasters' salaries has been in effect since 1883, with some amendment since.

Mr. Sweeney. Substantial amendments were added in 1925?

Mr. Trotter. Yes; 40 years ago it was provided that the salaries of postmasters went up as receipts increased and down as they decreased.

Mr. Sweeney. That refers to supervisors also? Mr. Trotter. Supervisors did not come in so early as that. supervisors started in 1907, I think. But all supervisors, including assistant postmasters, superintendents of stations, have salaries to-day based on the receipts of their offices and stations. If the receipts go up sufficiently to increase them, they get an increase; if they go down, they unfortunately have to take a reduction, under the present law.

From statement of Mr. Arch Coleman, First Assistant Postmaster General:

COMPENSATION TO POSTMASTERS

The CHAIRMAN, For compensation to postmasters and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, you are asking \$51,000,000 for 1933, and your current appropriation is \$53,000,000.

Mr. Coleman. Yes. sir.

The Chairman. I notice your estimated expenditures for this year are \$51,420,000. Is that correct?

Mr. Coleman. Yes, sir.

The Chairman. You will have a balance there. How did you

arrive at that, Mr. Coleman?

Mr. Coleman?

Mr. Coleman. We arrived at it in this way. The receipts have been steadily declining, and, of course, the postmasters' salary is fixed according to the receipts of the office.

In view of the decline in revenues, we have estimated the lower

amount needed for paying postmasters for the coming year. These readjustments are made on the 1st of each July, based on the

readjustments are made on the 1st of each July, based on the receipts of the office for the previous calendar year.

The Chairman. I notice you have a reduction of something over \$1,500,000 in actual expenditures as compared with 1931. I am referring to your estimated expenditures for this year.

Mr. Coleman. Our estimated expenditures—

The Chairman (interposing). You only reduce your estimated expenditures by \$420,000 for the next year? Do you anticipate that your revenues are going to increase next year?

Mr. Coleman. We anticipate that they will not continue to fall. The Chairman. Just how did you arrive at that figure. Was that a guess?

that a guess?

Mr. Coleman. No: it is based on the changes in previous years, and also to compiling the reduction in revenue during the past

CHAIRMAN. You fix your salaries upon the gross receipts.

When are those fixed?

Mr. Coleman. Those are fixed on July 1 of each year, according to the receipts during the previous calendar year ending December 31.

The CHAIRMAN. How is the compensation of fourth-class postmasters fixed?

Mr. COLEMAN. That is fixed by cancellations.

The Charrman. It is fixed on the basis of 160 per cent of the first \$75 or less per quarter, 85 per cent on the next \$100 or less per quarter, and 75 per cent on all the balance over \$175 per

Mr. Coleman. Yes, sir. All we have to go by there, of course, is the receipts of the previous year.

REDUCTION IN COMPENSATION OF POSTMASTERS THROUGH REDUCTION IN RECEIPTS

The CHAIRMAN. Did you anticipate the closing of any offices next

year in making this estimate?

Mr. COLEMAN. Yes; but that is usually almost offset by the

third-class offices going back, and some of them will, under present conditions

Mr. THATCHER. There will be as many coming into service of

this type as will go out of service; is that your idea?

Mr. COLEMAN. I think that is practically so. It may reduce a few, but it will be a small number. Of course, those that are few, but it will be a small number. Of course, those that are reduced are very small offices, and usually the compensation is around \$100 or \$200 per year. So if we have reduced a few of them, it will not have any appreciable effect upon the cost.

The CHAIRMAN. To what extent do you anticipate the compensation of postmasters to be reduced by the falling off of receipts?
Mr. COLEMAN. We have anticipated here in the neighborhood of \$400,000. Of course, it is pretty hard to determine that accurately. Some of them go up, even during these days. We have never had a falling off as large as that, that I know of, in the

never had a falling off as large as that, that I know of, in each history of the service.

The Chairman. I understood the Postmaster General to say this morning—and I think he was speaking of this year—that there had been a 7 per cent reduction in the receipts of the post office.

Mr. Coleman. That was for the last fiscal year.

The Chairman. What is it this year?

Mr. Coleman. It will probably be the same.

The Chairman. What do you anticipate for 1933—the same?

Mr. Coleman. No; I do not anticipate it, but we have not anything to base any opinion on.

thing to base any opinion on.

The Charman. I have been wondering, if there is a 7 per cent reduction in receipts, why the compensation for postmasters would not be reduced to a certain extent.

Mr. Coleman. That does not fall off in anything like the propor-

tion you might think. There may be a falling off in receipts, with no change in postmasters' salaries, because they only jump at stated intervals, and the increase might be within those two standards for payment.

FARM ORGANIZATIONS AND THE SALES TAX

Mr. THOMAS of Oklahoma. Mr. President, we have three great nation-wide farm organizations represented here in the Capital. These organizations represent the farmers and agricultural interests of the United States. The leaders of these farm groups embrace some of the outstanding men of the country. Fred Brenckman is the Washington representative of the Grange, John A. Simpson is the national president and representative of the Farmers' Union, and Edward A. O'Neal is the president and representative of the Farm Bureau. The total membership of these organized groups runs into the hundreds of thousands. Agriculture is our largest and most numerous group, embracing some 6,500,000 farms and some 30,000,000 of our population. These farms and farm population dot and cover the entire country. No policy or program which does not take into consideration the interests of this most numerous class can possibly succeed. Recent developments have convinced all other groups that unless the farmer is prosperous no other class can survive. To-day, with agriculture impoverished and destitute, we find labor unemployed, banks failing, businesses bankrupt, and our largest concerns, such as the railways, life-insurance and trust companies, compelled to ask the Federal Government for direct aid and relief in the form of loans. Government aid, in the form of loans to "big business," will not give permanent relief. If the 10,000,000 men out of work and the 30,000,000 farm population without buying power are not helped, then at the end of the year, when the loans to "big business" come due, receiverships and bankruptcies are inevitable.

For the first time in history the three great farm organizations have agreed upon a program of relief for the masses. This program embraces a joint demand for:

A reduction of expenses of government-township, town, city, county, State, and National.

An increase in the amount of money in circulation so that money will be more plentiful, thereby cheaper, which will mean increased farm and commodity prices.

A reduction and equalization of tariff rates to end that the burdens and benefits of the system will be more equally distributed.

Prevention of further centralization and control of money and credits in the hands of eastern banking groups.

A system of public works so elastic as to provide jobs for wage earners in times of depression.

A financial policy permitting farmers to refinance their existing farm mortgages at rates of interest comparable to rates charged big business concerns.

An economic policy wherein farmers may secure at least the cost of production for that portion of their crops consumed in the United States.

An immediate adjustment and redistribution of the wealth of the country through higher income, estate, and inheritance taxes upon swollen fortunes.

These reforms are not only desirable but they must be carried out if our Government is to survive.

To carry out their joint program bills have been prepared, introduced, and urged for passage by the Congress. To increase the money in circulation the farmers demand the passage of the Wheeler bimetallism bill; to secure cheaper funds for refinancing farm loans they demand the passage of the Frazier bill; and to secure the cost of producing farm commodities they demand the passage of the Swank-Thomas bill. Already, through the efforts and influence of the three farm groups, the Frazier bill and the Swank-Thomas bill have been reported favorably by the Senate Agricultural Committee.

As a concrete illustration of the activities and great influence of the farm organizations, I call attention to the farmers' successful fight against the sales tax. It was proposed to place a tax upon the things the people have to buy, exactly as the tax of 1 cent per gallon was placed on gasoline. The farmers' organizations opposed the sales tax, and defeated the scheme save on a few articles which they opposed but could not defeat.

On May 28 the three national farm organizations joined in sending a letter to each Senator demanding that the sales tax be defeated. The text of the letter was as follows:

WASHINGTON, D. C., May 28, 1932.

To the Members of the Senate:

The three national farm organizations are definitely opposed to any form of a manufacturers' or sales tax. They stand now as they have always stood. We remember, and the Senate should not forget, that in 1927 and 1928, as well as in other former periods when the sales-tax issue was being considered, its consideration was always connected with a reduction or abolition of income, corporation, and inheritance taxes. The imposition of a consequence corporation, and inheritance taxes. The imposition of a general sales tax in any form will add to the inequitable distribution of wealth in our Nation. In addition it will lay a burden on those who should not be asked in their daily purchasing of the necessities of life to pay a hidden Federal tax. Such a tax will not be absorbed by the manufacturers.

A sales tax, a manufacturers' excise tax, or any tax of similar character once incorporated in the Federal tax structure never will

character once incorporated in the Federal tax structure never will be removed. It will be enlarged and multiplied at every financial emergency which confronts the National Government. One amendment doubling a sales-tax rate will be found the easiest way to secure taxes for the Federal Government rather than changing the rates of other Federal taxes. Our support to such a tax can not be secured by having certain of the necessities of life exempted. Exemptions, after a while, will cease, but the operation of the tax will be continued.

We have been in constant touch with our membership through-

We have been in constant touch with our membership through-out the sales-tax controversy this session of Congress. We assure the Members of the Senate that there has been no change in farm sentiment in its absolute opposition to the sales or manufacturers' excise tax.

Very respectfully,
National Grange Patrons of Husbandry,
By Fred Brenchman, Washington Representative.
Farmers Education and Cooperative Union of America,

JOHN A. SIMPSON, President.
THE AMERICAN FARM BUREAU FEDERATION,

By EDW. A. O'NEAL, President.

This fight over the sales tax was a contest between the masses of the people and the privileged and favored few. If taxes can be saddled upon wage earners and farmers, then the big income-tax payers can escape the payment of additional taxes.

After the farm organizations had sent their letter to the Senators, the President hurriedly prepared a message and with less than one hour's notice came to the Senate Chamber and recommended the passage of the sales-tax plan of raising revenues with which to run the Government. The vote came just a few hours after the President had spoken, and when the roll was called the sales-tax plan was defeated by a two to one vote. The following is a copy of the official CONGRESSIONAL RECORD (pp. 12048-12049):

The result was announced-yeas 27, nays 53, as follows:

Yeas—27: Austin, Barbour, Bingham, Broussard, Coolidge, Copeland, Dale, Fess, Goldsborough, Hale, Hastings, Hawes, Hebert, Kean, Keyes, Metcalf, Moses, Reed, Shortridge, Smoot, Tydings, Vandenberg, Wagner, Walcott, Walsh of Massachusetts, Watson, and White

and White.

Nays—53: Ashurst, Bankhead, Barkley, Black, Blaine, Bratton, Bulkley, Bulow, Byrnes, Capper, Caraway, Carey, Cohen, Connally, Couzens, Cutting, Dickinson, Dill, Fletcher, Frazier, George, Glass, Gore, Harrison, Hatfield, Hayden, Howell, Johnson, Jones, Kendrick, King, La Follette, Lewis, McGill, McNary, Neely, Norbeck, Norris, Nye, Oddie, Pittman, Robinson of Arkansas, Robinson of Indiana, Sheppard, Shipstead, Smith, Steiwer, Stephens, Thomas

of Idaho, Thomas of Oklahoma, Trammell, Walsh of Montana, and Wheeler.

Not voting—16: Bailey, Borah, Brookhart, Costigan, Davis, Glenn, Hull, Logan, Long, McKellar, Morrison, Patterson, Schall, Swanson, Townsend, and Waterman.

So the amendment proposed by Mr. Walsh of Massachusetts was rejected.

RELIEF OF AGRICULTURE

Mr. HOWELL. Mr. President, there are many people here in Washington, and among them high officials, who do not realize the desperate situation of the farmers of this country. As evidence of this fact, I quote in part from the Washington Star of yesterday, June 3:

FARMERS ARE HELD BEST OFF IN NATION—ASSISTANT SECRETARY DUNLAP DEFENDS ADMINISTRATION IN ADDRESS HERE

"The farmers are the folks who are best off in this country," Assistant Secretary of Agriculture Dunlap told the District Young Republicans' Membership Committee here last night in defending the Hoover administration against charges that its relief program favored large banks and corporations rather than small business men and farmers.

Only a small proportion of farm property is incumbered by mortgages, Dunlap said, and curtailed crops promise increasing

Can it be possible that such ignorance of farm conditions is responsible for the apparent paralysis of Congress and official Washington in connection with agricultural relief?

Mr. President, conditions on the farms of this country are so deplorable that it is difficult to picture them accurately. Agriculture can not endure much longer such injustice and oppression. Farm leaders know the situation throughout the country. They realize the desperate plight which now confronts the farmer and the imperative necessity for immediate action, not only for the benefit of the farmers themselves but for the benefit of the country generally, which can not hope to enjoy adequate and permanent recovery from this depression unless the nearly one-half of our population directly dependent upon agriculture is rescued.

Mr. President, in this connection, I request unanimous consent to include in the RECORD a recent Associated Press dispatch from Chicago, which is indicative of the gravity of the situation and shows that farm leaders realize keenly that something must be done.

The VICE PRESIDENT. Without objection, it is so ordered.

The dispatch referred to is as follows:

FARMERS WILL DEMAND ACTION BY CONGRESS-MID-WEST AGRICULTURAL BODIES "TO STAY IN WASHINGTON UNTIL SOMETHING IS DONE

Representatives of the American Farm Bureau Federation, the Illinois Agricultural Association, and the Iowa Farm Bureau announced last night they will leave to-day for Washington "to stay there until Congress does something to raise the price of farm

"Farmers are in the market for almost everything, but they have no money to buy," said Earl C. Smith, president of the Illinois Agricultural Association. "If farmers get better prices, every kind of business will improve. We shall insist that Congress do something before adjournment."

Accompanying Smith to the Capital will be Edward A. O'Neil, president of the American Farm Bureau, and Charles E. Hearst, head of the Iowa Farm Bureau.

Mr. CONNALLY. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Texas?

Mr. HOWELL. I yield.

Mr. CONNALLY. I want to say to the Senator that I am in hearty agreement with his effort to aid agriculture. I have a bill pending providing for an amendment to the Reconstruction Finance Corporation act permitting it to use \$250,000,000 of its resources to loan to exporters or foreign purchasers in order to get rid of our surplus cotton and wheat. Would the Senator think well of such a proposal? Does he not think that we have got to get rid of the surpluses before we can do anything substantial for agricul-

Mr. HOWELL. There is no question that if the farm surpluses now in the country could be removed the prices of agricultural products for this crop year would be greatly improved.

Mr. CONNALLY. It would react very favorably upon the agricultural situation?

Mr. HOWELL. Yes. I will take under consideration the Senator's proposed amendment with great interest, because something of that kind ought to be done.

Mr. CONNALLY. Let me suggest to the Senator that when the bills for relief-the administration bill to increase the power of the Reconstruction Finance Corporation and to give it more money, the bill proposed by the Speaker of the House, and the one proposed by the Senator from New York [Mr. WAGNER]-come before the Senate it is my purpose to offer the bill which I have pending as an amendment to either one or all of them. I commend the matter to the consideration and attention of the Senator from Nebraska, because I want to join him and aid him and cooperate with him in doing something; but it seems to me that the first thing we have got to do is to make easy the marketing of these surpluses and getting them abroad and having them consumed in the regular channels of trade.

Mr. WALSH of Montana. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. HOWELL. I vield.

Mr. WALSH of Montana. I want to say that in the bill introduced by the Senator from New York [Mr. WAGNER] there is just such a provision, which appropriates \$40,000,000 out of the funds at the disposal of the Reconstruction Finance Corporation to aid in the exporting of agricultural products.

Mr. CONNALLY. Will the Senator from Nebraska yield? Mr. HOWELL. I yield.

Mr. CONNALLY. Let me ask the Senator from Montana if he thinks that \$40,000,000 is quite adequate to aid the exportation of the tremendous surpluses of cotton and wheat? Does he not think that the ratio of \$40,000,000 for agriculture to a billion and a half dollars or \$2,000,000,000 for other purposes somewhat out of the proper ratio?

Mr. WALSH of Montana. I would not think that the mere matter of helping the export of agricultural products would by any means meet the necessities of the agricultural situation, whatever the amount might be.

Mr. CONNALLY. Not at all. We can not do it all at once, but certainly we have got to get rid of our big stocks now on hand before we can ever hope for profitable reproduction of more of those commodities. The trouble with the market is that people in Europe who want to buy have no credit with which to buy, and our domestic dealers and cotton merchants and wheat merchants are not in a position to offer credit to foreign purchasers. That is the want and the need that I am seeking to supply. I will say to the Senator that my bill is not limited to the Farm Board or cooperatives, but it is available to anybody who is in the business of buying and selling these commodities or producing them, in order to stimulate the normal channels of trade in wheat and cotton for foreign consumption.

Mr. GORE. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. HOWELL, I yield.

Mr. GORE. I dislike to trespass upon the Senator's time, but I wish to observe that we tried the policy for a number of years of loaning money to the peoples of Europe with which to buy our goods. So long as we did that they bought and we had a fine market and we had fair prosperity, but that sort of policy could never be permanent, and it broke

To signify my contribution to this proposition, I wish to state that I have also introduced two bills, one dealing with cotton and one with wheat-the wheat and cotton impounded by the Farm Board-regulating how it should be held and when it should be sold. I do not doubt that if these measures shall be passed they will enhance the price of cotton 2 or 3 cents a pound and of wheat 5 cents a bushel.

Mr. WALSH of Montana. Mr. President—
The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. HOWELL. I yield.

Mr. WALSH of Montana. It is very worthy of consideration whether the contention is not eminently sound that any nation that becomes a creditor nation can only retain its prosperity by loaning its excess in some form or other to develop foreign markets.

Mr. GORE. Mr. President, I should like to make one more observation.

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. HOWELL. I yield.

Mr. GORE. We have a number of international institutions in this country which have had a good deal of experience and rather too much success in the marketing of foreign securities in this country, the proceeds of which, no doubt, were largely used to purchase our products.

Mr. HOWELL. Mr. President, I am, indeed, gratified to observe, as I have heretofore, the interest in the agricultural situation that is constantly evident on the part of the able Senators from Texas and from Oklahoma.

There is more than one branch to this agricultural question. One of the things-the primary thing-we must do is to afford the farmers of this country a United States price for that which they produce, inasmuch as they must pay a United States price for that which they buy.

The next important problem that confronts us is this: There is a large class of farmers in this country who have equities in assets; they are solvent; but, because they are unable to borrow or renew their loans, they are being foreclosed. We ought to go to the rescue of that class of

There is another class of farmers which it is far more difficult to aid, and that is the class of farmers whose equities have become so small they are practically bankrupt at the present time. It is regrettable that we can not assist them, but, unfortunately, all we can do for them is to afford them an economic equality and absolute security, inasmuch as farmers are now receiving but 56 per cent of the average they received from 1909 to 1914 for their products. That is the tremendous problem that is before us. and until agriculture is rescued in this respect we can not hope for general prosperity in this country, because, as I have heretofore stated on this floor, 44 per cent of our people are directly dependent upon agriculture, either as producers or as those who serve such producers. I am speaking of all the ruralists of the country.

Mr. WALSH of Massachusetts. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Massachusetts?

Mr. HOWELL. I yield. Mr. WALSH of Massachusetts. As a representative of an industrial State, I want to express my approval of the sentiments just cited by the Senator from Nebraska,

Mr. HOWELL. I, indeed, thank the able Senator from Massachusetts.

Mr. President, farm leaders of the country have served notice on Congress that the responsibility is now upon official Washington to do something. This position is set forth in a letter signed by representatives of the American Farm Bureau Federation, National Grange, and Farmers' Union.

Mr. President, I request unanimous consent to insert that letter in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

WASHINGTON, D. C., May 16, 1932.

Hon. MARVIN JONES,

Chairman House Committee on Agriculture,

Washington, D. C.
My Dear Chairman Jones: The three national farm organizations, representing 2,000,000 farm people in the United States and constituting the only organized groups in our Nation which speak for all the farmers in the country, have appeared before the House | Committee on Agriculture in regard to amendments to the agri-

cultural marketing act.

This was not done merely as an idle gesture to keep our records straight or to advocate certain specific methods to assist in solving the surplus problem. It was done because of a strong feeling among the leaders and throughout the membership of these organizations that until constructive and effective legislation is passed to assist agriculture in marketing her crops, particularly in the domestic market, all else which Congress does will be largely interfective. ineffective

On February 4 and 5 the Farmers' Union appeared and offered its arguments in regard to this general proposition. On February 16, 17, and 18 the National Grange and the American Farm Bureau 16, 17, and 18 the National Grange and the American Farm Bureau Federation appeared. On January 12 another appearance was made before your committee covering the same subject matter. Then for the fourth time, on May 4, the organizations came before you briefly and presented a composite measure, which now lies before your committee.

This last measure is proof positive that the three national farm organizations are in agreement on this matter of amending the marketing act and securing effective surplus-control legislation.

As a result of this last appearance there now lies before the

marketing act and securing effective surplus-control legislation.

As a result of this last appearance there now lies before the House committee a responsibility to act upon this measure which the three farm organizations are agreed upon, and upon which they expect action. This is a responsibility which the farm organizations have not shirked, nor do they expect the House Committee on Agriculture to shirk its responsibility.

Only 23 days remain in this session of Congress, if adjournment is taken on the date now tentatively agreed upon by the congressional leaders. This is a short time, but it is not too short to secure a favorable report upon this measure, and action by the entire Congress, before adjournment.

secure a favorable report upon this measure, and action by the entire Congress, before adjournment.

The prosperity of our Nation depends upon the prosperity of that approximate half of our population which has its first hope of prosperity in the welfare of agriculture. The Nation is expecting the Congress to enact legislation which will again start the wheels of industry turning. The wheels of industry can not turn unless agriculture is moving forward in her prosperity. This measure will start agriculture upward and, as a result, will aid undoubtedly more than any other legislation thus far passed in curing the causes of this depression. the causes of this depression.

Very respectfully, American Farm Bureau Federation,

By EDW A. O'NEAL, President.
THE NATIONAL GRANGE,
By FRED BRENCKMAN, Washington Representative.

FARMERS EDUCATION AND COOPERATIVE UNION OF AMERICA, By JOHN A. SIMPSON, President.

Mr. HOWELL. Mr. President, the farm-relief measure referred to in this letter is now on the calendar of the Senate. Certainly, it should receive early consideration, not only by the Senate but by the House. Both Houses of Congress must act.

In short, the farmers have agreed upon a program, and their leaders have presented it again and again to the proper committees of this Congress. Therefore, so far as initial action is concerned, these farm leaders have discharged their responsibility in the premises. Therefore, that responsibility now rests squarely upon the Senate and House of Representatives. Each House has the power to provide the legislation deemed necessary.

The question is, Are we to have prompt consideration of this measure? Or are we to acknowledge, by inaction, that there is not the will in Congress to act in behalf of agri-

Mr. President, agriculture must be rescued.

Mr. LOGAN. Mr. President, I am as anxious as anyone to vote on the matter now pending before the Senate, and I shall not take up the time of the Senate further than to say a word about agriculture.

Kentucky is one of the greatest agricultural States in The farmers in that State, however, are not the Union. asking anything in the world of Congress except that Congress help to keep other people's fingers out of their pockets. We want no bonuses; we want no appropriations for our benefit; we would like the time of payment on our interest to be extended a little bit; but the farmers of Kentucky are the equal of the lawyers or the doctors or the preachers or any other people on earth. They know that there is nothing that Congress can do to help them except to give them equal standing before the world.

They also have no very great admiration for those who express so much sympathy for them, who talk about the poor farmer and how much he needs to be relieved; and yet, when the opportunity comes to vote to charge the farmers

\$3 a thousand on the lumber they need to build their little houses, they vote that way with a good deal of gusto and say, That is all right," and then insist that there ought to be a cut in the salaries of poor Government employees because it will help the farmer.

What I am about to say does not apply to anything just now; it is apropos of nothing in the world; but it has come to my mind several times, and I want to make the statement. Senators who are students of the Bible-and all of them ought to be for they need it just now-will remember that at one time the prophet Elijah had a great contest with the priests of Baal upon Mount Carmel. It will be recalled how the priests of Baal prayed to their God all day, and Elijah made fun of them and ridiculed them. Then later in the afternoon when the sacrifices were prepared and the ditches were filled with water, fire came down and consumed the sacrifice, and Elijah won a great victory over the priests of Baal. Now, if Elijah were still living, he would have to thank his God every day that the contest he had was not with the "priests of bunk" instead of with the priests of Baal, because he certainly would have lost.

I have a word more to say on this question of making cuts in salaries. I have no objection to reducing salaries: I believe that every one is willing to stand a reduction if it is fairly made. What I am objecting to is that we are concealing our dereliction of duty by reducing the salaries of those who are unable to stand it, and leaving those with large appropriations to which they are not entitled in the enjoyment of such appropriations, when we ought to take them away from them. Many of them have been mentioned. There are others.

The one particular thing that makes me feel badly about this whole matter is this:

When the sons of Mary come asking for help, we greet them with outstretched hands filled with gifts. We kill the fatted calf, and put purple robes upon them and rings upon their fingers, and send them away rejoicing. But when the sons of Martha come and humbly pray for lowly bread, we contemptuously give them a stone.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933. and for other purposes.

Mr. FESS. Mr. President, I desire to make a brief statement about my position on the pending measure, because it now appears that in all probability I shall not be present in the Senate when the vote comes. I am going to be compelled to be absent for some days on a matter that all of my friends understand.

My concern is to keep the expenditures within the income of the Government; and in order to do it we necessarily must cut where we can on the expenditures, and impose additional taxes to make up the difference where the cut will not be sufficient.

I regret exceedingly that the country is misinterpreting our problem. A great number of our people throughout the land who ought to know seem to think that this problem can be solved easily by reducing Government expenses; that that is all that is necessary to be done. I have stated to them that even if we abolished the entire pay roll of the legislative department of the Government it would be only a drop in the bucket in the emergency that faces us. Notwithstanding that, I think that there is no choice left for us; that we must make such reduction as is demanded, and I am going to go along in doing that.

I should prefer very much to have the furlough system, if it is workable. It seems to me that it has some very strong points. In the first place, it would maintain the salary scale, and it would be a step in the direction of the shorter week, which it looks to me as if industry is going to come to in time; and instead of laying off people it would employ a large number. There are, however, some objections to it. I will vote for it if an opportunity is given, believing that it is a sound procedure.

If that could not be, I should prefer then the graduation plan; and I should not be willing to exempt as has been proposed in the pending amendment here; I should prefer the measure that is suggested by the cooperation of the Senator from Massachusetts and the Senator from New York.

As I say, I think the graduation plan is the most feasible, the most workable, and it appeals to me as equitable. I should not want to go down to the point where anyone with a reasonable salary would not be taking part in this contribution. I think every person ought to participate in helping solve the problem, but it ought to be at the minimum in percentage. Then I should be perfectly willing to go up to 20 per cent, if necessary, in the \$10,000 rank.

If the graduation plan is not accepted, or we have no opportunity to vote for it, I am going to vote with the committee on the plan that has been reported by the

committee.

In other words, what I would do is in obedience to the effort to balance the Budget. I think that is absolutely necessary.

Mr. WALSH of Massachusetts. Mr. President—
The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. FESS. I yield.

Mr. WALSH of Massachusetts. I will state to the Senator that, after the Norris amendment has been voted upon, if it is rejected, I shall offer my amendment.

Mr. FESS. Mr. President, I wanted to make this statement, so that in case a vote comes while I am not in the Senate Chamber the Senate and the country will know my position. I am convinced that it is unwise to do anything short of making our expenditures stay within the limits of our income. There are two courses to follow: One is to reduce the expenditures where we can to the degree that we can. The other is to impose additional taxation where we can not avoid it. We shall really finish the tax problem so far as we can go probably on Monday. It is not likely that we will get the tax bill to-day. That leaves us with the problem of reduction.

I shall vote in accordance with the proposal to make the reduction sufficient to balance the Budget, and I have stated the ways that I would prefer. The furlough plan appeals to me greatly. The graduation plan is a better plan than the one the committee has presented; but if neither one of these is adopted, then I am going to vote for the flat 10 per cent.

Mr. COPELAND. Mr. President, I feel exceedingly sorry for the committee. I know how hard they worked, and the very fact that we have taken two days to discuss this question is an evidence of the difficulties involved in the problem which confronted them.

I am fully convinced, however, that it would be unthinkable that we should impose upon these low-paid employees, those from \$1,000 down, a 10 per cent reduction. The Senator from Massachusetts [Mr. Walsh] and I spent a lot of time in consultation with other Senators. I am sure he will agree with me that doubtless our plan is not a perfect one, but at least it is an equitable plan. When we impose an income tax we impose a tax proportionate to the ability to pay, and we have tried by a graduated plan to put the tax where it would cause the least suffering.

To take 10 per cent off an employee getting a thousand dollars means a whole lot. On a very limited budget \$100 is a lot of money. I voted for the amendment offered by the Senator from California [Mr. Johnson], because I wanted to be on record right away as being in favor of a graduated plan of reduction. I hope we may hit upon something that will be fair and just.

I am in harmony with what the Senator from Ohio [Mr. FESS] says about the need of balancing the Budget. We must do that. At the same time we do not want to balance the Budget at the expense of many underpaid employees of the Government, and I believe that is the sentiment of the Senate.

Mr. NEELY. Mr. President, the pending committee amendment is entitled "Compensation Reduction of Federal Employees." A more appropriate designation would be "A proposal to legalize the picking of the pockets of those who give to the United States Government their labor, their liberty, and their life." My vote will be cast for the most drastic available proposal to reduce my own salary and that of every other Member of Congress. Not because I believe that any Member of the House or Senate is overpaid, but for the reason that—

 Mankind are unco weak, And little to be trusted, If self the wavering balance shake It's rarely right adjusted.

Until it is conclusively proved that it is justifiable to commit grand larcency, common burglary, and highway robbery, my vote will be recorded against every measure designed to reduce the compensation of Federal employees who receive less than \$2,500 a year. As a rule, the employees of private corporations are paid much higher salaries or wages for given services than are paid for the performance of similar duties to Government employees.

The Government servant habitually sacrifices something of compensation for the prospect of permanency of employment and stability of wages. Thus, the intended victims of the committee amendment have regularly contributed more than their share to the Government throughout the period of their employment. The Federal wage earners should not, for their generous sacrifices in the past, be subjected to unnecessary, distressing penalties in the present.

During the last two years practically every great corporation in the country has reduced salaries and slashed wages for the alleged purpose of hastening the end of the depression and speeding the return of prosperity. But every reduction that has been made in the compensation of the toilers has been followed by an aggravation of every symptom of the financial, industrial, and economic diseases which have for three years afflicted the country as it has never been afflicted before.

Recent experience teaches and common sense proclaims that to reduce wages is to diminish the purchasing power of the people. To diminish the power of the people to purchase the necessaries and comforts of life is to prolong the panic. To prolong the panic is to commit treason against a distressed, distracted, and discouraged world. To vote for the committee amendment in its present form would be to vote to increase poverty, delay the return of prosperity, and irreparably injure the faithful Federal employees.

Mr. McNARY. Mr. President, the yeas and nays have been ordered on the amendment of the Senator from Nebraska [Mr. Norris].

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. McNARY. I suggest the absence of a quorum.
The VICE PRESIDENT. The clerk will call the roll.
The legislative clerk called the roll, and the following Senators answered to their names:

Coolidge Copeland Costigan Couzens Hastings Ashurst Hatfield Hayden Bailey Bankhead Hebert Howell Hull Cutting Barbour Barkley Dale Davis Dickinson Blaine Johnson Jones Borah Fess Fletcher Kean Bratton Broussard Bulkley Kendrick Frazier George Keyes Lewis Logan McGill McKellar Byrnes Glenn Goldsborough Caraway McNary Metcalf Moses Carey Gore Hale Harrison

ngs Neely
eld Norbeck
en Norris
rtt Nye
dil Oddie
Patterson
Pittman
s Reed
Robinson, Ark.
rick Robinson, Ind.
s Schall
s Sheppard
n Shipstead
dil Shortridge
ellar Smith
rry Steiwer
alif Stephens
s Thomas, Okla.

Trammell Tydings Vandenberg

Walsh, Mont. Watson

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present. The yeas and nays have been ordered on the amendment of the Senator from Nebraska [Mr. Norris]. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. In his absence I withhold my vote.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson], which I transfer to the senior Senator from Colorado [Mr. WATERMAN], and vote "nay."

Mr. BLAINE (when Mr. La Follette's name was called). My colleague [Mr. La Follette] has a pair with the junior Senator from North Carolina [Mr. Balley]. If my colleague were present and voting, he would vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Alabama [Mr. BLACK]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. SCHALL (when his name was called). I have a general pair with the junior Senator from Illinois [Mr. Lewis]. Not knowing how he would vote, I withhold my vote. Were I permitted to vote, I would vote "yea."

Mr. WHEELER (when his name was called). Has the junior Senator from Idaho [Mr. Thomas] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. WHEELER. I have a general pair with the junior Senator from Idaho, and not knowing how he would vote. I withhold my vote.

The roll call was concluded.

Mr. BAILEY. I am paired with the senior Senator from Wisconsin [Mr. La Follette]. It has been announced, however, that that Senator would vote as I intend to vote, and therefore I am at liberty to vote. I vote "nay."

Mr. GLASS (after having voted in the negative). I have a general pair with the senior Senator from Connecticut | Mr. Bingham |. Being advised that if present that Senator would vote as I have voted, I will permit my vote to stand. The Senator from Connecticut is necessarily absent, and is specially paired on this question.

Mr. McKELLAR (after having voted in the negative). I have a general pair with the junior Senator from Delaware [Mr. Townsend]. I understand that Senator is not in the Chamber, and being unable to obtain a transfer, I withdraw my vote.

Mr. GLENN. I have a general pair with the junior Senator from Louisiana [Mr. Long], who is absent from the city. I therefore withhold my vote.

Mr. FESS. I desire to announce the following pairs:

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Missouri [Mr. HAWES];

The Senator from Iowa [Mr. BROOKHART] with the Senator from Utah [Mr. King]; and

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Washington [Mr. DILL].

I also desire to announce that if present the junior Senator from Connecticut [Mr. WALCOTT], the junior Senator from Utah [Mr. King], and the senior Senator from Connecticut [Mr. Bingham] would vote "nay," and that if present and voting, the senior Senator from Missouri [Mr. Hawes], the senior Senator from Iowa [Mr. Brookhart], and the junior Senator from Washington [Mr. DILL] would vote "yea."

The result was announced—yeas 20, nays 54, as follows:

		(EAS-20	
Barkley	Copeland	McGill	Shipstead
Borah	Costigan	Norris	Shortridge
Bulow	Couzens	Nye	Smith
Capper	Frazier	Pittman	Thomas, Okla.
Caraway	Logan	Sheppard	Wagner
Ashurst	Bankhead	Bratton	Byrnes
Austin	Barbour	Broussard	Carey
Bailey	Blaine	Bulkley	Cohen

Connally Coolidge Cutting Dale Davis Dickinson Fess Fletcher George Glass Goldsborough	Gore Hale Harrison Hastings Hayden Hebert Howell Hull Johnson Jones Kean	Kendrick Keyes Metcaif Moses Neely Norbeck Oddie Patterson Reed Robinson Ark.	Steiwer Stephens Trammell Tydings Vandenberg Walsh, Mass. Walsh, Mont. Watson White
- Sittle Strong II		Robinson, Ind.	
Bingham Black Brookhart Dill Glenn Hatfield	Hawes King La Follette Lewis Long McKellar	McNary Morrison Schall Smoot Swanson	Townsend Walcott Waterman Wheeler

So Mr. Norris's amendment to the House text was rejected.

REVENUE AND TAXATION-CONFERENCE REPORT

Mr. WATSON. Mr. President, I am informed that the House of Representatives, without a roll call, agreed to the conference report on the revenue and tax bill. I ask unanimous consent that the conference report may be taken up in the Senate on Monday at 12 o'clock.

The VICE PRESIDENT. It is a privileged matter.

Mr. WATSON. I know it is a privileged matter, but I just want to have an agreement as to the time when it will be taken up.

Mr. JONES. Mr. President, why not take it up this afternoon?

Mr. WATSON. I do not suppose the report could be agreed to this afternoon, because I am told there are various controversial questions which will provoke considerable discussion

Mr. JONES. I think we ought to adopt the report this afternoon.

Mr. BORAH. Mr. President, it does not require unanimous consent.

Mr. WATSON. We do not need unanimous consent, but I just wanted an understanding on the part of the Senate that when we meet at 12 o'clock on Monday we can take up the conference report on the tax bill.

Mr. BORAH. I have no objection, but I do not think it is

Mr. JONES. I may say to the Senator that I intend to ask for a recess until 10 o'clock Monday morning.

Mr. WATSON. Even if we meet at 10 o'clock, we can take up the tax bill at 12 o'clock.

Mr. JONES. I may as well ask for the agreement now. I ask unanimous consent that when we conclude our business to-day, we take a recess until 10 o'clock Monday morning.

The VICE PRESIDENT. Is there objection?

Mr. COUZENS. I object. Mr. WATSON. I renew my request that we proceed with the consideration of the conference report on the tax bill at 12 o'clock on Monday.

The VICE PRESIDENT. Is there objection?

Mr. COUZENS. Mr. President, I object.

The VICE PRESIDENT. Objection is made.

Mr. WATSON. Now, I renew my request.

The VICE PRESIDENT. Is there objection to the request of the Senator from Indiana?

Mr. CONNALLY. Mr. President, reserving the right to object, we were told almost every day during the consideration of the tax bill that it was a matter of life and death, and that one day's time would wreck a large portion of the world. Why not take it up now?

Mr. WATSON. I am entirely willing to take it up now, except that the Senator from Utah [Mr. Smoot], the chairman of the committee in charge of the bill, is not well and has gone home.

Mr. CONNALLY. The Senator did not make that excuse a while ago.

Mr. WATSON. I did not think I needed an excuse.

Mr. CONNALLY. If there is going to be a lot of talk on it, the sooner we begin to talk the better.

Mr. WATSON. I understand that there are several controversial propositions that will be debated.

Mr. BARKLEY. Mr. President-

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. WATSON. Yes. Mr. BARKLEY. In view of the fact that the House yielded on every important amendment, what is there to talk about any further in the Senate? If the conferees struck out all the controversial matters and put in a lot of amendments that have been agreed to, what is the occasion for further discussion?

Mr. WATSON. Mr. President, I am not much given to going out and meeting trouble in advance, but I have stated that there are two propositions that will occasion debate in the Senate. I do not care to mention what they are, for it might stir up some one who has not found them.

The VICE PRESIDENT. Is there objection to the request of the Senator from Indiana?

Mr. JONES. Does the Senator couple with his request the further request that the Senate take a recess until 12 o'clock?

Mr. WATSON. Yes; that the Senate take a recess until 12 o'clock noon on Monday.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Let us hear what the request is now.

The VICE PRESIDENT. The request is that when the Senate concludes its business to-day it take a recess until 12 o'clock on Monday, and that the conference report on the revenue bill be then taken up.

Mr. NORRIS. Then the other agreement will have to be set aside, will it not?

Mr. JONES. No; the other request was objected to.

Mr. NORRIS. Very well.

Mr. ASHURST. Mr. President, of course, I will cheerfully withhold objection to any proposition that the esteemed Senator from Indiana shall propose; I seldom disagree with his conclusions; but I am unable to perceive why practical men should not proceed with the conference report this afternoon, and for the following reasons: The conference report has been agreed to by the House. No Member of the Senate believes that it will be defeated here, no matter what the conferees have inserted. No Senator would risk his reputation as a practical man by asserting that any debate, no matter how learned nor how protracted, would defeat the conference report.

Since all men know that to be so, why wait until Monday to do that which can be done to-day? Everyone who indulges in the luxury of thinking knows that the report will be adopted. Why, then, not proceed this afternoon? It is too late to go to the ball game, anyway.

The VICE PRESIDENT. Is there objection to the request

of the Senator from Indiana?

Mr. WALSH of Massachusetts. Mr. President-The VICE PRESIDENT. The Chair hears none.

Mr. WATSON. I yield to the Senator from Massa-

Mr. WALSH of Massachusetts. The matter has been closed.

The VICE PRESIDENT. The Chair has announced that unanimous consent is granted.

Mr. WATSON. I thank the Chair.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. WALSH of Massachusetts. Now, Mr. President, I offer, on behalf of the Senator from New York [Mr. Cope-LAND] and myself, the amendment which I send to the desk.

The VICE PRESIDENT. The Senator from Massachusetts offers an amendment, which will be stated.

The CHIEF CLERK. On page 45, in line 10, it is proposed to strike out the words inserted by the committee and in lieu thereof to insert the following:

By the amount provided in the following table:

Sal	lary:			uction r cent)
	\$1,000	to	\$1,500	5
	\$1,500	to	82.000	6
	\$2,000	to	\$2.500	7
			\$3,000	10
	\$3,000	to	85.000	11
	\$5,000	to	\$10.000	13
	\$10,000) a	nd over	15

The Director of the Bureau of the Budget is authorized and directed to establish the actual rates of compensation which most nearly reflect these percentage reductions, while also preserving so far as possible the existing relationship between compensations in the various brackets.

Mr. WALSH of Massachusetts. Mr. President, I do not care to debate this amendment at length; it was debated yesterday, and the reasons in favor of it were advanced by the Senator from New York, by other Senators, and by myself. I think it is agreed by even the members of the committee that if we enter the domain of reducing salaries gradually this amendment meets the objection of the committee better than any other amendment, in that it provides a saving to the Government of between ninety million and one hundred million dollars. In addition, it reduces our own salary more than other Government employees.

Mr. THOMAS of Oklahoma. Mr. President, will the Sena-

tor yield?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Oklahoma?

Mr. WALSH of Massachusetts. I will yield in a moment. It has also this advantage over the committee amendment. in that it makes the reduction of salaries under \$2,500 less than 10 per cent. Under the amendment the 10 per cent rate begins with salaries of \$2,500, but in the bracket between \$1,000 and \$1,500 the rate is 5 per cent; between \$1,500 and \$2,000 it is 6 per cent; between \$2,000 and \$2,500 it is 7 per cent; and then it commences with the committee rate of 10 per cent on salaries of \$2,500, and increases the rate to 15 per cent on salaries of \$10,000 and over. Now I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Under the proposed amendment, what is the rate of reduction on salaries between \$5,000 and \$10,000?

Mr. WALSH of Massachusetts. Between \$5,000 and \$10,000 the rate is 13 per cent.

Mr. THOMAS of Oklahoma. I think the amendment as read did not indicate that clearly, at least, I did not get it from the reading.

Mr. WALSH of Massachusetts. I will read it again for the benefit of the Senate.

Under \$1,000 there is no reduction; between \$1,000 and \$1,500 the rate of reduction is 5 per cent. On salaries from \$1,500 to \$2,000-

Mr. SHIPSTEAD. The rate of 5 per cent applies to salaries up to \$1,500?

Mr. WALSH of Massachusetts. To salaries just under \$1,500, or those between \$1,000 and \$1,500.

On salaries of \$1,500 to \$2,000 the rate of reduction proposed is 6 per cent; on salaries of \$2,000 to \$2,500 it is 7 per cent; on salaries of \$2,500 the rate recommended by the committee begins to apply, namely, 10 per cent which rate is proposed on salaries between \$2,500 and \$3,000. On salaries of \$3,000 to \$5,000 the rate proposed by the amendment is 11 per cent; on salaries of \$5,000 to \$10,000 the rate proposed is 13 per cent, and on salaries of \$10,000 and above the rate proposed is 15 per cent.

The issue here is very clear. The committee thinks we ought to adopt a flat rate of 10 per cent. I believe that that is a mistake. Some of us insist that the rates ought to be graduated. The amendment will give Senators favoring equitable reductions an opportunity to go on record for a system of graduated rates that will provide for larger reductions in the higher salaries and lower in the smaller salaries. It will not produce quite so much of a saving as the committee amendment but it is more equitable; it does begin with a lower rate in the lower brackets, and makes the rate of reduction less on the smaller salaries. I do not care

to debate the amendment longer, having debated it yesterday, but I should like to have a record vote on it, and I ask for the year and nays.

The yeas and nays were ordered.

Mr. NORRIS. Mr. President, as I understand the Senator's amendment, it will produce almost as much by way of a saving as the committee amendment?

Mr. WALSH of Massachusetts. It will produce a saving of between \$90,000,000 and \$100,000,000.

Mr. NORRIS. And the \$90,000,000 saving is accomplished by reason of the reduction on the low salaries? Is not that a fair statement?

Mr. WALSH of Massachusetts. I do not think that is exactly true. It was my opinion that under the amendment we considered yesterday—and the one I have now offered does not vary from that—about 20 per cent of the savings would come from salaries under \$2,000. It is not as satisfactory an amendment as I would like but it is the only amendment that has a chance of adoption with rates under the committee rate of 10 per cent.

Mr. NORRIS. There is this about it which I think is apparent on its face—I have not had an opportunity to study it—that it does about what the committee amendment does; it gets about half, I should judge, of the saving from the low-salaried men and women.

Mr. VANDENBERG. Mr. President-

Mr. NORRIS. I yield.

Mr. VANDENBERG. I undertook to make some figures for the Senator from Massachusetts a few minutes ago in respect to his table, and it appears to me from the proposal that the amendment will fall at least \$20,000,000, and probably nearer \$30,000,000, short of the amount of the estimated saving under the committee proposal, and that all of that \$20,000,000 or \$30,000,000 will be saved in the lower brackets. I think that is the mathematical situation.

Mr. NORRIS. What does the Senator mean by "the lower brackets"—how high up?

Mr. VANDENBERG. I should say the entire twenty million or thirty million saving is made by the proposal of the Senator from Massachusetts on salaries under \$3,000.

Mr. NORRIS. That still leaves it, it seems to me, very objectionable.

Mr. VANDENBERG. Will the Senator permit me to add that there is a complete exemption, as I understand, under the plan of the Senator from Massachusetts of salaries below \$1,000?

Mr. NORRIS. That still means that the bulk of the sacrifice has got to be made by employees of comparatively small salary.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. COPELAND. It is probable that the large percentage of it—I do not think it would be one-half but a considerable percentage—would come from employees now receiving from \$2,000 to \$2,500.

Mr. NORRIS. Will the Senator please repeat his statement?

Mr. COPELAND. The Senator inquired whether the lowsalaried employees would pay it?

Mr. NORRIS. That is what I want to find out.

Mr. COPELAND. Under the operation of this amendment up to \$1,000 there will be no reduction made. Then from \$1,000 to \$1,500 the reduction will be 5 per cent, and from \$1,500 to \$2,000, 6 per cent. When we reach salaries from \$2,000 to \$2,500 there is where the major part of the money will come from.

Mr. NORRIS. What is the rate of reduction on those salaries?

Mr. COPELAND. I should say that there would be saved about \$40,000,000 in that bracket.

Mr. NORRIS. What is the rate?

Mr. COPELAND. Seven per cent.

Mr. NORRIS. I can not help but believe that the experts who figure these things jump to a good many conclusions.

The amendment that the Senate has voted down went higher than this amendment does in the higher brackets and pretty nearly as low in the lower brackets, and I was told that the experts had estimated it would save the Government \$23,000,000. Now, here is this amendment with only a 5 per cent rate on salaries from \$1,000 to \$1,500, and not going as high in the maximum rate of reduction as the other amendment, and yet we are told by the experts it will save for the Government about \$94,000,000.

Mr. WALSH of Massachusetts. But the Senator understands that the great bulk of the postal employees are in the bracket between \$2,000 and \$2,500, and the very largest number of Government employees are in that bracket. My amendment lowers by almost one-third their reduction.

Mr. NORRIS. Still the employees in that class would have only a 7 per cent cut, as I understand.

Mr. WALSH of Massachusetts. That is all.

Mr. NORRIS. While under my amendment the same class would pay 10 per cent, but it seems that we will get more money out of a 7 per cent cut than we will out of a 10 per cent cut. If that is so, I would be delighted to have the saving brought about in that way; but, of course, there must be some magic about it, for I do not understand how we can effect a greater saving on salaries of poor clerks by levying a tax, so to speak, of 7 per cent than we can by making them pay 10 per cent. If that is so, I think we ought to adopt that plan; it is a pretty fine business operation.

Mr. VANDENBERG. Mr. President, may I suggest to the Senator that the confusion, perhaps, arises from the fact that the Senator's 10 per cent applied only to the last thousand dollars of a \$2,500 salary and therefore when calculated on the basis of the entire bracket it becomes very much less than the percentage under the amendment of the Senator from Massachusetts.

Mr. NORRIS. I understand that, but I have just been told by my friend from Massachusetts that the reason this bracket raises so much more is that it catches the postal employees, and that they have more money than anybody else.

Mr. VANDENBERG. That is the largest bracket of the various salary classes?

Mr. NORRIS. That is the bracket between \$2,000 and \$2,500

Mr. VANDENBERG. Yes.

Mr. NORRIS. And we levy a tax of 7 per cent on them, and under the other proposal we would levy a tax of 10 per cent on the same employees.

Mr. VANDENBERG. No; the other proposal levied a tax of 10 on the last thousand dollars.

Mr. NORRIS. Yes; from \$1,500 to \$2,500.

Mr. VANDENBERG. The Senator's amendment would have raised \$50, while the amendment of the Senator from Massachusetts will raise \$70.

Mr. NORRIS. Mr. President, I am inclined to think that the amendment offered by the Senator from Massachusetts is a big improvement over the committee amendment, and I am going to vote for it, although we are taking it without very much consideration. I should like to have had some opportunity to consider it, and to have it examined by the so-called experts, to see just what it will raise. Have the experts given us any figures on it?

Mr. WALSH of Massachusetts. If the Senator will call the Senator from New York an expert, and the Senator from Michigan an expert, I would say that they have spent a great deal of time in figuring this matter out.

Mr. NORRIS. I will take their figures quicker than I will those of anybody from the Treasury Department. Their figures seem to be pretty reliable. What is their estimate of the saving that will be effected?

Mr. WALSH of Massachusetts. It is estimated that there will be a saving of between ninety and a hundred million dollars.

Mr. NORRIS. Mr. President, there is another reason why I feel inclined to vote for the amendment, because by levying a lesser rate we get more money. That is the thing that appeals to me. I can not help but believe that somewhere, with some of these experts' figures, either on this amendment or on the committee amendment or on the other amendment that was voted down, there must be something wrong somewhere. It is suggested that the matter may be taken up in conference. Yes; it will be taken up in conference, I presume, by receding from the Senate amendment. That is what was done on the tax bill. They worked everything out in conference to suit the conferees, but if they did not like an amendment adopted by the Senate they got in the conference room, in a secret chamber, and simply said, "We will recede," and that ended that.

I will not say that in connection with the debate on this bill; I am going to say it when we get to the tax bill. There was not any reason on earth why the Senate should have debated the questions involved. It did not do any good to adopt amendments, for if the conferees did not like what we did, they simply threw it out of the window when they got out of the Senate Chamber, and now we are going to approve it, and nobody dare be against it, because it balances the Budget.

Mr. BORAH. Mr. President, before I make up my mind on this amendment, I should like to ask whether I am going to get an opportunity to vote on the amendment that has been framed by the Senator from Michigan?

Mr. VANDENBERG. I will be very glad to make a brief statement on the whole subject from my viewpoint as soon as the Senator from Nebraska has concluded.

Mr. BORAH. Is the Senator going to offer his amendment?

Mr. VANDENBERG. No; I am not. I think that the amendment submitted by the Senator from Massachusetts affords as good a means of testing the sentiment of the Senate, the philosophy of the graduated scale, as any other. I beg the Senator from Nebraska's pardon; I did not mean to take him from the floor.

Mr. NORRIS. The Senator does not need to beg my pardon, for I am through.

Mr. VANDENBERG. First, referring to the seeming discrepancy in arithmetic of which the Senator speaks, his 5 per cent rate on \$2,500 applied only to the last \$1,000 of that rate, which, therefore, became but 2 per cent on the entire \$2,500. Therefore the comparison is between 2 per cent in his instance and 7 per cent in the rate indicated by the Senator from Massachusetts. Hence the large difference in the amount of saving produced by the two plans.

The Senator from Idaho [Mr. Borah] has asked about the tables upon which I was at work yesterday in this same matter. I undertook to perfect a consecutive mathematical table which I felt would have the fewest "humps" in it and, therefore, would approximate the fairest net progression in reduction spread; but the result of that calculation, as finally determined this morning, when it was surveyed by other Senators interested in the same problem, demonstrated that a resort to this consecutive progression would impose an entirely unfair portion of the load in the particular bracket to which the Senator from Nebraska has referred. Therefore it seemed to me it would be necessary, in fairness, to abandon that method of progression whereupon the Senator from Massachusetts and the Senator from New York submitted the general scale which is now pending before the Senate.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. NORRIS. There is this thing that I think exists in the pending amendment: There will be a so-called "hump" every time another bracket is entered.

Mr. VANDENBERG. That is entirely true, except that the Senator has added a sentence to his schedule which directs the Budget to straighten out the "hump."

Mr. NORRIS. Yes; but they can not do it, of course.

 Mr. VANDENBERG. I should assume that it could be done in precisely the same fashion that it is done in similar scales in connection with other phases of the Government's business.

Mr. President, all I wanted to say was that I do not undertake particularly to approve the schedule which is submitted by the Senator from Massachusetts. I have had no chance to give it any particular study. The figures which I gave to the Senator in respect to his table were made in a moment, but I am reasonably sure that they approximate the net result he has indicated. I think that if we come in the \$90,000,000 bracket, or thereabouts, of total savings, we have gone as far as it is necessary to go even in the theory of those who are depending upon this particular contribution to complete the so-called balancing of the Budget. The best possible substantiation of that fact is that if the furlough plan were adopted—the plan which, I understand, continues to be preferred by the administration—it would not produce any larger saving than does the amendment submitted by the Senators from Massachusetts and New York.

Personally I continue to believe that the furlough plan is the preferable plan, and, so far as I am concerned, I shall hope ultimately for an opportunity to register that preference; but, pending the opportunity to substitute the furlough plan, I think the plan submitted by the Senators from Massachusetts and New York is infinitely preferable in justice and fair play to the committee amendment, and therefore I shall vote for it.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me.

Mr. VANDENBERG. I yield.

Mr. SHIPSTEAD. Can the Senator tell us how much will be saved by the furlough plan?

Mr. VANDENBERG. My understanding is that the saving under the furlough plan runs between eighty and ninety million dollars.

Mr. WALSH of Massachusetts. Exactly the same as under this amendment.

Mr. VANDENBERG. I should not be surprised if this amendment would save more than the furlough plan.

Mr. COPELAND. Mr. President, we have the choice of voting for the committee amendment, which seeks to extract from all employees, regardless of the amount of salary paid, the sum represented by 10 per cent of the salary, and this amendment which we have offered, which imposes no tax on the \$1,000 employee, and from \$2,500 down to \$1,000 is a material reduction from the amount proposed by the committee amendment.

The postal employees, for instance, from \$2,000 to \$2,500, under the committee amendment will be cut 10 per cent. Under our amendment they will be cut 7 per cent. From \$1,500 to \$2,000 the cut will be 6 per cent instead of 10, and from \$1,000 to \$1,500 it will be 5 per cent instead of 10. Then, when we get to \$2,500, from \$2,500 to \$3,000 the cut is exactly the same as the committee proposes—10 per cent. When we get to \$5,000, from that point upward there is a larger reduction than is proposed by the committee; and it was our feeling that it was a proper thing that there should be a larger reduction.

No one of us in the Senate is anxious to have his salary reduced. Under the committee amendment it would be reduced \$1,000. Under the amendment which we have offered it will be reduced \$1,500. I can not see how we can go home and face the Federal employees if we do not show our own willingness to go the very limit in the reduction; so I hope this amendment will be adopted.

Mr. BLAINE. Mr. President, will the Senator yield for a question?

Mr. COPELAND. Just one moment, and I will yield.

As to the furlough plan, the Senator from Michigan [Mr. Vandenberg] will recall that the teachers in the District and all of the employees of the District are in this reduction plan. Of course, the teachers work 9 or 10 months

a year, and the furlough would be utterly impracticable as | and his children in any respectability or decency; and it applied to them.

Mr. BLAINE. Mr. President, as I understand, the proposal is to tax salaries beginning with \$1,000, 5 per cent on whatever the salary may be, up to but not including \$1,500. Mr. COPELAND. That is right.

Mr. BLAINE. Then, beginning with \$1,500, up to \$2,000, but not including \$2,000, what per cent?

Mr. COPELAND. Six per cent.

Mr. BLAINE. And from \$2,000 up to \$2,500, but not including \$2,500, 7 per cent?
Mr. COPELAND. That is right.

Mr. BLAINE. What does the Senator figure that the reduction of 7 per cent on the class beginning with \$2,000 up to \$2,500 would be?

Mr. COPELAND. About \$40,000,000.

Mr. BLAINE. I am quite sure the Senator's calculations are erroneous, because if we add the totals of each of those classes, roughly speaking, they are as follows:

From \$2,000 to \$2,100, \$48,000,000.

The next is \$242,000,000.

The next is \$28,000,000.

The next is \$57,000,000.

The next is \$56,000,000.

That makes a total in round figures of \$431,000,000, which at 7 per cent is \$30,170,000. I do not believe I am incorrect in my addition and multiplication.

Mr. COPELAND. I went over the figures yesterday myself on the basis of 5 per cent for salaries from \$2,000 to \$2,500, and at that rate it made \$30,000,000. We are proposing 7 per cent at that point now.

Mr. BLAINE. It is a very simple calculation to add the figures which I have mentioned, and that amounts to a certain aggregate, which is \$431,000,000. In round numbers, 7 per cent of that is \$30,170,000.

Mr. COPELAND. Of course, I can not carry the figures in mind; but yesterday, when we went over the figures from \$2,000 to \$2,500 at 5 per cent, it was found that the saving would be \$30,000,000.

Mr. BLAINE. Does not the Senator regard a 5 per cent reduction on a salary under \$1,500 as rather a severe reduction?

Mr. COPELAND. I do.

Mr. BLAINE. That means \$75 on \$1,500.

Mr. COPELAND. I do. I regard all these reductions as very cruel. If I had my way, there would not be any. I voted for the amendment proposed by the Senator from California [Mr. Johnson]. I wish we did not have to make any reductions, but that seems to be the order of the day; and unless we offer some substitute for the plan proposed by the committee, we are going to have a straight 10 per cent cut. So, between the two evils, I am choosing the lesser, and am out of sympathy with both.

Mr. BLAINE. Mr. President, I have no objection to making a reasonable reduction on salaries of \$2,500 and upward on a graduated scale, letting the higher salaries bear the larger reduction; but it seems to me that it is very unjust to take 5 per cent from the salary of an employee who is receiving \$1,400 a year. That is \$70. That leaves that employee only \$1,330. There is not any Member of the Senate who can figure out how a married man with a family is going to pay his rent and buy his fuel and the necessary food and clothing and the medical attendance that is essential with that amount of income. I am sure that there is not anyone in this Chamber who can honestly say that \$1,330 will pay for those necessities of life here in the city of Washington, where rents, food, and clothing run high and have not been substantially reduced.

In the city of New York it is the same. It is the same in the city of Chicago, in the city of Milwaukee, in the city of Detroit, in the city of Cleveland-all of the large cities where the larger number of the Federal employees are employed. We are simply putting that man on a salary out of which he can not hope to maintain himself and his wife

would be far better to wipe out entirely the provisions of law that provide for those salaries.

Mr. BORAH. But this is much better than the 10 per

Mr. WALSH of Massachusetts. Exactly. It is a practical question. They are going to get 10 per cent reduction instead of 5 if we do not agree to something of this kind. That is the issue here now. Every other issue is gone.

Mr. BLAINE. Not if the Senate has the courage to vote

Mr. WALSH of Massachusetts. The very people the Senator is pleading for are going to get a 10 per cent reduction if this amendment is defeated.

Mr. BLAINE. They might just as well get 10 per cent reduction as to get 5 per cent. There is not very much difference.

Mr. WALSH of Massachusetts. There is some difference.

Mr. BLAINE. Yes; there is a little difference. Mr. BORAH. There is 5 per cent difference.

Mr. BLAINE. We make their agony just a little bit less; that is all; but we will create a condition where they will have extreme distress.

I do not believe that any such reduction is justifiable. I am perfectly willing to vote for some reasonable reductions on the salaries of \$2,500 or more, on a graduated scale, so that those who are receiving the highest salaries and are best able to bear the reduction will bear the larger portion of the reduction.

I also appreciate that there are certain classes of employees who receive twenty-four or twenty-five hundred dollars where there might be an entirely different classification in a rural community; but the number of those employees is so small that it is scarcely worth while to consider the proposition of reclassification. But on the general, broad principle, any reduction in such percentages as are suggested by this amendment on these low-paid employees is not justifiable; and I hope the Senate will have the courage to defeat the committee's amendment.

I should much prefer to accept the furlough plan, where there will be no reduction of salary; but there will be what has become commonly known as staggering the employment. That system would discourage private industries from demanding a straight cut on their employees. The Government would take the first step in establishing a less number of days per week, which is going to be necessary in this country if we are going to restore to employment our 8,000,000 men who are now out of employment.

So, Mr. President, I can not bring myself to the conviction that this amendment is just; but I shall vote for it as less obectionable and it will not incur as great hardships as does the committee amendment.

Mr. COPELAND. Mr. President, I want to say one thing, if the Senator will let me. He hit on a very important topic when he spoke about rents.

The Senator from Kansas [Mr. Capper] in the District of Columbia Committee the other day called the attention of the committee to the many complaints he has had relative to combines of agents and real-estate men in this town for the purpose of maintaining high rents; and the committee went on record unanimously as favoring presenting to the Attorney General the charge that there is such a combine, and also renewed its conviction that rentals are affected with a public interest, and that it may well be that the time has come when we will have to renew the rental commission which we had here. But if these employees working in the District of Columbia are reduced from 5 to 10 per cent or more in their salaries, certainly the rentals in this community will have to come down correspondingly; and it would not be decent if there were a refusal on the part of those in the ownership of real estate to effect these economies in rentals.

Mr. BLAINE. Mr. President, the suggestion of the Senator from New York respecting the rentals in the District of we have not created any rent commission to regulate rents in the District of Columbia. I have not any doubt but that there is power in the Congress to set up a regulatory body for that purpose.

Mr. COPELAND. Will the Senator yield?

Mr. BLAINE. I do not believe, however, that we can apply the same rules to the city of New York or the city of Philadelphia or the city of Detroit or the city of Cleveland.

Mr. COPELAND. I agree to that.

Mr. BLAINE. There is an entirely different constitutional prohibition against what the State legislatures may do than we have respecting what the Congress may do respecting the seat of government.

I agree to that fully; but we have Mr. COPELAND. already demonstrated that we have the power in the District of Columbia when in 1919 we passed the act providing for the Rent Commission; and then in 1924 I served myself on a joint committee of the two Houses on the question of continuing that commission. There is not any doubt that so far as the District of Columbia is concerned, regardless of what might obtain in New York or Chicago, we have the right to enter upon a review of the rents charged.

Mr. BLAINE. There is not any question about the authority of Congress in that respect; but the Senator will appreciate that it will take more than a year before any such legislation can be put through the Congress, because of the objection to it or opposition to it outside of Congress, which is powerful enough to prevent the passage of legislation within the time that these reductions are to take place.

There is exactly the same situation in all the large cities. There are not very many Federal employees in the rural communities, and in those communities the cost of living is much reduced. They could much better bear a reduction of salary than those living in the large cities, where the greater portion of the Federal employees live. They could much better afford to bear a reduction than those living in the larger cities. I repeat, in rents, clothing, medicines, streetcar fare, fuel, electric service, and substantially all of the necessities of life there has been no material reduction in the larger cities of the country. So you are simply going to put the employees in those cities on salaries far below what will enable them to secure the necessities of life.

I do not believe Congress can afford to do that in these times. This is no time to encourage private industry to slash the salaries of workingmen. This is no time to reduce the purchasing power of these lower-salaried employees. That program is going in the face of the depression, and would have a tendency toward a deepening and broadening of the depression. I think it is shortsighted; I think it is unwise; and, as I argued here yesterday and to-day, there is no necessity for any such program so far as the balancing of the Budget is concerned. Under the present conditions, we may balance the Budget to-day and adjourn to-night and within 30 days we will have an unbalanced Budget. But the question of balancing the Budget is not material in the consideration of this proposition. That can only be a temporary affair. You should not engage in the perpetration of the injustices which are proposed against the low-salaried employees of the Federal Government.

Mr. TRAMMELL. Mr. President, this is a matter of a great deal of importance to many hundreds of thousands of people, and the public generally throughout have their sympathies either one way or the other. I have found throughout my years of experience in public life that we can estimate that 80 or 90 per cent of all of the American people believe in the administration of law and in the enactment of law in such terms that justice is accorded to those with whom we are dealing. I will say that from 10 to 20 per cent. depending more or less upon the issues involved, are actuated by selfish grounds or selfish motives.

Certainly we have before us a matter of a great deal of importance. I suggested when this subject first arose that I thought the better plan was one embracing a sliding scale,

Columbia is a matter that is very easy to talk about, but | or the graduated plan of reduction, advocating that policy because it has been the policy that has largely guided both branches of Congress in other legislation for the purpose of raising revenue for the support of the Government.

It has been made plain—and I think every Member of the Senate fully appreciates the fact—that a person who is getting a salary of only six or seven hundred to a thousand dollars a year has not sufficient remuneration to justify the Government, however distressed may be the situation, in taking from him part of the compensation which he is to-day given under the law.

The amendment pending does not impose a tax upon salaries, as I understand, of less than a thousand dollars. I feel that it must be the sentiment of every Senator that people drawing salaries of such small amounts are not in position, if they are to continue to exist with any of the ordinary comforts, to have any of their salary taken.

The amendment meets with my approbation. Then, when we start from that amount and climb on in the different brackets, the amount of reduction in percentages increases, which I believe to be the proper policy. After we get beyond the amount a person requires for the ordinary necessities of life, then, whatever he receives in the way of salary or in the way of income from capital invested is a surplus which he can use for demands upon him or for luxuries, and that part of his income can stand a greater proportion of taxation than the sum of money which is necessary for sustaining life in the ordinary living conditions. I heartily approve of the graduated plan.

There are two roads, either of which we may travel. We can travel the road which imposes a flat 10 per cent reduction upon all salaries, upon the humble worker who receives only five or six hundred dollars a year just the same as we impose it upon the person receiving a salary of \$8,000 or. \$10,000 a year, or perhaps more. We must either adopt that course or we must adopt the graduated plan which has been proposed by the Senator from New York and the Senator from Massachusetts.

The Federal employees are helpless; they have no voice upon the Senate floor; they have to accept whatever is inflicted upon them, whether it is justice or injustice; but I do not think it is quite consistent to impose upon people who are not able to pay and whose salaries are not sufficient to pay the same percentage of reduction imposed upon the higher-salaried brackets, where the salary is sufficient to stand a greater assessment and reduction. So I must prefer the plan proposed by the Senators, and we have only the two propositions confronting us.

I believe those who favor the idea of some adjustment, trying to raise the burden from the shoulders of those who can not stand it, and those who believe that the highersalaried official should pay more than the lower-salaried person, should support this amendment, and I am going to support it.

Mr. WALSH of Massachusetts. Mr. President, may I call the attention of the Senator to another thing in favor of this amendment, a very decided factor, that it reduces our own salaries more than those of anyone else?

Mr. TRAMMELL. Mr. President, I look upon Government employees as so many American citizens. Their rights are just as sacred as those of others, and they are entitled to the same consideration any other American citizen receives.

I never have mentioned the question of a Senator's salary heretofore; I have avoided it; but it has been mentioned a number of times yesterday and to-day. I do not care to go back to my State and make the plea that I have been doing all I can for Government economy, reducing expenses, and have some one back in the audience say, "You voted, didn't you, to strike \$100 off the salary of a man who got only \$1,200 a year, or 10 per cent?" I would say, "Yes." He would say, "Did you not also vote to strike only 10 per cent from the salary of a man who received \$8,000 a year or a salary of \$10,000 a year? It is true that you saved a very large sum of money for the Government, but where did you make the saving? Did you save it at the expense of the poor employees making salaries of six or eight hundred or a thousand or fifteen hundred dollars a year, or at the expense of those who were more fortunate, enjoying big salaries of from five to ten thousand dollars a year?"

As far as the question of public sentiment is concerned, I think a person has to confront upon this question not only the employee, but when he begins to make his claims and his contentions about what a great service he has rendered to his Government, the average citizen will want to know how he effected that saving, how he brought about this great amount of saving, and when we tell him we took a major portion of it from the people who receive salaries of, we will say, from five hundred to fifteen hundred dollars a year, I do not think at first we are going to impress him that we are doing exact justice to that class of employees.

I think the amendment proposed by the Senators from New York and Massachusetts is preferable to a flat cut, and I am going to support it.

The PRESIDING OFFICER (Mr. Couzens in the chair). The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. Walsh] and the Senator from New York [Mr. Copeland].

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. GLASS (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. HATFIELD (when his name was called). Repeating my previous statement respecting my pair, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. JONES (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKELLAR (when his name was called). On this vote I have a general pair with the junior Senator from Delaware [Mr. Townsend]. I am informed, however, that if that Senator were present, he would vote as I intend to vote, and I am therefore at liberty to vote. I vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Alabama [Mr. Black], which I transfer to the senior Senator from Ohio [Mr. Fess], and vote "nay."

I wish at this time to announce that if the senior Senator from Ohio [Mr. FESS] were present he would also vote "nay."

Mr. NYE (when his name was called). On this question I have a pair with the senior Senator from Arkansas [Mr. Robinson]. I understand that if that Senator were present he would vote "nay." Were I permitted to vote, I should vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. SCHALL (when his name was called). I have a general pair with the junior Senator from Illinois [Mr. Lewis], and in his absence I withhold my vote. Were I permitted to vote, I would vote "yea."

Mr. WHEELER (when his name was called). I have a general pair with the junior Senator from Idaho [Mr. Thomas], which I transfer to the junior Senator from Colorado [Mr. Costigan], and vote "yea."

The roll call was concluded.

Mr. GLENN. I have a general pair with the junior Senator from Louisiana [Mr. Long], who is absent from the city. I therefore withhold my vote.

Mr. JONES. I desire to announce that the senior Senator from Mississippi [Mr. Harrison] and the senior Senator from Idaho [Mr. Borah] are paired. If permitted to vote, the Senator from Mississippi would vote "nay" and the Senator from Idaho would vote "yea."

Mr. McNARY. I wish to announce the following special pairs:

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Washington [Mr. DILL];

The Senator from Iowa [Mr. Brookhart] with the Senator from Utah [Mr. King]; and

The Senator from Connecticut [Mr. Walcort] with the Senator from Missouri [Mr. Hawes].

Mr. BINGHAM, Mr. KING, and Mr. WALCOTT would vote "nay," and Mr. DILL, Mr. BROOKHART, and Mr. HAWES would vote "yea," if present and not paired.

Mr. BAILEY. I have a pair with the senior Senator from Wisconsin [Mr. La Follette]. In his absence, not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

The result was announced—yeas 28, nays 39, as follows:

THE REAL PROPERTY.	YE	AS-28	
Barbour Barkley Blaine Bulow Capper Caraway Coolidge	Copeland Cutting Frazier George Kendrick Logan McGill	Neely Norris Pittman Sheppard Shipstead Smith Thomas, Idaho	Thomas, Okla. Trammell Vandenberg Wagner Walsh, Mass. Wheeler White
	NA	YS-39	
Ashurst Austin Bankhead Bratton Broussard Bulkley Byrnes Carey Cohen Connally	Couzens Dale Davis Dickinson Fietcher Glass Goldsborough Gore Hale Hastings	Hayden Hebert Howell Johnson Jones Kean Keyes McKellar McNary Metcalf	Moses Norbeck Oddie Patterson Reed Shortridge Steiwer Tydings Watson
market bridges	NOT V	OTING-29	
Bailey Bingham Black Borah Brookhart Costigan Dill Fess	Glenn Harrison Hatfield Hawes Hull King La Follette Lewis	Long Morrison Nye Robinson, Ark, Robinson, Ind. Schall Smoot Stephens	Swanson Townsend Walcott Walsh, Mont. Waterman

So the amendment of Mr. Walsh of Massachusetts to the amendment of the committee was rejected.

Mr. MOSES. Mr. President, earlier in the day I was granted unanimous consent to present an amendment which was ordered to be printed and lie upon the table. In view of the disposition made of the other amendments which have been proposed, and in view of the suggestion made by the Senator from Nebraska during the colloquy that followed the presentation of my amendment, I now ask formally to offer my amendment so that it may be pending whenever we resume the consideration of the measure, my understanding being that several Senators who had wanted to study my amendment and vote upon it have left the Chamber for reasons which were wholly beyond their control.

Mr. NORRIS. Mr. President—

Mr. MOSES. I yield to the Senator.

Mr. NORRIS. The Senator will not withdraw that part of his request to have the amendment printed and lie on the table, will he?

Mr. MOSES. No; but I want to offer it formally now, so that it may be pending.

Mr. NORRIS. I have no objection to that, but I should like to have a printed copy of it.

Mr. MOSES. I may state further to the Senator from Nebraska, unanimous consent having already been granted for taking up the conference report on the tax bill at 12 o'clock on Monday, that will consume some time, I assume, which will enable Senators who want to study my amendment to do so; and if the Senator from Washington, who is in charge of the bill, will accept the suggestion which I am about to make that may readily be done. I formally offer my amendment now, Mr. President, in order that it may be pending, and I suggest to the Senator from Washington that the Senate recess until 12 o'clock on Monday.

Mr. JONES. Mr. President, I understand the Senator from Oklahoma has an amendment which he desires to

I recall the ruling of the Chair this morning, individual amendments would have precedence over the amendment of the Senator from New Hampshire, which, as I understand, is a substitute.

Mr. MOSES. No; mine is an individual amendment, just as is that of the Senator from Oklahoma.

Mr. JONES. I understand that the Senator's amendment is practically a substitute.

Mr. MOSES. Yes. Mr. JONES. And so I think that if there are further perfecting amendments they should be disposed of first.

Mr. MOSES. That is quite in order.

Mr. JONES. Yes. Mr. MOSES. I thought the perfecting amendments had been disposed of.

The PRESIDING OFFICER. That is not correct. Mr. THOMAS of Oklahoma. Mr. President—

Mr. JONES. I supposed the Senator from Oklahoma had one; I do not know.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. MOSES. Mr. President, may I not make another unanimous-consent request which, if agreed to, will assist in solving the problem? In addition to having my amendment printed and lying on the table, I ask unanimous consent that it may be printed in the RECORD and then Senators will get it to-morrow morning.

The PRESIDING OFFICER. Without objection, that will be done.

The amendment offered by Mr. Moses is as follows:

Strike out Title I of Part II, beginning on page 44, line 11, and insert in lieu thereof the following:

"TITLE I-FURLOUGH OF FEDERAL EMPLOYEES

"FURLOUGH PROVISIONS

"Sec. 101. During the fiscal year ending June 30, 1933:

"(a) The days of work of a per diem officer or employee receiving compensation at a rate which is equivalent to more than \$1,200 per annum shall not exceed 5 in any one week, and the compensation for 5 days shall be ten-elevenths of that payable for a week's work of $5\frac{1}{2}$ days: Provided, That nothing herein contained shall be construed as modifying the method of fixing

contained shall be construed as modifying the method of fixing the daily rate of compensation of per diem officers or employees as now authorized by law: Provided further, That where the nature of the duties of a per diem officer or employee render it advisable the provisions of subsection (b) may be applied in lieu of the provisions of this subsection.

"(b) Each officer or employee receiving compensation on an annual basis at the rate of more than \$1,200 per annum shall be furloughed without compensation for 1 calendar month, or for such periods as shall in the aggregate be equivalent to 1 calendar month, for which latter purpose 24 working days (counting Saturday as one-half day) shall be considered as the equivalent of 1 calendar month: Provided, That where the nature of the duties of any such officer or employee render it advisable, the provisions of subsection (a) may be applied in lieu of the provisions of this subsection.

of this subsection.

"(c) The compensation paid any officer or employee to whom this section applies shall, notwithstanding the provisions of this section, be an amount not less than an amount calculated at the rate of \$1,200 per annum.

"SEC. 102. No officer or employee shall be exempted from the "SEC. 102. No officer or employee shall be exempted from the provisions of subsections (a) and (b) of section 101 except in those cases where the public service requires that the position be continuously filled and a suitable substitute can not be provided, and then only when authorized or approved in writing by the President of the United States.

"SEC. 103. All rights now conferred or authorized to be conferred by law upon any officer or employee to receive annual leave of absence with pay are hereby suspended during the fiscal year ending June 30, 1933.

" DEFINITIONS

"SEC. 104. When used in sections 101, 102, and 103 of this act:
"(a) The terms 'officer' and 'employee' mean any person rendering services in or under any branch or service of the United States Government or the government of the District of Columbia, but does not include (1) officers whose compensation may not, under the Constitution, be diminished during their continuance in office; (2) Senators, Representatives in Congress, Delegates, and

offer, and if so, I should like to have that disposed of. I should like to have the perfecting amendments acted upon so far as possible.

Mr. McKellar. It would have precedence anyway. As

Treasury.

"(b) The term 'compensation' means any salary, pay, wage, allowance (except allowances for subsistence, quarters, heat, light, and travel), or other emolument paid for services rendered, but and travel), or other emolument paid for services rendered, but does not include (1) retired pay included within section 106; (2) payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of officers or employees; (3) compensation the amount of which is expressly fixed by international agreement; or (4) compensation paid under the terms of any contract in effect on the date of the enactment of this act if such compensation may now lawfully be reduced. if such compensation may now lawfully be reduced.

"COMPENSATION REDUCTIONS IN SENATE AND HOUSE OF REPRESENTA-TIVES

"SEC. 105. During the fiscal year ending June 30, 1933:

"(a) The salaries of the Vice President, the Speaker of the House of Representatives, Senators, Representatives in Congress, Delegates, and Resident Commissioners are reduced by 10 per

"(b) The allowance for clerk hire of Representatives in Congress, Delegates, and Resident Commissioners is reduced by 8.3 per cent.

per cent.

"(c) The rate of compensation of any person on the rolls of the Senate or the House of Representatives (other than persons included within subsection (a), if such compensation is at a rate of more than \$1,200 per annum, is reduced by 8.3 per cent. This subsection shall not apply to session employees or to persons whose compensation is paid out of sums appropriated for clerk hire of Representatives in Congress, Delegates, and Resident Commissioners. As used in this subsection, the term "compensation" shall have the meaning assigned to such term in section 104 (b). missioners. As used in this subsection, the term "compensation" shall have the meaning assigned to such term in section 104 (b). "(d) This section shall not reduce below \$1,200 per annum the

rate of compensation of any person to whom this section applies.

" RETIRED PAY

"Sec. 106. During the fiscal year ending June 30, 1933, the retired pay of judges and the retired pay of all commissioned, warrant, enlisted, and other personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Lighthouse Service, and the Public Health Service, if such retired pay is at a rate of more than \$1,200 per annum, shall be reduced 8.3 per cent. This section shall not reduce below \$1,200 per annum the rate of retired pay of any person to whom this section applies.

" PERMANENT SALARY REDUCTIONS

"SEC. 107. Beginning July 1, 1932, the salaries of the commissioners of the United States Shipping Board, the members of the Federal Farm Board (except the Secretary of Agriculture), the members of the Board of Mediation, the commissioners of the Interstate Commerce Commission, the Administrator of Veterans' Affairs, the commissioners of the United States Tariff Commission, the American commissioner of the General Claims Commission, United States and Mexicon and the United States and American commission. United States and Mexico, and the umpire and American com-missioner of the Mixed Claims Commission, United States and Germany, shall be at the rate of \$10,000 per annum; and after June 30, 1932, no officer or employee of the Federal Farm Board, the United States Shipping Board Merchant Fleet Corporation, or of any governmental function named in this section shall receive a salary at a rate in excess of \$10,000 per annum.

"RURAL CARRIERS' EQUIPMENT ALLOWANCE

"Sec. 108. During the fiscal year ending June 30, 1933, payments for equipment maintenance to carriers in the Rural Mail Delivery Service shall be three-eighths of the amount now provided by law.

" GOVERNMENT CORPORATIONS

"SEC. 109. In the case of a corporation the majority of the stock of which is owned by the United States, the holders of the stock on behalf of the United States, or such persons as represent the interest of the United States in such corporation, shall take such action as may be necessary to apply the provisions of sections 101, 102, and 103 to offices, positions, and employments under such corporation and to officers and employees thereof.

"REMITTANCES FROM CONSTITUTIONAL OFFICERS

"SEC. 110. In any case in which the application of the provisions of this title to any person would result in a diminution of compensation prohibited by the Constitution, the Secretary of the Treasury is authorized to accept from such person, and cover into the Treasury as miscellaneous receipts, remittance of such part of the compensation of such person as would not be paid to him if such diminution of compensation were not prohibited.

"APPROPRIATIONS IMPOUNDED

"SEC. 111. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose other than the payment of salaries, but shall be impounded and returned to the Treasury.

"LIMITATION ON JURISDICTION OF COURTS

"SEC. 112. No court of the United States shall have jurisdiction of any suit against the United States or against any officer, agency,

or instrumentality of the United States arising out of the application of any provision of this title unless such suit involves the Constitution of the United States."

Mr. THOMAS of Oklahoma. Mr. President, in order that the record may be kept clear, I propound this parliamentary inquiry: What is the pending question before the Senate?

The PRESIDING OFFICER. The pending question is the amendment of the committee, on page 45, beginning in line 6.

Mr. THOMAS of Oklahoma. As I understand, that amendment proposes a flat reduction in salaries of 10 per cent?

The PRESIDING OFFICER. That is correct.

Mr. THOMAS of Oklahoma. Mr. President, I am opposed to the amendment for two reasons: The first reason is that it taxes the salaries of the Federal employees in the lower brackets too much; and the second reason is that it does not tax those in the higher brackets enough. Having that conviction, I submit the amendment which I send to the desk and ask that it may be read.

The PRESIDING OFFICER. The clerk will read as requested.

The CHIEF CLERK. On page 45 it is proposed to strike out the last word in line 10 and all of line 11, and insert in lieu thereof the following:

As follows: Compensation to sum of \$1,200 shall be exempt from reduction; compensation on that portion above \$1,200 to \$2,000 shall be reduced by 5 per cent; compensation on that portion above \$2,000 to \$3,000 shall be reduced by 10 per cent; compensation on that portion above \$3,000 to \$5,000 shall be reduced by 15 per cent; compensation above \$5,000 to \$10,000 shall be reduced by 20 per cent; and compensation above \$10,000 shall be reduced 25 per cent of the amount thereof.

Mr. THOMAS of Oklahoma. Mr. President, just a few words in explanation of the amendment. If this amendment should be adopted any employee of the Government who receives a salary not exceeding \$1,200 would suffer no reduction whatever; any employee who receives a salary in excess of \$1,200, but not in excess of \$2,000 would suffer a reduction of 5 per cent on that portion above \$1,200, so that if he should receive a salary of \$2,000 he would contribute \$40. On salaries from \$2,000 to \$3,000 the reduction would be 10 per cent on the \$1,000 above \$2,000 or any part thereof; so that any employee receiving a salary of \$3,000 under this amendment would contribute \$140.

The reduction on salaries between \$3,000 and \$5,000 as provided in the amendment is 15 per cent on any portion thereof, so that an employee receiving a salary of \$5,000 would pay a total of \$440. The reduction on that portion of the salary in excess of \$5,000 and not exceeding \$10,000 would be 15 per cent, so that on a salary of \$10,000 per year the total tax would be \$1,440. On salaries in excess of \$10,000 the tax proposed would be 25 per cent. I submit the amendment and ask for a roll call.

Mr. KEAN. Mr. President, I should like to ask the Senator from Oklahoma whether he takes into consideration the amount of the income taxes which will be paid by those in the higher brackets receiving above \$2,000?

Mr. THOMAS of Oklahoma. I have not had the opportunity to submit the amendment to experts, and I have not the figures. I have prepared the amendment entirely from the standpoint of the human element in this controversy; and if this amendment should be adopted, or if any similar amendment should be adopted, I propose to offer an amendment directing the Appropriations Committee to leave out of the appropriation bills, all items for construction such as public buildings, Army housing, flood control, river and harbor improvements, and set those over into the unemployment relief bill that will come along later, and finance that portion of our appropriations by a bond issue. Such a policy will relieve us of the necessity of raising some \$300,000,000 in taxes this year.

Mr. KEAN. Mr. President, I do not think the Senator has answered my question. I asked whether he had figured on the amount of income taxes that would be paid by the employees receiving salaries in the higher brackets.

Mr. THOMAS of Oklahoma. I regret that I have not the information requested by the Senator from New Jersey.

SEVERAL SENATORS. Vote!

Mr. SHORTRIDGE. Mr. President, I am ready to vote, but I should like to ask a question or two. May I inquire of the Senator from Oklahoma, has he estimated the amount of revenue to be derived, assuming the adoption of his amendment?

Mr. THOMAS of Oklahoma. I have no facilities for making that computation.

Mr. SHORTRIDGE. Is the Senator able to tell us how many employees of the Government would be affected, meaning those receiving the lowest amount named in the proposed amendment?

Mr. THOMAS of Oklahoma. The great mass of Federal employees would not be affected materially; thousands of them would not be affected at all. The limited few receiving the higher salaries would pay a substantial tax, but such would not run into a great amount of money.

Mr. SHORTRIDGE. And all those receiving less than \$1,200 a year are exempted?

Mr. THOMAS of Oklahoma. They will suffer no reduction in salary whatever under the proposed amendment.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Oklahoma, on which the yeas and nays have been demanded.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BAILEY (when his name was called). I have a pair with the senior Senator from Wisconsin [Mr. La Follettel. I am not informed as to how he would vote, and therefore I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. GLASS (when his name was called). Making the same announcement as to my pair as on previous vote, I vote "nay."

Mr. HATFIELD (when his name was called). Repeating the announcement as to my pair made on the previous vote, I withhold my vote.

Mr. JONES (when his name was called). Announcing my pair with the Senator from Virginia [Mr. Swanson] and its transfer as heretofore, I vote "nay."

Mr. McKELLAR (when his name was called). Making the same announcement of my pair and its transfer as heretofore, I vote "nay."

Mr. McNARY (when his name was called). Referring to my previous announcement as to my pair and its transfer, I shall vote. I vote "nay."

Mr. NYE (when his name was called). Upon this question I have a pair with the senior Senator from Arkansas [Mr. Robinson]. I understand that if present he would vote "nay." If I were permitted to vote, I should vote "yea."

Mr. ROBINSON of Indiana (when his name was called), Making the same announcement as before with reference to my general pair with the junior Senator from Mississippi [Mr. Stephens], I withhold my vote.

Mr. SCHALL (when his name was called). I have a general pair with the junior Senator from Illinois [Mr. Lewis]. If I were permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. COPELAND. I wish to announce that my colleague [Mr. Wagner] is detained from the Senate. If he were present and permitted to vote he would vote "yea."

Mr. JONES. The Senator from Mississippi [Mr. Harrison] and the Senator from Idaho [Mr. Borah] are paired. The Senator from Mississippi if present would vote "nay" and the Senator from Idaho if present would vote "yea."

Mr. PATTERSON (after having voted in the negative). I have a general pair with the junior Senator from New York [Mr. Wagner]. I transfer that pair to the junior Senator from Delaware [Mr. Townsend] and let my vote stand.

Mr. FRAZIER (after having voted in the affirmative). On this question I have a pair with the senior Senator from Brookhart

Caraway

Dill

Florida [Mr. Fletcher], and will therefore withdraw my vote. I understand that the Senator from Florida, if present, would vote "nay."

Mr. McNARY. I desire to announce the following pairs: The Senator from Connecticut [Mr. BINGHAM] with the Senator from Washington [Mr. DILL];

The Senator from Utah [Mr. King] with the Senator from Iowa [Mr. BROOKHART];

The Senator from Connecticut [Mr. Walcott] with the Senator from Missouri [Mr. Hawes]; and

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. Long].

The result was announced—yeas 22, nays 40, as follows:

	YE	AS-22	
Barbour Barkley Biaine Bulkley Bulow Capper	Coolidge Copeland Costigan Couzens Kendrick Logan	McGill Neely Norris Sheppard Shipstead Shortridge	Smith Thomas, Okla. Trammell Walsh, Mass.
	NA	YS-40	
Ashurst Austin Bankhead Bratton, Broussard Byrnes Carey Cohen Connally Cutting	Dale Davis Dickinson George Glass Goldsborough Hale Hastings Hayden Hebert	Howell Hull Johnson Jones Kean Keyes McKellar McNary Metcalf Moses	Norbeck Oddle Patterson Reed Thomas, Idaho Tydings Vandenberg Watson Wheeler White
	NOT V	OTING-34	
Bailey Bingham Black	Frazier Glenn Gore	Long Morrison Nye	Stephens Swanson Townsend

Fess Fletcher So the amendment of Mr. Thomas of Oklahoma was rejected.

Schall Smoot

Steiwer

Hatfield

La Follette

King

Robinson, Ark

Robinson, Ind.

Walcott Walsh, Mont.

Waterman

Mr. CONNALLY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. On page 45, in line 10, it is proposed to strike out the word "by" and all of line 10 and to insert:

(1) Rates less than \$5,000, by 10 per cent; (2) rates of \$5,000 or more but less than \$5,000, by 15 per cent; (3) rates of \$8,000 but less than \$10,000, by 20 per cent; and (4) rates of \$10,000 or more, 25 per cent: Provided, That the application of these reductions shall not operate to reduce the rate of compensation below that of the next lower salary rate in the same service, to which no reduction applies or to which no reduction applies. percentage of reduction applies or to which no reduction applies.

Mr. CONNALLY. Mr. President, most of the conflict has been between those who want an exemption and a graduated rate, on the one side, and the committee, which insists on no exemption. This amendment ought to satisfy both groups. It provides for no exemption whatever, but graduates the rates as follows: Up to \$5,000, 10 per cent; from \$5,000 to \$8,000, 15 per cent; from \$8,000 to \$10,000, 20 per cent; and \$10,000 and over, 25 per cent.

This will secure greater savings than any proposition pending before the Senate; and those who believe in the graduated rates have an opportunity now of demonstrating their zeal and sincerity. On the other hand, those who do not believe in any exemption whatever also have an opportunity of showing their devotion to that principle, because this makes no exemption whatever.

I believe that in this time there should be no exemption; and I have voted consistently with the committee against all amendments seeking to exempt anyone's salary from a cut. This is a time when everybody ought to be willing to make some sacrifice, as the people over the country have been forced to do by the exigencies of conditions and the irrevocable constitution of ecenomics. On the other hand, those who are more able to bear the cut will take cuts at a graduated rate.

This amendment would operate to reduce our own salaries to the level which was in effect before the war and was in effect until the salary was raised some years ago. It operates for only one year; and I commend it to Senators for their favorable consideration.

Mr. ASHURST. I call for the yeas and nays.

Mr. BLAINE. Mr. President, may the amendment be stated? There was so much confusion in the Chamber that I could not hear the amendment when it was read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 45, line 10, strike out the word "by" and line 11 and insert:

(1) Rates less than \$5,000, by 10 per cent; (2) rates of \$5,000 or more but less than \$8,000, by 15 per cent; (3) rates of \$8,000 but less than \$10,000, by 20 per cent; and (4) rates of \$10,000 or more, 25 per cent: Provided, That the application of these reductions shall not operate to reduce the rate of compensation below that of the next lower salary rate in the same service to which have the reconstruction applies or to which no reduction a lower percentage of reduction applies or to which no reduction

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Texas to the amendment of the committee

Mr. ASHURST. Let us have the yeas and nays.

The PRESIDING OFFICER. Is the demand seconded? Mr. TRAMMELL. Mr. President, in view of the fact that sufficient Senators have not seconded the demand for the yeas and nays-

Mr. CONNALLY. Just a minute; the Chair has not so announced.

Mr. TRAMMELL. If the Senate refuses to permit a yeaand-nay vote, so that each Senator can go on record as to how he stands on this question, I wish it understood before the vote is taken that I am voting for the amendment.

Mr. NORRIS. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BAILEY (when his name was called). I have a general pair on this bill with the senior Senator from Wisconsin [Mr. La Follette]. I am not informed as to how he would vote, and therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. HATFIELD (when his name was called). Respecting my pair with the senior Senator from North Carolina [Mr. Morrison], I withhold my vote.

Mr. JONES (when his name was called). Making the same announcement of my pair and its transfer as heretofore, I vote "nay."

Mr. McKELLAR (when his name was called). Making the same announcement as to my pair that I made on the last roll call, I vote "nay."

Mr. McNARY (when his name was called). Referring to my former announcement, I vote "nay."

Mr. NYE (when his name was called). I have a pair on this question with the senior Senator from Arkansas [Mr. ROBINSON]. Understanding that he would vote "nay" were he present, I am free to vote, and I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). Again announcing my general pair with the junior Senator from Mississippi [Mr. Stephens], I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SCHALL (when his name was called). I am paired with the junior Senator from Illinois [Mr. Lewis], and withhold my vote. If I were at liberty to vote, I should vote

Mr. WHEELER (when his name was called). On this question I have a pair with the junior Senator from Idaho [Mr. Thomas]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. BORAH. On this subject I have a pair with the Senator from Mississippi [Mr. Harrison]. If he were presBarbour

ent, he would vote "nay," and if I were at liberty to vote I my general pair with the junior Senator from Mississippi

should vote "yea." I withhold my vote.

Mr. McNARY. I desire to announce the following general pairs:

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. Long]:

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Washington [Mr. DILL];

The Senator from Iowa [Mr. BROOKHART] with the Senator from Utah [Mr. King]; and

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Missouri [Mr. HAWES].

The result was announced—yeas 14, nays 51, as follows:

YEAS-14

Barkley Capper Caraway Connally	Costigan Kendrick Logan McGill	Norris Sheppard Smith Thomas, Okla.	Trammell Tydings
	NA	YS-51	
Ashurst Austin Bankhead Barbour Blaine Bratton Broussard Buikley Bulow Byrnes Carey Cohen Coolidge	Copeland Couzens Cutting Dale Davis Dickinson Fietcher Frazier George Glass Goldsborough Gore Hale	Hastings Hayden Hebert Howell Hull Johnson Jones Keyes McKellar McNary Metcalf Moses Neely	Norbeck Nye Oddie Patterson Reed Shipstead Shortridge Vandenberg Wagner Walsh, Mass. Watson White

NOT VOTING 31

	-10-		Array Control of the
Bailey Bingham Black Borah Brookhart Dill Fess Glenn	Harrison Hatfield Hawes Kean King La Follette Lewis Long	Morrison Pittman Robinson, Ark. Robinson, Ind. Schall Smoot Steiwer Stephens	Swanson Thomas, Idaho Townsend Walcott Walsh, Mont. Waterman Wheeler

So Mr. Connally's amendment to the amendment of the committee was rejected.

Mr. NORRIS. Mr. President, I offer an amendment to the committee amendment, as follows:

On page 45, at the end of line 11, add the following:

Provided, That on all salaries of \$2,000 or less the reduction shall be 5 per cent.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska to the committee amendment.

Mr. NORRIS. Mr. President, the only change this makes in the committee amendment is to lessen the rate of reduction on salaries under \$2,000, making it 5 per cent instead of

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BAILEY (when his name was called). I am paired with the senior Senator from Wisconsin [Mr. LA FOLLETTE]. I am not informed as to how he would vote, and therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. BORAH (when his name was called). Again announcing my pair with the Senator from Mississippi [Mr. HARRISON], I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. JONES (when his name was called). Making the same announcement as to my pair and its transfer as made heretofore, I vote " nay."

Mr. McKELLAR (when his name was called). Making the same announcement as to my pair, I vote "nay."

Mr. McNARY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. NYE (when his name was called). Announcing as before, I merely desire to say that were I at liberty to vote I should vote "yea."

Mr. ROBINSON of Indiana (when his name was called). Making the same announcement as before with reference to [Mr. Stephens], I withhold my vote.

Mr. SCHALL (when his name was called). Announcing as before, I desire to state that if at liberty to vote I should

Mr. WHEELER (when his name was called). On this matter I have a pair with the junior Senator from Idaho [Mr. Thomas]. I find that I can transfer that pair to my colleague [Mr. Walsh]. I do so, and vote "yea."

The roll call was concluded.

Mr. HATFIELD. Respecting my pair with the senior Senator from North Carolina [Mr. Morrison], I withhold my vote.

Mr. GLENN. I have a general pair with the junior Senator from Louisiana [Mr. Long], who is necessarily absent, and withhold my vote.

Mr. McNARY. I desire to announce the following pairs: The Senator from Connecticut [Mr. BINGHAM] with the Senator from Washington [Mr. DILL]:

The Senator from Iowa [Mr. BROOKHART] with the Senator from Utah [Mr. King]; and

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Missouri [Mr. Hawes].

If present, the Senator from Connecticut [Mr. BINGHAM], the Senator from Utah [Mr. King], and the Senator from Connecticut [Mr. Walcott] would vote "nay," and the Senator from Washington [Mr. Dill], the Senator from Iowa [Mr. Brookhart], and the Senator from Missouri [Mr. Hawes] would vote "yea."

The result was announced—yeas 23, nays 41, as follows:

YEAS-23

Kendrick

Caraway

Barkley Blaine Bulkley Bulow Capper	Coolidge Copeland Costigan Cutting Frazier	Logan McGill Neely Norris Shortridge	Thomas, Okla. Wagner Walsh, Mass. Wheeler
The second second	NA NA	YS-41	
Ashurst Austin Bankhead Bratton Broussard Byrnes Carey Cohen Connally Couzens Dale	Davis Dickinson Fletcher George Glass Goldsborough Gore Hale Hastings Hayden Hebert	Hull Johnson Jones Kean Keyes McKellar McNary Metcalf Moses Norbeck Oddie	Patterson Sheppard Shipstead Trammell Tydings Vandenberg Watson White
	NOT V	OTING-32	
Bailey Bingham Black Borah Brookhart Dill Fess Glenn	Harrison Hatfield Hawes Howell King La Follette Lewis Long	Morrison Nye Pittman Reed Robinson, Ark. Robinson, Ind. Schall Smoot	Steiwer Stephens Swanson Thomas, Idaho Townsend Walcott Walsh, Mont. Waterman

So Mr. Norris's amendment to the amendment of the committee was rejected.

Mr. VANDENBERG. Mr. President, it seems to me there is one amendment which the Senate should be willing to inject into this tax, in perfecting it, before we proceed to the ultimate alternative of the furlough plan. There is one amendment which can be injected which involves comparatively little revenue, and yet involves a large number of employees in the final, lowest brackets.

If in line 11, page 45, there were added the words "except that no compensation shall be reduced below \$1,200," the cost would be only \$8,000,000, and it would still leave \$113,-000,000 in the bill. It certainly can not be said that we have avoided the ultimate sum total of our obligation if in this relatively minor respect we at least acknowledge the humanities in insisting that these reductions shall not proceed below \$1,200.

I therefore move, on page 45, line 11, to add after the word "thereof," the language:

Except that no compensation shall be reduced below \$1,200.

The PRESIDING OFFICER. The question is on the | posal of a straight 10 per cent cut all along the line and the amendment offered by the Senator from Michigan [Mr. VANDENBERG | to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

Mr. BLAINE. Mr. President, I think it has become perfectly obvious that it will be impossible to dispose of this bill to-day; the number of controversial subjects in the bill is so large, and will involve so considerable a debate, especially those provisions relating to the veterans. I therefore suggest that we pass over the consideration of salary reductions until we have an opportunity, by Monday, to study the plan submitted by the Senator from New Hampshire.

Mr. JONES. Mr. President, let me say to the Senator that the substitute proposed by the Senator from New Hampshire is different from what I thought it was. It is a substitute for Title I of part 2 and takes in the whole title. We can vote on this, if we are ready, and after a few other amendments have been made to it I will be perfectly willing to allow his substitute to be proposed and to be pending on

Mr. MOSES. Mr. President, if I may be permitted, by courtesy of the Senator from Wisconsin, the pending committee amendment contains the crux of the entire controversy. While it is true that the amendment which I have proposed is a substitute for the entire Title I in part 2, the textual changes, as differing from those made by the committee in connection with the House text, are not especially at variance.

I think a much more logical method of proceeding would be to permit my amendment to come up while we are still considering the committee amendment on page 45, because then we go to the heart of the entire controversy, which is a question of policy.

I know that I am impeded by a unanimous-consent agreement already entered into that the committee amendments must be disposed of first. If I have to abide by that literally. I can not present my amendment until the whole bill has been traversed. I must ask unanimous consent at some time. If the Senator from Washington maintains his present attitude of resistance, I will have to ask unanimous consent, when we have finished with the committee amendments to Title I of part 2, to present my amendment.

Mr. JONES. Mr. President, I am perfectly willing, myself, that we go through Title I, and then I will be perfectly willing to allow the Senator's substitute to be taken up and voted on as to that title. That is what it affects. I am perfectly willing to do that. But, of course, we would have to vote on the pending amendment before voting on the Senator's substitute, the way it is framed. It is a substitute for the whole title, and, under our rules, the title must be perfected first.

Mr. MOSES. The Senator means under the unanimousconsent agreement.

Mr. JONES. No; under the rules of the Senate that title will have to be perfected before the Senator's amendment in the nature of a substitute would be in order.

Mr. MOSES. I am not clear about that. I am clear that under the unanimous-consent agreement to take all the committee amendments first, we will have to traverse the whole bill before I can offer my amendment.

Mr. JONES. I am perfectly willing myself to agree upon the proposition that when we conclude the consideration of the amendments we have proposed to Title I. the Senator's substitute may be taken up and acted on.

Mr. MOSES. The Senator, I take it, is therefore unwilling to grant unanimous consent that my amendment shall now be formally proposed and pending?

Mr. JONES. Before the Senate can vote on that we will have to vote on the pending amendment, and I propose that

Mr. MOSES. Mr. President, I am attempting to raise the issue directly, nakedly, even, as between the committee pro-

furlough system; and the Senator knows, not only as a member of the Committee on Appropriations and the Senator in charge of the bill, but he knows also as the chairman of the special subcommittee that dealt with the subject that that is the crux of the whole subject.

Mr. JONES. I know, but the Senator's substitute does not put us in that position.

Mr. MOSES. Absolutely. Mr. JONES. The Senator's substitute is a substitute for the whole title.

Mr. MOSES. Certainly, because the whole title is based upon the 10 per cent reductions, so far as the committee amendment is concerned, and the whole title is based on the furlough system, so far as my amendment is concerned.

Mr. JONES. Let us perfect the title, and then I will be perfectly willing to have the Senator's substitute taken up. But unless the Senator puts it that way, we must act upon the committee amendments to the text before we act upon the Senator's substitute. That is the common rule. That is all I would like to do to-night.

Mr. MOSES. I realize my hopelessness and helplessness in the situation.

Mr. JONES. Let us vote on the text of Part I.

Mr. BLAINE. Mr. President, permit me to make an appeal to the Senator from Washington, on the basis of the fact that the passage of this bill will be expedited if the Senate is permitted to vote upon the substitute offered by the Senator from New Hampshire. I am sure that is true.

Mr. JONES. That is what I want to arrange for.

Mr. BLAINE. The Senate has been in session every day this week, during some of the days working long into the night, as I recall, once as late as 1 or 1.30 o'clock in the morning, until many of the Senators are literally going on their nerves. There are many controversial subjects in this bill, and unless we can take a recess, or in some way mollify or assuage that which exists, I think, within every Senator here this afternoon, we are simply going to get into an irritable state and a protracted discussion of the bill, and accomplish little. I think, in the interest of expedition, and in the interest of intelligent consideration of the bill, and, as well, in the interest of deliberate judgment in coming to our conclusions, if the Senate will recess at 4 o'clock until next Monday, we will then be in much better shape to expedite the passage of this bill, and I want to expedite the passage of the bill and take a final vote on it at the earliest possible moment.

Mr. JONES. Mr. President, may I suggest to the Senator that we have been voting on amendments to this one committee amendment. Apparently we have voted on all the amendments that Senators desire to offer. I want to expedite the consideration of the bill. Why can we not take our vote on the pending amendment, and the other amendments to Title I probably will not take 10 minutes to dispose of; then the Senator from New Hampshire may offer his substitute, and I am perfectly willing that he shall not be forced to wait until we get entirely through the bill, but I am willing that he shall offer his substitute for Title I as soon as we get through with this amendment, and allow that to be pending on Monday. I think we can close it up in 10 minutes.

Mr. MOSES. Mr. President, if the Senator from Wisconsin will permit me, I have a feeling that if the committee amendment on page 45 is agreed to, just to that extent my amendment is going to be foreclosed from consideration, because many Senators will feel that the matter has been disposed of, and that I can not raise the direct issue between the 10 per cent cut and the furlough system, as I could raise it if I were permitted to offer my amendment now.

Mr. JONES. If the Senator had offered his amendment as a substitute for, say, the paragraph we are considering, without including all of that title, it would have been

Mr. MOSES. Mr. President, I could not do that, as the Senator will discover when he studies the text of my amendment, because my amendment applies to all the other pro-

Mr. JONES. That is true, not to this one provision. The Senator is not satisfied with that. He has several other

Mr. MOSES. The Senator quite misinterprets what I say. I am not satisfied with the 10 per cent cut; that is true.

Mr. JONES. I understand that. Mr. MOSES. But, in addition to that, the committee having framed this title upon the 10 per cent cut, I had to frame my amendment in the same method and go through the whole title, in order to make it all conform to the furlough system.

Mr. JONES. That is what I say.
Mr. MOSES. There are 12 sections in this title, and the Senator asks me to make 12 bites at the cherry.

Mr. JONES. No; I do not ask the Senator to do that.

Mr. MOSES. That is what it comes to.

Mr. JONES. If the Senator does insist on including all those things in his substitute, I say that we must have the text of the title perfected before the substitute will be in order. We have a right to vote on the pending amendment, just as we have been voting on every other amendment.

Mr. MOSES. Certainly; but the Senator is wholly dogmatic in what he is saying.

Mr. JONES. I am sure the Senator as a parliamentarian will agree with me in the stand I take.

Mr. MOSES. From a strictly parliamentary point of view. I do agree; but I say that the Senator is taking a position of extreme resistance, dogmatically, in connection with the matter. He knows it requires unanimous consent to do what I want, and I can not get that consent.

Mr. ASHURST. A point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. ASHURST. I make the point of order that the rules of the Senate, under the unanimous-consent agreement entered into, will require us to perfect the text. All other Senators who offered amendments could not have the advantage sought by my learned friend from New Hampshire. They had to take their chances. He must take his chance, as they did. The unanimous-consent agreement requires us to perfect the text.

Mr. SHIPSTEAD. A parliamentary question.

The PRESIDING OFFICER. The Senator will state it. Mr. SHIPSTEAD. Is a motion to recess a privileged motion?

Mr. MOSES. Mr. President, if the Senator will yield, as soon as I can get the complete text of my amendment, I will see if it is possible for me to offer a portion of it as a substitute for the section on page 45, and if so, we can raise the question immediately.

Mr. SHIPSTEAD. Mr. President, I move that the Senate take a recess until Monday morning at 10 o'clock.

Mr. JONES. Mr. President, we already have a unanimousconsent agreement for a recess.

The PRESIDING OFFICER. We have a unanimous-consent agreement to recess, at the conclusion of business today, until 12 o'clock on Monday.

Mr. SHIPSTEAD. I was not aware that a unanimousconsent agreement had been entered into to meet at 12 o'clock on Monday. Therefore I change my motion, and move that the Senate now take a recess until 12 o'clock on Monday.

Mr. JONES. I hope that will be voted down.

Mr. ASHURST. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. GLENN (when his name was called). In view of my pair with the junior Senator from Louisiana [Mr. Long], I withhold my vote.

Mr. JONES (when his name was called). Announcing my pair and transfer as heretofore, I vote "nay."

Mr. NYE (when his name was called). Announcing once more my pair with the senior Senator from Arkansas [Mr. ROBINSON], I withhold my vote.

Mr. ROBINSON of Indiana (when his name was called). Because of my general pair with the junior Senator from Mississippi [Mr. Stephens], I withhold my vote.

Mr. SCHALL (when his name was called). Making the same announcement as before, I vote "nay."

Mr. SHORTRIDGE (when his name was called). a pair with the junior Senator from Georgia [Mr. Conen]. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. McNARY. I wish to announce the following pairs: The Senator from Connecticut [Mr. BINGHAM] with the Senator from Washington [Mr. DILL];

The Senator from Iowa [Mr. BROOKHART] with the Senator from Utah [Mr. KING]:

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Missouri [Mr. Hawes]; and

The Senator from Idaho [Mr. BORAH] with the Senator from Mississippi [Mr. Harrison].

The result was announced—yeas 7, nays 53, as follows:

	YI	EAS-7	
Blaine Bulow	Caraway Cutting	Johnson Kendrick	Shipstead
	NA	YS-53	
Ashurst Austin Barkley Bankhead Barbour Barkley Bratton Broussard Bulkley Byrnes Capper Carey Connally Coolldge	Copeland Couzens Dale Davis Dickinson Fletcher Frazier George Glass Goldsborough Gore Hale Hastings Hayden	Hebert Howell Jones Kean Keyes Logan McGill McKellar McNary Metcalf Moses Neely Norris Oddle	Patterson Pittman Sheppard Smith Trammell Tydings Vandenberg Wagner Walsh, Mass. Watson White
Coonage		CONTRACTOR OF THE PARTY OF THE	
	NOT V	OTING—36	
Bingham Black Borah Brookhart Cohen	Harrison Hatfield Hawes Hull King	Norbeck Nye Reed Robinson, Ark. Robinson, Ind.	Stephens Swanson Thomas, Idaho Thomas, Okla. Townsend
Costigan Dill Fess	La Follette Lewis Long	Schall Shortridge Smoot	Walcott Walsh, Mont. Waterman

Morrison So the Senate refused to take a recess.

Mr. NEELY. Mr. President, I submit a short amendment and ask unanimous consent that it may be reported for the information of the Senate.

Wheeler

The PRESIDING OFFICER. Without objection, the clerk will read the proposed amendment.

The LEGISLATIVE CLERK. The Senator from West Virginia proposes to strike out all of sections 101 and 102 and to insert in lieu thereof the following:

During the fiscal year ending June 30, 1933, the compensation of the Members of the House and Senate and all other Federal employees whose salaries are \$10,000 a year or more is hereby reduced 15 per cent of the amount thereof.

The PRESIDING OFFICER. The amendment is not in order at this time.

Mr. NEELY. I ask to have it printed and lie on the table. The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. TYDINGS. Mr. President, at the place designated by the junior Senator from Michigan [Mr. VANDENBERG], I offer this amendment:

Provided, however, That no salary shall be reduced to less than

That would take only about \$2,000,000 from the amount estimated to be saved, and it would keep intact the pay of those who are the lowest paid in the entire Government service. It would mean that only \$2,000,000 of the con-

templated saving would be lost.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Maryland to the committee amendment. [Putting the question.] The aves seem to have it. The aves have it, and the amendment to the amendment is agreed to.

Mr. ASHURST. I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair has announced the vote

Mr. ASHURST. I move for a reconsideration of the vote. The motion to reconsider was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

Mr. JONES. I ask for the yeas and nays.

Mr. BLAINE. Let the amendment be reported.

The PRESIDING OFFICER. The Chair will ask the Senator from Maryland to state his amendment.

Mr. TYDINGS. Mr. President, at the same place as that designated by the junior Senator from Michigan [Mr. Van-DENBERG] for his amendment, I propose to add the words, "Provided, That no reduction shall reduce any salary below \$1,000."

That would mean that only \$2,000,000 of the contemplated savings would be lost, and it seems to me that if we are to be actuated by the humanities, at least we should make this small concession, without destroying either the spirit or the letter or the essence of the committee amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BARKLEY. The meaning of that amendment probably would be that any Government employee now drawing less than a thousand dollars would have his pay reduced 10 per cent; but any employee who gets a little more than a thousand dollars would not have his reduced if it brought him down below a thousand.

Mr. TYDINGS. The Senator misunderstood me. I said that "no reduction shall be made upon any salary of less than a thousand dollars."

Mr. BARKLEY. The way the Senator stated it there would be no reduction in a salary less than a thousand

Mr. TYDINGS. I read it correctly the first time.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BYRNES. Will the Senator tell us where he gets the figures to justify his statement?

Mr. TYDINGS. I introduced the figures from the record furnished by the Bureau of the Budget that the total salaries of persons drawing \$1,000 a year or less were about \$43,000,000. Therefore the contemplated saving by a 10 per cent reduction would be about \$4,000,000. A lot of them are not getting a thousand dollars. So, suggesting a round figure, I thought that it would be somewhere between two and three million dollars. Is that correct?

Mr. BYRNES. I am not able to follow the Senator in his figures. I was simply trying to learn from what source he got the information. My information is that it would cause a greater loss in the total amount.

Mr. JONES. May I suggest to the Senator that probably the language I am about to suggest would be better than that proposed, namely, "Government employees receiving less than \$1,000 shall suffer no reduction "? That is what the Senator means, I think.

Mr. TYDINGS. I accept that interpretation or wording in lieu of that which I sent to the desk. That is what I thought I said at first.

Mr. JONES. I know that is what the Senator meant.

Mr. BARKLEY. Mr. President, if the Senator will yield. I am trying to get it fixed in my mind how many employees this affects. There seems to be a dispute as to whether there are 4,000,000 or 43,000,000.

Mr. TYDINGS. The employees receiving salaries of a thousand dollars a year or less draw \$43,000,000 in Federal pay.

Mr. BARKLEY. Oh, \$43,000,000. Mr. TYDINGS. So that if there were a 10 per cent reduction in those salaries the saving would be \$4,300,000. There are a number of employees who do not get a thousand dollars a year.

Mr. BARKLEY. Does that include also the fourth-class postmasters, whose compensation is regulated by commissions and many of whom, in fact, probably most of whom, draw less than a thousand dollars a year?

Mr. TYDINGS. It applies to everybody in the Government service who draws a salary of less than a thousand

dollars a year.

Mr. BARKLEY. Then, in all probability, a large proportion of the employees who draw less than a thousand dollars may be fourth-class postmasters. I can not understand how there could be such an enormous list of employees drawing less than a thousand dollars a year so as to make up the total of \$43,000,000 unless it did include fourth-class postmasters.

Mr. JONES. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. JONES. I just want to say to the Senator that, according to the experts, the amount of salary reduction for the group under a thousand dollars would be \$3,910,000.

Mr. TYDINGS. I think that is about right. In other words, at the most it would be under \$4,000,000.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland to the amendment reported by the committee.

Mr. TYDINGS. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mrs. CARAWAY (when her name was called). On this vote I have a general pair with the senior Senator from Pennsylvania [Mr. Reed]. Not knowing how he would vote, I withhold my vote.

Mr. GLENN (when his name was called). In view of my general pair with the junior Senator from Louisiana [Mr. Long], I withhold my vote. If permitted to vote, I should vote "yea."

Mr. HATFIELD (when his name was called). Because of my pair with the senior Senator from North Carolina [Mr. Morrison], I withhold my vote.

Mr. JONES (when his name was called). Announcing my pair and its transfer as heretofore, I vote "nay."

Mr. McKELLAR (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "nay."

Mr. McNARY (when his name was called). Again announcing my pair and its transfer, I shall vote. I vote "nay."

Mr. NYE (when his name was called). Not knowing how the senior Senator from Arkansas [Mr. Robinson], with whom I am paired on this question, would vote were he present, I am compelled to withhold my vote. Were I permitted to vote, I should vote "yea."

Mr. SCHALL (when his name was called). Announcing my pair as on the previous vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. SHORTRIDGE (when his name was called). Making the same announcement regarding my pair as on the previous vote, I understand that my pair, if present, would vote as I intend to vote. Therefore I vote "yea."

Mr. WHEELER (when his name was called). On this vote I have a pair with the junior Senator from Idaho [Mr. Thomas]. I transfer that pair to my colleague the senior Senator from Montana [Mr. Walsh] and will vote. I vote

The roll call was concluded.

Mr. BAILEY. I have a general pair with the senior Senator from Wisconsin [Mr. La Follette]. I am not informed as to how he would vote, if present, but I transfer that pair to the junior Senator from Tennessee [Mr. HULL] and ask leave to vote. I vote "nay."

Mr. McNARY. I desire to announce the following pairs: The Senator from Idaho [Mr. Borah] with the Senator from Mississippi [Mr. HARRISON]:

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Washington [Mr. DILL];

Bingham

Brookhart

Black

Borah

The Senator from Utah [Mr. King] with the Senator from Iowa [Mr. Brookhart]; and

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Missouri [Mr. HAWES].

The result was announced—yeas 35, nays 29, as follows:

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Barbour	Costigan	Moses	Shortridge
Barkley	Cutting	Neely	Smith
Blaine	Davis	Norris	Tydings
Bulkley	Frazier	Oddie	Vandenberg
Bulow	George	Patterson	Wagner
Capper	Kendrick	Pittman	Walsh, Mass.
Carey	Keyes	Robinson, Ind.	Wheeler
Coolidge	Logan	Sheppard	White
Copeland	McGill	Shipstead	
	NA	YS-29	
Ashurst	Couzens	Hastings	McNary
Austin	Dale	Hayden	Metcalf
Bailey	Dickinson	Hebert	Stephens
Bankhead	Fletcher	Howell	Trammell
Bratton	Glass	Johnson	Watson
Broussard	Goldsborough	Jones	
Byrnes	Gore	Kean	
Connally	Hale	McKellar	
	NOT VO	OTING-32	

Nye Reed Robinson, Ark. Townsend Walcott Caraway King Cohen Walsh, Mont. La Follette Lewis Dill Schall Waterman Fess

Morrison

Norbeck

Swanson

Thomas, Idaho Thomas, Okla.

So the amendment of Mr. Typings to the amendment of the committee was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the committee as amended.

Mr. BLAINE. Mr. President, may the amendment be reported so that we will know which amendment we are voting on?

The PRESIDING OFFICER. The amendment of the committee as amended will be stated.

The LEGISLATIVE CLERK. On page 45 it is proposed to strike out in line 6, after the word "reduced," all down to and including the numerals "\$2,500," in line 10, and to insert in lieu thereof "by 10 per centum of the amount thereof, except that no compensation shall be reduced below \$1,000."

Mr. BLAINE. I ask for the yeas and nays on the amendment.

Mr. JONES. Mr. President-

Glenn

Hawes

Hull

Harrison

Hatfield

Mr. ROBINSON of Indiana. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it. Mr. ROBINSON of Indiana. If a Senator votes in the affirmative, in this instance, on the committee amendment, he votes to reduce the pay of all Federal employees regardless of the amount of salary or wages received.

The PRESIDING OFFICER. Except as to those receiving below \$1,000.

Mr. ROBINSON of Indiana. Excepting the limitation provided by the amendment offered by the Senator from Maryland, which has just been adopted.

The PRESIDING OFFICER. That is correct.

Mr. ROBINSON of Indiana. That means that if there are some of us who are opposed to reducing the pay of Federal employees in the lower brackets, but are perfectly willing to reduce our own salaries and those in the higher brackets, in order to register our protest we must vote "nay" against the entire amendment. With that understanding, I shall certainly vote "nay."

Mr. JONES. Mr. President

The PRESIDING OFFICER. The Senator from Washington.

I want to suggest that the language of the latter part of the amendment as read by the clerk is not that which was agreed to a while ago. I ask that the clerk read it. As he has read it it does not express, I think, what the Senator from Maryland wanted or what we really agreed I refer to the latter part of it.

The legislative clerk read as follows:

Except that no compensation shall be reduced below \$1,000.

Mr. JONES. That is not correct. It should read "except that no compensation less than \$1,000 shall be reduced."

Mr. MOSES. Oh, no.
Mr. JONES. Yes; that is correct.
Mr. BARKLEY. "That no compensation of a thousand dollars or less shall be reduced."

Mr. JONES. The thousand-dollar salary was not included. but it should read, "except that no compensation less than \$1,000 shall be reduced."

Mr. TYDINGS. That is right.

The PRESIDING OFFICER. That is the way in which the amendment to the amendment was adopted.

Mr. JONES. That was the amendment suggested, and I want it worded that way in order to express the idea agreed

The PRESIDING OFFICER. That is the understanding of the Chair. The question now is on agreeing to the committee amendment as amended, on which the Senator from Wisconsin has demanded the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BAILEY. I have a general pair with the senior Senator from Wisconsin [Mr. La Follette]. I am not informed as to how he would vote. I am informed, however, that I can transfer my pair with the Senator from Wisconsin to the junior Senator from Tennessee [Mr. HULL], and doing that I shall vote. I vote "yea."

Mrs. CARAWAY (when her name was called). On this vote I have a pair with the senior Senator from Pennsylvania [Mr. REED]. I understand that if he were present he would vote "yea." As I intend to vote in the affirmative, I feel free to vote. I vote "yea."

Mr. GLENN (when his name was called). Repeating my last announcement as to my pair, I withhold my vote.

Mr. HATFIELD (when his name was called). Because of my pair with the senior Senator from North Carolina [Mr. Morrison], I withhold my vote.

Mr. JONES (when his name was called). Announcing my pair and its transfer as heretofore, I vote "yea."

Mr. McKELLAR (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. McNARY (when his name was called). Referring to my former announcement as to my pair and its transfer, I will vote. I vote "yea."

Mr. NYE (when his name was called). Announcing again my pair with the senior Senator from Arkansas [Mr. Robinson], and not knowing how he would vote were he present, I must withhold my vote. Were I permitted to vote, I should vote "yea."

Mr. SCHALL (when his name was called). I have a pair with the junior Senator from Illinois [Mr. Lewis]. Were I permitted to vote, I should vote "nay."

Mr. SHORTRIDGE (when his name was called). Making the same announcement as heretofore as to my pair with the junior Senator from Georgia [Mr. Cohen], I withhold my vote.

Mr. WHEELER (when his name was called). On this vote I have a pair with the junior Senator from Idaho [Mr. THOMAS]. I am not informed as to how he would vote. I transfer that pair to my colleague the senior Senator from Montana [Mr. Walsh] and will vote. I vote "nay."

The roll call was concluded.

Mr. GEORGE. I wish to announce that my colleague the junior Senator from Georgia [Mr. Cohen], who is absent, is paired upon this question. If he were present, he would vote "yea."

Mr. WHEELER. I wish to announce that my colleague the senior Senator from Montana [Mr. Walsh] is necessarily absent on business of the Senate.

Mr. McNARY. I desire to announce the following gen-

The Senator from Idaho [Mr. Borah] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Washington [Mr. DILL]:

Senator from Missouri [Mr. Hawes]; and

The Senator from Utah [Mr. King] with the Senator from Iowa [Mr. BROOKHART].

Mr. SHEPPARD. I desire to announce that the senior Senator from Arkansas [Mr. Robinson] is absent. If present, he would vote "yea."

The result was announced—yeas 38, nays 27, as follows:

tings Metcalf ert Patterson reil Sheppard es Smith n Stephens drick Trammell an Tydings fill White Cellar lary
3

Ashurst	Costigan	Moses	Thomas, Okla.
Blaine	Couzens	Neely	Vandenberg
Broussard	Cutting	Norris	Wagner
Bulow	Davis	Oddie	Walsh, Mass.
Carey	Hayden	Pittman	Watson
Coolidge	Johnson	Robinson, Ind.	Wheeler
Copeland	Keves	Shinstead	

S. S. Marine	NOT	VOTING—31	
Bingham Black Borah Brookhart Cohen Dill Fess Glenn	Harrison Hatfield Hawes Hull King La Follette Lewis Long	Morrison Norbeck Nye Reed Robinson, Ark. Schall Shortridge Smoot	Stelwer Swanson Thomas, Idaho Townsend Walcott Walsh, Mont. Waterman

So the amendment of the committee as amended was agreed to.

Mr. NYE. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be

The LEGISLATIVE CLERK. On page 45, line 11, after the word "thereof," the Senator from North Dakota proposes to add the following:

Provided, That any reduction in the compensation of any office, position, employment, or enlistment the compensation for which is adjustable to conform to the prevailing rates of pay in private employment for similar classes of work shall not exceed the reduction in the total compensation of other employees of equivalent compensation covered by this section.

Mr. JONES. Mr. President, under the unanimous-consent agreement that the amendments of the committee should be considered first, I hardly think that amendment is in order just now. We have adopted the committee amendment.

The PRESIDING OFFICER. The Chair rules that that amendment is not in order at the present time.

Mr. NYE. Do I understand that this amendment will not be in order?

Mr. JONES. We have just voted on the committee amend-

ment. We have adopted it. The PRESIDING OFFICER. The Senator is too late.

The committee amendment, as amended, was adopted.

Mr. NYE. I understood that the vote just recorded was upon the amendment offered by the Senator from Maryland [Mr. Typings].

The PRESIDING OFFICER. The Senator is in error. The amendment of the Senator from Maryland was adopted before the committee amendment was adopted.

Mr. JONES. The Senator's amendment will be in order when the time comes.

Mr. NYE. Very well.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 45, after line 11, to strike out:

(b) For the purposes of determining the percentage of reduction under this section applicable to any office, position, employment, or enlistment, the compensation for which is calculated on a piecework, hourly, or per diem basis, the annual rate of compensation shall be held to be the total amount which would be

The Senator from Connecticut [Mr. Walcott] with the enator from Missouri [Mr. Hawes]; and working days, or the number of working days on the basis of which such compensation is calculated, whichever is the greater.

The amendment was agreed to.

The next amendment was, on page 46, after line 15, to

(e) the active enlisted personnel of the Army, Navy, and Marine Corps, or.

So as to read:

EXEMPTIONS FROM REDUCTION

SEC, 103. Section 102 of this title shall not apply to-

(a) any office, position, employment, or enlistment the compensation for which is expressly fixed by international agreement, or

(b) compensation paid under the terms of any contract in effect on the date of enactment of this act, if such compensation may not lawfully be reduced, or

(c) any office the compensation of which may not, under the Constitution be diminished in the case of any incumbent dura-

Constitution, be diminished, in the case of any incumbent, during the term for which he was elected or during his continuance in office, unless the application of such section to such office will not result in a diminution of compensation prohibited by the Constitution, or

(d) any office, position, employment, or enlistment the compensation for which is adjustable to conform to the prevailing local rate for similar work; but the wage board or other body charged with the duty of making such adjustment shall immediately take such action as may be necessary to effect such adjustment, or

(e) the active enlisted personnel of the Army, Navy, and Marine

Corps. or.

Mr. COPELAND. Mr. President, I have on the desk an amendment relating to this matter. It is to include the police and firemen of the District. May I ask whether it is to be found on the desk? I am very sorry to detain the Senate a moment; but the amendment has been printed.

On line 17, page 46, I move that there be inserted:

Excepting the Metropolitan police department and the fire department of the District of Columbia.

Mr. JONES. Mr. President, where does the Senator offer that amendment? It might go in as a separate amendment.

Mr. COPELAND. I think it properly belongs on line 17; and let me say why I am doing this.

It was strongly impressed upon the committee that the enlisted personnel of the Army and Navy should be exempt from the cut, and in my opinion the same argument holds with reference to the policemen and firemen of the District. It may well happen that they might be called upon in exactly the same way as the Army and Navy: and I am strongly of the belief that they should be exempt from the operation of the cut.

Mr. GLASS. Mr. President, can not a policeman or a fireman in the District of Columbia resign?

Mr. COPELAND. Yes; he can resign.

Mr. GLASS. An enlisted man in the Army or the Navy can not resign. That was the argument presented to us, and the one that impressed me.

Mr. COPELAND. -Mr. President, there are some phases of this subject that I really hate to discuss on the floor; and yet at the same time I think that if Senators will pause for a moment, they will see that in case of rioting, in case of disturbance, in case there should come in here fifteen or twenty thousand persons, forming a petition in boots, there should be no question that the members of the police and fire departments should be on the job. I have no reason to question that they would be. I think the same thing would be true of the enlisted personnel of the Army and Navy; but if we make an exemption in regard to them I think the same exemption should be made with regard to the men who in this community represent the same function, the protection of public safety.

Mr. GLASS. Mr. President, may I suggest to my colleague that the policemen and firemen in the District of Columbia are not technically Federal employees? I do not think the reduction applies to them anyway.

Mr. COPELAND. As a matter of fact, the bill is worded so as to include the employees of the District of Columbia. I thought myself that it ought not to include them.

Mr. SHORTRIDGE. Mr. President, will the Senator from New York yield for a moment?

Mr. COPELAND. I yield.

Mr. SHORTRIDGE. I gave notice of intention to move | an amendment to achieve the same result as the amendment offered by the Senator from New York. I propose to insert on page 46, after line 17, the following:

The members of the Metropolitan police force and the fire department of the District of Columbia, or-

For reasons which I think must be manifest, I fully agree with the thoughts of the Senator from New York; and I submit to brother Senators that the members of the fire department and the police department of this District should be put, as it were, on the same level or in the same status as the active enlisted personnel of the Army, Navy, and Marine

Mr. JONES. They can quit whenever they want to, Mr. President.

The PRESIDING OFFICER. The Senator from New York has the floor. To whom does he yield?

Mr. COPELAND. I yield to the Senator from California. Mr. SHORTRIDGE. I will not enlarge upon my own views. If the matter is going to be debated, I will take some little time of the Senate; but I hoped the proposed amendment of the Senator from New York would not require

Mr. COPELAND. I hoped the Senator in charge of the bill would accept the amendment.

Mr. SHORTRIDGE. I hoped he would, as a matter of course. It is indifferent to me whether the amendment bears the name of the Senator from New York or mine; it is the end that I have in view.

Mr. COPELAND. I share the generous sentiment of the Senator from California. I will yield to him.

Mr. SHORTRIDGE. I thank the Senator, I will speak later.

Mr. BYRNES. Mr. President, I only want to say this: There is absolutely no justification for the exemption of the officers suggested in the amendment of the Senator from New York. The reason for the exemption of the enlisted men of the Army and the Navy and the Marine Corps was, as has been heretofore suggested, that when a man enlists in the Army, the Navy, or the Marine Corps, he enlists for a term of years. If there is a reduction of salary, he can not resign. If he leaves, he is court-martialed; he is a deserter; and therefore this reduction should not apply to

A man who is a fireman or a policeman here in the District of Columbia, if he is not willing to continue in the employ of the District of Columbia government with the reduction of 10 per cent, can resign at any moment he wants to; and if they should in a body give notice that they would resign, and the newspapers carried it to-morrow morning with the announcement that their places could be filled from the country, the march on Washington on Monday and Tuesday would exceed anything known in the history of the city of Washington. They would come from all corners.

There is no excuse for our planning an exemption of this kind. In charge of all public buildings there are guards. Shall they be exempted? Why should not they be granted the same exemption that is suggested in this amendment of the Senator from New York? It could be extended to an unlimited number of employees. I hope the Senate will not agree to it, but will stand by the amendment which is in the bill, exempting only the enlisted men of the Army, Navy, and Marine Corps.

Mr. SHORTRIDGE. Mr. President, the committee proposed that the active enlisted personnel of the Army, Navy, and Marine Corps be exempted from this reduction. It is not my immediate purpose to pay eulogy or tribute to the members of the police department or to the members of the fire department of this District. That they are brave, that they are vigilant, that they are fearless and faithful in the discharge of their several duties, must be cheerfully admitted by us all. They are the District's first line of defense.

It is quite true that they have the privilege of resigningthat is, of course, manifestly so-but who shall say that they are now overpaid? Fully 82 per cent of them receive \$2,400 or less annually. Who shall say that they are unfaithful to their duty? Who shall say that they are not ready at any better elsewhere, they are perfectly free to do it.

moment, by day or night, to respond to the call of distress, to obey the call of duty?

It is a manifest fact that while in a sense they are limited in hours, they repeatedly labor in the discharge of duty far beyond the prescribed hours of duty. By night, by day, when you and I and our wives and children are asleep, they are on guard to protect the lives and the property of the citizens of this District, even as members of the Army and the Navy are on the alert to perform their duty and to protect the property and lives of our people.

It is not out of any desire to curry favor with them, nor to indulge in words of eulogy, that I urge that this amendment be adopted. From their peculiar position and duty as policemen, risking their lives, as firemen, imperiling their lives, they are entitled to the most sympathetic consideration of the Senate.

With great respect for the committee and the views that have been expressed to the contrary of mine, I submit to the Senate that there should be no reduction in the salaries of the policemen or the firemen of this District.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I yield.

Mr. BYRNES. I simply want to say to the Senator that the committee had the same opinion of the policemen and the firemen of the District that he has expressed.

Mr. SHORTRIDGE. I have no doubt they had.

Mr. BYRNES. They would have joined in eulogizing their service. They agree that they are fearless, brave, and everything else the Senator has suggested. This bill does not seek to change their salaries, however; and the committee thought there was no reason why the policemen and firemen should be exempted, any more than the enlisted men of the Coast Guard or thousands of other employees, fearless and faithful, just as the firemen and the policemen are, who in this emergency are asked to accept 10 per cent less for this one year. It does not mean that we have any opinion that the policemen or firemen are overpaid, or that they are not faithfully performing their duties.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I yield.

Mr. SMITH. I should like to ask my colleague under what category he would put the policemen and firemen as Federal employees? How do they come in the category of Federal employees?

Mr. BYRNES. Under the language of the bill they are included.

Mr. SMITH. I know they are included, but by virtue of what? We do not fix their salaries. We do not employ them. It is not done by an act of Congress, except perhaps by our participation in the lump-sum appropriation for running the District.

Mr. BYRNES. I will say to my colleague that we do fix their salaries, and that is why they are in the bill. Congress fixes their salaries.

Mr. SMITH. Congress does fix their salaries, rather than the District Commissioners?

Mr. BYRNES. Yes; their salaries are fixed by the Con-

Mr. BRATTON. Mr. President, will the Senator yield to

Mr. SHORTRIDGE. I vield.

Mr. BRATTON. The committee took this fact into consideration also. This bill was written behind closed doors. No one affected was given an opportunity to be heard. Every other class with which we dealt has the opportunity of resigning if its members feel that they can do better elsewhere; but not so with the enlisted men of the Army, the Navy, and the Marine Corps. Unless this exemption applies to them, the result will be that without any opportunity to be heard, without any opportunity to protest, we cut their compensation, and they are denied the opportunity to quit and undertake to improve their condition elsewhere.

The policemen are not in that class. They have no period of enlistment compulsory in character; and although the cuts are harsh and will not be welcomed by a great many, if they feel that they are too harsh and that they can do

It occurred to us that the cut of 10 per cent upon the class not free to go into other channels and do better was against our concept of fairness. So we said that, as to the men occupying this peculiar position, we would not impose upon them in this manner. In that respect I do believe that the policemen are not in the same class. They are just as free to leave as are policemen in New York or Chicago or any place else.

Mr. SHORTRIDGE. So is a Senator at liberty to resign. Mr. BRATTON. Yes; if any of us want to resign as a result of the cuts we have voted to-day we are free to do so.

Mr. SHORTRIDGE. And, of course, there will be a great exodus. [Laughter.]

Mr. BRATTON. I do not look to see any resignations announced in the papers.

Mr. GLASS. Mr. President, may I suggest to my colleague that even had the enlisted men the right to resign, and there should be such an exodus of enlisted men as the Senator from California assumed there may be in the Senate, it is very doubtful whether the Government could fill their places.

Mr. BRATTON. Quite so.

Mr. SHORTRIDGE. In respect to the thought just expressed by the Senator from New Mexico, to restate my view. Take, for example, a given policeman who entered the service when he was a comparatively young man. He has devoted many years to that service, he has been faithful to duty, he has grown old, he has a family, a wife and children.

Mr. FLETCHER. Mr. President, is not that equally true with reference to these other employees?

Mr. SHORTRIDGE. Of course it is. It is true as to all in the public service.

Mr. FLETCHER. I can not conceive for the life of me why any preference should be given to policemen or firemen. They are not doing any more than any of the others are doing. Some of the others have grown old in the service, at very much less pay than policemen and firemen receive.

Mr. SHORTRIDGE. I am seeking to impress upon the minds of Senators the type of service which has been rendered and is being rendered and must be rendered by the police, and likewise the type of service that has been rendered and is being rendered and must be rendered by members of the fire department, hazardous service.

I do not wish to draw pictures of possibilities, but it is quite conceivable that policemen and firemen may risk their lives to-night, to-morrow. They have done so in the past. They may do so to-night or to-morrow, and I am insisting, first, that the salaries now are moderate, not excessive; second, that they are paid to men who have spent many years in the service; third, that the service necessarily is attended with exceptional danger; and, finally, that this service is so essential to public safety, to the lives and the property of citizens, that we should not reduce their salaries. Nor is it any answer to say they have the privilege of resigning. I would not invite the resignation of an old and faithful policeman or of an old and faithful fireman. We need their service, and we should not reduce their salaries. I repeat, it is no answer to say they have the privilege of resigning.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I yield.

Mr. COPELAND. The Senator could add this, that it is a highly specialized service.

Mr. SHORTRIDGE. Certainly.

Mr. COPELAND. Not every man is qualified to be a policeman or a fireman. To be on one of those forces a man has to have, in the first place, a peculiar type of physical bravery. It is the business of a policeman or a fireman to die if necessary. He has to give up all thought of his own person. It is an entirely different service from other Government service. I think the Senator from California well states it when he describes it.

We talk about how easily we could fill the places. It is not easy to fill places in the fire and police departments. It takes long training for a man to fit himself for one of those services. A man goes through the period of being a rookie,

he has to develop his knowledge of how to deal with crime, he has to know what the limitations are. It is a highly specialized service. Boston found out one time what it meant to have the policemen off duty. I do not anticipate, of course, that such a thing would happen here, but it would be a dire calamity if it should happen.

Mr. SHORTRIDGE. Mr. President, I did not intend to take up the time of the Senate, and I can hardly justify myself in saying more; but I express the hope that the Senators present have appreciated and approve the views I have

endeavored to express.

Pursuing for a moment the thoughts just expressed by the Senator from New York, this is a specialized branch of the public service, it is a hazardous service, as must be admitted, and we can not supply the personnel of the police or the fire department overnight. I do not say that if this reduction is made the policemen will resign, because, having spent their lives in this special service, to what would they turn? They would have to suffer the reduction in salary. But suppose they should resign in considerable numbers; how could equally competent men be speedily called into the service, having due regard for the safety of the city?

I submit to the Senate that in reducing salaries an exception should be made in respect to men engaged in these hazardous services for the District. I assume, as the chairman of the committee has stated, that the bill applies to this District the same as it does to the Army and the Navy.

Mr. JONES. Mr. President, I think we ought to distinguish between a policeman and a soldier. As has already been suggested, the soldier, when he gets into the service, can not leave. If he leaves, he is a deserter, and he may be captured and punished as a deserter. A policeman is just like any other official. Of course, we recognize the importance and the character of a policeman's work, but he is just like any other official of the Government in that he can quit when he wants to.

Mr. SHORTRIDGE. I am not so sure of that, under existing laws and regulations.

Mr. JONES. He is not subject to punishment for desertion, or anything like that. We make the laws to govern him, and he can quit whenever he chooses. He may have to give a little notice, possibly, or something of that kind, but even if he quits without that, he can not be put into jail or incarcerated in the penitentiary, or anything of that sort.

Furthermore, if the policemen are exempted, why not exempt patrolmen along the border, who are looking out for smugglers, taking just such risks as a policeman takes?

I think it would be very unfortunate if we should exempt policemen and firemen, and I can see no justification for it any more than exempting civil officers of the Government. So I hope the amendment will be defeated.

The PRESIDING OFFICER (Mr. Dickinson in the chair). The question is on agreeing to the amendment offered by the Senator from New York to the committee amendment.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment of the Committee on Appropriations was, on page 46, after line 17, to insert:

(f) Insolvent bank receivers and bank examiners whose compensation is not paid from the Federal Treasury.

Mr. GLASS. Mr. President, I desire to offer an amendment to the amendment, which is not at variance with the purpose of the committee, and I think no member of the committee will object to it.

Mr. JONES. Mr. President, will not the Senator submit his amendment?

Mr. GLASS. My amendment is to strike out the words "insolvent bank receivers and bank examiners," on page 46, line 18, and to insert the words "public officials and employees," so that the sentence will read:

Public officials and employees whose compensation is not paid from the Federal Treasury.

This is the amendment to which I have heretofore called the attention of the chairman of the committee. Mr. JONES. I think that it is all right.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SHORTRIDGE. Mr. President, a parliamentary

The PRESIDING OFFICER. The Senator from California will state it.

Mr. SHORTRIDGE. The amendment proposed by the Senator from New York was rejected.

The PRESIDING OFFICER. That is correct.

Mr. SHORTRIDGE. I have an amendment addressed to the same subject matter. Is it permissible now to offer it or to call it up, or may I call it up on Monday morning?

Mr. JONES. It is not an amendment to a committee amendment?

Mr. SHORTRIDGE. It is.

Mr. JONES. Of course, if it is an amendment to a committee amendment, it will be in order.

Mr. SHORTRIDGE. I am asking whether I may call it up on Monday.

Mr. JONES. What is the amendment, and where is it to come in the bill?

Mr. SHORTRIDGE. It is addressed to the same point as the amendment proposed by the Senator from New York.

Mr. JONES. His amendment was defeated.

Mr. SHORTRIDGE. I grant it was.

Mr. JONES. Then to what committee amendment is the Senator's amendment offered?

Mr. SHORTRIDGE. It is an amendment addressed to the same proposition.

Mr. JONES. I would like to know what the amendment is in words, and to what committee amendment it is offered. Mr. SHORTRIDGE. It is to be inserted on page 46.

The PRESIDING OFFICER. It is the understanding of the Chair that the amendment of the Senator from California refers to page 46, line 17.

Mr. SHORTRIDGE. That is correct.

The PRESIDING OFFICER. To insert the words "or the members of the Metropolitan police force and the fire department of the District of Columbia."

It is the understanding of the Chair that the Senate has passed upon that subject, and that the amendment to the amendment is not in order at this time.

Mr. McKELLAR. It has already been voted down.

The PRESIDING OFFICER. The amendment to the amendment has already been voted down.

Mr. SHORTRIDGE. No; my amendment has not been voted down.

The PRESIDING OFFICER. The same amendment has been acted on.

Mr. SHORTRIDGE. I do not care whether it has been or not, my amendment has not been voted down.

The PRESIDING OFFICER. The amendment covers the same subject matter covered by the other amendment, and therefore it is out of order.

Mr. SHORTRIDGE. I will wait until Monday to discuss the matter further; but I do not agree with the ruling of the Chair.

Mr. COPELAND. Mr. President, there was no record vote on my amendment, and the Senator from California may give notice of a motion to reconsider.

The PRESIDING OFFICER. That is correct.

Mr. COPELAND. I am wondering whether the Senator from California, if I may have his attention-

Mr. JONES. I ask for the regular order.

The PRESIDING OFFICER. The Clerk will report the next amendment.

The next amendment was, on page 46, after line 19, to strike out:

(e) commissioners of the United States Shipping Board, mem-bers of the Federal Farm Board (except the Secretary of Agri-culture), members of the International Joint Commission, United States section, or members of the Board of Mediation.

The amendment was agreed to.

The next amendment was, on page 47, after line 18, to strike out:

REDUCTIONS INAPPLICABLE WHEN COMMODITY PRICE LEVEL RISES

SEC. 106. If at any time prior to June 30, 1933, the President finds that for a period of 120 days the average wholesale commodity price level is within 10 points as high as the average wholesale commodity price level of the year 1926, indicated by the figure 100 in the revised index of the Bureau of Labor Statistics of the Department of Labor, he shall issue a proclamation to that effect, and upon the issuance of such proclamation the foregoing provisions of this title shall cease to be in effect.

The amendment was agreed to.

The next amendment was, on page 48, line 12, after the name "United States," to insert a colon and the following proviso:

Provided, That nothing herein shall preciude the recovery of overpayments as found and certified by the Comptroller General of the United States.

So as to read:

LIMITATION ON JURISDICTION OF COURTS

SEC. 106. No court of the United States shall have jurisdiction of any suit against the United States or against any officer, agency, or instrumentality of the United States arising out of the application of any provision of this title, unless such suit involves the Constitution of the United States: Provided, That nothing herein shall preclude the recovery of overpayments as found and certified by the Comptroller General of the United States.

The amendment was agreed to.

The next amendment was, under the subhead "Permanent salary reductions," on page 48, after line 15, to strike

SEC. 108. Beginning July 1, 1932, the salary of each of the members of the International Joint Commission, United States section, shall be at the rate of \$5,000 per annum.

The amendment was agreed to.

The next amendment was, on page 48, after line 19, to strike out:

SEC. 109. Beginning July 1, 1932, the salaries of the commissioners of the United States Shipping Board, the members of the Federal Farm Board (except the Secretary of Agriculture), and the members of the Board of Mediation shall be at the rate of \$10,000 per annum.

The amendment was agreed to.

The next amendment was, on page 48, after line 24, to strike out:

SEC. 110. Beginning July 1, 1933—

(a) The salaries of the appointive members of the Federal Reserve Board, the commissioners of the Interstate Commerce Commission, the Administrator of Veterans' Affairs, and the commissioners of the United States Tariff Commission, shall be at the rate of \$10,000 per annum.

(b) The salaries of all judges (except judges whose compensation may not, under the Constitution, be diminished during their continuance in office), if such salaries are in excess of \$10,000 per annum shall be at the rate of \$10,000 per annum.

annum, shall be at the rate of \$10,000 per annum.

SEC. 111. After June 30, 1932, no officer or employee of the Reconstruction Finance Corporation shall receive a salary at a rate in excess of \$10,000 per annum.

And to insert:

And to insert:

SEC. 107. Beginning July 1, 1932, the salaries of the commissioners of the United States Shipping Board, the members of the Federal Farm Board (except the Secretary of Agriculture), the members of the Board of Mediation, the commissioners of the Interstate Commerce Commission, the Administrator of Veterans' Affairs, the commissioners of the United States Tariff Commission, the American commissioner of the General Claims Commission, United States and Mexico, and the umpire and American commissioner of the Mixed Claims Commission, United States and Germany, shall be at the rate of \$10,000 per annum; and after June 30, 1932, no officer or employee of the Federal Farm Board, the United States Shipping Board Merchant Fleet Corporation, or of any governmental function named in this section, shall receive a salary at a rate in excess of \$10,000 per annum. The provisions of section 102 shall apply to the compensation of offices and positions provided for in this section.

Mr. GLASS. Mr. President, yesterday I called attention to the fact that the distinguished senior Senator from Connecticut [Mr. Bingham] had stated on the floor that General Hines, of the Veterans' Bureau, in addition to his salary of \$12,000 a year as director of that bureau, was drawing his Army retirement pay of \$4,000, making his salary \$16,000.

I do not know how other members of the Committee on Appropriations were affected by that statement, but I know that it impressed me, and for that reason I raised no objection in the committee to the reduction of General Hines's

commissions which might very readily be abolished altogether and the entire salaries saved to the Government.

I have followed the committee's report all the way through, and voted with the committee all the way through.

Mr. JONES. Mr. President, will the Senator yield? Mr. GLASS. I yield.

Mr. JONES. As chairman of the committee, I am glad to accept the amendment the Senator is about to propose. General Hines is not drawing retired pay.

Mr. GLASS. Very well. I move to strike out the language covering the Administrator of Veterans' Affairs from the provision just read by the clerk.

The PRESIDING OFFICER. The Senator from Virginia moves to strike out, on page 49, in lines 19 and 20, the words "the Administrator of Veterans' Affairs."

Mr. FLETCHER. Mr. President, I think the Senator's position is well taken, and I would like to see the amendment agreed to.

Mr. BYRNES. Mr. President, as a member of the committee, I share the views of the chairman, and am willing to accept the amendment of the Senator from Virginia.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. JONES. Is the amendment as amended agreed to?

Mr. COUZENS. No.

Mr. SHORTRIDGE. Mr. President, I rise to give notice of an intention to move to reconsider the vote by which the amendment offered by the Senator from New York was

The PRESIDING OFFICER. The notice will be entered. Mr. COPELAND. Mr. President, I want to ask the committee what consideration, if any, was given by the subcommittee to the president of the Emergency Fleet Corporation. The Senator in charge of the bill, who is very familiar with shipping matters, realizes that the merchant fleet is a liquidating proposition. There is no tenure of office, and we hope it is not going to be very long that this position will be needed by our country, but this is the most drastic cut I have heard of. This man gets \$18,000.

Mr. JONES. There is another cut, in the salary of a man getting \$20,000.

Mr. COPELAND. That is as to a lawyer.

Mr. JONES. Yes.

Mr. COPELAND. He can go back into the law.

Mr. JONES. If he has any law business, he can go back to it.

Mr. COPELAND. I assume he might get some, whether he would get paid for it or not.

Mr. JONES. I will say to the Senator that the committee considered this very carefully and took into consideration the very matters the Senator is mentioning, and we thought that under the conditions which confront us the wise thing to do was to put all these officials on the same basis.

Mr. COPELAND. I am in perfect harmony with what has just been done with reference to General Hines, but why should not an exception be made with reference to this office, which is very important to us? No ordinary man can serve in this place. We can not go out and get somebody to enlist for it.

Mr. JONES. I recognize the importance of it, but this man came here, I think, just about a couple of years ago, at \$10,000.

Mr. COPELAND. I think the Senator is entirely mis-

Mr. McKELLAR. I think he will stay after his salary is cut. Certainly he is not any more important than members of the Shipping Board themselves.

Mr. COPELAND. The members of the Shipping Board are given appointments, are confirmed by the Senate, so they have a tenure of office more or less permanent; but when it comes to this particular position, where we need a man of expert training in shipping, whose job it is to sell off the ships which we have on our hands, it seems to me no

salary. He is classified here along with a lot of moribund | more than right and sensible and businesslike to retain this man in office.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COPELAND. I yield. Mr. McKELLAR. Is it possible that this man has been

selling our ships recently? I happen to have-

Mr. COPELAND. Mr. President, I am not going to get into any argument with the Senator. He is just as tired as I am and, I think, more so. There is not any use of our arguing that question. I am bringing to the attention of the Senate the fact that we are doing a very unbusinesslike thing if we permit this man to have his salary cut practically in two. We have done many foolish things to-day, but if there is anything that is worse than this, I do not know what it is. However, it is time to adjourn now, Mr. President; and I move that the Senate take a recess.

The PRESIDING OFFICER. The motion is not in order, under the unanimous-consent agreement which has been entered into.

Mr. COPELAND. Then, I move that we carry out the agreement and take a recess until 12 o'clock Monday.

Mr. JONES. Mr. President, if the Senator will withhold the motion for a moment, the Senator from New Hampshire, I think, will probably appreciate the situation confronting us now. I thought he probably would want to have these amendments disposed of so that he could have his substitute pending, but I understand the pending amendment is going to take considerable time.

Mr. MOSES. I shall interpose no objection to carrying out the unanimous-consent agreement, but I want to give notice that immediately upon the completion of the consideration of this title I shall ask unanimous consent that my amendment may be in order.

Mr. JONES. I will be glad to give such consent, so far as I am concerned.

Mr. McNARY. Mr. President, with the consent of the Senator in charge of the bill, I move that the Senate carry out the unanimous-consent agreement and recess until 12 o'clock Monday.

Mr. GORE. Mr. President, will the Senator withhold his motion for a minute?

The PRESIDING OFFICER. Does the Senator from Oregon withhold his motion?

Mr. McNARY. I withhold it for a moment.

Mr. GORE. I should like to ask the Senator from South Carolina [Mr. Byrnes] a question. I desire to ask whether the limitation imposed by this section on salaries extends to the salary of Mr. Milner, who is receiving \$50,000 a year, as I understand, as the general agent of the National Grain Corporation and the Grain Stabilization Corporation; and also whether it extends to the \$75,000 salary of Mr. Creekmore, who is connected, I believe, with the American Cotton Cooperative Association; or do these salaries have a charmed life beyond the power of the committee and of Congress?

Mr. BYRNES. I can answer that the last statement of the Senator is correct; they have "a charmed life," and notwithstanding the fact that I have introduced a bill to abolish the Farm Board, I think the Farm Board, too, has "a charmed life," for I have never been able to get that bill reported from the committee to which it was referred.

Mr. GORE. I will be glad to disenchant the charm.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. Dickinson in the chair), as in executive session, laid before the Senate messages from the President of the United States, submitting several nominations, which were referred to the appropriate committees.

RECESS

Mr. McNARY. I renew my motion that, in accordance with the unanimous-consent agreement entered into earlier, the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 5 o'clock and 4 minutes p. m.) the Senate took a recess, the recess being under the order previously entered until Monday, June 6, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 4 (legislative day of June 1), 1932

UNITED STATES ATTORNEY

Frank C. Patton, of North Carolina, to be United States attorney, western district of North Carolina, to succeed Charles A. Jonas.

UNITED STATES MARSHAL

Harry A. Weiss, of West Virginia, to be United States marshal, northern district of West Virginia. He is now serving in this position under an appointment which expired January 11, 1932.

PUBLIC HEALTH SERVICE

The following-named assistant dental surgeons to be passed assistant dental surgeons, with the grade of passed assistant surgeon, in the Public Health Service, to rank as such from the dates set opposite their names:

John A. Hammer, June 20, 1932. Fritz R. Jackson, July 10, 1932.

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 4, 1932

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we draw to Thee, not unto One who is an avenging God but unto One who is as a high priest, touched with a feeling of our infirmities. We rejoice that in Thee all humankind shall find rest. Let Thy blessing come upon all who are perplexed, upon all who are borne with care and anxiety; direct for them the way. Do Thou show us the higher revelation of Thy nature, which is paternal. Be a merciful Providence unto the poor and rich, unto the bond and the free. Reveal unto us Thy heart with its noblest moods-where love suffers and smiles as it suffers and where mercy blesses those who deserve no mercy. Lead us to temperance in all things, to purity of thought, to a fine sense of justice, and to unselfish ambitions. Above all, our Father, may we achieve successfully our tasks for the sake of the other man. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendment of the House to a bill of the Senate of the following

S. 326. An act for the relief of Abram G. O'Bleness.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 811) entitled "An act for the relief of Sophia A. Beers," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Howell, Mr. Steiwer, and Mr. Logan to be the conferees on the part of the Senate.

The message also announced that the Senate had adopted the following resolution:

Resolved, That the House of Representatives be requested to return to the Senate the bill (S. 2458) for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917.

SECTIONS 304 AND 305, H. R. 12353

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a statement I have obtained from the Post Office Department relative to cost and upkeep of public buildings in the Postal Service.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following analysis of sections 304 and 305 of the Garner-Rainey bill, showing the population, postal receipts, and rent now paid for

leased post offices in towns included in the above sections of the bill.

The following table gives the population, postal receipts. and rent now paid for leased post-office buildings of the towns included in section 304 of H. R. 12353. The approximate average cost of buildings contemplated by this section will be a little over \$70,000 per building.

H. R. 18363,	section 304			
City	Population	Postal receipts	Rent, etc.	
ALABAMA Alexander City Bay Minette Atmore Brewton Carbon Hill Clanton Enterprise Evergreen Fairhope Fayette Fort Payne Guntersville Hartselle Marion Ozark Roanoke Russellville Scottsboro Tuseumbia Tuskegee Wetumpka	3, 035 2, 818 2, 519 1, 847 3, 702 2, 007 1, 549 2, 109 3, 375 2, 825 2, 204 2, 141 3, 103 4, 373 3, 146 2, 304 4, 533	\$15, 107, 00 11, 342, 00 14, 104, 00 19, 112, 00 10, 456, 00 10, 560, 00 10, 560, 00 15, 046, 00 16, 152, 00 16, 152, 00 16, 056, 00 10, 056, 00 10, 056, 00 10, 056, 00 10, 845, 00 14, 222, 00 13, 441, 00 14, 222, 00 13, 455, 00 12, 978, 00 11, 173, 00	\$900. 00 1, 284. 00 2, 500. 00 1, 200. 00 900. 00 2, 502. 00 1, 175. 00 0, 630. 00 1, 500. 00 905. 00 1, 200. 00 900. 00 1, 200. 00 900. 00 1, 500. 00 900. 00 1, 500. 00 900. 00 2, 400. 00	
Glendale Safford Tempe Williams	3, 665 1, 703 2, 495 2, 166	14, 710. 00 11, 803. 00 11, 875. 00 11, 110. 00	1, 125, 00 850, 00 1, 000, 00 1, 200, 00	
ARKANSAS Benton Bentonville Clarksville De Queen Lake Village McGehee Magnolia Malvern Monticello Morrilton Nashville Osceola Paris Siloam Springs Smackover Springdale Van Buren Walnut Ridge Warren Wynne	3, 031 2, 938 1, 582 3, 488 3, 008 5, 115 3, 076 4, 043 2, 469 2, 573 3, 234 2, 378 2, 378 2, 574 2, 763 5, 182 2, 007	12, 059, 00 12, 672, 00 15, 526, 00 16, 112, 00 16, 715, 00 15, 879, 00 15, 879, 00 16, 120, 00 14, 635, 00 14, 612, 00 12, 219, 00 10, 567, 00 13, 061, 00 12, 449, 00 14, 885, 00 11, 713, 00 11, 885, 00 11, 885, 00 11, 885, 00	996, 00 600, 09 1, 000, 00 1, 450, 00 910, 00 1, 200, 00 1, 270, 00 900, 00 1, 120, 00 431, 00 1, 200, 00 1, 200, 00 1, 200, 00 1, 200, 00 1, 200, 00 1, 200, 00 1, 200, 00 1, 200, 00 1, 200, 00 1, 200, 00 1, 200, 00 1, 161, 00 1, 162, 00 918, 00	
CALIFORNIA Alturas. Antioch. Arcadia. Arcata.	3, 563 5, 216 1, 709	16, 237. 00 16, 481. 00 17, 387. 00 18, 491. 00	1, 425. 00 1, 190. 00 1, 124. 00 954. 00	
Arlington. Atascadero. Avalon. Azusa. Banning. Bellilower.	1, 897 4, 803 2, 752	11, 456.00 15, 118.00 23, 812.00 15, 058.00 14, 705.00 16, 410.00	580. 00 1, 200. 00 1, 950. 00 600. 00 720. 00	
Benicia Chula Vista Coalinga Colinsa Corescent City Creekett	2, 913 3, 869 2, 851 2, 116 1, 768 1, 720	10, 399, 00 16, 797, 00 20, 706, 00 18, 482, 00 12, 252, 00 13, 580, 00 13, 421, 00	1, 172.00 1, 320.00 1, 200.00 1, 500.00 1, 095.00 1, 000.00 1, 140.00	
Dinuba	2, 968	16, 084. 00 16, 577. 00	1, 200. 00 1, 050. 00	
Downey Downey Dunsmuir El Segundo Exeter Fillmore Fort Bragg Gardena Glendora Gridley Hawthorne Healdsburg Hermosa Beach Holtville Jackson La Habra Laguna Beach La Mesa Lincoln Lompoc Los Banos Lynwood Manteca	2, 610 2, 683 2, 685 2, 883 3, 022 15, 969 2, 761 1, 941 6, 596 4, 796 2, 296 4, 796 2, 273 1, 981 2, 513 2, 51	15, 885, 00 16, 305, 00 11, 033, 00 16, 648, 00 15, 291, 00 16, 059, 00 14, 670, 00 15, 195, 00 16, 664, 00 12, 681, 00 13, 966, 00 11, 185, 00 16, 607, 00 16, 607, 00 16, 679, 00 10, 165, 00 14, 679, 00 15, 392, 00 11, 393, 00 11, 393, 00 12, 681, 00 13, 965, 00 11, 185, 00 16, 607, 00 16, 677, 00 19, 444, 00 14, 679, 00 16, 321, 00 13, 399, 00	1, 200, 00 1, 800, 00 1, 300, 00 1, 350, 00 1, 350, 00 1, 140, 00 1, 140, 00 1, 335, 00 1, 140, 00 1, 335, 00 1, 335, 00 1, 335, 00 1, 345, 00 1, 220, 00 1, 200, 00	

H. R. 12353, section 304—Continued

H. R. 12353, section 304 Continued

CALIFORNIA—continued. Menlo Park MIII Valley National City Seedles	0.074			DAHO-continued.		Commence of the last	
Will Valley		*** *** ***	*****	The state of the s		*** *** ***	
National City		\$15, 674. 00 18, 762, 00	\$600.00 1,690.00	Jerome. Kellogg	4, 124	\$16, 606. 00 24, 503. 00	\$1,350.00 2,100.00
COLLICS	7,301	18, 107, 00 14, 327, 00	1, 200. 00	Montpelier Preston	2,436	12, 640. 00 12, 128. 00	1, 120. 00 800. 00
Nevada City	1,701	12, 933, 00	1, 200.00	Rexburg	3,048	15, 108, 00	900.00
Vorwalk Dakdale Dakdale	2, 112	10, 839. 00 14, 878. 00	1, 270. 00 1, 440. 00	Rupert. St. Anthony	2,778	15, 347. 00 14, 095, 00	1, 300. 00 1, 370. 00
Placerville	2,322	18, 265, 00 18, 225, 00	1, 388. 00 1, 680. 00	St. Maries	1,996	13, 242, 00	1, 400.00
t. Helena	1,582	18, 225, 00 12, 925, 00 18, 141, 00	1, 128, 00 1, 720, 00	ILLINOIS			
an Anselmoanger	2, 967	12, 731, 00	1, 632, 00	ArgoArlington Heights	4.997	18, 708. 00 18, 538. 00	1, 680, 00 1, 680, 00
elma	3, 567	16, 534, 00 17, 657, 00	1, 325, 00 1, 605, 00	Bellwood	4, 991	13, 639, 00	1, 480, 00
lierra Madre	3,550	14, 574, 00 18, 692, 00	1, 440. 00 1, 565. 00	Bradley Bushnell	2,850	16, 074. 00 17, 505. 00	1,000.00 2,000.00
onoraounnyvale	3, 094	10, 830, 00	660.00	Calumet City	12, 298	16, 507, 00 10, 294, 00	2, 400. 00 780. 00
Paft	2,311	49, 308. 00 10, 810. 00	2, 800, 00 1, 130, 00	Carmi Casey	2, 932	13, 402, 00 10, 468, 00	1,400.00
VacavilleVeed	1,556	13, 955. 00 12, 185. 00	1, 320, 00 900, 00	Chester	3, 922	18, 352. 00	1, 260. 00 1, 000. 00
N'estwood		20, 053. 00	2, 220, 00	Coal City	1, 978	11, 200. 00 15, 453. 00	1,000.00 480.00
COLORADO		CE DIO		Christopher. Deerfield	4, 244	12, 781. 00 10, 208. 00	960. 00 660. 00
Brighton	3, 394 2, 312	17, 041, 00	1, 620. 00	Dundee		15, 908. 00	1, 115, 00
Brush	2,312 7,980	13, 707. 00 19, 762. 00	976. 00 1, 785. 00	Dwight Eureka	2, 534 1, 534	18, 102. 00 10, 638. 00	1, 500, 00 1, 075, 00
Plorence	2.475	13, 015, 00	1,600.00 1,100.00	Fairbury Flora	2,310	11, 670. 00 15, 561. 00	1, 284. 00 1, 260. 00
Fort Lupton	2, 426	10, 580. 00 17, 727. 00	1, 300.00	Gibson City	2, 163	14, 127. 00	1, 500.00
As Animas	2,517	16, 659. 00 12, 534. 00	1, 200. 00 1, 380. 00	Gillespie	- 0,111	15, 019, 00 12, 101, 00	1, 400. 00 1, 068. 00
CONNECTICUT				Henry	1.658	10, 058, 00 12, 593, 00	720, 00 1, 800, 00
Bethel		53, 161. 00	1,500.00	Highwood	3, 227	10, 227. 00	750.00
Ohester		10, 333, 00	900.00	Kenilworth Lewistown	_ 2,501	14, 528. 00 11, 340. 00	1, 896, 00 900, 00
Darien		12, 294. 00 19, 717. 00	840. 00 1, 340. 00	Lockport	3, 383	16, 611, 00 10, 805, 00	720.00
East Hampton		15, 159, 00 13, 732, 00	1,470.00 800.00	McLeansboro Madison	7,661	12, 965. 00	1, 300. 00 1, 500. 00
Forestville		13, 220. 00	1, 176, 00	Marengo Marseilles Marseilles	1, 948 4, 292	15, 176, 00 10, 853, 00	960, 00
Guilford	1,880	21, 497. 00 11, 573. 00	1, 200. 00 800. 00	Marshall	2, 368	13, 761, 00	900.00
Guilford	4, 436	14, 273. 00 12, 437. 00	1, 380. 00 850. 00	Mason City Momence	2, 236	17, 281. 00 13, 069. 00	1, 612. 00 900. 00
akeville		11, 948. 00	950.00	Morton Mount Carroll	1,501	16, 602, 00 11, 608, 00	1, 188, 00 1, 200, 00
MadisonRidgefield		11, 042. 00 18, 313. 00	1,000.00 1,400.00	Mount Morris	1,902	388, 866, 00	1,800.00
SalisburySimsbury		26, 643, 00 26, 643, 00	1,700.00 1,036.00	Nashville Newton	7,076	10, 314. 00 12, 602. 00	871.00 1,200.00
stafford Springs	3, 492	13, 049. 00	1,740.00	Niles Center Nokomis		10, 498, 00 10, 979, 00	810.00 1,200.00
Stafford Springs Stonington Ferryville	2,006	12, 084, 00 14, 382, 00	1, 266, 00 1, 800, 00	Oregon.	2,376	14, 579. 00	1, 200, 00
Watertown Windsor		17, 349, 00 14, 462, 00	1,600.00 1,200.00	PalatinePetersburg	2, 118 2, 319	10, 879. 00 11, 553. 00	1, 300, 00 1, 220, 00
Windsor Locks		12, 916. 00	1,500.00	Petersburg Pinckneyville Pittsfield	3, 046 2, 356	10, 575, 00 18, 136, 00	780, 00 1, 120, 00
FLORIDA	1			Plano	1,785	14, 118, 00	936, 00
Avon Park	3, 355	11, 150. 00	900.00	PoloRantoul	1,555	12, 227. 00 12, 089. 00	1, 200, 00 970, 00
Dade City	2,614	16, 170, 00 10, 123, 00	2, 340. 00 875. 00	Rushville Salem	2,388 4,420	12, 767. 00 18, 469, 00	1, 372, 00 1, 500, 00
De Funiak Springs	2,636	14, 475. 00	1, 800, 00	Sandwich	2,611	16, 499, 00 12, 758, 00	1,700.00
Custis	2, 835	11, 924. 00 19, 157. 00	2, 400. 00 1, 800. 00	Sparta Staunton	4 618	12, 500. 00	1, 400. 00 1, 340. 00
Haines City	3, 037 2, 189	11, 115. 00 12, 134. 00	1, 200, 00 1, 200, 00	Sullivan Tuscola	2, 339 2, 569 1, 741	13, 492, 00 16, 611, 00	1, 200. 00 1, 140. 00
MelbourneMonticello	2, 677	14, 495, 00 10, 625, 00	1, 000. 00 720. 00	Washington	1,741	11, 969. 00 13, 363. 00	760, 00 950, 00
Mount Dora	1,613	10, 831, 00	1, 550. 00	WaterlooWest Chicago	_ 3,477	13, 962, 00	1,740,00
New Smyrna Panama City	- 4, 149 5, 402	15, 616. 00 14, 005. 00	1, 850. 00 1, 550. 00	Western Springs	3,894	12, 110, 00 11, 589, 00	1, 200, 00 1, 260, 00
Perry	2,744	13, 533, 00	990, 00				-
Punta Gorda	1,863	11, 037, 00 10, 317, 00	2, 000. 00 1, 210. 00	INDIANA Alexandria	4, 408	16, 466, 00	1 027 00
Stuart	2, 912	16, 383, 00 15, 314, 00	1, 800. 00 1, 300. 00	Attica	3,700	16, 005, 00	1, 037. 00 2, 100. 00
Carpon Springs	3, 414	13, 443. 00	1, 500.00	Batesville Bicknell	5, 212	18, 098, 00 10, 626, 00	995, 00 1, 020, 00
FitusvilleWauchula	2, 089 2, 574	10, 490. 00 12, 094. 00	2, 404. 00 1, 000. 00	Bloomfield Boonville	2, 298	18, 349, 00 15, 592, 00	1, 200, 00
GEORGIA		Araba		Brookville	2,148	10, 629, 00	1,600.00
Baxley	2 122	12,841.00	1, 200. 00	Butler Cambridge City	1,643 2,113	11,811.00	1, 080. 00 1, 250. 00
Suford Salhoun	3,357	10, 489, 00 10, 679, 00	1, 200. 00 900. 00	Cannelton	2, 265	10, 063. 00 11, 982. 00	600, 00 1, 500, 00
College Park	6,604	14, 126. 00	684.00	Danville	1,930	11,650.00	1, 260, 00
Commerce	3, 203	11, 450. 00 13, 274. 00	990.00	DelphiFowler	1,564	12, 411. 00 15, 815. 00	1, 140. 00 1, 200. 00
Outhbert	3, 235	11, 180. 00 12, 443. 00	1, 200.00 1, 030.00	Hobart Huntingburg	5,787	11, 335, 00 13, 964, 00	720, 00 1, 300, 00
dontezuma	2, 284	10, 488, 00	1,340.00	Jasper Knightstown	3, 905 2, 209	16, 692, 00	1,075.00
Pelham /idalia	3,585	10, 059. 00 12, 686. 00	600.00 1,140.00	Knox	1,815	11, 661, 00 15, 147, 00	816. 00 960. 00
Vinder	3, 283	17, 399. 00	900,00	Lagrange Mitchell	1,640	10, 567, 00 11, 598, 00	1, 400, 00 1, 200, 00
намап	-Albert			Monticello	2 331	17, 409, 00	2, 200, 00
ihueVailuku		13, 369. 00 18, 203. 00	1, 650. 00 1, 620. 00	Oakland CityPetersburg	2,609	15, 105, 00 10, 774, 00 16, 424, 00	1, 055, 00 1, 380, 00
ГДАНО		10, 200.00	1, 020.00	Rensselaer Rockville	-1 1.832	16, 424, 00 11, 475, 00	2,400.00
	1 192	17, 003, 00	1, 400. 00	Scottsburg Sheridan	1,702	11, 475, 00 12, 108, 00 10, 877, 00	1,000,00 1,200.00
Buhl Emmett Fooding	1, 183 2, 763 1, 592	16, 022, 00 12, 809, 00	1, 140. 00 800. 00	Tell City	4, 873	19, 489, 00 25, 043, 00	1, 080, 00 1, 500, 00

H. R. 12353, section 304 Continued

H. R. 12353, section 304-Continued

H. R. 12333, section 304 Continued			H. R. 12353, 800	tion 304—Con	tinued	00 \$900.00 00 2,380.00 00 2,880.00 00 1,305.00 00 1,760.00 00 1,00 00 20.00 00 1,00 00 900.00 00 112.00 00 1,335.00 00 690.00 1,700.03 00 550.00 00 2,250.00 00 1,220.00 00 1,200.00 00 1,200.00 00 1,000.00 00 1,000.00 00 1,000.00 00 1,000.00		
City	Population	Postal receipts	Rent, etc.	City	Population	Postal receipts	Rent, etc.	
IOWA				LOUISIANA—continued	The Market			
AdelAnamosa	1, 669 3, 579	\$11, 267. 00 18, 761. 00	\$340.00 1,350.00	Gretna	9, 584	\$10, 458.00	6000 00	
AudubonBelle Plaine	2, 255	12, 810, 00 12, 118, 00	1, 100.00 1, 140.00	Haynesville	2,541	13, 837. 00	2 300 00	
Bloomfield	2, 226	10, 822, 00	1, 180.00	Lake Providence	2.867	13, 849. 00 11, 259. 00 13, 060. 00	1, 305, 00	
Belmond	1, 593	10, 011. 00 10, 509. 00	1, 200. 00 1, 410. 00	LeesvilleOakdale	3, 188	11, 963, 00	1, 769. 00 720. 00	
ClarionClear Lake	3,066	15, 089, 00 14, 656, 00	1, 155. 00 1, 426. 00	Ponchatoula	2, 898	10, 034. 00 10, 177. 00	1,00	
Cresco	2, 026 3, 069	14, 349. 00 19, 708. 00	1, 080. 00 1, 650. 00	Rayville Tallulah	2 076	11, 479. 00 13, 694. 00	900.00	
DewittEagle Grove	2,041	15, 293. 00 15, 574. 00	1, 325. 00 1, 200. 00	Winnfield	3, 721	13, 000.00	1, 035. 00	
Eldora	3, 200	18, 288, 00	1, 200.00	William Color Colo	1,900	10, 934. 00	690.00	
EmmetsburgForest City	2,016	18, 963. 00 14, 385. 00	1, 500. 00 1, 320. 00	MAINE				
Greenfield Grundy Center Grund	1, 793	10, 630. 00	1, 200. 00 990. 00	Boothbay Harbor	1 005	14, 972, 00	1, 700. 00	
HamburgHawarden		13, 373. 00 12, 814. 00	720.00 1,325.00	Bridgton Bueksport	1,023	11, 163, 00 13, 261, 00	900, 00	
HumboldtIdagrove	2, 251	15, 264. 00 14, 357. 00	1,500.00 1,215.00	Dexter_ Dover-Foxeroft		17, 454. 00 16, 032. 00	2, 250. 00 1, 800. 00	
Jefferson	3, 431	19, 731. 00 12, 027, 00	1, 500.00	Fairfield.	3, 529	10, 897, 00	1, 120, 00	
Leon	2,006	12, 452. 00 14, 171. 00	900.00 923.00	Kennebunk Livermore Falls		12, 522, 00 10, 908, 00	1, 000, 00	
Logan Manning Manning	1,817	11, 073, 00	1, 200. 00 1, 080. 00	Madison Millinocket	3.036	12, 324, 00 16, 069, 00	1, 120, 00	
Marion Missouri Valley	4, 230	13, 357, 00 15, 288, 00	1, 500. 00 1, 500. 00	Norway Old Orchard Beach	2,446	17, 705, 00	1,600.00	
Monticello Mount Ayr	2, 259	18, 133. 00 12, 085, 00	1, 440. 00 1, 120. 00	Pittsheld	2,075	16, 251, 00 13, 334, 00	1, 375. 00 1, 756. 20	
New Hampton	2, 458	17, 133, 00	1, 054. 00 1, 816. 00	South Burwick South Paris	1 061	12, 886, 00 13, 543, 00	600, 00 837, 00	
OnawaOrange City	1.727	14, 292, 00 12, 212, 00	1, 200.00	Springvale		10, 325, 00	1, 200. 00 1, 365. 00	
Osceola. Rock Rapids.	2,871 2,221 2,108	15, 817. 00 14, 665. 00	900.00				2,000.00	
Rockwell CitySibley	1,870	14, 586, 00 12, 478, 00	1, 500.00 1, 130.00	MARYLAND	1 004	14 007 00		
Sigourney	2, 262 1, 778	12, 185, 00 16, 907, 00	875.00 1,400.00	Denton Havre de Grace	3, 985	14, 937, 00 16, 592, 00 15, 214, 00	1, 350. 00 1, 975. 00	
TamaTipton	2, 626	11, 658. 00 12, 668. 00	1, 380. 00 1, 200. 00	Hyattsville.	2, 532	15, 214. 00 10, 150. 00	1, 200. 00 1, 445. 00	
Toledo	1,825	12, 262, 00	860.00	Oakland.	2,609	18, 074. 00 13, 850. 00	1, 950, 00 1, 900, 00	
Valley JunctionVillisca	2, 032	11, 180. 00 10, 692. 00	1, 068. 82 880. 00	Rockville Snow Hill	1.422	15, 229, 00 10, 998, 00	1, 360. 00 1, 145. 00	
Waukon		15, 075. 00 14, 002. 00	1, 100. 00 900. 00		.,,,,,,	10, 550.00	1, 110, 00	
KANSAS				MASSACHUSETTS Ashland		10 000 00		
Anthony	2,947	19, 844. 00	1, 200. 00	Ayer	3,060	19, 839, 00 18, 386, 00	1, 300, 00 1, 300, 00	
Augusta Belleville	4, 033 2, 383	18, 044, 00 18, 459, 00	2, 220. 00 1, 675. 00	Bedford Chatham		10, 213. 00 13, 066. 00	1, 048, 40 1, 725, 00	
BurlingtonCaldwell	2, 273	14, 127. 00 10, 152. 00	1, 100. 00 1, 000. 00	Cohasset East Pepperall		11, 594. 00 10, 867. 00	1, 324. 00 640. 00	
CaneyColby	2,794	11, 594. 00 18, 175. 00	800.00 1,270.00	Falmouth.		22, 170, 00 26, 844, 00	2, 350. 00 1, 900. 00	
Council Grove	2,898	15, 270. 00	1, 200.00	Hingham	6, 657	19, 721, 00	2, 175. 00 1, 202. 09	
Galena	4,736	15, 077. 00 11, 134. 00	1, 200. 00 950. 00	Hopedale	2,973	10, 767. 00 13, 453. 00	1,000.00	
Garnett Hoisington	3,001	15, 534. 00 13, 431. 00	1, 368. 00 1, 530. 00	Ipswich	4,061	18, 243. 00 15, 112. 00	1, 739. 00 2, 663. 37	
Horton Humboldt Humboldt	4, 049 2, 558	14, 407. 00 11, 555. 00	1, 355. 00 870. 00	Manchester		13, 716. 00 30, 033. 00	1,000.00 2,520.00 1,607.00	
Kingman Kinsley	2,752	15, 082, 00 14, 592, 00	1, 465. 00 1, 440. 00	Maynard Millbury	7, 156	15, 303. 00 16, 043. 00	1, 200, 00	
Lincoln	1,732	10, 822. 00 13, 894. 00	678.00 1, 200.00	Millbury		13, 599. 00 11, 703. 00	1, 325. 00 600. 00	
Marion	1,959	15, 660. 00	1, 300, 00	Millis North Brookfield North Easton		12, 496, 00 10, 875, 00	912.00 1,600.00	
Medicine Lodge Neddesha	3, 381	12, 384. 00 16, 910. 00	1, 200. 00 870. 00	Randolph	6, 553	11, 178. 00	1, 140, 00	
Ness CityOsawatomie	4, 440	10, 061. 00 16, 612. 00	1, 000. 00 1, 380. 00	Rockport Sharon Shelburne Falls	0,000	14, 224. 00 11, 306. 00	1, 600. 00 960. 00	
OsborneOswego	1,881	12, 952. 00 13, 755. 00	1, 200. 00 1, 560. 00	South Hadley	6,773	19, 359. 00 18, 097. 00	1, 400. 00 1, 400. 00 1, 135. 00	
PhillipsburgRussell	1,543	10, 976. 00 15, 544. 00	1,020.00 1,200.00	Stockbridge Uxbridge	6, 285	12, 023. 00 15, 803. 00	1, 135. 00 1, 400. 00	
Sabetha	2,332	15, 641, 00	1, 725, 00	Vineyard Haven		16, 937. 00 18, 061. 00	780. 00 2, 100. 00	
Scott CitySedan	1,776	10, 941. 00 10, 250. 00	1,150.00 1,150.00	Westboro		18, 669. 00 10, 496. 00	1, 700. 00 635. 00	
SenecaSmith Center	1,736	11, 448. 00 13, 469. 00	1,450.00 1,310.00			10, 150. 00	000.00	
SterlingWamego	-1 1,647	12, 493. 00 11, 049. 00	1, 080. 00 980. 00	MICHIGAN				
Yates Center	2,013	11, 258. 00	950.00	Algonac Belding	4, 140	14, 325, 00 15, 821, 00	900.00	
KENTUCKY				Bessemer Bronson Buchanan	4, 035	12, 891. 00 14, 053. 00	1, 200. 00 780. 00	
Campbellsville		13, 908, 00	1, 220. 00 936. 00	Caro	2,554	17, 091. 00 15, 516. 00	1, 930. 00 1, 800. 00	
Franklin	_ 3,056	19, 280. 00 12, 944. 00	1, 100, 00	Charlevioux	2 268	17, 119. 00 10, 120. 00	1, 450. 00 1, 080. 00	
GreenvilleLynch		11, 967. 00 12, 524. 00	1, 400. 00 1, 500. 00	Crystal Falls	2,995	15, 370. 00	1, 580. 00	
MorganfieldRussellville	2, 551 3, 297	10, 769, 00 15, 189, 00 11, 157, 00	1, 200, 00 1, 485, 00	East Detroit	5 Q55	10, 495. 00 11, 992. 00	1, 350. 00	
Saint Mathews		11, 157, 00	1, 485, 00 900, 00	Eaton Rapids	3, 171	17, 010, 00 12, 454, 00	2, 950. 00 1, 600. 00 1, 500. 00	
LOUISIANA				Grand Ledge	1,892	15, 609. 00 10, 788. 00	1,500.00	
Abbeville	4, 356 2, 536	15, 427. 00 12, 380. 00	1, 200. 00 768. 00	Hart	1,690	11, 372. 00 12, 110. 00	1,572.00 1,500.00	
Bunkie	2,464	14, 494, 00 15, 323, 00	1, 135. 00 600. 00	Ithaca. L/Anse.	1,780	12, 724. 00 10, 331. 00	1, 800, 00 900, 00	
De Ridder Donaldsonville	3, 788	17, 883. 00 14, 445. 00	840. 00 1, 380. 00	Laurium Lowell .	4, 916	13, 433. 00 13, 152. 00	900.00 1, 200.00	
Eunice	3, 597	10, 165. 00	1, 020. 00	Manistique.	5, 198	19, 908. 00	1, 500. 00	

H. R. 12353, section 304—Continued

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II. IL	. 14333	. Section	203	

n. n. 12555, Section 502 Continued				11. 12. 12000, 0001			
City	Population	Postal receipts	Rent, etc.	City	Population	Postal receipts	Rent, etc.
MICHIGAN—continued		\$12,054,00	\$900.00	MISSOURI—continued Richmond	4,129	\$13, 854. 00	\$1,658.00
Marine City	2,575	13, 771. 00	1, 200:00	Salem	2,230	10, 828, 00	1, 467, 50 1, 080, 00
Munising Newberry	3, 956	15, 697, 00 15, 612, 00	1,000.00	Salisbury	1,088	11, 415, 00	1, 200, 00
Northville	2, 566	15, 770.00	1,890.00	Slater South St. Joseph	3,478	11, 172.00 42, 437.00	1,080.00 1,440.00
NorwayOtsego	4.010	11, 004, 00 11, 024, 00	1, 200.00 1, 550.00	Tarkio	2,010	11, 224, 00	1, 200.00
Plainwell	2,279	12, 943, 00	1,080.00	Vandalia Versailles	2,450 1,662	10, 245, 00 11, 146, 00	1, 108. 00
Reed CityRochester	1, 192	12, 028, 00 15, 018, 00	1, 350. 00 652. 00				
Rockford	1, 613	31, 490, 00	1, 200, 00	MONTANA	1 701	10.000.00	1 000 00
Rogers City Romeo	3, 278 2, 283 3, 389	10, 865, 90 11, 070, 00	1, 125, 00 660, 00	Forsyth Glasgow	1,591 2,216	12, 880. 00 17, 091. 00	1, 200, 00 1, 500, 00
St Clair	3, 389	19, 382.00	1, 640. 00	Hamilton	1,839	15, 100, 00	1, 020. 00
St. IgnaceSt. Louis	2,109	10, 322, 00 12, 455, 00	820, 00 1, 200, 00	Red Lodge.	1,752 3,026	11, 454. 00 13, 860, 00	480.00 1,380.00
Tecumseh	2,456	12, 232.00	1, 275. 00	Roundup	2,577	17, 264, 00	960.00
Wayne	3,423	20, 607. 00	180.00	Shelby Sidney	2,010	18, 110. 00 16, 684. 00	1, 100. 00
MINNESOTA	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			Whitefish Wolf Point	2,803	13, 188, 00 12, 384, 00	1,500,00 1,090,00
Aitkin	1,545 1,625	16, 260. 00 11, 294. 00	1, 390, 00 1, 040, 00		2,000	22,002.00	The state of the s
Appleton Benson	2,095	17, 419, 00	1, 040, 00	NEBRASKA	2, 172	16, 534, 00	1, 860, 00
Blue Earth	2,884	17, 065, 00	1, 800, 00	Albion Auburn		16, 929, 00	1, 896, 00
BreckenridgeCaledonia	2, 264 1, 554	11, 607. 00 10, 425. 00	1, 380. 00 720. 00	Cozad	1,813	10, 750, 00 17, 155, 00	1, 272.00
Canhy	1,738	15, 765. 00	1, 560. 00	CrawfordFullerton	1, 703	11, 191, 00	1, 200. 00 1, 440. 00
Chisholm	8, 308 3, 451	18, 958, 00 10, 378, 00	2, 400. 00 900. 00	Geneva	1,662	15, 056, 00	1, 410.00
East Grand Forks	L, 344	12, 691. 00	1, 600.00	Gering Gordon		10, 691, 00 13, 419, 00	998, 00 1, 320, 00
ElyGlencoe	6, 156	17, 528, 00 12, 553, 00	1, 800, 00 1, 200, 00	Gothenberg	2,322	12, 294, 00	1, 344. 00
Clangrood	2 221	16,006,00	1, 600, 00	Hartington Hebron	1,568	11, 413, 00 11, 506, 00	1, 400. 00 1, 350. 00
Grand Rapids	5, 200	19, 792, 00 12, 625, 00	1, 680. 00 1, 400. 00	Kimball	1,711	14, 007. 00	1, 500. 00
Granite Falls	2, 206	13, 577. 00	1, 400. 00	Madison		12, 412, 00 18, 850, 00	1, 440. 00 1, 420. 00
Le Sueur	1,897	13, 772.00	1, 080, 00	Minden Mitchell Mitchell Mitchell Mitchell Mitchell Mitchell Mitchell Mitchell Mitchell Minden Mitchell Minden Min		10, 001, 00	1, 600, 00
LuverneMadison	2,644	17, 551, 00 14, 493, 00	1,500.00 1,230.00	Neligh	1,649	10, 962, 00	1, 342, 00
Morris.	2,474	19, 220, 00	1, 625, 00	Ogallala O'Neill	1, 631 2, 019	13, 404. 00 17, 303. 00	1,000.00
New Prague	1,543	15, 840, 00 13, 760, 00	1, 080, 00 1, 450, 00	Ord	2, 226	15, 638, 00	1, 176, 00
Park Rapids	2,081	13, 619, 00	1, 525, 00	Pawnee CityRavenna	1,573 1,559	11, 182, 00 11, 003, 00	1, 100. 00 1, 075. 00
Princeton	1, 636 2, 552	11, 620, 00 18, 081, 00	1, 425. 00 1, 440. 00	Red Cloud	1,519	10, 670.00	1, 053, 00
Robbinsdale	4, 427	14, 226, 00	1, 560.00	St. Paul		11, 431, 00 13, 564, 00	1, 440. 00 1, 300. 00
St. James	2,808	16, 865, 00 17, 375, 00	1,500.00 1,500.00	Schuyler Tecumseh	1,829	10, 657. 00	960.00
Shakopee	2,023	10, 310, 00	850.00	Tekamah	1,804	12, 039, 00 12, 662, 60	900.00 1,550.00
Sleepy Eye	2,576	18, 396, 00	1,400.00	Valentine Westpoint West	1, 672 2, 225	14, 160, 00	1, 800. 00
Springfield	2,049	16, 463, 00 12, 194, 00	1, 100, 00 1, 200, 00				
Staples	2, 667	12, 465, 00	1, 120.00	NEVADA		92.812	702-42
TracyTwo Harbors	2,570	14, 752, 00 15, 302, 00	1, 470, 00 2, 400, 00	Sparks	4, 508	11, 388, 00 14, 867, 00	1, 180. 00 1, 160. 00
Wabasha	2, 212	11, 140.00	1, 200, 00			11,001.00	1,100.00
Wells	1,795	12, 898. 00 12, 053. 00	1, 081, 00 1, 320, 00	NEW HAMPSHIRE	23 /2 /3		
Windom.		16, 193, 00	1, 500. 00	Colebrook	5, 131	10, 434. 00 19, 217. 00	860.00 1,600.00
MISSISSIPPI	SHE DENDE			Hillsboro		11, 066, 00	900.00
	No. of the last of	Carry Division Service		Lisbon Meredith	7,073	33, 191, 00 11, 593, 00	1, 300. 00
Amory.		14, 598, 00 15, 185, 00	1, 182, 00 1, 002, 00	Milford	4,068	16, 801. 00	1, 400.00
Bay St. Louis	2,735	13, 954. 00	1, 380, 00	Pittsfield		10, 156, 00 15, 100, 00	1, 125. 00 1, 200. 00
Booneville	1,703	11, 155. 00 10, 845. 00		Tilton		10, 660. 00	960.00
Crystal Springs	2, 257	14, 409, 00	1, 093. 00 840. 00	Wolfboro		15, 755. 00	880. 00
Indianaola	3, 116	16, 111, 00	1, 200. 00	NEW JERSEY			Company in the
Leland Lexington	2 590	12, 091, 00 14, 058, 00	1, 450. 00 1, 200. 00			2000	
Louisville.	3, 013	15, 850, 00	1, 200. 00	Atlantic Highlands		17, 322, 00 10, 190, 00	1, 650. 00 1, 200. 00
Macon New Albany		12, 725, 00 14, 036, 00	1, 540, 00 1, 540, 00	Bernardsville	3, 336	16, 432, 00	1, 130, 00
Newton	2, 011	10, 899, 00	1, 260, 00	Beverly Bordentown		15, 746, 00 16, 185, 00	900.00
Philadelphia		12, 213. 00 15, 039. 00	1, 200, 00 420, 00	Butler	3, 392	15, 063, 00	620.00
Picayune	4,698	15, 012, 00	780.00	Chatham		16, 157. 00 10, 655, 00	1, 842, 00 1, 200, 00
Pontotoe		10, 064, 00 15, 783, 00	914, 00 780, 00	Clayton		13, 048, 00	1, 580. 00
Starkville	0,012	10, 100.00	750.00	Dumont	5, 861	12, 001. 00	1,000.00
MISSOURI		Tab ville		Fort Lee		10, 608. 00 14, 166. 00	1, 700, 00
	1 000	10 000 00	2 200 00	Glassboro	4, 799	15, 938, 00	1,000.00
AlbanyBethany	2,200	10, 266, 00 12, 282, 00	1,380.00 1,140.00	GrantwoodHaddon Heights		14, 236, 00 17, 013, 00	840. 00 1, 760. 00
Bolivar	2, 256	12, 441. 00	1, 294. 00	High Bridge	1,860	12, 038, 00	780.00
Canton	2.044	12, 795, 00 11, 014, 00	1, 200. 00	Hillsdale Keansburg	2, 959 2, 190	11, 150. 00 14, 193. 00	750.00 1,600.00
Charleston	3,357	12, 152, 00	1,600.00	Lambertville	4, 518	16, 304, 00	1,700.01
DexterEdina		11, 142, 00 10, 740, 00	1, 200. 00 1, 400. 00	Manasquan Milburn	2, 320	15, 782, 00 19, 099, 00	1, 950. 00 1, 800. 00
Eldon	3, 171	16, 876.00	1,080.00	Morris Plains	1,713	18, 612, 00	660.00
Festus.	4, 085	11, 362, 00	1,140.00	Oradell	2, 360	13, 181, 00	1, 200. 00
Flat River.		13, 517, 00 10, 418, 00	1, 200. 00	Palisades Park Palmyra		19, 032, 00 17, 927, 00	2, 100. 00 1, 400. 00
Hermann	2,063	10, 403. 00	865, 00	Park Ridge	2, 229	12, 585. 00	960.00
Higginsville Jackson	3,339	14, 581, 00 10, 390, 00	1, 200, 00 960, 00	Paulsboro.		17, 151, 00 19, 598, 00	1, 440. 00 2, 000. 00
Kennett	4,128	13, 709. 00	1, 451, 00	Pompton Lakes	3, 104	18, 867, 00	1, 350, 00
Lees Summit	2, 035	10, 921, 00	1,080.00	Ramsey.	3, 258	13, 242, 90	1, 080, 00
Marceline Palmyra	1,967	11, 241. 00 10, 018. 00	1,000.00 1,320.00	Rochelle Park Rockaway	3 139	12, 068, 00 12, 069, 00	1, 075. 00 1, 450. 00
Rich Hill	2,118	13, 553. 00		Rumson	3, 132 2, 073	10, 562, 00	

H. R. 12353, section 304—Continued

H. R. 12353, section 304—Continued

H. III Isoto, secondo ser contract				R. 12353, section 304—Continued			
City	Population	Postal receipts	Rent, etc.	City	Population	Postal receipts	Rent, etc.
NEW JERSEY—continued South Amboy Swedesboro. Union West Englewood Westville. Woodstown	2, 133	\$16, 705, 00 11, 130, 00 15, 096, 00 14, 663, 00 11, 370, 00 11, 327, 00	\$1, 184. 00 1, 000. 00 1, 200. 00 1, 600. 00 780. 00 1, 600. 00	NORTH CAROLINA—continued Kannepolis Kings Mountain Laurinburg Leaksville Lincolnton Louisburg: Marion	5, 632 3, 312 1, 814 3, 781 2, 182 2, 467	\$33, 312. 00 11, 169. 00 15, 101. 00 12, 574. 00 15, 204. 00 10, 418. 00 19, 144. 00	\$1, 800.00 1, 080.00 1, 800.00 1, 690.00 1, 200.00 1, 500.00 1, 800.00
NEW MEXICO Alamogordo	2, 427 2, 518 3, 377 2, 519 4, 143	11, 742, 00 15, 825, 00 16, 933, 00 19, 112, 00 13, 472, 00 19, 783, 00	600. 00 1, 408. 00 2, 100. 00 1, 350. 00 900. 00 1, 800. 00	Moresville Morehead City Newton Roxboro Smithfield Spencer Tryon Wake Forest Weldon Whitesfile	5, 619 3, 483 4, 394 3, 657 2, 543 3, 128 1, 670 1, 536 2, 323	13, 659, 00 10, 452, 00 16, 899, 00 14, 429, 00 13, 921, 00 15, 367, 00 12, 480, 00 10, 189, 00 11, 207, 00 13, 285, 00	1, 659. 00 1, 689. 00 1, 920. 00 1, 200. 00 1, 600. 00 1, 720. 00 1, 380. 00 1, 600. 00 1, 500. 00
Adams Alexandria Bay Arcade Attica Avon Baldwinsville Bedford Hills	1, 952 1, 643 2, 212 2, 403 3, 845	65, 599, 00 14, 113, 00 15, 099, 00 13, 281, 00 12, 793, 00 17, 122, 00 10, 498, 00	1, 800. 00 2, 000. 00 1, 100. 00 1, 280. 00 1, 400. 00 1, 200. 00 1, 420. 00	NORTH DAKOTA Harvey Lisbon New Rockford	2, 157 1, 650 2, 195	11, 148, 00 14, 011, 00 12, 916, 00 12, 963, 00	1, 600. 00 1, 430. 00 1, 600. 00 1, 600. 00
Bellmore Bolivar Braircliff Manor Brockport Cambridge Camden Canajoharie	1,725 1,794 3,511 1,762 1,912 2,519	13, 055. 00 12, 017. 00 10, 717. 00 16, 652. 00 18, 561. 00 13, 005. 00 55, 262. 00	1, 375. 00 1, 400. 00 960. 00 1, 600. 00 1, 150. 00 1, 300. 00 2, 520. 00	Ada OHIO Ada Amherst Blanchester Bluftton	2, 035	13, 789, 00 18, 048, 00 10, 313, 00 10, 124, 00 14, 534, 00	1, 695. 00 1, 600. 00 1, 200. 00 1, 150. 00 1, 080. 00
Canisteo Cazenovia Chatham Clayton Clifton Springs Clyde Cornwall on the Hudson Croton on Hudson	2, 548 1, 788 2, 424 1, 940 1, 819 2, 374	11, 291, 00 16, 309, 00 16, 816, 00 13, 742, 00 14, 685, 00 12, 418, 00 10, 751, 00 12, 057, 00	1, 200. 00 1, 600. 00 1, 950. 00 1, 365. 00 1, 450. 00 1, 032. 00 1, 100. 00 1, 080. 00	Cadivell Campbell Carey Carrollton Chagrin Falls Chardon	2, 597 1, 778 14, 673 2, 722 2, 286 2, 739 1, 818 3, 159	16, 223. 00 11, 011. 00 10, 065. 00 10, 505. 00 13, 390. 00 17, 332. 00 12, 023. 00 15, 662. 00	1, 200. 09 1, 150. 09 1, 449. 09 900. 00 1, 500. 00 2, 500. 09 1, 200. 09 1, 200. 09
Delhi Depew Deposit Elmsford Fairport Farmingdale Fayetteville Fort Edward Frankfort Franklinville	1, 840 6, 536 1, 887 2, 935 4, 604 3, 373 2, 003 3, 850 4, 203	16, 680, 00 16, 948, 00 12, 954, 00 10, 419, 00 17, 457, 00 18, 850, 00 12, 911, 00 11, 429, 00 12, 944, 00	1,500.00 1,700.00 1,300.00 950.00 1,360.00 1,360.00 1,140.00 1,147.00 1,200.00	Columbiana Crestline Crooksville Dennison East Palestine Ecton Gibsonburg Hicksville	1, 787 2, 485 4, 425 3, 251 4, 529 5, 215 3, 347 2, 129 2, 445	23, 087, 00 13, 027, 00 18, 306, 00 11, 416, 00 12, 649, 00 18, 039, 00 19, 203, 00 11, 644, 00 10, 355, 00	1, 600. 09 900. 09 1, 135. 09 1, 200. 00 1, 200. 00 1, 100. 09 1, 600. 00 1, 200. 00 1, 200. 00
Franklinville. Greenwich Groton Harrison. Highland Highland Falls. Homer. Horseheads	2, 290 2, 004 	13, 213, 90 15, 336, 90 10, 312, 00 18, 533, 00 13, 555, 00 12, 711, 90 15, 872, 90 11, 482, 90 15, 933, 90	1, 200.00 1, 240.00 1, 290.00 1, 600.00 1, 600.00 1, 800.00 1, 200.00 800.00 1, 375.00	Jetterson Leetonia Leipsic Loudonville Louisville McConnelisville Maumee Mentor Mianisburg	1, 601 2, 332 1, 571 2, 068 3, 130 1, 754 4, 588 1, 589 5, 518	11, 404. 00 11, 866. 00 11, 348. 00 14, 193. 00 11, 475. 00 10, 187. 00 11, 340. 00 13, 769. 00 16, 226. 00	1, 600, 60 800, 00 1, 404, 00 1, 000, 00 950, 00 1, 309, 00 441, 00 1, 700, 00
Lawrence. Lindenhurst Livingston Manor Malverne Manlius. Merrick Middleport Monroe	2, 041 4, 040 2, 256 1, 538 1, 596 1, 621	15, 780. 00 15, 006. 00 13, 091. 00 10, 323. 00 10, 383. 00 14, 595. 00 11, 761. 00 17, 379. 00	1, 800. 00 2, 250. 00 1, 575. 00 600. 00 1, 224. 00 1, 500. 00 000. 00 1, 800. 00	Middleport. Mogadore. Montpelier Mount Gliead Nelsonville. Newcomerstown New Lexington New Lexington	3, 505 1, 502 3, 677 1, 871 5, 322 4, 265 3, 901 1, 527	10, 186, 00 15, 838, 00 13, 749, 00 17, 624, 00 15, 275, 00 14, 416, 00 14, 235, 00 19, 375, 00	1, 680, 00 1, 200, 00 1, 560, 00 1, 680, 00 900, 00 1, 700, 00 1, 260, 00 1, 800, 00 1, 750, 00
Mount Morris New Hartford Oakfield Painted Post Philmont Port Henry Port Jefferson Pulaski Rhinebeek	1, 885 1, 919 2, 328 1, 868 2, 040	12, 806, 00 19, 186, 00 10, 473, 00 14, 664, 00 10, 127, 00 12, 596, 00 16, 769, 00 19, 106, 00 17, 986, 00	1, 500. 00 1, 416. 00 1, 600. 00 1, 350. 00 1, 100. 00 1, 500. 00 1, 500. 00 1, 500. 00 600. 00	Newton Falls Ottawa Pomeroy St. Clairsville St. Marys South Euclid Struthers Swanton Sylvania	3, 458 2, 169 3, 563 2, 440 5, 433 4, 399 11, 249 1, 505	11, 654, 60 15, 752, 00 17, 419, 00 15, 276, 00 21, 272, 00 11, 292, 00 13, 355, 00 11, 885, 00 10, 891, 00	1,500.00 1,400.00 1,800.00 1,800.00 2,500.00 1,500.00 1,500.00 1,320.00 1,260.00
Rosevelt. Roslyn. Sag Harbor Saint Johnsville Sea Cliff Sherrill. Sidney. Skaneateles.	2, 773 2, 273 3, 456 2, 150 2, 444 1, 882	13, 499, 00 13, 639, 00 15, 740, 00 11, 630, 00 15, 658, 00 29, 241, 00 18, 076, 00 12, 849, 00	700.00 1,530.00 1,435.00 1,260.00 1,200.00 1,450.00 1,800.00 1,200.00	Toronto Wauseon Wellington Welliston Wellsville West Carrollton Wickliffe Woodsfield	2, 106 7, 044 2, 889 1, 186 5, 319 7, 956 2, 101 2, 491 2, 317	15, 231, 00 17, 391, 00 13, 378, 00 12, 796, 00 15, 296, 00 10, 827, 00 14, 073, 00 12, 795, 00	1, 200. 00 1, 500. 00 1, 200. 00 1, 475. 00 1, 800. 00 552. 00 1, 400. 00 650. 00
Tupper Lake Tusedo Park Wappingers Falls Warrensburg Warwick Waterford Wayland Webster Whitehall. Whitesboro	3, 336 2, 443 2, 921 1, 814 1, 552 5, 191	15, 464. 00 14, 040. 00 11, 483. 00 12, 069. 00 17, 236. 00 13, 037. 00 10, 800. 00 10, 455. 00 15, 467. 00 14, 890. 00	1, 674. 00 1, 810. 00 800. 00 1, 375. 00 1, 966. 00 1, 500. 00 1, 293. 00 1, 195. 00 1, 540. 00 1, 350. 00	OKLAHOMA Anadarko Cherokee Cleveland Cordell Earlsboro Edmond Eriek	2, 231	19, 751, 00 15, 047, 00 13, 148, 00 12, 610, 00 11, 576, 00 18, 050, 00 10, 755, 00	900. 00 1, 320. 00 588. 90 980. 00 1, 115. 00 1, 200. 00 515. 00 1, 125. 00
Williamsville NORTH CAROLINA A hoskie Beaufort Belmont Brevard Canton Clinton Elkin Forest City Hamlet	3, 119 1, 940 2, 957 4, 121 2, 339 5, 117 2, 712 2, 357 4, 089	18, 768, 00 10, 721, 00 10, 812, 00 10, 358, 00 11, 654, 00 16, 198, 00 14, 132, 00 10, 301, 00 10, 245, 00 17, 303, 00	1, 080, 00 1, 500, 00 1, 500, 00 1, 195, 00 1, 080, 00 1, 400, 00 1, 800, 00 1, 600, 00 2, 000, 00	Pairview Guymon Healdton Hollis Hominy Idabel Marlow Maud Newkirk Nowata Pawnee Picher Potean	1, 887 2, 181 2, 017 2, 914 3, 485 2, 581 3, 084 4, 326 2, 135 3, 531 2, 562 7, 773 3, 109	10, 311, 00 15, 779, 00 10, 203, 00 12, 886, 00 14, 311, 00 13, 158, 00 11, 595, 00 18, 754, 00 12, 377, 00 17, 010, 00 13, 253, 00 12, 830, 00 14, 003, 00	1, 125. 00 1, 545. 00 1, 120. 00 1, 290. 00 840. 00 815. 00 980. 00 1, 430. 00 1, 177. 00 950. 00 1, 500. 00 1, 400. 00 1, 150. 00

H. R. 12353, section 304—Continued

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.	City	Population	Postal receipts	Rent, etc.
OKLAHOMA—continued				PENNSYLVANIA—continued			
Pryor Purcell Sayre Seminole Sulphur Tahlequah Tonkawa Wagoper Watonga Waurika Weatherford Yale	2,817 3,157 11,459 4,242 2,495 3,311 2,994 2,228 2,368 2,417	\$10, 463, 00 11, 227, 00 16, 871, 00 66, 354, 00 13, 752, 00 13, 107, 00 10, 226, 60 11, 399, 60 10, 361, 00 14, 574, 00 12, 220, 00	\$970.00 1,500.00 1,260.00 2,400.00 1,200.00 698.00 2,100.00 645.00 840.00 1,380.00 1,140.00	Paoli Patton Pen Argyl Perkasie Pine Grove Pitcairn Point Marion Portage Port Alleghany Renovo Reynoldsville Ridley Park	2, 988 4, 310 3, 463 2, 257 6, 317 2, 039 4, 432 2, 193 3, 947 3, 480	\$16, 728, 90 10, 912, 90 17, 550, 90 17, 638, 90 11, 634, 90 12, 752, 90 11, 490, 90 12, 992, 90 15, 316, 90 12, 391, 90 12, 391, 90 12, 631, 90	\$1, 608. 00 1, 729. 00 1, 234. 00 1, 355. 00 1, 038. 00 1, 560. 00 1, 250. 00 2, 100. 00 1, 325. 00 1, 325. 00
OREGON Burns Coquille Cottage Grove Dallas Forest Grove Gresham Lakeview Lebanon Newberg North Bend North Portland Ontario St. Helens Seaside Silverton Toledo	2, 473 2, 975 1, 859 1, 635 1, 799 1, 851 2, 951 4, 012 	16, 514, 00 15, 688, 00 12, 495, 00 13, 180, 00 17, 543, 00 12, 606, 00 13, 087, 00 11, 184, 00 14, 047, 00 20, 434, 60 19, 763, 00 17, 325, 00 12, 067, 00 15, 577, 00 11, 585, 00	710, 06 867, 00 750, 00 1, 080, 00 600, 00 896, 00 1, 385, 00 900, 00 1, 320, 00 1, 750, 00 1, 350, 00 1, 200, 00 1, 360, 00	Selinsgrove Sharen Hill Sheffield Shillington Slatington Smethport Souderton South Browneville Spring City Susquehanna Tunkhannock Union City Verona West Newton Willow Grove Wyomissing Zelienople	2, 797 3, 825 4, 401 4, 134 1, 733 3, 857 5, 314 2, 963 2, 963 3, 202 1, 973 3, 788 4, 376 2, 953	13, 844, 00 16, 925, 00 11, 462, 00 11, 716, 90 12, 804, 90 12, 773, 00 18, 734, 90 15, 988, 00 15, 972, 69 16, 988, 00 17, 807, 90 15, 988, 00 15, 914, 90 15, 914, 90 16, 92, 90 17, 807, 90 18, 914, 90 19, 914, 91 19, 914, 91 19, 914, 90 19, 914, 91 19, 914, 91 19, 91	1, 200. 00 480. 00 1, 080. 00 820. 00 1, 047. 00 1, 080. 00 990. 00 1, 500. 00 1, 575. 00 1, 255. 00 1, 265. 00 1, 200. 00 900. 00 900. 00 900. 00
PENNSYLVANIA Annville Apollo Ashland Athens	3, 406 7, 164	10, 882, 00 15, 412, 00 18, 821, 00 15, 883, 00	1, 420, 00 1, 686, 00 1, 920, 00 1, 409, 00	Aguadillo	12, 863 19, 791	10, 284, 00 15, 436, 00 11, 849, 00 13, 724, 00	840. 00 2, 000. 00 780. 00 1, 080. 00
Barnesboro Belle Vernon Birdsboro Blaw nox Bridgeville Brockway California Cambridge Springs Camp Hill Canton Clarks Summit	3, 506 2, 489 3, 542 2, 186 3, 930 2, 690 2, 362 1, 665 3, 111 1, 904 2, 604	13, 060, 00 12, 512, 00 10, 948, 00 17, 272, 00 14, 029, 00 12, 380, 00 12, 259, 00 14, 421, 00 17, 105, 00 12, 385, 00	2, 400, 00 1, 500, 00 1, 000, 00 1, 200, 00 1, 200, 00 1, 236, 00 1, 236, 00 1, 800, 00 1, 800, 00 1, 801, 00 1, 130, 00	SOUTH CAROLINA Conway Easley Kingstree Mullins Seneca Summerville Walterboro Ware Shoals Winnsboro	4, 886 2, 392 3, 158 1, 929 2, 579 2, 592	14,710.00 10,024.00 11,598.00 12,739.00 11,215.00 11,285.00 11,654.00 11,182.00	1, 200.00 1, 080.00 700.00 900.00 815.00 1, 320.00 480.00 1, 250.00
Clifton Heights. Coudersport Cresson Curwensville Derry Downington Klizabeth Emaus. Evans City Everett.	2,740 2,317 3,140 3,046 4,548 2,939 6,419 1,561 1,874	18, 763, 00 18, 971, 00 18, 520, 00 11, 386, 00 10, 438, 00 18, 443, 00 10, 361, 60 14, 241, 00 15, 408, 00 13, 543, 00	1, 920, 00 1, 545, 89 1, 380, 90 675, 90 1, 440, 00 1, 800, 00 1, 200, 00 900, 00 1, 100, 00 1, 500, 00	SOUTH DAKOTA Canton Flandreau Lemmon Sisseton Spearfish Sturgis Webster	1, 934 1, 508 1, 569 1, 577 1, 747	14, 433, 00 13, 952, 00 14, 339, 00 12, 430, 00 11, 072, 00 12, 535, 00 18, 107, 00	1, 325. 00 1, 125. 00 1, 500. 00 1, 800. 00 780, 00 1, 320. 00 1, 380. 00
Ford City Frackville Freedom Freeland Girard Glassport Glen Olden Greeneastle Hamburg Hatboro Hawley Hershey Johnsonburg Leechburg Lemoyne Ligonier	8, 084 3, 227 7, 088 1, 554 8, 390 4, 482 2, 557 3, 637 2, 661 1, 811 4, 737 4, 489 4, 171 1, 978	10, 351, 00 13, 281, 00 15, 848, 00 17, 348, 00 17, 783, 00 12, 615, 00 12, 287, 00 18, 961, 00 16, 398, 00 10, 297, 00 26, 021, 00 14, 559, 00 17, 085, 00 12, 118, 00 12, 118, 00	1, 675. 00 1, 200. 00 1, 140. 00 1, 800. 00 980. 00 1, 125. 00 1, 250. 00 1, 300. 00 1, 000. 00 984. 00 1, 650. 00 1, 500. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00 1, 600. 00	Dayton Dickson Etowah Lawrenceburg Lenior City Lewisburg McKenzie Milan Newport Ripley Rockwood Sparta Sweetwater Trenton	2, 902 4, 209 3, 102 4, 470 3, 112 1, 858 3, 155 2, 989 2, 330 3, 898 2, 211 2, 271	15, 520, 00 12, 680, 00 12, 392, 00 13, 392, 00 14, 349, 00 13, 413, 00 12, 017, 00 12, 289, 00 14, 558, 00 10, 554, 00 12, 384, 00 15, 039, 00	1,000,00 1,020,13 1,260,00 900,00 1,700,00 1,200,00 1,200,00 1,200,00 1,000,00 1,000,00 1,000,00 1,500,00 1,500,00 1,500,00 1,500,00 1,500,00 1,500,00 1,000,00 1,000,00
Littlestown Lykens McDonald Malvern Mansfield Marietta Masontown Moreer Mercersburg Meyersdale Midland Mifflinburg Minersville Monaca Montgomery Montrose Moores Morrisville Mount Union Myerstown New Bethlehem New Cumberland New Holland New Holland Newbown New Holland Newbown New Holland Newbown Northumberland North Wales Oakment Oxford	3, 033 3, 281 1, 551 1, 755 1, 969 3, 873 2, 125 6, 007 1, 959 9, 392 4, 641 1, 903 1, 909 5, 368 4, 892 2, 593 1, 790 4, 283 1, 725 1, 891 1, 824 4, 483 2, 383 2, 383 6, 027	11, 986, 00 10, 103, 00 11, 424, 00 15, 028, 00 11, 424, 00 15, 028, 00 12, 737, 00 10, 727, 00 17, 320, 00 12, 564, 00 18, 217, 30 11, 733, 00 12, 826, 00 16, 371, 00 12, 826, 00 15, 133, 00 15, 133, 00 15, 135, 00 14, 659, 00 14, 248, 00 14, 248, 00 14, 248, 00 16, 077, 09, 00 12, 331, 00 10, 099, 00 11, 235, 00 14, 248, 00 16, 331, 00 16, 077, 00 12, 331, 00 16, 331, 00	900. 00 970. 00 1, 500. 00 1, 500. 00 1, 500. 00 1, 500. 00 2, 100. 00 900. 00 1, 700. 00 1, 000. 00 1, 200. 00 1, 200. 00 1, 200. 00 1, 200. 00 1, 200. 00 1, 200. 00 1, 200. 00 1, 200. 00 1, 350. 00 1, 200. 00 1, 350. 00 1, 200. 00 1, 350. 00 1, 350. 00 1, 200. 00 1, 300. 00	Albany Alice Alice Alpine Alven Arlington Asherton Baytown Bellville Brownfield Burkburnett Caldwell Canadian Canyon Carrizo Springs Center Clarendon Conroe Crystal City Decatur Donna Dublin El Campo Eletra Elein Floydada Fort Stockton Fredericksburg	4, 239 3, 495 1, 511 3, 616 1, 858 1, 533 1, 907 3, 281 1, 724 2, 068 2, 821 2, 171 2, 510 2, 756 6, 609 2, 037 4, 103 2, 271 2, 103 2, 103	12, 231, 00 15, 067, 00 17, 669, 00 17, 766, 00 17, 164, 00 12, 321, 00 11, 105, 00 10, 795, 00 11, 252, 00 12, 504, 00 17, 583, 00 18, 633, 00 16, 523, 00 11, 152, 00 14, 102, 00 14, 102, 00 14, 102, 00 15, 611, 00 17, 880, 00 18, 611, 00 19, 102, 102, 102, 102, 102, 102, 102, 102	1, 134, 00 780, 00 780, 00 840, 00 720, 00 1, 184, 00 324, 00 525, 00 840, 00 840, 00 984, 00 1, 075, 00 1, 234, 00 1, 080, 00 744, 00 1, 300, 00 1, 300, 00 1, 300, 00 1, 148, 00 1, 148, 00 1, 160, 00 2, 280, 00 1, 152, 00 600, 00 1, 340, 00 1, 340, 00 840, 00

H. R. 12353, section 304-Continued

City	Population	Postal receipts	Rent, etc.	
TEXAS—continued				
Goose Creek	5, 208	\$19, 210. 00 11, 247. 00 11, 231. 00	\$1, 832. 0	
Grand Saline	1,799 2,084	11, 247, 00	660. 00 990. 00	
Hamilton	2, 328	12, 168.00	1,008.00	
Tookall	2 632	10, 606, 00	1, 440.00	
Hearne	2, 956 2, 458	11, 498. 00	1, 050. 00	
Herefordasper	3, 393	16, 799. 00 12, 861. 00	1, 060. 0 1, 920. 0	
		10, 774. 00	900.00	
Conody	2.610	15, 428. 00	1, 200. 0	
la Grange	2, 354 2, 709	16, 479. 00 16, 438. 00	930, 0 780, 0	
Lampasas	2, 187	11, 278. 00	920.0	
lttleheld	0, 215	15, 127. 00	720.0	
Marfa	3, 909 2, 853	17, 020, 00 10, 916, 00	900. 0 895. 0	
Mart McCamey		21, 428, 00	394 0	
Mineola	3, 304	21, 428, 00 14, 362, 00	1, 300. 5 1, 077. 0 1, 000. 0	
)dessa	2, 407	15, 560, 90 17, 652, 00 11, 021, 90	1, 077. 0	
Olney.	4, 138 2, 802	17, 652, 00	1,000.0	
Paducah Perryton		15, 124, 00	910.0	
Post		10, 234, 00	1, 530. 0	
PostRaymondville	2,050	14, 926. 00	660. 0	
Refugio	2, 019	11, 967. 00 15, 626. 00	560. 0 1, 725. 0	
Robstown		12, 365, 00	1, 080. 0	
Rosenberg	1,941	12, 365. 00 11, 012. 00 11, 596. 00	750.0	
kusk	0, 509	11, 596, 00	870.0	
San Saba	2, 240	10, 670. 00 11, 221, 00	475, 0 800, 0	
Schulenberg	2,626	12, 030, 00	700.0	
Seymour	1,852	10, 315, 00	1.0	
laton	0,010	14, 395, 00	1.0	
mithville	3, 230	11, 531, 00 15, 555, 00	1, 850, 0 1, 232, 0	
nyder	1,899	12, 010. 00	150.00	
Spur Sugar Land		13, 809, 00	392.00	
Pahoka	1,620	10, 202, 00	863.00	
Ceague	3, 509 2, 202	13, 937. 00	1, 240, 00	
PuliaVellington		12, 394, 00 16, 459, 00	670.00 1,800.00	
Weslaco		19, 841, 00	600.00	
Wills Point	2,023	19, 841, 00 10, 943, 00	1,080.00	
Wink	2, 900	20, 975, 00	900.00	
Winters	2, 423	12, 412, 00	1, 620. 00	
UTAH				
Helper	2,707	10, 552. 00	1, 500. 00	
VERMONT		17 000 00	1 200 00	
Brandon Fair Haven		15, 282, 00 10, 137, 00	1, 380. 00 1, 160. 00	
Hardwick.		10, 526, 00	1,050,00	
Lyndonville	1,559	18, 333, 00	1, 650. 00	
Morrisville	1,822 2,075	11,838.00 14,429.00	1,300.00 1,375.00	
NorthfieldPoultney	1,570	12, 020, 00	960.00	
Proctor	2,515	12, 185, 00	1, 700, 00	
Randolph	1, 957	16,660.00	1, 145. 00	
Vergennes	1,705 1,776	11, 467. 00 13, 356. 00	1, 300. 00 1, 480. 00	
Waterbury		20,000.00	1, 100.00	
VIRGINIA				
ltavista	2, 367	14, 497, 00 12, 949, 00	1, 100.00	
Appalachia	3, 595	10, 571, 00	1, 680. 00 580. 00	
Blackstone	1,772	17, 712, 00	1, 410. 0	
Chase City	1, 590	11, 725. 00	1, 425. 0 1, 080. 0	
Christiansburg	1,970	10, 571, 00 17, 712, 00 11, 725, 00 12, 537, 00 11, 940, 00	1, 080. 00 840. 00	
Crewe		17, 787. 00	1, 605. 0	
lalar	2, 544	19, 160. 00	1, 080. 0	
North Emporia	1,629	13, 797. 00	1, 450. 0	
North Emporia	0.050	10, 629, 00	1, 450. 0	
Phoebus	2, 956 2, 964	10, 294. 00 12, 628. 00	1, 450. 0 1, 400. 0 1, 410. 0	
Strasburg	1,901	10, 370. 00	1, 060. 0	
Virginia Beach	1,719	19, 687. 00	1, 535. 0	
Villiamsburg	3, 778	27, 150. 00	1, 920. 0	
WASHINGTON				
Samas	4, 239	18, 317, 00 12, 282, 00 18, 220, 00 11, 000, 00	1,000.0	
Clarkston	1 803	18, 220, 00	900, 0	
Dayton	2, 528	11,000.00	720.0	
Elma	1,545	11, 199, 00	840.0	
Enumclaw	2,084 1,519	15, 274, 00 14, 872, 00	1,000.0 1,120.0	
Kirkland	1,714	12, 345. 00	1,000.0	
Kirkland Lynden	1,564	19 943 00 1	1,020,0	
	1.570	12,743.00	1,000.0	
Monroe	1,519	17, 180, 00	900.0	
Monroe	9 547	10, 400, 00	1, 000. 0	
Monroe Okanogan Omak Prossar	2, 547	15, 276, 00	1,300.0	
Monroe Okanogan Omak Prosser Raymond	2, 547 1, 569 3, 828	15, 276, 00 18, 139, 00	1, 300. 0 1, 200. 0	
Monroe	2,547 1,569 3,828 1,777	12, 743, 00 12, 743, 00 17, 180, 00 13, 265, 00 15, 276, 00 18, 139, 00 10, 117, 00	1, 200. 0	
Monroe Okanogan Omak Prosser Raymond Ritzville	2,547 1,569 3,828 1,777	10, 117, 00	1, 200. 0 1, 500. 0	
Motroe Dikanogan Dmak Prosser Raymond Ritzville Sedro Wooley Inohomish South Bend	2, 547 1, 569 3, 828 1, 777 2, 719 2, 688 1, 798	10, 117, 00 15, 239, 00 15, 780, 00 10, 083, 00	1, 200. 0 1, 500. 0 840. 0 1, 020. 0	
Monroe)kanogau)mak Prosser Raymond Ritzville sedro Wooley snohomish South Bend umner sunnyside	2, 547 1, 569 3, 828 1, 777 2, 719 2, 688 1, 798 1, 967	10, 117, 00 15, 239, 00 15, 780, 00	1, 030. 0 1, 300. 0 1, 200. 0 1, 200. 0 1, 500. 0 840. 0 1, 020. 0 775. 0 1, 200. 0	

H. R. 12353, section 304—Continued

City	Population	Postal receipts	Rent, etc.
WEST VIRGINIA			
Cameron	2, 281	\$10, 539, 00	et 200 0
Chester	3, 701	10, 646, 00	\$1,500.00
Dunbar	4, 189	13, 416, 00	1,000.0
Follansbee	4, 841	12, 317, 00	790.0
Hallidays Cove	4, 480	13, 191, 00	1,725.0 1,200.0 1,140.0
Kenova	3, 680	10, 692, 00	1,200.0
Mannington	2 9A1	14, 593. 00	1, 650, 0
Marlinton	1 598	13, 746, 00	1, 680. 0
Mount Hope	2, 361	10, 301, 00	730.0
Richwood.	5, 720	13, 886, 00	1, 610, 0
Ronceverte	2 254	13, 794, 00	1, 650. 0
St. Albans	2, 254 3, 254	13, 794, 00 13, 184, 00	1, 400. 0
St Marys	2, 182	11, 442, 00	1, 125. 0
Shinnston	2, 802	10, 153, 00	1, 325, 00
Spencer	2, 493	17, 237. 00	1, 617. 0
WISCONSIN			
Algoma	2, 202	11, 212, 00	780, 0
Barron Black River Falls	2, 202 1, 863	15, 178, 00	1, 400, 0
Black River Falls	1,950	16, 211, 00	1, 600, 0
Bloomer	1,865	10, 870, 00	1, 200, 0
Poscobel	1,762	13, 020, 00	1.080.0
Chilton	1,945	16, 655, 00	1, 200, 0
Columbus	2.514	14, 881, 00	1, 080, 0
Cornell	1,510	12, 644, 00	1, 200. 0 1, 080. 0 1, 200. 0
Cumberland	1, 532	12, 358. 00	1, 200, 0
Darlington	1,764	11, 325, 00	1,000.00
De Pere	1, 764 5, 521	18, 473. 00	1, 300.00
Dodgeville	1.937	12, 008. 00	1, 800. 00 1, 200. 00 1, 527. 00
Durand	1,590	11, 577. 00 12, 941. 00	1, 200.00
Evansville	2, 269 2, 214	12, 941. 00	1, 527. 00
Horicon	9 911	10, 542, 00	1, 050, 00
Hudson	2,725	13, 535, 00	1, 200. 0
Kohler Lake Mills	1,748	40, 086, 00	1, 800. 00
Lake Milis	2, 007 2, 432 2, 107	10, 286, 00	1, 200, 0
Lancaster	2, 432	15, 488. 00	1, 500. 00 1, 500. 00
Mauston	2, 107	12, 590, 00	1, 500.00
Mayville	2, 521	13, 188, 00	1, 200. 0
Medford	1,918	18, 933. 00	1,800.0
Neillsville	2, 118	17, 973, 00	1, 200. 0
New Richmond	2, 112	15, 511, 00 16, 027, 00	1, 440. 6
New Richmond Park Falls Phillips	3, 036	16, 027, 00	1, 600. 0 1, 750. 0
Projeto de Chian	1, 901 3, 943	15, 766. 00	1, 750.00
Prairie du Chien	3, 943	19, 728, 00	1, 320. 0
River Falls Sheboygan Falls	2, 393	16, 076, 00	1, 200. 0
Sneooygan Fans	2, 934	12, 186. 00	1, 200. 0
Spooner Stanley Stanle	2, 426	12, 509. 00	1,650.0
I omahawk	1, 988 2, 919 2, 792	11, 768. 00 14, 116. 00	1, 400. 0 1, 565. 0
Viroqua	2, 919	17, 770, 00	1, 505. 0
Washburn	2, 792	17, 770. 00	2, 000.00 1, 600.00
West De Pere	4, 400.	10, 309, 00	900.00
WYOMING			
Greybull.	1,806	10, 402. 00	1, 020. 00
Midwest	1,000	10, 457, 00	
Riverton	1,608	10, 457. 00 10, 517. 00	1, 380. 00 1, 200. 00
	1,003	10, 517.00	1, 200.00
Grand total section 304	STATE OF THE PARTY	A PRINTERS	1, 488, 597, 41

Estimated annual cost of maintenance of proposed Federal buildings, including interest, depreciation, and upkeep, \$7,478,100.

The total rent now paid for post-office quarters in all towns under section 304 is \$1,488,597.41. It is conservatively estimated that the annual cost of maintenance of the proposed Federal buildings, contemplated by this section, including interest, depreciation, and upkeep, will be \$7,478,100. The increased annual burden on the Federal Treasury will thus be \$5,989,502.59. Interest, depreciation, and upkeep for a building costing \$70,000 comes to about 9 per cent of the cost as an annual charge. It is subdivided as follows: Heat, \$230; light, \$400; supplies, \$170; custodial force, \$2,500; interest at 3 per cent, \$2,100; depreciation at 2 per cent, \$1,100; totaling \$6,500, or about 9 per cent of the cost of the building.

The following table gives the population, postal receipts, and rent now paid for the leased post-office buildings of the towns included in section 305 of H. R. 12353.

The approximate average cost of buildings contemplated by this section will be about \$55,000 per building.

H. R. 12353, section 305

City	Population	Postal receipts	Rent, etc.
ALABAMA		Tente la	
Alabama City	8, 544 1, 691 1, 721 1, 795	\$9, 102, 00 8, 033, 00 8, 083, 00 9, 319, 00	\$1,440.00 1,080.00 900.00 780.00

H. R. 12353, section 305—Continued

H. R. 12353, section 305-Continued

	City	Population	Postal receipts	Rent, etc.	City	Population	Postal receipts	Rent, etc.
ALA	BAMA—continued			62	ILLINOIS—continued		321 = 10 15	10 Per 15
Inleyville		2, 115	\$9, 565. 00	\$980.00 840.00	Johnston City	5, 955	\$9, 923. 00	\$1,880.00
afayette		2, 119	8, 230. 00 8, 367. 00	1, 036. 00	Leroy	1,595	9, 605. 00 8, 119. 00	570. 00 900. 00
)pp		2,918	9, 577. 00 8, 083. 00	960, 00	Minonk Mount Olive	1,910	9, 157. 00 9, 106. 00	540.00 480.00
rattville			8, 865, 00	840.00	Mount Sterling	1,724	9, 278, 00	900.00
homasville		1,504	8, 468. 00 8, 027. 00	1, 000, 00 900, 00	Roodhouse	2,621	8, 496. 00 8, 138. 00	1, 100. 00 1, 200. 00
OIA.			3,300		Virden	3,011	8, 927, 00	1, 020, 00
W. Biss	ARIZONA		0 050 00	000 00	Warsaw Winchester		8, 031. 00 8, 762. 00	500. 00 1, 140. 00
larkdale			8, 356, 00 8, 382, 00	600, 00 1, 980, 00	Zigler		8, 817. 00	1, 140. 00 1, 020. 00
Iorenci			9, 512, 00	1, 000. 00	INDIANA			
	ARKANSAS	THE PARTY			Dunkirk	2, 583	9, 100, 00	960, 00
shdown		1,607	8, 057. 00	1, 080. 00	Edinburg	2, 209	8, 784. 00 8, 148. 00	900.00 750.00
			8, 021. 00 9, 641. 00	600. 00 720. 00	Fairmount Gas City		9, 629. 00	816, 00 700, 00
ewitt		1,853	9, 772, 00	564.00	Gas City	2, 377	9, 598. 00 8, 927. 00	900.00
ngland		9.020	9, 219, 00 8, 968, 00	750.00 1,050.00	Loogootee	2, 203	9, 589. 00	1, 200.00
urden		2, 172	8, 156, 00	816.00	Montpelier Paoli	1, 809	9, 607. 00	1, 000. 00 750. 00
			8, 026. 00 8, 033. 00	660, 00 900, 00	Pendleton	1, 538	9, 360.00	900.00
ocahontas			8, 776. 00	680.00	Rockport	2, 396	9, 799. 00	900.00
	CALIFORNIA	U SET YOUR			IOWA	1000	636	
erstow			10, 621, 00	900, 00	Ackley	1, 524	8, 985. 00	795.00
rea		2, 435	8, 937. 00	900.00	Avoca	1,673	8, 245. 00 8, 449. 00	1, 100.00
alipatria		1, 554	8, 387. 00 9, 692. 00	1, 000. 00 1, 295. 00	Bettendarf.	2,768	9, 117. 00	720. 00 660. 00
mperial		1, 943	8, 758.00	1, 115. 00	Colfax	2, 213	9, 315. 00	1, 085.00
a Verne	h	2, 860 2, 203	8, 767. 00 8, 037. 00	877. 00 420. 00	Dyersville		9, 990. 00 8, 109. 00	900, 00 1, 080, 00
ewport Beac fles	n	2, 203	8, 959, 00	420.00	Duttenberg	1,918	9, 386. 00	1, 000. 00 1, 150. 00
acentia		1,606	8, 323. 00	1, 200. 00	Lake ()ity		8, 707. 00 9, 498. 00	1, 150. 00 1, 080. 00
			8, 664. 00 8, 456. 00	420. 00 980. 00	Mapleton	1,622	8, 948. 00	940.00
n Dimas			8, 241. 00	660.00	Northwood		9, 685. 00	1, 200. 00 1, 020. 00
otia			9, 864. 00	840.00	Sumner	1,561	8, 424, 00	840.00
	CONNECTICUT				West Liberty	1,679	9, 917. 00	595. 00
romwell			8, 643. 00	580.00	KANSAS	No. of Street		
eep River			9, 123. 00 8, 307. 00	900. 00 315. 00	Ellis	1,957	9, 985. 00	1, 140.00
ortland			8, 235. 00	900.00	Kiowa	1,501	9, 913. 00	1, 025. 00 1, 080. 00
nionville		2, 135	9, 709. 00	1, 200. 00	MeadeMinneapolis	1,741	9, 523. 00	800.00
	DELAWARE				St. John	1,552	9,960.00 9,516.00	1,000.00 895.00
arrington		1,812	9, 229. 00	1, 400. 00	Stafford	1,012	9, 310.00	890.00
	FLORIDA				KENTUCKY		8 33.7	
		1,849	8, 219, 00	540, 00	Dawson Springs	2,311	8, 438, 00	900, 00
hipley		1,878	8, 083, 00	1, 000, 00	Hickman	2, 321	9, 695, 00	1, 500.00
ort Meade		1, 981 2, 600	8, 025, 00 9, 000, 00	900. 00 2, 000. 00	Jenkins	3, 640 8, 465	8, 257. 00 8, 165. 00	888.00 1, 200, 00
omestead		2.319	9, 745, 00	1, 200.00	Louisa	1,961	9, 611. 00	1, 200, 00 1, 300, 00
almetto	1	3,043	9, 324. 00 8, 039. 00	900.00	Nicholasville Providence		9, 795. 00 8, 402. 00	1, 200, 00
inter Garder	1	2,020	0, 000.00	1.00	Russell	2,084	8,927.00	1, 200.00
	GEORGIA	HELLING			Stanford		9, 707. 00	1, 500. 00 880. 00
shburn		2,073	8, 626. 00	1, 200. 00	Sturgis	2, 154	8, 276, 00 9, 293, 00	1, 100, 00
lacksnear		1,817 2,106	9, 052. 00 9, 690. 00	1,000.00 1,020.00	Williamsburg	1,826	9, 293. 00	900, 00
amilla		2.025	8, 705. 00 8, 301. 00	732.00	LOUISIANA	3 220	IN RASIN	
			9, 420. 00	960, 00	Arcadia		9, 334. 00	780.00
reensboro		2, 125	8, 115, 90	660.00	De QuincyFerriday	3,589 2,502	8, 736. 00 8, 513. 00	720.00 720.00
			5, 757. 00 8, 284. 00	770. 96 717. 00	Jeanerette	2,228	9,009.00	740.00
awkinsville.		2.484	9, 664. 00	1,000.00	Slidell Vivian		8, 397. 00 8, 681. 00	530, 00 900, 00
		2 811	9, 269.00 9, 807.00	726, 00 1, 020, 00	A STATE OF THE RESIDENCE OF THE RESIDENC		0,002.00	000.00
illen		2,527	9, 844. 00	600.00	MAINE			
		1, 593 3, 264	8, 012. 00 8, 102. 00	480.00 612.00	Guilford	2 161	9, 386. 00 9, 671. 00	893. 00 792. 00
wainsboro		2,442	8, 360.00	1, 058. 00	Lincoln. Milo	2, 101	9, 132, 00	865.00
			8, 163. 00 8, 365. 00	1, 200. 00 800. 00	Newport		8, 253, 00 9, 297, 00	815.00 - 1,134.00
31105001		1,001	0,000.00	000.00	Oakland Thomaston		8, 739. 00	840.00
	нажап	THERE			Van Buren		9, 167, 00 8, 125, 00	1, 350, 00 (1)
ahului			9, 197. 00 8, 121. 00	180, 00 660, 00	Waldoboro Yarmouth		9, 439. 00	736. 00
			-20		MARYLAND	1500000	105 503110	
	IDAHO	2 2 200	2 312 11		Brunswick	3, 671	9, 634, 00	1, 450, 00
islad City		2, 535	8, 502. 00 8, 019. 00	360.00 949.00	Lonaconing	2,426	8, 577. 00	505.00
igby		1,531	9, 785. 00	840.00	Mount Ranier	3, 832	9, 738. 00	985.00
Control of the land of the land of the	ILLINOIS			E SE E	MASSACHUSETTS	E SHE	The state of the	
	TIME CO.	1,666	8, 119, 00	1, 080. 00	Monson		8, 072. 00	1, 500, 00
			9, 879. 00	1, 125. 00	Shirley Warren		9, 753. 00 8, 017. 00	550. 00 924. 00
lbionmboy		1,812						
lbionmboy		1,686	8, 113. 00	1,110.00	West Concord		9, 767. 00	1,770.00
Albion		1, 686 2, 315 2, 866	8, 613, 00 8, 638, 00	840.00 1,066.00	West Concord			
Albionamboy		1, 686 2, 315 2, 866 1, 578	8, 613. 00	840.00		2, 103		

H. R. 12353, section 305-Continued

H. R. 12353, section 305-Continued

		Postal		11. 12. 12555, 30058		Postal	
City	Population	receipts	Rent, etc.	City	Population	receipts	Rent, etc.
MICHIGAN—continued.	1 700	do 200 00	*****	NEW YORK-continued.			
Decatur East Jordan		\$9, 220. 00 8, 046. 00	\$900.00 750.00	Niagara University		\$9, 458.00	\$600.00
Gaylord	1,627	9, 631. 00	1, 080, 00	Oxford	1,601	9, 808. 00 8, 195. 00	1, 140. 00 1, 164. 00
Milan Morenci	1,947 1,773	9, 856. 00 8, 242. 00	1, 000. 00 720. 00	Rouses Point	1,920	8, 544. 00	1, 520, 00
Ontonagon	1, 937	9, 681.00	1,000.00	Roslyn Heights		9, 659, 00 8, 035, 00	1, 230. 00
Oxford		8, 566, 00 8, 920, 00	1, 200. 00 989. 00	Seaford		8, 035, 00	780.00
Portland St. Clair Shores	6,745	9, 030. 00	330, 00	NORTH CAROLINA			
Sparta	1, 939	8, 809. 00 9, 588. 00	1, 200. 00	Enfield	2, 234	9, 140. 00	1, 050. 00
Trenton Vicksburg	4, 022 1, 735	8, 298. 00	1, 250. 00 650. 00	Farmville	2,056 2,972	8, 059. 00 8, 477. 00	900, 00 794, 00
Vicksburg Wakefield	3, 677	8, 209. 00	763. 00	Hertford	1,914	8, 056. 00	1, 325, 00
MINITERIORI	Per Total			Mebane	1,568	9, 125, 00	900,00
MINNESOTA	0.700	0 000 00	1 140 00	Murphy Plymouth	1,612	8, 998. 00 8, 215. 00	708. 00 1, 200. 00
Bayport North St, Paul	2, 590 2, 915	8, 226, 00 9, 019, 00	1, 140. 00 860. 00	Roanoke Rapids.	3, 404	8, 960. 00	835.00
Proctor		9, 088, 00	1, 400. 00	Scotland Neck Siler City	2,339 1,730	8, 791. 00 9, 463. 00	1,500.00
Winnebago	1,701	9, 727. 00	1, 080. 00	Did City	- 1,100	8, 400.00	900.00
MISSISSIPPI				NORTH DAKOTA			
Charleston	2, 014	9, 896, 00	900.00	Enderlin	1,839	9, 386. 00	1, 200.00
Durant	2, 480	9, 445, 00	1, 475. 00	ОНЮ			
ForestMagnolia		8, 873. 00 8, 964. 00	850. 00 1, 200. 00		1 000	0 001 00	T IS I
Ocean Springs	1,663	8, 364. 00	600.00	CovingtonDelta	1,807 1,778	9, 021. 00 8, 947. 00	900. 00 870. 00
Okolona	2, 235	8, 890. 00	1, 200. 00	Glonster	2, 903	8, 696. 00	1, 460, 00
Pass Christian Port Gibson		9, 054, 00 8, 723, 00	690, 00 900, 00	Hubbard Huron	4, 080 1, 699	9, 938. 00 8, 426. 00	1, 500. 00
Rosedale	2, 117	8, 070, 00	900.00	Milford	1, 915	8, 620, 00	600.00 1,020.00
Shelby	1,811	8, 836, 00	706, 00 520, 00	Mingo Junction	5.030	9, 650, 00	1,800.00
Union	1,705	8, 443. 00	320, 00	North Baltimore	2,492	8, 783. 00 9, 479. 00	942.00
MISSOURI		AL MINE		Forest City	5, 209 2, 772	9, 653, 00	1, 360, 00 1, 080, 00
Brunswick.	1,715	8, 320. 00	720.00	Galeton	2,200	9, 545.00	1, 438. 00
Eldorado Springs	1,917	9, 391, 00	900, 00	Girardville	4, 891 2, 004	8, 413, 00 8, 161, 00	1, 200. 00 1, 080. 00
GallatinHolden	1,504	8, 255. 00 9, 827. 00	1, 000. 00 1, 023. 00	Homer City_ Hummelstown	3,036	8, 135, 00	900.00
Kahoka	1, 507	9, 048. 00	866.00	Montoursville	2,710	9, 155. 00	1, 100.00
Nalden	2, 025 1, 728	8, 293. 00	1, 023, 00 720, 00	Natrona Orwigsburg		8, 349. 00 8, 400. 00	400.00 503.00
MemphisMilan		8, 994. 00 8, 847. 00	960.00	Osceola Mills.	- 2,001	8, 124, 00	1, 150, 00
Monroe City	1,820	8, 697. 00	1,000.00	Roaring Spring	2,724	9, 836, 00	960.00
Mound City	1, 525	8, 737. 00	896.00	St. Clair Sharpsville	- 7, 296 5, 194	8, 659. 00 9, 804. 00	1,500.00
PlattsburgRobertson		8, 155. 00 8, 598. 00	1,000.00 240.00	Sinking Spring.	1, 171	8, 555. 00	895, 00 580, 00
Sainte Genevieve	2, 662	9, 780. 00	1,090.00	South Fork	3, 227	8, 402. 00	700.00
Shelbina	1,826	8, 222. 00 8, 223. 00	720. 00 720. 00	Springdale Villanova	4, 781	8, 697, 00 9, 872, 00	1, 580. 00 1, 300. 00
StanberryThayer	2, 029 1, 632	8, 041, 00	980.00	Watsontown	2, 248	8, 196. 00	890.00
Union	2, 143	8, 701. 00	780.00	White Haven	1.537	8, 155. 00	810.00
Unionville	1,811 1,525	8, 582. 00 8, 417. 00	1, 400. 00 802. 00	Youngsville Youngwood	1,907 2,783	8, 162. 00 8, 165. 00	1, 120. 00 660. 00
Wellsville	1, 520	0, 417.00	802.00	Todaywood	- 2,150	0, 100, 00	000.00
MONTANA	Man Sale			PUERTO RICO			
Laurel	2, 558	1, 473, 00	850, 00	Guayama	_ 10, 953	8, 934. 00	1, 200. 00
NEBRASKA		AUS		SOUTH CAROLINA			
Ashland	1 700	0.071.00	000.00	Bamberg	2, 450	8, 028, 00	1 000 00
AshlandBayard		8, 971. 00 8, 272. 00	900, 00 935, 00	Batesburg		9, 642, 00	1, 296. 00 900. 00
Sutton	1,540	8, 802. 00	888.00	Belton	1,765	8, 055. 00	675.00
Wymore	2, 680	9, 744. 00	840.00	BishopvilleLake City	2, 249 1, 922	8, 628. 00 8, 441. 00	1, 500. 00 600. 00
NEVADA	I STA				7,022	0, 111.00	000.00
MeGuill		8, 655. 00	1, 500, 00	SOUTH DAKOTA			
		0,000.00	2,000.00	Bell Rapids		8, 491. 00	1, 100. 00
NEW HAMPSHIRE				Stephan		8, 800, 00	452.00
East Jaffrey			720, 00	TENNESSEE			
FarmingtonWilton		9, 408. 00 8, 070. 00	970.00 840.00	Clinton.	1,927	8, 379. 00	1, 200, 00
W. M. W.		0,010.00	020.00	Henderson	1, 503	8, 216. 00	900.00
NEW JERSEY				Jefferson City	1,898	8, 254, 00	840.00
Absecon	2, 158	9, 728. 00	1, 200. 00	La Follette	2, 637 1, 823	9, 645. 00 8, 684. 00	1, 160. 00 750. 00
Clementon	2, 605 9, 067	8, 779. 00	900, 00	Livingston	1,526	8, 110. 00	1,060.00
FairviewFranklin		8, 061. 00 8, 986. 00	840.00 1,400.00	Loudon	_1 2,578	8, 168. 00	1, 080. 00
Highlands	1,877	8, 082, 00	975.00	Mount Pleasant Newbern	3, 010 1, 621	9, 307, 00 8, 107, 00	1, 200, 00 950, 00
Jamesburg Maple Shade	2,048	8, 745. 00 8, 013. 00	1, 140, 00 900, 00	Oakharbor	1,849	9, 231. 00	1, 495.00
Mays Landing	THE RESIDENCE	8, 930, 00	720.00	Paulding		8, 925. 00	840.00
Milltown	2, 994	9, 593, 00	1, 300.00	Perrysburg Rittman	3, 182 2, 785	9, 730. 00 8, 638. 00	1,500.00 1,217.65
Mountain LakesRidgefield	2, 132	8, 749. 00 8, 959. 00	600.00 1, 230.00	Waverly	1,603	8, 259. 00	700.00
Springfield	4,071	8, 640. 00	600.00	OWI LTOWN			
	THE BUILD		41,500	OKLAHOMA		0.000	The second section
NEW MEXICO	0.10	SINE MARKET	PURE NEW YORK	Atoka Beggs		8, 310. 00 8, 219. 00	1,020.00 600.00
Belan		8, 403. 00	800.00	Barnsdall	2,001	8, 792.00	1,020.00
Nordsburg	2,009	8, 833. 00	960, 00	Broken Arrow	1,964	9, 964. 00	972.00
NEW YORK	THE LESS	THE PARTY AND	R WILL SHALL IS	Carnegie	2,063	9, 998. 00 8, 187. 00	960.00 1,500.00
Addison	1, 538	8, 221. 00	900.00	Coalgate	2,064	8, 346. 00	1,410.00
Akron	2, 188	9, 531. 00	1, 176. 00	Dewey	2,098	8, 281. 00	1,410.00 780.00
Angola Central Islip	1, 543	9, 802. 00 9, 482. 00	1, 020. 00	Fairfax	2,073	8, 690. 00 8, 915. 00	1, 205. 00 970. 00
Cold Springs	1,784	8, 598, 00	780.00	Geary.	1,892	8, 437, 00	900.00
Cornwall Keeseville	1,910	8, 003. 00	365. 00	Hartshorn	3, 587	8, 382. 00 8, 047. 00	715.00
as appeared title	1,794	8, 074. 00	1,000.00	Heavener	- 4, 269	8, 017, 00	360.00
Mattituck New Hyde Park	3, 314	9 467.00	900, 00	Hooker	1,628	9, 280.00	750.00

H. R. 12353, section 305-Continued

City	Population	Postal receipts	Rent, etc.
OKLAHOMA—continued Lindsay Madill Marietta Oilton Ssallisaw Stigler Stroud Tecumseh Walters Weleetka Wetumka Wilson Wynne Wood	1, 515 1, 785 1, 517 1, 894 2, 419 2, 262 2, 022 2, 153 2, 517	\$8, 232. 00 9, 523. 00 8, 077. 00 8, 222. 00 8, 097. 00 8, 535. 00 8, 529. 00 9, 711. 00 9, 689. 00 8, 015.7. 00 9, 809. 00 8, 307. 00	\$1,020.00 540.00 1,230.00 730.00 900.00 900.00 1,020.00 1,195.00 851.00 755.00 1,062.00
Bandon Springfield Woodburn Veronia	1,675	8, 761. 00 8, 089. 00 9, 299. 00 8, 698. 00	1, 155. 00 600. 00 660. 00 815. 00
PENNSYLVANIA Albion Blossburg Burgettstown Catawissa East Brady Fleetwood	2, 266 2, 023 1, 563	8, 035. 00 8, 761. 00 9, 102. 00 8, 003. 00 8, 023. 00 8, 216. 00	1, 020. 00 970. 00 960. 00 1, 200. 00 900. 00 1, 050. 00
Anson Arsmas Pass Baird Bartlett Calvert Carthage Chillicothe Columbus Cooper Cotulia Crowell De Leon Eagle Lake Edna Floresville Giddings Groesbeck Henrietts Iowa Park Itasca Jacksboro La Feria Levelland Llano McGregor McGregor Menard Merkel Panhandle Rosebud Rotan Sealy Silsbee Taft Therber Trinity Whintsboro Yorktown	2, 482 1, 965 1, 873 2, 103 1, 651 1, 610 2, 054 2, 022 3, 175 1, 766 2, 343 1, 752 1, 581 1, 835 1, 835 1, 835 1, 837 1, 661 2, 124 1, 661 2, 124 1, 591 1, 594 1, 661 2, 124 1, 592 1, 583 1, 835 1, 837 1, 835 1, 837 1, 838 1,	9, 697. 00 8, 211. 00 9, 727. 00 8, 042. 00 8, 042. 00 8, 042. 00 8, 042. 00 8, 831. 00 9, 392. 00 8, 314. 00 9, 392. 00 9, 610. 00 8, 314. 00 9, 394. 00 9, 415. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 434. 00 9, 437. 00 8, 543. 00	918. 00 800. 00 720. 00 1, 400. 00 840. 00 720. 00 1, 100. 00 1, 100. 00 1, 390. 00 1, 000. 00 932. 00 1, 476. 00 850. 00 854. 00 873. 00 875. 00 875. 00 875. 00 876. 00 877.
EurekaSt. George	3, 041 2, 434	8, 777. 00 8, 753. 00	(¹) 450, 00
VERMONT Rethel	1,621	8, 020. 00 8, 639. 00 9, 149. 00 8, 667. 00	604. 00 850. 00 1, 450. 00 1, 115. 00
VIRGINIA Bluefield Chincoteague Island. Emporia Pocahoutas Victoria	2, 203	9, 121, 00 8, 396, 00 8, 213, 00 8, 020, 00 8, 022, 00	990.00 1,185.00 635.00 1,000.00 800.00
WASHINGTON Blaine Cle Ellum Pomeroy	1, 642 2, 508 1, 600	8, 748, 00 9, 417, 00 9, 638, 00	
WEST VIRGINIA Kingwood Mullens Oak Hill Pennsboro Piedmont Salem 1 Federal building,	2, 356 2, 076 1, 616 2, 241	8, 222. 00 9, 997. 00 9, 682. 00 8, 988. 00 9, 619. 00 9, 913. 00	820.00 840.00 1,355.00

H. R. 12353, section 305-Continued

City	Population	Postal receipts	Rent, etc.
WISCONSIN	THE REF		
Brodhead	1, 533 2, 055	\$9, 573. 00 8, 716. 00	\$1,000.00 1,100.00
Crandon	1, 679 1, 546	8, 132, 00 8, 031, 00	1, 000. 00 720. 00
Hurley Kiel	3, 264 1, 803	9, 829. 00 9, 678. 00	1, 680. 00 720. 00
Mondovi	1, 632 1, 921	9, 547, 00 8, 508, 00	1, 500. 00
Peshpigo		9, 088, 00 8, 192, 00	900.00
Grant total, sec. 305		410001	397, 700. 16

Estimated annual cost of maintenance of proposed Federal buildings, including interest, depreciation, and upkeep, \$2, 240.000.

The total rent now paid for post-office quarters in all towns under section 305 is \$397,700.16. It is estimated that the annual cost of maintenance of the proposed Federal buildings, contemplated by this section, including interest, depreciation, and upkeep, will be \$2,240,000. The increased annual burden on the Federal Treasury will thus be \$1,842,299.84. Including heat, light, supplies, interest at 3 per cent, and depreciation at 2 per cent, the annual cost will be over 10 per cent of the cost of the building if custodial force charges are included and about 9 per cent if they are not included.

THE TAX BILL

Mr. CRISP. Mr. Speaker, I call up the conference report on the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 15, 16, 35, 40, 41, 42, 45, 60, 61, 62, 63, 64, 65, 71, 72, 76, 113, 114, 115, 146, 174, 193, 207, 212, 214, 254, 257, 262, and 267.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 36, 37, 38, 39, 43, 44, 46, 47, 48, 49, 50, 51, 52, 53, 55, 56, 57, 58, 66, 67, 68, 69, 70, 73, 74, 77, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 91, 94, 95, 96, 97, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 116, 117, 118, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 138, 139, 141, 142, 145, 147, 148, 149, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 169, 170, 171, 172, 173, 175, 176, 177, 178, 179, 181, 182, 183, 185, 183, 189, 190, 191, 192, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 208, 209, 210, 211, 213, 215, 216, 217, 218, 219, 221, 222, 223, 224, 226, 227, 228, 229, 230, 231, 232, 234, 237, 238, 239, 240, 241, 242, 243, 244, 245, 247, 248, 249, 250, 251, 252, 253, 255, 256, 258, 259, 260, and 261, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: On page 2 of the Senate engrossed amendments, under the heading "Title V—Miscellaneous taxes" and the subheading "Part II—Admissions tax," strike out "Sec. 712. Admission to Olympic games"; and on page 3 of the Senate engrossed amendments, under the heading "Title VIII—

Postal rates," strike out "Sec. 1002. Adjustment of postal rates"; and on page 3 of the Senate engrossed amendments, under the heading "Title IX—Administrative and general provisions," strike out all after "Sec. 1106. Refunds of miscellaneous taxes," the remaining portion of the matter inserted by the Senate amendment, and in lieu thereof insert the following:

"SEC. 1107. Adjustments of carriers' liabilities to conform to recapture payments.

"SEC. 1108. Limitation on prosecutions for internal revenue offenses.

- "SEC. 1109. Special disbursing agents of Treasury.
- "SEC. 1110. Refund of taxes for taxable year 1918.
- "SEC. 1111. Definitions.
- "SEC. 1112. Separability clause.
- "SEC. 1113. Effective date of act."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¾ per cent"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

- "(r) Limitation on stock losses-
- "(1) Losses from sales or exchanges of stocks and bonds (as defined in subsection (t) of this section) which are not capital assets (as defined in sec. 101) shall be allowed only to the extent of the gains from such sales or exchanges (including gains which may be derived by a taxpayer from the retirement of his own obligations).
- "(2) Losses disallowed as a deduction by paragraph (1), computed without regard to any losses sustained during the preceding taxable year, shall, to an amount not in excess of the taxpayer's net income for the taxable year, be considered for the purposes of this title as losses sustained in the succeeding taxable year from sales or exchanges of stocks or bonds which are not capital assets.
- "(3) This subsection shall not apply to a dealer in securities (as to stocks and bonds acquired for resale to customers) in respect of transactions in the ordinary course of his business, nor to a bank or trust company incorporated under the laws of the United States or of any State or Territory, nor to persons carrying on the banking business (where the receipt of deposits constitutes a major part of such business) in respect of transactions in the ordinary course of such banking business."

And the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: On the last line of page 19 of the Senate engrossed amendments, after the word "coal," insert "mines"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

"(a) Earned income from sources without United States.—
In the case of an individual citizen of the United States, a bona fide nonresident of the United States for more than six months during the taxable year, amounts received from sources without the United States (except amounts paid by the United States or any agency thereof) if such amounts constitute earned income; but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this subsection. As used in this subsection the term 'earned income' means wages, salaries, professional fees, and other

amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered. In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 per cent of his share of the net profits of such trade or business, shall be considered as earned income."

And the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following: "; except that for the taxable years 1932 and 1933 there shall be added to the rate of tax prescribed by sections 13(a), 201(b), and 204(a), a rate of three-fourths of 1 per cent"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13% per cent"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¾ per cent"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13% per cent"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¾ per cent"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¾ per cent"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¾ per cent"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¾ per cent"; and the Senate agree to the same

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(c) The tax shall not apply to a transfer of property in trust where the power to revest in the donor title to such property is vested in the donor, either alone or in conjunction with any person not having a substantial adverse interest in the disposition of such property or the income therefrom, but the relinquishment or termination of such power (other than by the donor's death) shall be considered to be a transfer by the donor by gift of the property subject to such power, and any payment of the income therefrom to a beneficiary other than the donor shall be considered to be a transfer by the donor of such income by gift."

And the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(4) Crude petroleum, ½ cent per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel, ½ cent per gallon; gasoline or other motor fuel, 2½ cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles."

And the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(7) Copper-bearing ores and concentrates and articles provided for in paragraphs 316, 380, 381, 387, 1620, 1634, 1657, 1658, or 1659 of the tariff act of 1930, 4 cents per pound on the copper contained therein: Provided, That no tax under this paragraph shall be imposed on copper in any of the foregoing which is lost in metallurgical processes: Provided further, That ores or concentrates usable as a flux or sulphur reagent in copper smelting and/or converting and having a copper content of not more than 15 per cent, when imported for fluxing purposes, shall be admitted free of said tax in an aggregate amount of not to exceed in any one year 15,000 tons of copper content. All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph, in which copper (including copper in alloys) is the component material of chief value, 3 cents per pound. All articles dutiable under the tariff act of 1930. not provided for heretofore in this paragraph, containing 4 per cent or more of copper by weight, 3 per cent ad valorem or three-fourths of 1 cent per pound, whichever is the lower. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles. The Secretary is authorized to prescribe all necessary regulations for the enforcement of the provisions of this paragraph."

And the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert "tooth and mouth washes (except that the rate shall be 5 per cent), dentifrices (except that the rate shall be 5 per cent), tooth pastes (except that the rate shall be 5 per cent)" and a comma; and the Senate agree to the same.

Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert "toilet soaps (except that the rate shall be 5 per cent)" and a comma; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "No tax shall be imposed under this section on any article used for religious purposes, or any article (other than watch parts or clock parts) sold for less than \$3"; and the Senate agree to the same.

Amendment numbered 168: That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(2) Upon unfermented grape juice, in natural or concentrated form (whether or not sugar has been added), containing 35 per cent or less of sugars by weight, sold by the manufacturer, producer, or importer, a tax of 5 cents per gallon."

And the Senate agree to the same.

Amendment numbered 180: That the House recede from its disagreement to the amendment of the Senate numbered 180, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

" SEC. 616. TAX ON ELECTRICAL ENERGY

"(a) There is hereby imposed a tax equivalent to 3 per cent of the amount paid on or after the fifteenth day after the date of the enactment of this act, for electrical energy for domestic or commercial consumption furnished after such date and before July 1, 1934, to be paid by the person paying for such electrical energy and to be collected by the vendor.

"(b) Each vendor receiving any payments specified in subsection (a) shall collect the amount of the tax imposed by such subsection from the person making such payments, and shall on or before the last day of each month make a return, under oath, for the preceding month, and pay the taxes so collected, to the collector of the district in which his principal place of business is located, or if he has no principal place of business in the United States, to the collector at Baltimore, Md. Such returns shall contain such information and be made in such manner as the commissioner with the approval of the Secretary may by regulation prescribe. The commissioner may extend the time for making returns and paying the taxes collected, under such rules and regulations as he shall prescribe with the approval of the Secretary, but no such extension shall be for more than 90 days. The provisions of sections 771 to 774, inclusive, shall, in lieu of the provisions of sections 619 to 629, inclusive, be applicable in respect of the tax imposed by this section.

"(c) No tax shall be imposed under this section upon any payment received for electrical energy furnished to the United States or to any State or Territory, or political subdivision thereof, or the District of Columbia. The right to exemption under this subsection shall be evidenced in such manner as the commissioner with the approval of the Secretary may by regulation prescribe."

And the Senate agree to the same.

Amendment numbered 184: That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment as follows: On page 46 of the Senate engrossed amendments, line 17, after "tube," insert a comma and the following: "or an article taxable under section 604, relating to the tax on furs": and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment as follows: On page 48 of the Senate engrossed amendments, line 19, strike out all after "tube" down to and including "wort," in line 21; and the Senate agree to the same.

Amendment numbered 187: That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 623. SALES BY OTHERS THAN MANUFACTURER, PRODUCER, OR IMPORTER

"In case any person acquires from the manufacturer, producer, or importer of an article, by operation of law or as a result of any transaction not taxable under this title, the right to sell such article, the sale of such article by such

person shall be taxable under this title as if made by the | In lieu of the matter proposed to be inserted by the Senate manufacturer, producer, or importer, and such person shall | amendment insert "1112"; and the Senate agree to the same. be liable for the tax."

And the Senate agree to the same.

Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered 220, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert "in case the selling price, if any, is \$20 or more per share the above rate shall be 5 cents instead of 4 cents: Provided further, That; and the Senate agree to

Amendment numbered 225: That the House recede from its disagreement to the amendment of the Senate numbered 225, and agree to the same with an amendment as follows: In lieu of the matter proposed to be striken out by the Senate amendment insert a comma and the following: "and by striking out the following: 'in case the selling price, if any, is \$20 or more per share the above rate shall be 5 cents instead of 4 cents: Provided further, That '"; and the Senate agree to the same.

Amendment numbered 233: That the House recede from its disagreement to the amendment of the Senate numbered 233, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "4 per cent"; and the Senate agree to

Amendment numbered 235: That the House recede from its disagreement to the amendment of the Senate numbered 235, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "4 per cent"; and the Senate agree to the same

Amendment numbered 236: That the House recede from its disagreement to the amendment of the Senate numbered 236, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "4 per cent"; and the Senate agree to the same.

Amendment numbered 246: That the House recede from its disagreement to the amendment of the Senate numbered 246, and agree to the same with an amendment as follows: On page 58 of the Senate engrossed amendments, line 12. strike out "made or drawn" and insert in lieu thereof "presented for payment"; and the Senate agree to the same.

Amendment numbered 263: That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with an amendment as follows: On page 73 of the Senate engrossed amendments, line 14, strike out "1108" and insert "1107"; and the Senate agree

Amendment numbered 264: That the House recede from its disagreement to the amendment of the Senate numbered 264, and agree to the same with an amendment as follows: On page 74 of the Senate engrossed amendments, line 15, strike out "1109" and insert "1108"; and the Senate agree to the same.

Amendment numbered 265: That the House recede from its disagreement to the amendment of the Senate numbered 265, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1109"; and the Senate agree to the same.

Amendment numbered 266: That the House recede from its disagreement to the amendment of the Senate numbered 266, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1110"; and the Senate agree to the same.

Amendment numbered 268: That the House recede from its disagreement to the amendment of the Senate numbered 268, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1111"; and the Senate agree to the same.

Amendment numbered 269: That the House recede from its disagreement to the amendment of the Senate numbered 269, and agree to the same with an amendment as follows:

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1113"; and the Senate agree to the

> J. W. COLLIER. CHARLES R. CRISP, W. C. HAWLEY. ALLEN T. TREADWAY, Managers on the part of the House. REED SMOOT, JAMES E. WATSON. DAVID A. REED. PAT HARRISON, WILLIAM H. KING, Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment No. 1: This amendment makes clerical changes; and the House recedes with an amendment making further clerical changes in the table of contents.

On amendment No. 2: This amendment is necessitated by the elimination of section 811 (c) of the House bill; and the House recedes.

On amendment No. 3: In the House bill the rates of normal tax were 2 per cent on the first \$4,000 of net income in excess of credits, 4 per cent on the next \$4,000, and 7 per cent on the remainder. The Senate amendment substitutes the rates of 4 per cent on the first \$4,000 and 8 per cent on the remainder; and the House recedes.

On amendment No. 4: In the House bill the surtax rates commenced at 1 per cent upon the portion of the net income in excess of \$6,000 and not in excess of \$10,000 and increased progressively to 40 per cent on the portion of the net income in excess of \$100,000. The Senate amendment changes the surtax beginning with net incomes in excess of \$12,000 and increases the rates progressively to a maximum of 55 per cent on the portion of the net income in excess of \$1,000,000. The House recedes.

On amendments Nos. 5 and 6: These amendments make clerical changes in the cross references to the capital gain and loss section, necessitated by the increase in the normal tax and surtax rates; and the House recedes.

On amendment No. 7: By this amendment a tax at the rate of 80 per cent is imposed upon the amount by which the compensation of any officer, director, or employee of a corporation exceeds compensation at the rate of \$75,000 per year; and the Senate recedes.

On amendment No. 8: By this amendment a tax at the rate of 100 per cent is imposed upon the amount of income derived through the willful violation of the criminal laws of the United States or of any State or Territory; and the Senate recedes.

On amendment No. 9: This amendment increases the corporation tax rate to 14 per cent from the 131/2 per cent rate contained in the House bill. The House recedes with an amendment fixing the rate at 1334 per cent.

On amendment No. 10: This amendment makes a clerical change, necessitated by the elimination of the specific credit allowed under the House bill to corporations; and the House

On amendment No. 11: This amendment requires Presidents of the United States and judges of the courts of the United States, taking office after the date of the enactment of this act, to include their compensation in gross income, and amends all acts fixing the compensation of such officers so as to make it clear that the provision is intended as a reduction of such compensation; and the House recedes.

On amendment No. 12: This amendment eliminates the exemption of pensions and World War compensation payments allowed under existing law and under the House bill; and the House recedes.

On amendments Nos. 13 and 14: These amendments make clerical changes; and the House recedes.

On amendment No. 15: This amendment makes a change necessitated by the elimination (by Senate amendment No. 59) from section 116 of the House bill of the exemption of earned income from sources without the United States. The exemption having been restored with restrictions, the Senate recedes.

On amendment No. 16: This amendment prohibits the allowance of a deduction of the amount by which the compensation of any person for personal services exceeds compensation at the rate of \$75,000 per year; and the Senate recedes.

On amendment No. 17: This amendment makes a clerical change; and the House recedes.

On amendment No. 18: This amendment prohibits the deduction of interest paid or accrued on indebtedness incurred or continued in connection with the purchasing or carrying of an annuity; and the House recedes.

On amendment No. 19: This amendment makes a clarifying change; and the House recedes,

On amendment No. 20: This amendment makes a clerical change: and the House recedes.

On amendment No. 21: This amendment and amendment No. 250 are complementary. Under the House bill certain casualty losses incurred during the settlement of a decedent's estate were allowed as deductions for income-tax but not for estate-tax purposes. Senate amendments Nos. 21 and 250 allow losses of this character to be taken as deductions either for one tax or for the other. Amendment No. 21 prohibits the allowance of a deduction for income-tax purposes if at the time of the filing of the return a deduction for such a loss has been claimed for estate-tax purposes in the estate-tax return, and amendment No. 250 correspondingly prohibits the allowance of a deduction for estate-tax purposes if at the time of the filing of the estate-tax return a deduction has been claimed for income-tax purposes in an income-tax return. The House recedes.

On amendment No. 22: This amendment makes a clerical change; and the House recedes.

On amendment No. 23: This amendment makes a clerical change; and the House recedes.

On amendment No. 24: This amendment provides that the deduction for a debt ascertained to be recoverable only in part shall not exceed so much of the debt as is charged off within the taxable year; and the House recedes.

On amendment No. 25: This amendment makes certain that the provisions respecting revised estimates of the recoverable content of property subject to depletion shall apply where the revision of the estimate results from the usual or ordinary operation of the property as well as from development work; and the House recedes.

On amendments Nos. 26 and 27: These amendments make clerical changes; and the House recedes.

On amendment No. 28: This amendment permits any deduction allowable under the corresponding provision of the 1928 act (sec. 23 (q)) and apportioned under that act to any year or years subsequent to 1931 to be taken in the taxable year to which so apportioned; and the House recedes.

On amendment No. 29: The House bill, in subsections (r), (s), and (t), placed the following limitations upon the amount of deductions allowable for losses from sales or exchanges of stocks and bonds:

(1) Losses on stocks and bonds which were not capital assets (within the meaning of sec. 101) were allowed only to the extent of the gains on such stocks and bonds;

(2) Losses on stocks and bonds which were capital assets were allowed only to the extent of the gains on such stocks and bonds;

(3) An excess of losses over gains on stocks and bonds in either category was allowed to the extent of any excess of gains over losses on stocks and bonds of the other category; but the deduction of excess losses on stocks and bonds which were capital assets against excess gains on stocks and bonds which were not capital assets was subject to the limitation that in such case the tax should not be less than a tax computed without reference to the provisions of these subsections.

The Senate amendment strikes out the limitation contained in the House bill on losses on stocks and bonds which are capital assets and allows such losses as deductions as under the existing law. The amendment provides the following limitations:

(1) Losses on stocks and bonds which are not capital assets are allowed to the extent of the gains on such stocks and bonds, including gains from the retirement of the taxpayer's obligations;

(2) Any excess of losses over gains in any taxable year on stocks and bonds which are not capital assets is allowed as a deduction in the succeeding taxable year to the extent of any excess of gains over losses in such succeeding year on such stocks and bonds, but the amount of the excess of losses over gains which may be so carried forward from any taxable year can not exceed the net income for such year.

The House bill excepted from the operation of these subsections dealers in securities in respect of transactions in the ordinary course of business with their customers; the Senate amendment enlarges the scope of the exception in the case of such dealers to include all transactions in the ordinary course of business (whether or not with customers) involving stocks and bonds acquired for resale to customers. The Senate amendment also extends the exception to (a) banks and trust companies incorporated under the laws of the United States or of any State or Territory, and (b) persons carrying on the banking business (where the receipt of deposits constitutes a major part of such business) in respect of transactions in the ordinary course of such banking business.

The House recedes with two amendments, one making a clerical correction in the parenthetical clause in paragraph (1), the other striking out a parenthetical clause in paragraph (2) which is unnecessary.

On amendments Nos. 30, 31, 32, and 33: These amendments make clerical changes; and the House recedes.

On amendment No. 34: This amendment restores the credit of dividends for normal tax purposes, allowed under the existing law but stricken out by the House bill; and the House recedes.

On amendment No. 35: Under the House bill the personal exemption in the case of a head of a family or a married person was \$2,500, without regard to the amount of the net income. The Senate amendment limits such exemption to \$2,000 where the net income is in excess of \$5,000, with additional provisions designed to avoid discrimination in cases where the net income is slightly in excess of \$5,000; and the Senate recedes.

On amendment No. 36: This amendment eliminates any credit for earned income; and the House recedes.

On amendment No. 37: This amendment eliminates the specific credit against net income allowed under the House bill to corporations; and the House recedes.

On amendment No. 38: This existing law requires, in the case of installment obligations transmitted at death, that there be included as income in the return of the decedent for the year of his death the unreturned profit represented by such obligations. This amendment eliminates such requirement if there is filed with the commissioner a bond conditioned upon the return as income, by the person receiving any payment on such obligations, of the same proportion of such payment as would be returnable as income by the decedent had he lived and received the same; and the House recedes.

On amendment No. 39: This amendment makes a clerical change made necessary by amendment No. 37; and the House recedes

On amendments Nos. 40 and 41: These amendments require the filing of returns by married persons having net incomes of \$2,000 or over, instead of \$2,500 or over as under the House bill; and the Senate recedes.

On amendment No. 42: This amendment provides that a farmers' cooperative marketing or purchasing association need only keep such records as will show the actual business done with nonmembers and the profit, if any, derived therefrom, and that exemption shall not be denied on the ground that the record of transactions between the association and nonmembers is not kept on ledger accounts. The amendment also provides that such an association shall be allowed to retain the profits, if any, derived from its business with nonmembers, subject to the right of any nonmember to use his share of such profits, if any, to qualify as a member of the association. The Senate recedes.

On amendment No. 43: This amendment restores the provisions of the existing law, in conformity with Senate amendment No. 56: and the House recedes.

On amendment No. 44: This amendment provides that where property was acquired by a corporation as a contribution to capital, as well as where it was acquired as paid-in surplus, the basis shall be the same as the basis in the hands of the transferor; and the House recedes.

On amendment No. 45: This amendment is rendered unnecessary by reason of Senate amendment 46; and the Senate recedes.

On amendment No. 46: This amendment makes it clear that the basis of property held during any period in the taxable year 1929 or any subsequent taxable year in respect of which a consolidated return was filed shall be adjusted in respect of items relating to such period in accordance with the regulations under section 141 of the 1928 act or of the bill; and the House recedes.

On amendment No. 47: This amendment permits the taxpayer to capitalize taxes and other carrying charges on unimproved and unproductive real property, but precludes the taxpayer from capitalizing any such items for which deductions have been taken by the taxpayer or predecessors in title in determining net income for the current or any preceding year; and the House recedes.

On amendment No. 48: The House bill retained the provisions of existing law requiring the adjustment of the basis of property on account of depletion to be made without regard to discovery value or percentage depletion. The Senate amendment retains this provision for taxable years prior to 1932, but eliminates it for the taxable year 1932 and subsequent taxable years; and the House recedes.

On amendment No. 49: This amendment makes a clerical change necessitated by the extension of percentage depletion; and the House recedes.

On amendment No. 50: Percentage depletion having been extended to include metal, coal, and sulphur mines, this amendment provides that in the case of such mines depletion may not be computed on the basis of discovery value; and the House recedes.

On amendments Nos. 51 and 52: These amendments make clerical changes necessitated by the transfer of the provisions relating to percentage depletion in the case of sulphur mines to a new subsection; and the House recedes.

On amendment No. 53: This amendment makes it clear that in computing the gross income from the property for the purpose of determining the allowance for percentage depletion in the case of oil and gas wells, there shall be excluded from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property; and the House recedes.

On amendment No. 54: This amendment changes the rate of percentage depletion in the case of sulphur from 27½ per cent, as in the House bill, to 23 per cent of the gross income from the property, and allows percentage depletion in the case of coal and of metal mines, at the respective rates of 5 per cent and 15 per cent of the gross income from the property; the percentage depletion allowance can not in any

case exceed 50 per cent of the net income from the property. As in the case of oil and gas wells the amendment makes it clear that rents and royalties paid or incurred by the taxpayer in respect of the property are to be excluded in computing the gross income from the property. The amendment requires that the taxpayer make in his 1933 return an election, binding for 1934 and subsequent years, whether he will have the depletion deduction as to each property computed with or without reference to percentage depletion, and the failure so to elect will preclude the use of percentage depletion. The amendment also provides that if, because of the provisions of section 113(a) of the bill, the basis of property acquired after December 31, 1933, is determined either (1) by reference to the basis of the property in the hands of a transferor, donor, or grantor, or (2) by reference to the basis of other property previously held by the taxpayer, then the method of computing the depletion allowances in respect of the property so acquired shall be the same as the method previously used by the transferor, donor, or grantor, or by the taxpayer in respect of the property previously held. The House recedes with a clerical amend-

On amendment No. 55: This is a clerical change necessitated by Senate amendment No. 56; and the House recedes.

On amendment No. 56: This amendment restores the provisions of existing law which exempt from taxation as ordinary dividends distributions of earnings or profits accumulated, or increase in value of property accrued, prior to March 1, 1913. The House recedes.

On amendments Nos. 57 and 58: These amendments restore the provisions of existing law and are necessitated by Senate Amendment No. 56; and the House recedes.

On amendment No. 59: This amendment eliminates the exclusion from gross income, in the case of a nonresident individual citizen, of earned income from sources without the United States; and the House receds with an amendment which restores the exclusion except as to amounts paid by the United States or any agency thereof, and makes clerical changes.

On amendments Nos. 60, 61, 62, 63, 64, and 65: These amendments make clerical changes; and the Senate recedes.

On amendment No. 66: This is a clerical amendment made necessary by the addition of paragraph (4) to section 114 (b); and the House recedes.

On amendment No. 67: This amendment results in net loss deductions being allowable for 1932, 1933, and 1934, as well as for subsequent years; and the House recedes.

On amendment No. 68: This is a clarifying amendment which restores to the bill a provision of existing law; and the House recedes.

On amendments Nos. 69 and 70: These amendments make it clear that a 1931 net loss is deductible in computing net income for 1932; and the House recedes.

On amendment No. 71: This amendment eliminates from the House bill the provision limiting the credit for taxes paid to any foreign country to the same proportion of the tax as the income from that country bears to the total income and restores the provisions of existing law; and the Senate recedes.

On amendment No. 72: This amendment, in conformity with Senate amendment No. 71, eliminates the requirement that the taxpayer supply information concerning the income derived from any foreign country when credit for the tax paid to such country is claimed; and the Senate recedes.

On amendments Nos. 73 and 74: These amendments give effect (in so far as not inconsistent with this bill) to the consolidated returns regulations prescribed under section 141 of the revenue act of 1928, in order to provide for corporations the returns for which may be filed on a fiscal year basis before new regulations are promulgated under section 141(b) of the bill; and the House recedes.

On amendment No. 75: This amendment eliminates from the House bill the provision increasing the corporate rate by 1½ per cent for the privilege of filing consolidated returns. The House recedes with an amendment increasing the rate by three-fourths of 1 per cent, in the case of the taxable years 1932 and 1933 only.

On amendment No. 76: This amendment carried out the policy expressed in Senate amendment No. 35; and the Senate recedes.

On amendment No. 77: This amendment is made necessary by Senate amendment No. 102 increasing the normal rate on nonresident alien individuals from 7 per cent to 8 per cent; and the House recedes.

On amendment No. 78: The House bill provides for with-holding at the source in the case of foreign corporations at the rate of $13\frac{1}{2}$ per cent. The Senate amendment fixes the rate at 14 per cent. The House recedes with an amendment fixing the rate at $13\frac{3}{4}$ per cent.

On amendments Nos. 79 and 80: These amendments are made necessary by Senate amendment No. 102 increasing the normal rate on nonresident alien individuals from 7 per cent to 8 per cent; and the House recedes.

On amendment No. 81: This amendment is made necessary by the restoration of the credit for dividends for the purpose of the normal tax, which credit was eliminated in the House bill; and the House recedes.

On amendment No. 82: The House bill provides for with-holding at the source in the case of foreign corporations at the rate of $13\frac{1}{2}$ per cent. The Senate amendment fixes the rate at 14 per cent. The House recedes with an amendment fixing the rate at $13\frac{3}{4}$ per cent.

On amendment No. 83: This amendment is made necessary by Senate amendment No. 102 increasing the normal rate on nonresident alien individuals from 7 per cent to 8 per cent; and the House recedes.

On amendment No. 84: The House bill provides for withholding at the source in the case of foreign corporations at the rate of 13½ per cent. The Senate amendment fixes the rate at 14 per cent. The House recedes with an amendment fixing the rate at 13¾ per cent.

On amendment No. 85: This amendment changes section 165 of the House bill to provide that only the excess of the amount distributed or made available to an employee over the amounts contributed or paid in by him to the trusts mentioned in that section shall be taxable in the year of distribution; and the House recedes.

On amendment No. 86: By this amendment the scope of the section of the House bill relative to revocable trusts has been extended to include cases where the power to revest title to any part of the corpus is wholly vested in a person not having a substantial adverse interest; and the House recedes.

On amendments Nos. 87, 88, 89, 90 and 91: These amendments extend the scope of section 167, taxing the income of certain trusts to the grantor, to cases in which the discretion as to the disposition of the trust income is in any person not having a substantial adverse interest in the disposition of such income, even though such discretionary power is not shared with the grantor; and the House recedes.

On amendment Nos. 92 and 93: These amendments increase the corporate rate on life insurance companies from 13½ per cent to 14 per cent to conform to similar action taken in respect of ordinary corporations in Senate amendment No. 9. The House recedes with an amendment making the corporate rate 13¾ per cent.

On amendment No. 94: The House bill substituted for the 4 per cent interest assumption rates provided for by existing law the rate of 3½ per cent in both types of reserves specified in the subsection. This amendment permits the use of the 4 per cent rate in cases of reserves required by law unless the reserve fund is computed at a lower interest assumption rate, in which case the rate of 3¾ per cent is required to be used. The amendment also provides for a uniform rate of 3¾ per cent in respect of reserves not required by law in the case of combined life, health, and accident policies. The House recedes.

On amendment No. 95: This is a clerical amendment; and the House recedes.

On amendment No. 96: This amendment is made necessary by Senate amendment No. 37 eliminating the specific credit allowed corporation; and the House recedes.

On amendment No. 97: This amendment provides for the deduction of a proportionate part of the depreciation, taxes, and other expenses pertaining to real estate owned and occupied by a life insurance company, determined by the proportion which the rental value of the space not occupied by the company bears to the rental value of the entire property; and the House recedes.

On amendments Nos. 98 and 99: These amendments increase the corporate rate upon insurance companies other than life or mutual from 13½ per cent under the House bill to 14 per cent, to correspond to a similar change made with respect to ordinary corporations. The House recedes with an amendment fixing the corporate rate at 13¾ per cent.

On amendment No. 100: This amendment requires the inclusion in the gross income of insurance companies other than life or mutual not only of investment and underwriting income, but also of all other items constituting gross income under section 22; and the House recedes.

On amendment No. 101: This amendment eliminates the specific credit allowed insurance companies other than life or mutual to correspond to a similar change made with respect to ordinary corporations; and the House recedes.

On amendments Nos. 102 to 108, inclusive: These amendments are made necessary by Senate amendment No. 3, increasing the normal rates on individuals; and the House recedes.

On amendment No. 109: This amendment is made necessary by Senate amendment No. 37, eliminating the specific credit allowed corporations; and the House recedes.

On amendments Nos. 110 and 111: These are clerical amendments; and the House recedes.

On amendment No. 112: The purpose of this amendment is to make it clear that estates, although not subject to estate tax under existing law, may be subject to the additional estate tax, in view of the lowering of the exemption from \$100,000 to \$50,000; and the House recedes.

On amendment No. 113: This amendment imposes an additional estate tax upon Federal, State, or municipal securities the income from which is exempt from income tax; and the Senate recedes.

On amendments Nos. 114 and 115: These amendments make clerical changes; and the Senate recedes.

On amendment No. 116: This amendment is to make it clear that an estate tax return is to be filed in the case of nonresident decedents where the gross estate is less than \$50,000; and the House recedes.

On amendment No. 117: Under this amendment gifts by nonresident citizens of the United States are subject to the gift tax regardless of whether the donated property is situated within or without the United States; and the House recedes.

On amendment No. 118: This is a clarifying amendment to make it plain that the gift tax applies only to gifts made after the date of the enactment of the act; and the House recedes.

On amendment No. 119: This amendment provides that the gift tax is not applicable to transfers in trust where the right of revocation is (1) in the donor, either alone or in conjunction with any person not having a substantial adverse interest, or (2) in any person not having a substantial adverse interest, but that the termination of such power (other than by the donor's death) shall be considered a taxable transfer. The House recedes with an amendment changing the rule in the case of transfers in trust when the condition referred to in (2) obtains, as a result of which amendment a transfer in trust, in respect of which the donor retains no power to revoke in himself, either alone or in conjunction with another, will be treated as a transfer subject to gift tax.

On amendments Nos. 120 and 121: Under the House bill gifts (other than of future interests in property) to any one person by the donor during the calendar year are exempt

from the gift tax on the first \$3,000. Under these amendments this amount is raised to \$5,000; and the House recedes.

On amendments Nos. 122 and 123: These are clerical amendments made necessary by Senate amendment No. 117; and the House recedes.

On amendment No. 124: This is a clerical amendment; and the House recedes.

On amendments Nos. 125, 126, and 127: These are clerical amendments; and the House recedes.

On amendment No. 128: This amendment makes it a felony willfully to attempt in any manner to evade or defeat the gift tax; and the House recedes.

On amendment No. 129: This is a clerical amendment to the heading for Title IV; and the House recedes.

On amendment No. 130: This amendment makes the imposition of the tax on imported articles subject to any exemptions from duty or preferential rates provided by treaties of the United States in so far as the treaties are applicable; and the House recedes.

On amendment No. 131: This amendment includes imported coal, lumber, and copper in the exception from the provision making the drawback privilege inapplicable, with the result that the drawback provisions of the tariff act, unless restricted by their terms to other articles, will be extended to these articles; and the House recedes.

On amendment No. 132: The House bill provided for the imposition in full of the tax upon imported articles notwithstanding any provision of law or treaty granting exemption from or reduction of duty to products of any possession of the United States or of any country. The Senate amendment makes this provision inapplicable in the case of imported oil, coal, lumber, and copper, and provides that in the case of these articles Puerto Rico shall be treated as a part of the United States. The effect is to provide that the imposition of tax on the importation of these articles, with respect to which no corresponding tax on domestic sales is imposed, will be on the same basis with respect to the possessions as a regular customs duty. The amendment also eliminates the references to treaties and to foreign countries, in accordance with the action on amendment No. 130. The House recedes.

On amendment No. 133: This amendment makes the tax applicable to all grades of lubricating oil without reference to the degree of viscosity. The House recedes.

On amendment No. 134: Since a tax on imported lubricating oils is provided for in subsection (c) (4), this amendment limits the tax under subsection (c) (1) to sales by domestic manufacturers or producers. The House recedes.

On amendment No. 135: This amendment increases the tax under the House bill on brewer's wort from 5 cents to 15 cents per gallon; changes the tax on malt sirup, etc., from 35 cents per gallon to 3 cents per pound, which is approximately equivalent; and adds an exemption of sales of malt sirup, etc., to manufacturers or producers of foods, cereal beverages, or textiles. The House recedes.

On amendment No. 136: This amendment changes the rate of tax under the House bill on grape concentrate, etc., from 40 per cent of the price or duty-paid value to 20 cents per gallon; provides that the tax shall not apply to finished or fountain sirups, which are separately taxed; and adds an exemption of sales of grape concentrate, etc., to manufacturers or producers of food products or soft drinks for use in the manufacture or production of such products. The House recedes.

On amendment No. 137: This amendment reduces the rate under the House bill on imported crude petroleum, fuel oil, and gas oil from 1 cent to one-half cent per gallon and increases the rate on imported gasoline from 1 cent to $2\frac{1}{2}$ cents per gallon. The amendment also provides import taxes on lubricating oils, other liquid derivatives of petroleum, paraffin and other petroleum wax products, asphalt, and bitumen. The House recedes with an amendment striking out the tax on asphalt and bitumen.

On amendment No. 138: This amendment makes it clear that the tax on coal shall apply to all sizes, grades, and classifications of coal other than culm and duff. The amendment contains a provision to exempt imports from any

country which during the preceding calendar year has imported from the United States a greater quantity of all the articles described in the paragraph than it has exported to the United States. The House recedes.

On amendment No. 139: This amendment imposes a tax of \$3 per thousand feet, board measure, on imported lumber, rough, or planed or dressed on one or more sides, other than flooring made of maple (except Japanese maple), birch, and beech. The House recedes.

On amendment No. 140: This amendment imposes a tax of 4 cents per pound on the copper content of imported ores and concentrates and the materials and semimanufactured articles enumerated in paragraph 316, 380, 381, 387, 1620, 1634, 1657, 1658, or 1659 of the tariff act. Compensatory rates are provided for other imported articles containing copper. The House recedes with an amendment exempting ores and concentrates imported for fluxing purposes in an aggregate amount of not to exceed 15,000 tons in any year.

On amendment No. 141: Under the House bill tires and inner tubes for automobiles, automobile trucks, and motor cycles were taxed as parts or accessories for such articles. The Senate amendment imposes instead a tax on all tires and inner tubes (whether or not for automobiles, automobile trucks, or motor cycles) at the rate of 2½ cents a pound on total weight (exclusive of metal rims or rim bases) in the case of tires, and 4 cents a pound on total weight in the case of inner tubes. The House recedes.

On amendment No. 142: This amendment makes a clerical change in the section number. The House recedes.

On amendments Nos. 143 and 144: These amendments eliminate tooth and mouth washes, dentifrices, tooth pastes, and toilet soaps from the list of toilet preparations which were taxed at 10 per cent under the House bill. The House recedes with an amendment subjecting these articles to a 5 per cent tax.

On amendment No. 145: This amendment makes a clerical change in the section number. The House recedes.

On amendment No. 146: The House bill imposed a tax of 10 per cent on the sale by the manufacturer, producer, or importer of articles made of fur on the hide or pelt or of which such fur is the component material of chief value. The Senate amendment substitutes a tax on the dressing of furs equivalent to 10 per cent of the fair market value of the dressed furs, to be paid by the owner of the furs, and an import tax of 10 per cent ad valorem on dressed furs. The Senate recedes.

On amendment No. 147: This amendment makes a clerical change in the section number. The House recedes.

On amendment No. 148: This amendment exempts silverplated ware and frames or mountings for spectacles or eyeglasses from the tax under the House bill on articles made of, or ornamented, mounted, or fitted with, precious metals or imitations thereof or ivory. The House recedes.

On amendment No. 149: This amendment subjects to the 10 per cent tax parts for watches or clocks sold for more than 9 cents each. The House recedes.

On amendment No. 150: This amendment exempts from tax articles used for religious purposes and articles sold for less than \$3. The House recedes with an amendment making it clear that this exemption shall not apply to parts for watches or clocks.

On amendment No. 151: This amendment makes a clerical change in the section number. The House recedes.

On amendments Nos. 152 and 154: These amendments exclude tires and inner tubes from the category of parts and accessories for automobiles, automobile trucks, and motor cycles. All tires and inner tubes are separately taxed under section 602, added to the bill by Senate Amendment No. 141. The House recedes.

On amendment No. 153: This amendment increases the rate under the House bill on parts or accessories for automobiles, automobile trucks, or motor cycles from 1 per cent to 2 per cent. The House recedes.

On amendment No. 154: This amendment is explained in connection with amendment No. 152.

On amendment No. 155: This amendment allows a body manufacturer to sell bodies tax free to an automobile or automobile truck manufacturer for use in the manufacture of automobiles or automobile trucks to be sold by him, and makes the vendee liable for the tax on the body when he sells it separately or as part of a completed automobile or automobile truck; and the House recedes.

On amendment No. 156: Under this amendment, if tires or inner tubes on which tax has been imposed are sold on or with automobiles, automobile trucks, or motor cycles, the manufacturer may take a credit against the tax due on the sale of such automobiles, etc., equal, as nearly as practicable, to the portion of the tax on such articles which is attributable to the tires or tubes. Such portion is to be determined by applying the percentage rate of tax applicable in the case of such automobiles, etc., to the price paid by the automobile, etc., manufacturer for the tires and tubes, or, if the tires and tubes have been manufactured or imported by the manufacturer of the automobiles, etc., to the constructive price determined under section 622 (inserted by Senate amendment No. 186), less in either case the part of such price attributable to metal rims or rim bases; and the House recedes.

On amendment No. 157: This amendment provides for the refund or abatement of the tax on automobiles, trucks, motorcycles, tires, inner tubes, parts, and accessories which are sold prior to the expiration date of the tax on such articles but are on such date held by a dealer for sale. The amendment contains administrative provisions for effecting this result and for assuring to a dealer recovery of so much of any tax so refunded or abated to the manufacturer as has been passed on to the dealer. To offset this concession, the taxes on these articles are (under amendment No. 204) kept in force for one month longer than other terms under Title IV. The House recedes.

On amendment No. 158: This amendment eliminates the tax under the House bill on sales of boats, in view of the tax on the use of boats added by amendment No. 247. The House recedes.

On amendments Nos. 159, 160, and 161: These amendments include tennis racket frames and strings and football uniforms in the list of articles taxed under the House bill as sporting goods and exclude canoe cushions and football goals from such list. The House recedes.

On amendment No. 162: This amendment excludes aerial cameras from the tax under the House bill on cameras. The House recedes.

On amendments Nos. 163 and 164: These amendments substitute for the rate of 4 cents per 1,000 provided in the House bill for all matches, the rates of one-half of 1 cent per 1,000 in the case of paper matches in books and 2 cents per 1,000 in the case of all other matches. The House recedes.

On amendment No. 165: This amendment reduces the rate of tax under the House bill on candy from 5 per cent to 2 per cent. The House recedes.

On amendment No. 166: This amendment reduces the rate of tax under the House bill on chewing gum from 5 per cent to 2 per cent. The House recedes.

On amendment No. 167: This amendment changes the rate of tax under the House bill on cereal beverages from 2 cents to $1\frac{1}{4}$ cents a gallon. The House recedes.

On amendment No. 168: This amendment imposes a tax of 5 cents a gallon upon unfermented grape juice containing 35 per cent or less of sugars by weight, which under the House bill was taxed at 2 cents a gallon. The House recedes with a clarifying amendment.

On amendment No. 169: This amendment is a clerical change in the paragraph number. The House recedes.

On amendments Nos. 170 and 172: These amendments exclude grape juice from the tax on unfermented fruit juices and the tax on still drinks, in view of the fact that a tax on grape juice is provided by amendment No. 168. The House recedes.

On amendment No. 171: This amendment is a clerical change in the paragraph number. The House recedes.

On amendment No. 172: This amendment is explained in connection with amendment No. 170.

On amendment No. 173: This amendment is a clerical change in the paragraph number. The House recedes.

On amendment No. 174: This amendment excludes from the tax on mineral or table waters waters exploited and advertised to the medical profession exclusively. The Senate recedes.

On amendment No. 175: This amendment is a clerical change in the paragraph number. The House recedes.

On amendments Nos. 176 and 177: These amendments provide that the rate of tax on finished or fountain sirups shall be 6 cents a gallon in all cases where under the House bill the rate was 9 cents a gallon. The House recedes.

On amendments Nos. 178 and 179: These amendments make clerical changes. The House recedes.

On amendment No. 180: This amendment imposes a tax of 3 per cent of the sale price of electrical energy sold by privately owned, operating electrical power companies. The House recedes with an amendment substituting a tax of 3 per cent of the price paid for electrical energy for domestic or commercial use (as distinguished from industrial use), to be paid by the purchaser and collected by the vendor with necessary administrative provisions and an exemption in the case of electrical energy sold to the United States, any State or Territory or political subdivision thereof, or the District of Columbia.

On amendment No. 181: This amendment imposes a tax of 1 cent a gallon on gasoline sold by the importer thereof or a producer of gasoline, except where sold to a producer of gasoline. The tax also attaches to the use by a producer or importer of gasoline purchased tax free or produced or imported by him if such gasoline is used otherwise than in the production of gasoline. The term "producer" is defined to include a refiner, compounder, or blender, or a dealer selling gasoline exclusively to producers of gasoline, and the term "gasoline" to include benzol and any other liquid the chief use of which is as a fuel for the propulsion of motor vehicles, motor boats, or aeroplanes. The House recedes.

On amendment No. 182: This amendment makes a clerical change in the section number. The House recedes.

On amendment No. 183: This amendment eliminates the provisions of the House bill relating to determination of the tax in the cases of sales at retail and sales at less than fair market price and provides (1) a method of determining sale price by including charges for containers and the like and excluding the tax under Title IV and transportation, delivery, and similar charges; (2) a method of determining sale price in the cases of retail sales, sales on consignment, and sales other than through an arm's-length transaction; and (3) the method of paying the tax in the cases of leases, installment sales, and conditional sales. The House recedes.

On amendment No. 184: This amendment permits an article which would be otherwise subject to tax (other than a tire or inner tube) to be sold free of tax for use as material for, or as a component part of, another article of the classes subject to tax under Title IV. A person selling an article which has been purchased tax free under this provision, is made subject to tax on the resale. The House recedes with an amendment making the provision inapplicable to articles taxable under the section relating to the tax on furs.

On amendment No. 185: This amendment provides for refunds or credits (1) where a manufacturer or producer has purchased tax-paid articles and used them in the manufacture or production of taxable articles, and (2) where the price on the basis of which the tax was originally computed is adjusted by reason of returns, discounts, etc. The amendment also contains administrative provisions governing the allowance of such refunds or credits, and prohibiting refund or credit of tax which has been passed on unless the ultimate consumer has been reimbursed or consents to the refund or credit. The House recedes.

On amendment No. 186: This amendment provides that any person (1) who manufactures, produces, or imports an article (other than a tire or inner tube, or, in the case of a manufacturer or producer of cereal beverages, other than brewer's wort) and uses such article except as material for, or as a component part of, another taxable article, or (2) who manufactures, produces, or imports a tire or inner tube and sells it on or in connection with the sale of an article subject to tax under the section imposing a tax on automobiles, etc., shall be liable to tax as though such article was sold separately by him and the tax shall be computed on a price at which the most nearly comparable articles are sold in the ordinary course of trade by him or other manufacturers, producers, or importers. The House recedes with an amendment striking out the exception of brewer's wort, which is unnecessary, since cereal beverages are taxable articles.

On amendment No. 187: This amendment provides that where any person other than the manufacturer, producer, or importer of a taxable article (such as an assignee in bankruptcy) acquires by operation of law or by any transaction not subject to the tax, the sale of such article by such person shall be taxable as if made by the manufacturer, producer, or importer. The House recedes with an amendment making it clear that the section applies only in cases of acquisition from the manufacturer, producer, or importer.

On amendment No. 188: This amendment provides an exemption from all taxes under Title IV in the case of articles of native Indian handicraft manufactured or produced by Indians on reservations, in Indian schools, or under the jurisdiction of the United States Government in Alaska. The House recedes.

On amendment No. 189: This amendment is a clerical change of a section number. The House recedes.

On amendments Nos. 190, 191, 192, 194, 195, and 196: These amendments are made to section 619 of the House bill, transferring the burden of the tax to the vendee in the case of contracts made before March 1, 1932. The changes are that the date is made May 1, 1932, and that provisions are added that the section shall not be applicable where the contract provides that the vendor shall pay the tax; that no tax shall be imposed where such a contract is with the United States or with an ultimate consumer, as distinguished from a vendee who intends to resell the article as such or as part of another article; and that in case the vendee refuses to pay the tax to the vendor, the facts shall be reported to the commissioner, who will effect collection from the vendee. The House recedes.

On amendment No. 193: This amendment excepted electrical energy from the scope of the provision relating to contracts before May 1, 1932. The Senate recedes.

On amendment No. 197: This amendment is a clerical change in the section number. The House recedes.

On amendment No. 198: This amendment makes it clear that the administrative provisions relating to the return and payment of manufacturers' taxes apply in all cases except where the tax is collected on importation by the Customs Service. The House recedes.

On amendment No. 199: This amendment is a clerical change of a section number. The House recedes.

On amendment No. 200: This amendment is a clerical change of a section number. The House recedes.

On amendment No. 201: This amendment provides that the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe and publish all rules and regulations under Title IV except those relating to the taxes which are levied, assessed, collected, and paid in the same manner as duties imposed by the tariff act of 1930, which shall be prescribed in the same manner as customs regulations. The House recedes,

On amendment No. 202: This amendment is a clerical change of a section number. The House recedes.

On amendment No. 203: This amendment is a clerical change of a cross reference. The House recedes.

On amendment No. 204: This amendment provides that no tax shall be imposed under Title IV on any sale (including use or payment which is treated as a sale) or importation after July 31, 1934, in the case of articles taxable under section 606, relating to the tax on automobiles, etc., or section 602, relating to the tax on tires and inner tubes; or after

June 30, 1933, in the case of articles taxable under section 617, relating to the tax on gasoline. The House recedes.

On amendment No. 205: This amendment effects a change in the basis and rate of tax on telephone conversations, telegraph dispatches and messages, and cable and radio dispatches and messages. The House bill provided a tax of 5 cents in the case of any dispatch, message, or conversation for which the charge is more than 30 cents and less than 50 cents, and a tax of 10 cents where the charge is 50 cents or more. The amendment provides the following rates: Telephone conversations costing 50 cents or more and less than \$1, 10 cents; costing \$1 or more and less than \$2, 15 cents; costing \$2 or more, 20 cents; telegraph dispatches and messages, 5 per cent of the charge; cable and radio dispatches and messages, 10 cents each. The House recedes.

On amendment No. 206: This amendment reduces the

On amendment No. 206: This amendment reduces the rate of tax on leased wires and talking circuit special services from 10 per cent as proposed in the House bill, to 5 per cent. The House recedes.

On amendment No. 207: This amendment restricts the exemption provided in the case of payments for leased wires and talking circuit special services furnished to radio broadcasting stations or networks to cases where the station or network is used for noncommercial broadcasting. The Senate recedes.

On amendment No. 208: This amendment provides that the commissioner may extend the time for making returns and paying the taxes collected on telephone, telegraph, cable, and radio services and facilities for a period not exceeding 90 days. The House recedes.

On amendment No. 209: This amendment eliminates certain administrative provisions which are transferred to Part VIII, inserted in the bill by amendment No. 248. The House recedes

On amendments Nos. 210 and 211: These amendments provide that the tax on admissions shall apply when the admission charge is 41 cents or more instead of 46 cents or more as provided in the House bill. The House recedes.

On amendment No. 212: The House bill removed the exemption from tax provided in existing law in the case of admissions to wrestling matches, prize fights, or boxing, sparring, or other pugilistic matches or exhibitions for the benefit of religious, educational, charitable, municipal improvement, and similar institutions, societies, and organizations, and in the case of college or university games or exhibitions. The Senate amendment restores the exemption in so far as it relates to college games and exhibitions, including wrestling or boxing matches, etc. The Senate recedes.

On amendment No. 213: This amendment is a clerical

On amendment No. 213: This amendment is a clerical change to conform to amendments Nos. 210 and 211. The House recedes.

On amendment No. 214: This amendment provides a specific exemption from the tax in the case of admissions to the Olympic games to be held in the United States in the year 1932. The Senate recedes.

On amendment No. 215: This amendment exempts from the tax imposed on issues of bonds, and so forth, certain instruments under the terms of which the obligee is not permitted to make in any year a payment of more than 20 per cent of the cash amount to which he is entitled upon maturity of the instrument; and the House recedes.

On amendment No. 216: This amendment makes it clear that the basis of computation of the tax is the par value of the certificate (where a number of shares is evidenced by a certificate) rather than the par value of each share; and the House recedes.

On amendments Nos. 217 and 218: These amendments are in accordance with Senate amendment No. 216, except that they relate to no-par-value stock, where actual value is the basis for computing the tax; and the House recedes.

On amendment No. 219: This amendment is similar in nature to Senate amendment No. 216, except that it applies to stock transfers instead of stock issues; and the House recedes.

On amendment No. 220: This amendment eliminates the provision of the House bill making the tax on stock transfers

not less than one-fourth of 1 per cent of the selling price. The House recedes with an amendment providing that when stock is sold for \$20 or more per share the rate shall be 5 cents instead of 4 cents.

On amendment No. 221: This amendment exempts from the transfer tax certain transfers from a fiduciary to a nominee, or vice versa, and such transfers between nominees of the same fiduciary; and the House recedes.

On amendment No. 222: This amendment eliminates certain provisions included in the House bill, which were intended to prevent evasion of the tax on stock transfers by means of dealings on foreign exchanges by subjecting to tax transfers of stock made outside of the United States where either the transferor or the transferee was a citizen or resident of the United States; and the House recedes.

On amendments Nos. 223 and 224: These amendments make clerical changes in the subsection letters; and the House recedes.

On amendment No. 225: This amendment makes a clerical change necessitated by Senate amendment No. 220. The House recedes with an amendment in conformity with the action on Senate amendment No. 220.

On amendment No. 226: This amendment makes it clear that bonds, such as Federal, State, and municipal bonds, which are exempt from the issue tax, are also exempt from the transfer tax; and the House recedes.

On amendment No. 227: This amendment increases the rate of the bond transfer tax from 2 cents to 4 cents per \$100; and the House recedes.

On amendment No. 228: This amendment eliminates the provision of the House bill making the tax on bond transfers not less than one-eighth of 1 per cent of the selling price; and the House recedes.

On amendment No. 229: This amendment exempts from the tax a transfer of bonds in connection with a reorganization if any part of the gain or loss from the transfer is not recognized for income-tax purposes; and the House recedes.

On amendment No. 230: This amendment provides an exemption from the bond transfer tax in favor of fiduciaries and nominees, similar to that provided in Senate amendment No. 221, relating to the stock transfer tax; and the House recedes.

On amendment No. 231: This amendment exempts from the tax under the House bill on conveyances, deeds, etc., delivered in escrow prior to April 1, 1932. The House recedes.

On amendment No. 232: This amendment makes the tax under the House bill on transportation by pipe line applicable to crude petroleum and its liquid products instead of to oil only. The House recedes.

On amendments Nos. 233, 235, and 236: These amendments reduce the rate of tax on transportation of oil, etc., by pipe line from 8 per cent of the charge to 3 per cent. The House recedes with amendments making the rate 4 per cent.

On amendment No. 234: This amendment imposes the tax on the person furnishing the transportation of oil, etc., by pipe line rather than on the person paying for the transportation. The House recedes.

On amendments Nos. 235 and 236: These amendments are explained in connection with amendment No. 234.

On amendment No. 237: This amendment is necessitated by the imposition of the tax upon the person furnishing the transportation under amendment No. 234. The House recedes

On amendments Nos. 238 and 239: These amendments are necessitated by the change in the imposition of the tax under amendment No. 234. The House recedes.

On amendment No. 240: This amendment eliminates administrative provisions which are transferred to Part VIII, added to the bill by amendment No. 248. The House recedes.

On amendments Nos. 241 and 242: By these amendments the tax under the House bill on leases of safe-deposit boxes, instead of expiring June 30, 1934, is made permanent. The House recedes.

On amendment No. 243: This amendment imposes the tax on the person paying for the use of the safe-deposit box rather than on the person receiving payment for such use. The House recedes.

On amendment No. 244: This amendment requires the person receiving payment for the use of the safe-deposit box to collect the tax from the person making such payment at the time such payment is received. The House recedes.

On amendment No. 245: This amendment eliminates administrative provisions which are transferred to Part VIII, added to the bill by amendment No. 248. The House recedes.

On amendment No. 246: This amendment provides for a tax of 2 cents upon each check, draft, or order for the payment of money drawn (on or after the 15th day after the date of the enactment of the act and before July 1, 1934) upon a bank, banker, or trust company. The tax is to be collected by the drawee of the instrument at the time of payment of the instrument, by charging the amount of the tax against the deposits to the credit of the maker or drawer. The House recedes, with an amendment making the tax applicable to checks, etc., presented for payment during the period specified, instead of to those made or drawn during the period.

On amendment No. 247: This amendment imposes a tax upon the use of boats over 28 feet in length, except those used exclusively for trade, fishing, or national defense. The rate of tax is as follows: Over-all length over 28 feet and not over 50 feet, \$10; over 50 feet and not over 100 feet, \$40; over 100 feet and not over 150 feet, \$100; over 150 feet and not over 200 feet, \$150; over 200 feet, \$200. The tax is to be paid on July 1 of each year, but expires on June 30, 1934. If a new boat is purchased on any date other than July 1, a proportionate part of the tax is imposed. In the case of foreign-built boats, not domestically owned on January 1, 1926, the rate of tax is doubled. Boats used for certain philanthropic purposes are exempt. The House recedes.

On amendment No. 248: This amendment consolidates a number of administrative provisions applicable to the taxes on telephone, telegraph, cable, and radio facilities, transportation of oil by pipe line, leases of safe-deposit boxes, and checks. The House recedes.

On amendment No. 249: Under the House bill additional time is granted to claim credit against the Federal estate tax for death duties paid to the States, except that the extension is not granted in cases where the right to claim such credit is barred at the time of the enactment of the act. Under the Senate amendment the provisions of the House bill are modified to permit the filing of claims in certain cases (even though the estate tax return may have been filed more than three years before the enactment of the bill) provided a petition was duly filed by the taxpayer with the Board of Tax Appeals. The House recedes.

On amendment No. 250: This amendment is explained in connection with Senate amendment No. 21. The House recedes.

On amendment No. 251: The House bill inserted a provision granting relief retroactively to estates whose assets greatly decreased in value subsequent to their valuation for estate tax purposes as of the date of death. The Senate amendment strikes this provision from the bill; and the House recedes.

On amendment No. 252: Under this amendment there is granted an extension of the time for payment of estate tax in certain cases where there is included in the gross estate the value of a remainder or reversionary interest; and the House recedes.

On amendment No. 253: The House bill imposes an excise tax upon the transfer of stock or securities by a citizen or resident of the United States or by a domestic corporation to a foreign corporation as paid-in surplus or to a foreign trust. The House provision has been enlarged by this amendment to include not only transfers by a citizen or resident of the United States or by a domestic corporation but also transfers by a partnership or by a domestic trust, and furthermore, to include transfers to foreign trusts,

foreign partnerships, and foreign corporations, whether made as contributions to surplus or to capital. The House provision relieving certain transfers from tax has been restricted by this amendment through the elimination of that portion which exempts transfers for adequate and full consideration in money or money's worth. The definition of a foreign trust has been changed by the amendment; that is, a trust is classified as foreign if the profit from an assumed sale of the transferred property would not be included in the gross income of the trust, the classification not being dependent upon whether or not such profit would be taxable to the trust. The commissioner is given power under the amendment to abate, remit, or refund the tax imposed upon such transfers if he is satisfied that the transfer was not made in pursuance of a plan having as one of its principal purposes the avoidance of Federal income taxes. The House recedes.

On amendment No. 254: Under this amendment the increased rates on first-class postage provided in the House bill expire on July 1, 1933, instead of on July 1, 1934. The Senate recedes.

On amendment No. 255: This amendment imposes on the advertising portion of any publication entered as second-class matter subject to the present zone rates of postage the following rates per pound or fraction thereof for delivery within the eight postal zones established for fourth-class matter: First and second zones, 2 cents; third zone, 3 cents; fourth zone, 5 cents; fifth zone, 6 cents; sixth zone, 7 cents; seventh zone, 9 cents; eighth zone, and between the Philippine Islands and any portion of the United States, including the District of Columbia and the several Territories and possessions, 10 cents. These rates are effective on and after July 1, 1932, and expire on July 1, 1934. The House recedes.

On amendment No. 256: This amendment makes a clerical change in the subsection letter; and the House recedes.

On amendment No. 257: This amendment provides that, effective July 1, 1933, the rates for each form or classification of postal service shall be based upon the actual cost, but no rate shall be reduced below that in effect during the fiscal year 1931, and, subject to certain limitations, such rates shall be fixed and determined from time to time by the Interstate Commerce Commission. The amendment also provides a special class of stamps for franking purposes. The Senate recedes.

On amendment No. 258: This amendment provides that the statute of limitations on bringing suit to recover internal-revenue taxes illegally collected shall be two years, such period to run from the date of mailing by registered mail by the commissioner of a notice of the disallowance of the part of the claim to which the suit relates. The provision does not operate retroactively. The House recedes.

On amendment No. 259: This amendment makes it clear that credits or refunds are to be considered as allowed on the date on which the commissioner first signed the schedule of overassessments, provided the schedule was signed after May 28, 1928; and the House recedes.

On amendment No. 260: This amendment provides for immediate collection of miscellaneous taxes in certain cases where the commissioner finds that the taxpayer designs quickly to depart from the United States, or to remove his property therefrom, or to conceal himself or his property therein, or to do any other act tending to prejudice or to render wholly or partially ineffective proceedings to collect such tax; and the House recedes.

On amendment No. 261: Under this amendment a refund of miscellaneous taxes can not exceed the amount of the tax paid during the four years immediately preceding the filing of the claim, or, if no claim is filed, then during the four years immediately preceding the allowance of the refund. The amendment provides that it shall not bar from allowance a claim for refund filed prior to the enactment of the bill if such claim would have been allowable had the amendment not been enacted. The House recedes.

On amendment No. 262: This amendment provides that in certain cases where, by reason of the filing of a claim or request for credit, the collection of an assessed tax was postponed, any credit against the tax so assessed shall not be considered void and any payment of the part of the tax the payment of which was so postponed shall not be considered as an overpayment; and the Senate recedes.

On amendment No. 263: This amendment provides for the adjustment of a carrier's tax liability resulting from recapture payments after the Interstate Commerce Commission has certified to the Commissioner of Internal Revenue the amount and receipt of such payments. If the amount of recapturable income so paid differs from the amount previously allowed as recovable in computing the tax liability of any carrier the commissioner is authorized to assess any deficiency attributable to such difference within two years from the date of certification, and any overpayment attributable to such difference may be refunded within such 2-year period, but not thereafter, unless claim for refund therefor is filed within the period. This amendment does not reopen cases which have already been closed under final closing agreements. The House recedes with a clerical amendment.

On amendment No. 264: Under existing law the limitation on prosecutions for offenses arising under the internal revenue laws is three years, except that in the case of offenses involving the defrauding or attempting to defraud the United States the period is six years. The Supreme Court has recently held that under existing law the offense of attempting to defeat and evade income taxes does not necessarily involve the defrauding or attempting to defraud the United States, fraud not being an essential ingredient of such offense, and that, therefore, the 3-year limitation period is applicable instead of the 6-year limitation period. This amendment prescribes a 6-year period in the case of the offense of willfully attempting in any manner to evade or defeat any income tax or the payment thereof or the offense of willfully aiding or assisting in the preparation or presentation of false claims, documents, or returns. A 6-year period is also prescribed in the case of conspiracy to attempt in any manner to evade or defeat any tax or the payment thereof. The 6-year period is made to apply as well to these offenses when committed by officers of the United States. The House recedes with a clerical amendment.

On amendments Nos. 265 and 266: These amendments make clerical changes in section numbers; and the House recedes with clerical amendments.

On amendment No. 267: This amendment provides that in case taxes are paid by two or more persons, corporations, partnerships, or fiduciaries on the same income or the same estate the overpayment is to be credited or refunded regardless of any closing agreement entered into if claim therefor is filed within seven years from the date of payment; and the Senate recedes.

On amendments Nos. 268, 269, and 270: These amendments make clerical changes in section numbers; and the House recedes with clerical amendments.

J. W. COLLIER,
CHARLES R. CRISP,
W. C. HAWLEY,
ALLEN T. TREADWAY,
Managers on the part of the House.

Mr. CRISP. Mr. Speaker, this conference report comes up under the general rules of the House, and, of course, I am entitled to one hour's time. Any other Member of the House recognized in his own right would have one hour's time. It is in the power of the House to close debate and come to an immediate vote at any time the House orders the previous question, and I am sure the Speaker will recognize me, in charge of the report, to move the previous question.

I wanted to make this preliminary statement to see if I can get some agreement as to the amount of time we should occupy in debating the report. There is no one in the House who hates—if I may use that word—to make another speech as much as I do. I have had to talk a great deal during this Congress. This report, however, must be explained to the House. This duty devolves upon me, and it will take me 30 or 40 minutes to do this. I make this

statement to give the House the information so they will have it in arriving at how much time we should have for debate on the report. May I ask the gentleman from Oregon [Mr. Hawley] what suggestion he has to make?

Mr. HAWLEY. We are inclined to accommodate the gentleman from Georgia, the acting chairman of the committee, and would ask what he suggests in the matter of time.

Mr. CRISP. The gentleman from Illinois [Mr. RAINEY], the majority leader, advises me he desires 15 minutes. Mr. Doughton, a member of the Ways and Means Committee, states he would like to have 10 minutes. The gentleman from New York [Mr. LaGuardia] has advised me he would like to have 10 or 15 minutes. I have several requests for 5 minutes. How many requests has the gentleman?

Mr. HAWLEY. I have at present requests for about one hour. If the gentleman from Georgia thinks one hour and a half on each side will be satisfactory, we will agree to that.

Mr. CRISP. I will agree to that, and, of course, if it is not consumed, and I am optimistic in assuming it will not be used, we can vote before the expiration of the time.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. CRISP. I yield.

Mr. BANKHEAD. As I understand, only one vote is contemplated, and that will be to either adopt the conference report or reject if.

Mr. CRISP. My friend is correct. The conference report is not amendable. The House must either accept it in its entirety or reject it. If the report is rejected there will have to be another conference between the House and the Senate on the tax bill, and every item in it will be again open for consideration by the conferees.

Mr. PARSONS. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. PARSONS. If the report has to be accepted or rejected, and we know generally what its substance is, why waste all the time in debate; why not take the vote and have it over with? The report is going to be adopted; why take up the three hours?

Mr. CRISP. The gentleman's statement is rather persuasive and appealing to me. [Cries of "Vote!" "Vote!"]

Gentlemen, I do not believe a bill of this magnitude should be passed without some explanation. The country is entitled to know something about it.

Mr. Speaker, I ask unanimous consent that there be three hours of debate, if that much is required, one-half to be controlled by myself and one-half by the gentleman from Oregon [Mr. Hawley], and I may assure those opposed to the bill that I shall give them an equitable distribution of my one-half, and I know the gentleman from Oregon will act likewise, and I shall be compelled myself to consume at least 30 minutes of the time.

Mr. HAWLEY. Will the gentleman from Georgia yield? Mr. CRISP. I will.

Mr. HAWLEY. Will the gentleman add to his request that at the end of the three hours of debate the previous question be considered as ordered?

Mr. CRISP. Yes.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, why is it necessary for our Democratic manager to yield part of his time to the Republican leader on the other side, the gentleman from New York [Mr. LaGuardia]? Why does not the gentleman get his time from the gentleman from Oregon [Mr. HAWLEY]?

Mr. SNELL. So far as I know, the gentleman has not been a Republican leader. He belongs on your side.

Mr. CRISP. I may say to the gentleman from Texas that I shall expect the gentleman from New York to get his time from the gentleman from Oregon.

Mr. LaGUARDIA. The gentleman from New York [Mr. SNELL] need not be unduly excited about that statement.

Mr. SNELL. I was talking to the gentleman from Texas, not the gentleman from New York.

The SPEAKER. The gentleman from Georgia asks unanimous consent that there may be three hours' debate on the conference report, one-half of the time to be controlled by himself and one-half by the gentleman from

Oregon [Mr. HAWLEY], and at the end of that time the previous question shall be considered as ordered. Is there objection?

Mr. SCHAFER. Mr. Speaker, I reserve the right to object. Mr. LaGUARDIA. Reserving the right to object, Mr. Speaker, may I suggest to the gentleman from Georgia that the only opportunity the House will have to vote on any separate item will be to vote down the previous question. Would not the gentleman submit his unanimous consent to two parts, omitting, first, the part that provides that the previous question may be considered as ordered?

Mr. CRISP. My friend from New York is a diligent man and an able man, and familiar with the rules of the House. He knows that voting down the previous question would not give the House an opportunity to vote on a single item in this bill, that the only question before the House is to accept or reject the conference report.

Mr. LaGUARDIA. The gentleman is right.
Mr. BURTNESS. Reserving the right to object, and I shall not object, I want to ask the gentleman if it is contemplated as nearly as possible, within reasonable limits of time, to yield to those who oppose the conference report?

Mr. CRISP. I am sure that is so. I am sure that the House has confidence in the fairness of the gentleman from Oregon, and if he has control of half of the time that he will be just to those opposed, and I expect him, out of his time, to take care of those on his side of the House who desire to speak for or against the conference report, and I shall seek to do the same on this side.

Mr. HOWARD. Reserving the right to object, I want to ask the gentleman a question. Will there be any oppor-tunity at any time during the consideration of this conference report for a Member on the floor to offer an amendment?

Mr. CRISP. There will not.

Mr. HOWARD. I simply wanted the information.

Mr. CANNON. Reserving the right to object, and I shall not object, in the event the conference report is voted down and the bill again be subject to conference, would not the Senate amendments be up for consideration in the House?

Mr. CRISP. All of them; if the conference report is rejected, the whole subject matter is before the House, and the House could concur, if it desired, in every one of the Senate amendments or take them up seriatim and consider them and ask for another conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Speaker, I thank God we are not at war with any nation, but this is a more burdensome tax bill than had to be enacted during the late war.

While we are not at war, the suffering of the people of the United States as a whole is more acute than it was during the war, and your country and my country is not merely in a depression; we are in a critical crisis. The credit of the United States must be maintained, no matter what personal sacrifice it requires on the part of the citizenry of the United States. [Applause.] Gentlemen, that is the only reason why I will vote for this bill, for many of its provisions are obnoxious to me, and I would not support them in normal times.

Now, I am always delighted to yield to my colleagues, but I am going to make an exception this time, and I am not going to yield until I have completed my statement. [Applause.]

When the Ways and Means Committee began the consideration of a bill to balance the Budget, the Treasury estimated that there was a deficit of \$1,241,000,000. Taking the estimate of the Treasury and allowing for \$200,000,000 economy, the House passed a bill that the Secretary of the Treasury said he believed would balance the Budget.

When the bill went to the Senate the economic recovery became worse instead of better. Customs and excise-tax collections fell off, and the Treasury revised its estimate and concluded that the deficit for 1933 would be \$1,476,000,000, or \$235,000,000 more than the estimate when the House was considering the bill.

When the tax bill passed the House the Treasury estimated that it would provide \$1,031,900,000. When the matter was being considered in the Senate, with the revised Treasury estimate, it was estimated that the House bill would only produce \$856,200,000.

That is a broad view of the whole picture. Every thoughtful man knows that the welfare of every man, woman, and child in the United States, that the welfare of the country we all love demands a balanced Budget, and the Government receiving as much revenue as it pays out, because to-day we are paying out \$7,000,000 every day more than the Government is receiving, and no government can maintain its dignity, its credit, its honor, the stability of its money unless such a situation is corrected. This bill seeks to correct that situation, and this bill will correct it. I do not believe any of your remedial temporary measures to aid the situation will amount to anything without a balanced Budget.

The bill, as it passed the Senate, was estimated to raise \$1,117,000,000. The conference report before you on which your conferees agreed is estimated to raise \$1,118,500,000, or \$1,500,000 more than the Senate bill.

Let me give you some information as to the details of the conference report. The Senate added 270 amendments to the bill. 205 of which were purely technical, changing the number of some of the sections and changing the number of some of the cross sections, which, of course, was necessary. Where the Senate added new matter in the bill it required the renumbering of sections all through. Therefore, 205 of the Senate amendments were simply clerical in nature, changing the number of sections, having no substance in them at all, and it was simply pro forma to agree to them. Sixty-five of the Senate amendments may be said to be amendments containing real substance. Of those 65, 38 were agreed to by the House conferees, 16 were disagreed to, and the Senate receded, 7 were compromised in substance, and 4 were agreed to by the House conferees with minor amendments. The House conferees, assuming that the Budget had to be balanced, were driven to the necessity of accepting a number of the Senate amendments of real substance, for they had added new taxes to balance the Budget, and your conferees could not inject into that conference any new subject matters of taxation that were not in controversy between the two Houses. Therefore, your conferees were forced to take those amendments added by the Senate raising additional revenue, or bring in a bill that did not balance the Budget, which would have been calamitous to the United States. Therefore, your conferees agreed to them.

The House conferees agreed to the Senate amendments with slight changes as to the individual income taxes, and they are terrifically high, terrifically burdensome, running as high as 63 per cent. I hope business recovery will be such that they can be reduced.

The House won out on the matter of exemptions to married men. The Senate sought to reduce the exemption from \$2,500 down to \$2,000, but the House won out and the exemption for married men continues at \$2,500. Your House conferees took the position that with the enormously increased normal income-tax rates, with these burdensome excise taxes, which would be passed on to the consumer and with wages being reduced throughout the United States, it was not fair to further reduce that exemption.

The corporation tax was changed a little from that provided in the House bill, and in that I think the House won a distinct victory. It was the most controversial matter in conference, to wit, consolidated and affiliated returns. When the bill passed the House the fiat corporation tax was 13½ per cent, and we had added the differentiation of a cent and a half for corporations making consolidated and affiliated returns.

The Senate was violently opposed to that provision, and favored consolidated returns at the same rate of taxation. The House conferees told the Senate conferees that we were adamant on that proposition, and there would be no agreement unless that principle was recognized. The conferees finally agreed to compromise, retaining the principle of consolidated and affiliated returns, fixed the flat corporation rate at 13% per cent and fixed the rate for consolidated

returns at 14½ per cent, which places a penalty of threequarters of 1 per cent on corporations making consolidated and affiliated returns, which will give the House and the country at least an opportunity to know if making those returns is of substantial benefit to the corporation, information the House has long sought.

The House accepted the Senate provision taxing insurance companies.

The House accepted the Senate provision taxing bank checks. The House conferees sought to require a stamp if the matter was to be retained, thinking that was the most acceptable way. The Treasury took a different position. The Senate conferees would not yield, so that was agreed to just as it passed the Senate.

The House accepted the Senate amendment taxing gasoline 1 cent a gallon. I think both of those taxes are burdensome. I would not agree to either of those taxes under different circumstances, but this is an emergency. They both yield large amounts of revenue and we could not balance the Budget without them.

In this conference report are included many excise taxes levied on selected industries at high rates, which are estimated to yield \$457,000,000. The following is a list of them: Manufacturers' excise taxes including lubricating oil, wort, tires, toilet preparations, furs, jewelry, automobiles, radio, mechanical refrigerators, sporting goods, firearms, matches, candy, chewing gum, soft drinks, gasoline, electrical energy, and imported oil, coal, lumber, and copper. Every one of these taxes is nothing in the world but a sales tax on selected industries. The Ways and Means Committee sought to prevent this necessity of selecting certain industries, which is discriminatory, and placing high sales taxes on them by proposing a general manufacturers' excise tax with a low rate on wholesale prices. No matter what your rates on income taxes and the corporation tax are, you can not raise the money to balance the Budget, even though you levy 100 per cent tax, where there is no net profit. So Congress was confronted with levying some kind of taxes that are sales taxes which will be passed on if the competition of the business does not prevent it.

Therefore, to save, to prevent some of these very nuisance taxes, these burdensome excise sales taxes, they brought in a bill which was broad in its base, with a low rate applying to all manufacturing enterprises, which we thought was equitable, which we thought was the fairest way to balance the Budget, a way that would least retard business recovery, but the House in its wisdom decided otherwise, and from the moment the House voted I have never raised my voice in advocacy of the manufacturers' excise tax, for I accepted the judgment of the House as final. I thought when we were advocating it that it was the best tax. I think so now, and I am satisfied, when the country feels the pinch of these special sales taxes on selected industries, it will think so, too. [Applause.]

The manufacturers' sales tax bill that we sought to pass in the House exempted all farm products, fertilizers, foods, raw products, wearing apparel, medicines, and farm implements, and as far as the average man was concerned, it was a luxury tax.

The House conferees, for the purpose of raising money and for that purpose only, accepted, with a substantial modification, the Senate's amendment to tax electric energy. The Senate provided for a 3 per cent gross tax on public utilities that sold electric energy. The conferees became convinced that that was inequitable; that it would destroy many of the companies; that men, women, and children throughout the United States holding stocks and bonds of those companies would lose their investment; and the conferees finally agreed on a 3 per cent sales tax on commercial and domestic consumers of electric energy, to be passed on, the companies to be the collecting agencies for the Government. Statistics before the Ways and Means Committee showed that the average cost to the domestic consumer for electricity was \$3 a month. This tax will place a tax of 9 cents per month upon the average household consumer of domestic electricity. I regret it, but in this crisis, in this emergency, it is not burdensome, and are not all of our

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splendid, patriotic American citizens willing to bear some burden in this crisis, just as those brave, splendid, heroic, patriotic young men were willing to risk all, even life, for country in war?

Technically we do not have war, but the financial condition of the country is at war worse than it was in 1917 and 1918.

Another matter that was highly controversial, and the House conferees sought to carry out the will of the House, was the levying of one-quarter of 1 per cent on stock transfers. We tried to get one-quarter. We could not. We tried to get one-eighth. We could not. We would not agree to report this bill without some increase on those transactions. It was finally agreed in compromise that the rate should be 4 cents per share on transfers when the value of the certificate transferred was \$20 or less, and when the value was above \$20 there should be a tax of 5 cents. We got a 1-cent increase.

The State of New York has a transfer tax on stocks of 4 cents. So that 4 cents plus the 4 or 5 cents makes the taxes on the stock transfers 8 or 9 cents. Under the existing law where stock is loaned for short selling, it pays no tax. Under this bill stock loaned for short selling must pay a tax of 8 or 9 cents, and I hope it will break up that nefarious, outrageous practice which has contributed much to the economic undoing of the country in this crisis.

We also have a tax of 5 cents per \$100 on future or commodity transactions, and I hope it will break up some of that practice and enable the agricultural interests of the country in the West and South to receive better prices for their commodities—cotton, wheat, hogs, and so forth.

The House adopted the Senate amendments on soft drinks, on furs, on jewelry, and in fact most of the other subject matters.

My friend the gentleman from New York [Mr. LaGuardia] asked me specifically how the tax applied on furs. It applies only when furs are the chief component part of the article. It does not apply when fur is used only as trimming.

There was a tax on the manufacturing of yachts in the House bill. It was represented to your conferees that many people desiring yachts would have them built abroad and they would sail them in here and escape the payment of that tax. In lieu of that we took a tax on the use of yachts, and it is expected to yield more money than the tax on the construction of yachts. That will make those who are fortunate enough to have yachts pay a tax, whether the yachts are built in the United States or abroad.

Mr. BRITTEN. Will the gentleman yield? Mr. CRISP. No. I decline to yield to anybody.

The Senate accepted the House provision with reference to the payment of foreign-tax credit. The Senate receded from its amendment exempting from taxation scaps and all mouth washes, and so forth, so that all of those matters are subject to tax under this bill.

The House succeeded in raising a tax of 1 per cent on transportation of oil by pipe line.

The House provision as to taxing broadcasting stations on leased wires was accepted.

Mr. Speaker, I do not desire to take up any more time. I have not made a very connected, logical speech, but I am talking against time so as to give others an opportunity. I will not yield to anyone. I stated that, and I meant it.

Mr. CLANCY. Will the gentleman not explain the rubber-tire tax?

Mr. CRISP. Mr. Speaker, I decline to yield. I stated

that before I commenced.

The House accepted the Senate amendment on the tax

The House accepted the Senate amendment on the tax on automobiles, on trucks, and on rubber tires. I personally thought the tax on tires excessive. I tried to get it modified and could not. I think automobiles and the users of automobiles are taxed more severely under this bill than any other industry in the United States.

In conclusion, Mr. Speaker, I shall give just a summary of the bill. In my remarks right here I will extend a breakdown showing how much tax it is estimated will be yielded from each of the items in the bill, but I will not take the time now or trespass upon your patience to read it.

Summary of revenue bill as agreed upon in conference
[Estimated additional revenue for fiscal year 1933, in millions of
dollars]
Title I income tax:

[Estimated additional revenue for fiscal year 1933, in millidollars]	ions of
Title I, income tax:	
Individual— Normal tax rates, 4 per cent and 8 per cent, exemptions \$2,500 and \$1,000———— Surtax rates, 1 per cent on net income in excess of \$6,000 to 55 per cent on net income in ex-	63
cess of \$1,000,000 No earned income credit	88 27
Total	178
Corporation—	line
Rate, increased from 12 to 13% per cent	22
Consolidated return, additional rate of three- fourths of 1 per cent	16
Total	41
Limitation of security losses and other changes, largely administrative Title II, estate tax.	80
Title III, gift tax, rates of three-fourths of 1 to 33½ per cent 2	5
Title IV, manufacturers' excise taxes: Lubricating oil, 4 cents per gallon	33
Brewers' wort, 15 cents per gallon Malt sirup, 3 cents per pound	82
Grape concentrates, 20 cents per gallon	0.5
Tires and tubes, 2¼ and 4 cents per pound Toilet preparations, 10 per cent except dentifrices:	6. 5
soaps, etc., 5 per cent Furs, 10 per cent	13. 5 12
Jewelry, 10 per cent on amounts over \$3, plated silverware exempt	9
exempt	32
Parts and accessories, 2 per cent; tires and tubes exempt.	7
Radio and phonograph equipment and accessories, 5 per cent.	9
Mechanical refrigerators, 5 per cent Sporting goods and cameras, 10 per cent Firearms and shells, 10 per cent	5 5 2
Matches, wood, 2 cents per thousand; paper one-half cent per thousand	4
Candy, 2 per centChewing gum, 2 per cent	4
Soft drinks, various rates	7
Electrical energy, 3 per cent on sales for domestic and commercial purposes	39
Gasoline, 1 cent per gallon	150
Total, Title IV	457
Title V. Miscellaneous taxes: Part I. Telephone, telegraph messages, etc., telephone, 10 cents, messages costing 50 cents to \$1; 15 cents, \$1 to \$2; 20 cents, \$2 and more; telegraph, 5 per	
cent; cable and radio, 10 cents Part II. Admissions, 1 cent per 10 cents on admissions over 40 cents (educational and Olympic exemption	22.5
Part III. Stamp taxes—	42
Issues of bonds or capital stock, 10 cents per	6.5
Transfers of stock, etc., 4 cents per \$100 par value, or 4 cents per share no par, 5 per cent for shares selling over \$20 (rates to apply to loans of stock)	00
Transfers of bonds, etc., 4 cents per 8100 par value	20 5
Conveyances, 50 cents on \$100-\$500; 50 cents per \$500 in excess	8
Sales of produce for future delivery, 5 cents per	6
Part IV. Oil transported by pipe line, 4 per cent of charge————————————————————————————————————	8
Part VI. Checks, 2 cents each	1 78

Part VII. Boats, various rates_

Total additional taxes_____

Total Title V_

¹ Assuming collections, beginning after June 30, 1933. ² Assuming tax effective, beginning July 1, 1932.

Title VIII. Increased postage rates and other postal provisions, increase 1 cent in first-class postage; increase on second-class matter, etc .__

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Total additional taxes and postal revenue.

It was estimated when the tax bill passed the House that the tax on individual incomes would raise \$146,000,000.

The bill now before you is estimated to yield \$178,000,000. On corporations, when it passed the House, we expected an increase of \$31,000,000. In the bill before you it is \$41,000,000.

Income-tax administrative changes: As it passed the House we expected to save \$119,000,000. The bill before you saves \$80,000,000. We lose on this item.

Estate and gift taxes: These are the same. The Senate did not change in the slightest the House provision on estate taxes and gift taxes, even in a technical way. They could find no flaw or defect in those provisions.

The manufacturers' excise taxes included in the bill, malt, wort, furs, toilet preparations, and so forth provided only \$219,000,000 as it passed the House. The bill before you provides \$457,000,000.

I repeat, Mr. Speaker, if we are going to balance the Budget we will have to accept it, and we will have to accept some of the most obnoxious taxes in the world to me, because they are the ones in the bill that produce large sums of money and provide the only way with which to get the money to balance the Budget. The House conferees had to accept them or bring back to you a bill that would not balance the Budget. Under the parliamentary situation the House conferees could not suggest new items for taxation. We were confined to considering those in controversy between the two Houses of Congress.

Miscellaneous taxes, telephone messages, stocks, and so forth: As it passed the House this was estimated to raise \$180,000,000. The bill before you will raise \$197,000,000.

Increased postage as it passed the House contemplated extra revenue to the amount of \$155,000,000. The bill before you provides for \$160,000,000.

Mr. Speaker, no Member of the House can condemn some of the provisions of this bill more strenuously than I do, but we face an emergency. It is the only way the stability of the American dollar and the country's credit can be maintained. Therefore I agreed to it.

Now, in conclusion, there are three or four tariff items in the bill. I did not think this was a tariff bill and opposed the incorporation of tariff items in it; but when the bill passed the House, the House sent over two tariff items, oil and coal. The Senate agreed to these two tariff items. Therefore, your conferees were impotent, they were bound, they could not eliminate them. There was no possibility of eliminating them from the bill. You, the House, had placed two tariff items in the bill.

The Senate adopted two amendments providing a tariff on lumber and copper, and they also included in the oil provision a tax on asphalt used in constructing roads. The House conferees were able to eliminate the tariff on asphalt. Therefore, there is no tax on the asphalt used by the States, counties, and municipalities in constructing highways.

Under a protective-tariff theory copper was clearly entitled to a tariff, though I did not think it ought to go in this tax bill. The Tariff Commission reported copper had made out a case. The Senate put it in, and the Senate conferees were adamant, so that was agreed to with an amendment providing that 15,000 tons of fluxing copper ore might come in free.

With the tariff on copper disposed of, we had a complete agreement except the lumber item. We had a hard fight on the lumber item. I did not favor a tariff on lumber; but, Mr. Speaker, when it reached the point where there would be no complete agreement without a tariff on lumber, and in view of the fact there were three tariff items in the bill besides lumber, to break the tie I voted for the tax on lumber that we might bring in this complete report, for I believed I could do nothing that would serve my country more than to have a speedy complete agreement on this tax bill and get

it on the statute books at the earliest possible moment. [Applause,]

Now, my friend and valiant leader, the gentleman from Illinois [Mr. Rainey] -and he knows he has both my admiration and my affection-would not sign the report on account of the tariff items and maybe one or two other matters that he disagreed to.

Now, that is the case. You are confronted with this situation-you must either vote for this report and accept it in its entirety or, if your judgment says it is bad and should not be adopted, you have the right-and if you believe that way, it is your duty-to vote against accepting the conference report; and that means that we start de novo in the consideration of every one of the Senate amendments. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. HAWLEY. Mr. Speaker, I yield myself 10 minutes. [Applause.] The gentleman from Georgia has made a very admirable and succinct report on the conference action. In 31 minutes even so able a gentleman as he could not cover a conference report of this length. I do not intend to repeat anything he has said so far as I can remember, but to call attention to some other matters that are important for the House to know.

In the preparation of this tax bill we sought sources of revenue where they existed and taxed them as much as we thought the traffic would bear, and in some instances I am afraid the rate has gone beyond that. We have also, in a very considerable portion of the bill, closed up gaps through which evasions of taxation were being effected, and, especially in the matter of disallowances of deductions, have effected increases in revenue.

The House proposed a normal tax at the rate of 2 per cent on the first \$4,000 of taxable income, 4 per cent on the second \$4,000, and 7 per cent on the remainder. The Senate changed the number of brackets from three to two and imposed 4 per cent on the first \$4,000 of net taxable income and 8 per cent on the remainder of the taxable income, and in this the House concurred. This, according to the figures I have, will increase the revenue from that source approximately \$63,000,000 more than the present law. The Senate very materially increased the rates of the surtaxes, beginning with the early brackets, but imposed the principal part of the burden upon the higher brackets. This change will earn \$88,000,000 over the existing law. The House accepted the Senate amendment because it was necessary to do so in order to get sufficient revenue.

The House proposed an exemption for unmarried persons of \$1,000 and for married persons of \$2,500. The Senate proposed to reduce the \$2,500 to \$2,000, but the House did not concur.

The earned credit is entirely eliminated from the bill. You will remember that heretofore credits for earned income against the tax after it was computed were allowed on account of earned income. Such credits are not permitted in the bill as reported from conference.

Mr. KELLER. What is the effect of that? Mr. HAWLEY. It will increase the revenue from the normal tax about \$27,000,000.

The small corporations had been entitled under the law heretofore to certain exemptions, but those exemptions have been eliminated altogether. We reduced such exemptions in the House, the Senate eliminated them altogether, and the House concurred, adding about \$16,000,000 in revenue by this action.

There was in the House bill an elimination of the exemptions from surtaxes of moneys earned prior to March 1, 1913, and distributed after that date after the most recent earnings had been distributed. The Senate restored that provision and the House agreed, the reason being that all earnings accumulated prior to March 1, 1913, were accumulated before there was any income tax; and if this provision had not been inserted, then we would have been taxing incomes not taxable when the income tax law was passed and would be in the nature of retroactive taxation.

As to insurance companies, we agreed with the Senate action. The result of this agreement was to make a more even distribution of the burden between the smaller and the greater companies-between those building up reserves at a lower rate and those that were using a higher-

Mr. COLE of Iowa. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. COLE of Iowa. Will the gentleman make a statement as to the action with reference to mutual companies?

Mr. HAWLEY. There was nothing in conference with respect to the mutual insurance companies, if I understand the purport of the question.

Mr. COLE of Iowa. Is there a tax on the profits of mutual insurance companies?

Mr. HAWLEY. Yes; the rate is 3% per cent under the present law.

The Senate added new taxes as follows: A tax on tires and inner tubes, to earn \$33,000,000, the tax being 21/4 cents per pound on the weight of the tires and 4 cents on the weight of the tubes.

Mr. CLANCY. Will the gentleman yield?
Mr. HAWLEY. Yes.
Mr. CLANCY. Is not that double taxation? There is a tax on the completed automobiles and then there is another tax, a second tax, on the tires and tubes. Does the gentleman think that is fair?

Mr. HAWLEY. The gentleman is in error to this extent, that there are provisions in the bill that give credit for a tax paid on a completed article when a tax is collected on separate items, so that there is no double taxation. This proposal will earn \$33,000,000.

The Senate added a tax on unfermented grape juice of 5 cents per gallon, which will not earn a very large amount. I do not have the exact figures. The tax on electrical energy was inserted in the Senate.

Mr. HORR. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. HORR. Why was it provided that the tax should be collected from the consumer rather than from the vendor? Was any particular reason given that the collection should be made from the consumer rather than from the vendor?

[Here the gavel fell.]

Mr. HAWLEY. Mr. Speaker, I yield myself three additional minutes. I can not take much time to answer questions in three minutes. It is collected for the Government by the vendor from the consumer, and would not the effect be the same whether it had been imposed upon the vendor and then added to the consumer's cost or collected directly from the consumer? It is much more easy to collect it from the source.

Mr. HORR. Would it not be much better to have it collected direct from the vendor, because the Government must ultimately go to the vendor for the money?

Collection of this tax under this bill will be made in each instance from the vendor, namely, the power company, whether the tax is levied on the company direct or on the

I fear there is hidden here something that has escaped the attention of the conferees, and that there is a grave evasion on the part of the power companies of the tax.

The statement that the ultimate consumer will pay taxes is true in most instances, but in this instance I am sure it is not. The rate or price at which electrical energy is sold has been established in many instances by public-utility departments in the different States.

These rates have been established for a considerable length of time and during the period when the country was working under normal conditions. In only a few instances have public utilities reduced rates on electrical energy, as have other industries.

All other industries have reduced the sale price of their products to the consumer. The public utilities in the main have kept their rates at the highest rate of charge specified by public-utilities commissions at a time when the Nation was prosperous.

These utilities should absorb the tax and not the consumer. This tax, if paid by the power companies, would only reduce the rate to where it should be. The power companies will not meet depression prices, unless compelled to do so. If the tax is levied against them and they complain, these companies will be compelled to go before the public-utility bodies and make a showing as to their rate adjustments.

This, of course, the companies do not want to do, as I am of the opinion that in their receipts with labor reduced in price in their industry, a showing would be made that would cause the public utilities departments of the several States to reduce the rates.

If this tax is levied against the consumer, as this bill provides, the company will attach the tax to the bill of the private consumer and still go on under its old rate established in prosperous times.

As a matter of fact, I am opposed to a tax on electrical energy of any kind. The people of our irrigated country will feel this burden heavily. The individual consumers will also be made to pay more than their proportionate share.

If I had my way about it, I would strike the entire section from this bill, and may I be recorded as opposed to any tax on electrical energy. I am opposed to many features of this bill and under extension of remarks I shall set forth my objections to many of the features contained in this

Mr. HAWLEY. I can not yield further. The Senate added a gasoline tax of 1 cent a gallon, to earn \$150,-000,000. It added a tax on checks, 2 cents on each instrument drawn, to earn \$78,000,000. To both of these the House agreed. The gentleman from Georgia has already spoken of the tax on boats.

Mr. GIFFORD. Will the gentleman yield?
Mr. HAWLEY. Yes.
Mr. GIFFORD. Will the gentleman explain amendment No. 8, the tax on willful violation of the criminal laws. Why did the conferees change that?

Mr. HAWLEY. The Government collects revenue from income irrespective of its source. It does not inquire as to the source of the income except as to the accuracy of the computation. All income is subject to taxation from whatever source derived.

Mr. GLOVER. Will the gentleman yield for one question? Mr. HAWLEY. I regret, but I have not the time to yield further at this time.

Mr. GLOVER. It is on the very question the gentleman is discussing and I would like to have some information about it.

Mr. HAWLEY. I regret I have not the time to yield.

The Senate increased the rates on what is known as second-class mail matter, which, with the increase on postage, will earn about \$160,000,000.

The House conferees yielded on the items enumerated, since the amounts were essential to balance the Budget.

The House agreed to the reduction of the tax on candy from 5 per cent to 2 per cent on the sale price; also to the same change in the tax on chewing gum. The reduction of the tax of 9 cents per gallon to 6 cents on fountain sirups was approved.

The House proposed a tax on telegraph, telephone, cable, or radio dispatch messages of 5 cents on messages costing from 30 cents to 50 cents, and 10 cents on messages costing more than 50 cents. The Senate struck out the lower bracket and proposed a tax of 10 cents on telephone messages from 50 cents to \$1, of 15 cents from \$1 to \$2, and 20 cents on those over \$2; of 5 per cent on the charges made for telegraph messages and 10 cents on all cable and radio messages. To these rates the House agreed. These rates will earn about \$22,500,000.

The Senate proposed that admissions should be exempt only to 41 cents, in lieu of the House proposal of 46 cents, and the House yielded. At the rate of 1-cent tax on each 10 cents of price of admissions, the yield will be \$42,000,000.

As I recall, the gentleman from Georgia discussed the other changes in taxes and time will not suffice for me to comment further.

In conclusion, the justification for the adoption of the conference report is the absolute necessity to raise sufficient revenue to balance the Budget. The duty of doing this now devolves upon this great body of men, and I feel certain that the dependency of the country upon our approval will be justified by the outcome of the vote soon to be taken. The maintenance of the credit of the country is basal to all other credit—to the promotion of the economic recovery, including revival of industry, trade, and commerce, reemployment of labor, increased prices to the farmer, and the prosperity of our people in general. The country appeals to us to serve it faithfully in this emergency, and I am confident that appeal is not made in vain. [Applause.]

[Here the gavel fell.]

Mr. CRISP. Mr. Speaker, I yield 15 minutes to the majority leader, the gentleman from Illinois [Mr. RAINEY].

Mr. RAINEY. Mr. Speaker, it is usual, I am aware, for a Member who occupies the position I now occupy to say that he regrets he can not agree with his colleagues on the conference committee. I want to open my brief remarks by saying that I do not regret that I can not agree with them.

In discussing these tariff items—and that is what I want principally to discuss in the brief time I have-may I call the attention of the House, first of all, to a joker which appears in section 601, title 4, of the bill, which none of you knew was in this bill.

The provision in this bill is that these tariff taxes carried in the bill shall not be considered as a duty under the flexible provisions of the tariff law. This is a joker. did not know it was there until the present moment. This makes it impossible for the Tariff Commission to review in any way or to reduce or to increase the tariff provisions in the bill.

This is a bill which is supposed to raise taxes in order to meet the tremendous deficit which now confronts us; and as I must be brief. I think I shall just read from the Senate debate on the lumber item in the bill, at page 11163 of the CONGRESSIONAL RECORD of May 20, 1932.

Senator Jones had the floor, and he is the author of the

Mr. Smith. The Senator is pleading now for pure protection and not for revenue. If there is any revenue, it will be incidental. What he is pleading for is that there shall be an embargo or stoppage of this foreign lumber, so that the producers of the American product may have the advantage of the American market.

And then came the answer from the Senator who is responsible for this lumber item, and this is what he said:

I do not think it is an embargo; but, practically, that is what I am appealing for. I will say that frankly to the Senator.

Mr. Smith. It is very refreshing to hear the Senator state just what we are driving at in the tax bill.

Now, that is what we did in conference. We agreed to an embargo tariff on lumber, admitted by its author in the Senate to be an embargo tariff.

We import just 4 per cent of our production of lumber. and we export twice as much lumber as we import. The effect of this embargo tariff on lumber, and that is what it is, will make it necessary for Canada to export the lumber she has been sending to us to the world markets where we have been selling our lumber, and we will lose more than we make out of it. If we can export lumber to the Orient and compete there with Canada, and we do, why can we not compete here in our own markets?

Here is an item from the Portland Oregonian of May 5 last. This news was furnished to the Portland Oregonian, the organ of the lumber interests, by its news bureau here in Washington:

The consequence of the duty, under the revenue bill, will enable the Pacific Northwest industry to market rough, low-grade lumber, as Canadian mills can not afford to pay the \$3 duty.

This is what the duty is for, and this organ of the lumber interests of the Northwest frankly admits it; and, in conference, we agreed to this indefensible embargo tariff.

The bill now carries, with the approval of the conferees, if we approve it, duties on lumber and duties on copper so objectionable in their character that they were not even included in the Hawley-Smoot bill. Why, we rejected here in the House the tariffs placed in the Senate, or rather we agreed to the lower rate in the Senate on lumber.

This bill now carries a tariff on coal and a tariff on oil. No bill has ever carried these items before in the history of the country.

The tariff on coal is an embargo tariff. The tariff on oil will yield revenue, but not as much revenue as it would yield in the form it left the House, because we have agreed in this report-at least my colleagues have so agreed. I would not sign it-to cut that tariff that we imposed here in the House, and which was really a revenue tariff, 50 per cent. It is negligible now. It will yield negligible returns; and, if you gentlemen want protection for oil, it gives no protection.

This oil tariff went in the bill originally as a tax item, but it was the vehicle which led to these trades and this logrolling, and which resulted in placing in these other tariffs in the bill. None of them could get into a regular, highprotection Republican tariff-not one of them-and they failed to do so two years ago.

This tax bill, intended to raise revenue to balance the Budget, imposing these burdensome taxes, has resolved itself into another Hawley-Smoot tariff bill

The rates in the Hawley-Smoot bill, which paralyzed international trade, which led to these retaliatory tariffs, are completed in this second Hawley-Smoot bill, and the ruin of international trade is accelerated and eventually will be complete.

I am not going to burden you with the evidence I have assembled. It appears in the Senate proceeding, in the speeches of the Senator from Maryland, Mr. Typings. The proof from South American countries, the expressions of the President of Chile, the resolutions and speeches in the Chilean Congress, which is already in existence-I can furnish you with all of it. I can furnish you with proof absolutely that if these tariffs go on as provided for in this bill, they propose to call in the near future a conference with South and Central American republics to retaliate and place an embargo on cotton and automobiles and other things that they buy from us.

I have proof, although I am not going to burden the RECORD with it, from Canada, which still buys from us; they are contemplating additional retaliatory tariffs against us, placing an embargo on articles that we get from Canada and do not produce ourselves. They propose to refuse to agree to the St. Lawrence waterway treaty as long as we have this tax on lumber.

Mr. WOLCOTT. Will the gentleman yield?

Mr. RAINEY. For a brief question.

Mr. WOLCOTT. I would like to ask the gentleman whether he has noticed any reaction by the Canadian people to the retaliatory tariffs of Premier Bennet?

Mr. RAINEY. No; I know what they say they are going to do to us, and they will do it.

Mr. MAJOR. Will the gentleman yield? Mr. RAINEY. Yes.

Mr. MAJOR. How much revenue is it estimated will be produced by this tariff on lumber?

Mr. RAINEY. There will not be any revenue-some claim a million dollars, but it is an embargo tariff.

[Here the gavel fell.]

Mr. CANFIELD. I yield the gentleman three minutes more.

Mr. RAINEY. Now, we yielded in this bill to the Senate. Their bill protects the stock gamblers in New York. We yielded. This Senate bill protects the prosperous producer of electricity at the expense of the consumers. We yielded. The differential between consolidated returns and individual returns of corporations is retained in the bill at only threequarters of a cent. We sent it over with a cent and a half. We yielded in the interest of the great corporations.

In making the fight, to which the gentleman from Georgia referred in his speech—

Mr. TREADWAY rose.

Mr. RAINEY. Oh, the gentleman from Massachusetts stood by me in the fight when I was deserted by both of my Democratic colleagues. I have great admiration for the patriotism of my friend from Massachusetts, and I am not going to say anything unkind to my own colleagues on this committee, save that I heard for the first time from the gentleman from Georgia that he made a fight against this lumber tariff. I heard no word from him against it in the conference, although it was a late hour when we reached that item, until he and my other Democratic colleagues both voted against me on this item. They did not help me in this fight.

I thought when we yielded to the stock gamblers, and to the great electric companies, who operate at a profit, when we yielded in the matter of bank checks, so that the drawer of a 50-cent check pays as much as the drawer of a \$25,000 check, when we yielded on the consolidated item, when we yielded to the Senate all the way through—and this is a Senate bill—I thought that they might concede something that was in the House bill, something that men on both sides of this aisle stood for.

I remember the fight made against these tariffs by my friend from Georgia [Mr. CRISP] on this floor. As these tariffs commenced to come in he stood here in this well, and at this desk where I now stand, and protested most vigorously. He stood at the bridge, defying the enemy on both sides, but he stood there when that press gallery was full of press representatives, and all through the country the newspapers everywhere carried his dramatic speech, his appeal to Members on this side not to make a tariff bill out of this tax bill. But at the midnight hour, when no representatives of the press were present, when the real test came, he did not fight. I had such an admiration for the gentleman from Georgia, and I have it yet—he is still my friend, and this is not interfering with our personal friendshipthat when he stood here, like Ajax defying the lightning, it so thrilled and impressed me that I came down here and stood by his side and said, "I am right behind Charlie CRISP"; but when the real fight came, he was not right behind me.

Mr. Speaker, no man deserves any credit for being honest. I never have paraded my honesty on this floor. I simply act. As to my courage, you can form your own conclusions.

And now I want to say to my friends on the Democratic side that I may be the last Democrat, but I am going to be a Democrat to the last. [Applause.] If this conference report is voted down by this House, I propose to offer an amendment instructing the conferees to omit this tariff on lumber and to instruct them in other particulars.

Mr. BALDRIGE. Mr. Speaker, will the gentleman yield? Mr. RAINEY. My time is up.

Mr. BALDRIGE. Does the gentleman think the sales tax could be put into the bill if this conference report is defeated?

Mr. RAINEY. That would not be possible; I wish it could be done.

TARIFF COMMISSION REPORT ON LUMBER

As late as November 9, 1931, the Tariff Commission reported that—

The differences in costs of production, including transportation to the principal markets in the United States of the domestic article and a like or similar article produced in the principal competing country (Canada), do not warrant a change in the duty of \$1 per thousand feet board measure.

On December 2, 1931, President Hoover approved these findings. No wonder the joker to which I have been just referring appears in this bill. Under this report of the Tariff Commission the Tariff Commission would be compelled to immediately reduce these rates and the rates would then be only one-half what they will be if the conference report is approved and the \$3 per thousand feet is added.

It is the farmer who uses lumber and the small-home owner who builds his home in the suburbs of great cities and

pays for it on the installment plan who sustains this added burden. More pretentious structures are not built of wood. This burden is imposed upon the farmer and the small-home owner.

FALLING PRICES

Prices are falling. Lumber prices last year fell 13.3 per cent; but during the same period of time the prices the farmers received for their products declined 24.5 per cent, and the effect of this bill is to subsidize the lumber interests of the Northwest at the expense of the farmers whose losses in the rates they get for their products declined almost 100 per cent more than lumber prices declined.

But it is a well-known fact that this increase in the tariff on lumber will be pyramided. By the time it reaches the farmer and the small-home owner it means an increase of from \$8 to \$10 in the amount he must pay per thousand feet board measure for lumber.

DESTRUCTION OF TIMBER

If timber is of any value in the matter of regulating temperatures or rainfall, or if it is of any value in flood control, this bill tends to deprive us of this source of national wealth. It encourages the destruction of timber.

On January 17, 1932, our Forestry Department published a pamphlet in which they estimated that we are now cutting our saw timber six times as fast as we are growing it. They also found in their report as a result of their investigations that our supply of virgin saw timber at its present rate of depletion will last about 40 years. The rate of depletion, if Canadian timber is excluded, will, of course, be accelerated, and it is not unreasonable to insist that in 25 or 30 years, if the rates provided in this conference report are adopted, our virgin saw timber will entirely disappear.

LUMBER NOT A SUBJECT FOR A PROTECTIVE TARIFF

There has been no increase in importations of lumber. On the contrary, there has been a marked decrease. In 1928 our imports of lumber amounted to 1,493,000,000 feet board measure. In 1931 our imports had fallen off to 721,-000,000 feet board measure. At the time the Hawley-Smoot bill was passed, in which they were refused the protection these conferees now give them, twice as much lumber per year was being brought in as is coming in now.

ELECTRICAL ENERGY

The bill as it passed the Senate with reference to electrical energy contained this clause:

There is hereby imposed upon energy sold by privately owned operating electric power plants a tax equivalent to 3 per cent of the price for which so sold.

The tariff conferees kindly adjusted this tax so that there would be no doubt at all about who was to pay it. Under this clause in the Senate bill, to which, of course, the great power companies objected, they would have been compelled to absorb this tax and could not have increased their price to consumers. Under the report which you are asked to approve here to-day, this clause has been rewritten so that the consumer is "required" to pay and the producers, now enjoying unconscionable profits, are relieved entirely.

This report now submitted to the House for approval is a complete surrender so far as the House conferees could make it to the stock-market gamblers, the great power companies, the railroads and the great corporations, and to the lumber interests of the Northwest.

It compels the poor man to pay more for his coal with which he heats his house in the winter months. It compels the small-home builder and the farmer to pay more for their lumber. It compels the user of copper utensils and copper wire to pay more for his copper. It compels the consumers of gasoline to pay more for their gasoline. It compels the man who draws a check for \$1 to pay as much in taxes as the rich man who draws a check for \$25.

I made the best fight I could in conference against all these objectionable measures. I realize the importance of balancing the Budget, but the propositions to which I am calling attention contribute nothing toward balancing this Budget. These tariff items are embargo items, and they decrease our revenues.

But this conference report, under parliamentary law, must either be voted up or voted down. There will be only one vote on it. It will be impossible to vote for these separate items, either for or against them. If the conference report is defeated, then I propose to ask the House to instruct its conferees, and I shall at once interpose the following motion to instruct the conferees, which corrects in a measure some of the injustice to which I have been calling attention, and does not deduct one dollar from the amount of revenues this bill will yield.

I will propose the following motion:

That the House conferees be instructed to insist in the matter of the tax on electrical energy that if any tax is carried in the bill it be substantially as follows:

"There is hereby imposed upon energy sold by privately owned operating electric power plants a tax equivalent to 3 per cent of the price for which so sold," and to insist that their report carry no clause requiring that such tax be passed on to the consumers.

That the tax on lumber carried in the Senate bill and approved in the conference report be entirely eliminated.

That there be no stamp tax of any kind on checks for \$25 and less than that amount.

Mr. HAWLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. Treadway].

Mr. TREADWAY. Mr. Speaker, balance the Budget!

This slogan now so well known throughout the world originated with the President of the United States nearly a year ago. To-day we will see the beginning of the accomplishment of his purpose to balance the Budget. It makes no difference who claims credit, it makes no difference who introduces bills here of a reconstruction nature or to promote the reestablishment of public confidence. Public confidence will be restored when the Budget is balanced under the leadership of President Hoover. [Applause on the Republican side]. We do not care who tries to take the credit away from him. The people will give the credit where it is due, and it is due to the present courageous occupant of the White House. [Laughter on the Democratic side.] That is a fine laugh, gentlemen on the Democratic side, coming from men who are anxious to raid the Public Treasury in behalf of a possible presidential candidate. Certainly, if you men want to laugh and talk partisan politics, I am with you, and if you want to talk patriotism I shall stand behind you. [Laughter on Democratic side]. I am agreeable to that kind of laughter, Mr. Speaker, and I am glad to see my distinguished colleague from Massachusetts [Mr. Gran-FIELD! occupying the Chair as Speaker pro tempore and endeavoring to maintain order among his Democratic partisans. [Cries of "Vote!"] Now, Mr. Speaker, I do demand order. I will not be taken off my feet by any gentlemen who demand a vote in the middle of an opportunity given a person under debate to speak in this House.

Mr. HOWARD. Mr. Speaker, will the gentleman yield? Mr. TREADWAY. You may just as well start with that premise. The trouble with some of you Democrats is that there are not enough on our Republican side who are willing to tell you where you get off. I am willing to tell you at all times where you get off, and this is one of the times when you can not take the credit away from the President of the United States in his move for a balanced Budget. I yield now to my distinguished friend from Nebraska [Mr. Howard] very briefly, and only to the two gentlemen now on their feet, because I want to tell you something about this conference report.

Mr. HOWARD. Only for the purpose of offering to the gentleman from Massachusetts the suggestion that out in our country it is very difficult to win a smile from an enemy by hurling an insult at him.

Mr. TREADWAY. I now yield to the gentleman from Alabama.

Mr. HUDDLESTON. I rose merely to ask the gentleman whether he does not think he would get better order and more appreciation if he discussed the bill instead of partisan politics? [Applause.]

Mr. TREADWAY. I agree with the gentleman, and I shall be delighted to discuss the bill, but I say the only reason for a reference to partisan politics comes from the fact that your own Speaker is trying to run for the presidential nomination on a partisan platform, and whether you like it or not, my colleagues, these are the facts.

Mr. Speaker, the only excuse we have for presenting this conference report to you to-day is emergency. It is an unjust bill. We admit that. It is an inequitable bill. It simply gets back to the fact that the House made a very serious blunder when it refused to accept the original proposition offered by the Ways and Means Committee of a manufacturers' excise tax. [Applause.] However, the manufacturers' tax was not in conference, and of the choice of two evils we have presented to you practically the Senate bill. The reason we selected the Senate amendments to a very large extent is the fact that they raise more revenue. This is the only excuse for many of the items that are indefensible as matters of just taxation. We do not claim these rates are just or equitable. They are of emergent necessity, which the gentleman from Georgia so well described.

I heartily agree with my colleague on the conference committee, the gentleman from Illinois [Mr. Rainey], in his reference to the tariff items. The contribution that we will receive from those tariff items is largely a contribution from the New England and eastern section of the country. It is estimated the four tariff items will yield only six and a half million dollars, \$5,000,000 estimated from oil, and a million five hundred thousand dollars from the other three items too small to include a tariff in a tax bill.

They have but one merit, and that is they forestall any effort on the part of the Democratic Party to try to criticize the Republican Party for writing tariff planks in the future. [Applause.] Those items are contributed very largely by Democratic influence, both in the House, in the Senate, and in the conference, and they are not any feature fairly within the scope of a tax bill.

There are other very disturbing items to the section of the country which I represent, one of them particularly the tax on checks, but there again we were not dealing justly. We were dealing with the financial emergency needs, and when the Treasury Department and our experts told us there were \$78,000,000 to be secured from the 2-cent check stamp tax, we agreed to it. I think that in the long run the banking interests of the country will be satisfied with the method under which that tax is to be collected. It is a hard thing to put up to them at the present time, but nevertheless it is probably the most satisfactory in the end.

Now, we come to the gasoline tax. There is great dispute whether or not the gasoline tax is one that is fair for the States to levy or for the Federal Government to levy. Personally I always feel that any tax to be levied by the Federal Government takes precedence, and, therefore, I think the States should yield where necessary. It is a serious situation that in some States now, between the two taxes that we are levying in this bill on gasoline, and the taxes that you Democrats propose to levy in the Garner presidential candidate bill, that those intrude, under the theory of the States, upon their rights to tax gasoline. Some States now will reach nearly 10 cents a gallon on gasoline—an exorbitant tax.

I want to add in connection with the gasoline item that it is estimated it will bring in \$150,000,000 in revenue. Therefore, again, we were obliged to accept the rates in order to secure the desired balanced Budget.

The conferees were in absolute harmony. The 10 conferees worked, as you have been told, 14 hours practically steady on this conference report, and while perhaps the country may be giving the conferees some credit, we, in turn, want to give a large measure of credit to the experts who assisted us in that labor and that tremendously straining undertaking.

Possibly the House conferees may claim one outstanding credit, in that we insisted upon the maintenance of the exemption at \$2,500 for married men. The surtax and normal-tax brackets are indefensible other than on the ground

of emergency. It is as an emergency measure that the conferees appeal to the American people or those subject to Federal taxation to accept this bill in the patriotic spirit in which it has been written under the leadership of President

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks I desire to correct a reference made later by my friend and colleague from Massachusetts, Mr. McCormack. In the first place, let me say it was not according to committee etiquette that he should have referred to what transpired in an executive meeting of the Ways and Means Committee. It is true that in the first instance I voted for a tariff on imported oil and stated on the floor my reason for doing so. It was in effect that the citizens of Massachusetts were sufficiently patriotic to stand the burden of the expense. However, at a later date, when it became apparent that Members of the House were voting in a sectional way, it was only fitting that I should do the same, and I then announced that I should vote against the oil tariff. Let me add further that an argument was made by the acting chairman of the committee, Mr. Crisp, of Georgia, that by voting against the oil schedule in the bill we would gain votes on the floor. This proved to be incorrect, as we lost support through this oil tariff item. The effort, however, to secure support of the oil item in the committee was made by the Democratic chairman.

Mr. CRISP. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. McCormack].

Mr. McCORMACK. Mr. Speaker, I am sorry to hear my distinguished friend, the gentleman from Massachusetts [Mr. TREADWAY], unnecessarily inject into the debate a strictly partisan argument. Nobody has any greater respect for the gentleman than I, but I am sorry that on this occasion the gentleman saw fit to make the direct partisan references that he did.

The gentleman says that the tariff in the bill is due to the Democratic influence. I deny that allegation. Furthermore, such an allegation should not come from the gentleman from Massachusetts. The fault in this bill, as far as tariff is concerned, let me frankly state, lies with the Ways and Means Committee of the House. When a tariff on oil was put into the bill, and I opposed it, a journey was started which brought in coal, which later brought in lumber and copper. The vote on putting oil into the bill in the Ways and Means Committee was 15 to 9, and my friend, the gentleman from Massachusetts [Mr. TREADWAY], was one of the 15 who voted to put oil into the bill. [Applause.]

Therefore the gentleman is the last man in the world to criticize tariff in this bill or the manner in which the provisions came into the bill. Of the nine members who voted against including a tariff in the bill, eight were Democrats.

Mr. TREADWAY. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. TREADWAY. Does the gentleman care to explain in what manner the oil item was voted in? The conferences of the Ways and Means Committee in executive session are supposed to be confidential, but I am willing to have our records explained here.

Mr. McCORMACK. The gentleman from Massachusetts made the statement to the press that he voted for it.

Mr. TREADWAY. I will make this statement to my friend, with his permission, that under the leadership-

Mr. McCORMACK. I do not yield for an argument. If the gentleman wishes to ask a question, I will yield.

Mr. TREADWAY. Yes. Who proposed that we try to get votes in this House as a result of putting oil in?

Mr. McCORMACK. I know nothing about that.
Mr. TREADWAY. Well, I do. I know definitely and positively the gentleman from Georgia was the man.

Mr. McCORMACK. The gentleman can make that statement in his own time. If the gentleman starts making statements, there are likely to be recriminations, and I do not want to enter into that; because if such statements are made, they are liable to go on to the gentleman's side of the House. As far as the gentleman from Massachusetts is concerned, he is the last man in the House who shuold attack putting a tariff in the bill, because the gentleman himself voted for the tariff on oil in the Ways and Means Committee. [Applause.]

Mr. TREADWAY. Will the gentleman yield for a question?

Mr. McCORMACK. I do not yield any more. I only had five minutes.

Personally, I shall not vote for this conference report. I am going to vote against the conference report in order to have an opportunity to vote on the tariff on lumber and the tariff on copper. We can not get at coal and oil. Coal and oil were in the bill that passed the House, and the Senate has concurred. The only question involved is the differences between the two branches. We have never had a vote in this House on lumber and we have never had a vote in this House on copper. I think the membership of this House should be permitted to have a vote on whether or not we want to include four tariff provisions instead of two tariff provisions.

I voted for the manufacturers' excise tax. I still think it is the fairest and most equitable tax under existing circumstances [applause], but when that went out other taxes had to come in in order that the Budget might be balanced. I agree with the gentleman from Massachusetts, I agree with my friend, the gentleman from Georgia, and from the outset I have agreed with everyone else who has advocated that we should balance the Budget for the fiscal year 1933, but I have never thought that a revenue bill should be used for tariff purposes.

The gentleman from Massachusetts said the four tariff provisions will raise for the Treasury \$6,500,000, but he does not tell you how much it is going to cost the people of the country, which cost will not go into the Treasury but goes into the pockets of those who benefit from the tariffs.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from Nebraska [Mr. BALDRIGE].

Mr. BALDRIGE. Mr. Speaker, I hope we have calmed down, because this is no partisan talk I intend to give. I want to give some very interesting and important information to the Members of the House concerning a statement by Senator Reed, of Pennsylvania. It will prove very interesting to every Member here who comes from a district where they have dairies, creameries, or large pay rolls.

We did not put in the 2-cent tax on checks in the House. The committee defeated any sort of a proposition like that. However, the Senate did put in the 2-cent tax on checks, and at that time Senator REED made a most important and interesting statement with respect to the farm situation and in regard to the creameries, dairies, and in regard to large pay rolls, showing how the 2-cent tax on checks might not affect these institutions. I would like to read the paragraphs, because I think most of us are confronted with this problem back home, and I think it is very important that we meet the situation. The Senate, in passing this 2-cent tax, relied on Senator Reen's statements, and I know we can also.

On page 11420 of the RECORD, Senator REED said:

proposal to put a tax of 2 cents on a check of 50 or 60 cents, given to a farmer's wife in payment for eggs that she sells, is equivalent to a proposal to put a 4 or 5 per cent sales tax on that small transaction.

transaction.

I do not think anybody in this Chamber wants to accomplish that result, but I want to suggest that it is not a necessary result of the amendment reported by the Committee on Finance. As Senators will see, this check tax in section 741 applies only to drafts, orders, or checks drawn upon any bank, banker, or trust company.

Out in Ohio, I am told by the senior Senator from Ohio [Mr. Fess], there is at least one company which follows the practice of giving to the people who sell poultry and eggs an order for the payment of the money on a form such as that I hold in my hand,

drawn upon the drawer itself. This concern is called the Brownell Co., and they give this order:

Pay to the order of__

That is addressed to the Brownell Co., and marked "Payable at the Washington Savings Bank, Washington Court House, Ohio." I am told that those orders are given in very large numbers

the Washington Savings Bank, Washington Court House, Ohio."

I am told that those orders are given in very large numbers every day.

If they were drawn on the bank, they would take a 2-cent stamp, under the provision of this bill; but being drawn on this company, they are not taxable, and the Treasury would so hold.

At the end of the day all of these orders which have been honored at the bank are lifted by a single check drawn on the bank itself, and the purchaser pays the 2 cents on that check. So that it is perfectly possible for these farm cooperatives and for all purchasers of dairy products, poultry, and eggs throughout the country to use this form of order, which will not require any stamp; and I can say with confidence, because I have consulted the Treasury, that it would not require a stamp.

I am in full sympathy with the intention of the junior Senator from Nebraska [Mr. Howell] in offering his amendment; but I hope it will not be adopted, because the people he wants to protect can protect themselves, and the people we want to tax—you and me and all of us who draw checks in small amounts sometimes—might very well pay the 2 cents for convenience.

However, on orders in the form of that to which I referred, it is perfectly clear to me—and the Treasury agrees—that the order is not on a bank or banker or trust company, and consequently is not subject to the tax.

Mr. Reed. Mr. President, so that what we are saying may be understandable to those who read the Congressional Record, I ask that there may be put into the Record at this time the form of order about which I have been talking, which is nontaxable.

The Vice President, Is there objection?

There being no objection, the matter was ordered to be printed in the Record, as follows:

Main office

Washington C. H., Ohio

Main office

Washington C. H., Ohio

The Brownell Co., poultry and eggs. Highest price for quality.

No. 6951 ___193__

Pay to the order of _______ dollars
The Brownell Co.
Payable at the Washington Savings Bank, Washington C. H.,

Ohio.

Mr. Reed. Mr. President, having put into the Record a copy of the nontaxable order, I would like to have printed in the Record the bank check which takes up the many orders at the close of each day, and which, of course, would be taxable with a 2-cent stamp under the Senate committee amendment.

The that this he published in the Record at this point.

I ask that this be published in the RECORD at this point. The VICE PRESIDENT. Is there objection? There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The Brownell Co., eggs and live poultry

No. ___19__ Washington C. H., Ohio, _____ ___dollars For_____ The Brownell Co., Ву __

To the Washington Savings Bank, 56-366 Washington C. H., Ohio.

He thus shows the definite way checks can be drawn through the farmers' cooperatives, dairies, creameries, and how large pay rolls can be handled this way to eliminate the 2-cent tax on checks.

Now, gentlemen, I wish to call that to your attention, because I think it is important. In Omaha we have one creamery which puts out 1,200,000 checks every year. A small creamery in Superior, Nebr., puts out 750,000 checks a year, which will mean \$15,000 taken from that little community. Here is a definite way that the Treasury has agreed with Senator REED to handle the 2-cent tax on checks. You will find this at pages 11763 and 11764 of the CONGRESSIONAL RECORD of Friday, May 27.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BALDRIGE. I yield.

Mr. COCHRAN of Missouri. Is it not a fact that the conferees have agreed that the 2-cent tax shall be collected at

Mr. BALDRIGE. Yes; that is true, but the maker of the check pays the 2-cent tax in any event.

Mr. COCHRAN of Missouri. If the order is not drawn on a bank, the 2-cent tax does not apply to it at all.

Mr. BALDRIGE. Yes; that is correct.
Mr. WHITLEY. Will the gentleman yield?

Mr. BALDRIGE. I yield.

Mr. WHITLEY. Will the gentleman insert in the RECORD the form of order he has spoken about?

Mr. BALDRIGE. Yes; I have the form here and will put it in the RECORD.

[Here the gavel fell.]

Mr. BALDRIGE. Mr. Speaker, I ask unanimous consent to include herein a form of private check that is not taxable. The SPEAKER pro tempore. Is there objection to the re-

quest of the gentleman from Nebraska?

There was no objection.

The check is as follows:

[Sample check—not valid] THE NEW YORK CENTRAL RAILROAD CO.

To Edward L. Rossiter, Treasurer.

New York, N. Y., January 15, 1932.

Pay to the order of:

Payable at the option of the holder through—
1-67 Irving Trust Co., Lincoln Office, New York, N. Y.
10-2 The Marine Trust Co. (Bank of Buffalo Branch) of Buffalo,

29-1 New York State National Bank, Albany, N. Y.

Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. Mouser].

Mr. MOUSER. Mr. Speaker, the more I listen to the reasons actuating the distinguished conferees representing this House in agreeing to the present tax bill now before us for consideration the more I am convinced I was right when I was one of 64 who voted against it. I voted against the bill in order that we might again consider some of the objectionable nuisance taxes contained in that bill. If that bill was awful, this bill is terrible.

I can not justify adding to the burden of increased electrical costs to every consumer in this country. I can not understand why the utility has been relieved of that burden and the burden passed on to the consumers.

We say one of the causes of the present depression is because people have hoarded their money; they are afraid to put it in banks, because the banks may fail, and they have their money in deposit boxes in the banks. I want to say to you that this 2-cent stamp tax on checks will drive more money into hoarding; it will cripple and discourage business, and very little money will be paid out through the medium of checks. People will withdraw their money, put it into safe-deposit boxes, and go to the boxes and get the cash in order to pay their living expenses.

I want it understood that when I vote against this conference report to-day I am not voting against balancing the Budget, but I am voting for our conferees to go back and consult with the conferees of the Senate and not permit the Senate to dictate further obnoxious nuisance taxes into the bill. [Applause.]

I am glad we have one old-fashioned Democrat in this House, the distinguished majority leader, who will get up on his hind legs in the well of this House and say, "I am a Democrat, and I refuse to write into a revenue bill embargo tariff provisions." [Applause.] I think the majority Members ought to back up their distinguished leader and refuse to take a stand which can not help but injure the party they represent. The Republicans were not in control when these provisions were added. When it came to considering high protective rates, we have seen the Democratic House and the Democratic leadership, acting through their conferees, who constitute a majority of the committee, put higher embargo tariffs in this bill than have heretofore been written into legislation. I do not think it is going to be harmful for these distinguished members of the Ways and Means Committee who are conferees to again go back and discuss these controversial matters.

We have got the cart before the horse. How do we know how much money it is going to take to balance the Budget? Let us see how much economy we are going to put into effect, and then vote for a reasonable tax measure, not such an unconscionable tax bill as the one now under consideration. [Applause.]

[Here the gavel fell.]

Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from Minnesota [Mr. NoLAN]. [Applause.]

Mr. NOLAN. Mr. Speaker, I realize that no revenue bill can be passed which does not contain some provisions that are objectionable. The trouble with this bill is that it contains more objectionable provisions than are necessary.

The bill contains certain tariff items which are indefensible. Not only are they excessive but they violate the principle for which the Republican Party has long contended.

In 1930, when we had a general tariff revision, we provided a flexible-tariff provision which was expected to "take the tariff out of politics." The President, announcing that he would sign the tariff bill-New York Times, June 15, 1930-

On the administrative side I have insisted, however, that there should be created a new basis for the flexible tariff, and it has been incorporated in this law. Thereby the means are established for objective and judicial review of these rates upon principles laid down by the Congress, free from pressures inherent in legislative

Thus the outstanding step of this tariff legislation has been the reorganization of the largely inoperative flexible provision of 1922 into a form which should render it possible to secure prompt and scientific adjustment of serious inequities and inequalities which

scientific adjustment of serious inequities and inequalities which may prove to have been incorporated in the bill.

Without a workable, flexible provision, we would require even more frequent congressional tariff revision than during the past. With it the country should be freed from further general revision for many years to come. Congressional revisions are not only disturbing to business, but with all their necessary collateral surroundings in lobbles, logrolling, and the activities of group interests are disturbing to public confidence.

I believe that the flexible provision can within a reasonable time remedy inequalities; that this provision is a progressive advance and gives great hope of taking the tariff away from politics, lobbying, and logrolling.

* * *

If the revenue bill is passed containing these tariff provisions, it will show that the flexible provision has failed utterly to meet the situation. On lumber, one of the four items upon which tariff duties are imposed in the revenue bill, the Tariff Commission has made a thorough and exhaustive investigation of the foreign and domestic cost of production under the flexible tariff provision.

Only a few months ago, on November 9, 1931, the Tariff Commission rendered a report of their exhaustive investigation of lumber, which took 18 months and cost more than \$27,000 inclusive of the general overhead of the commission. They stated that on the basis of the facts as found by their investigation, there was no justification for increasing the duty on lumber.

The commission concluded its report by saying:

The commission obtained costs of production for the year 1929. This period was representative of conditions prevailing during several years preceding and also of conditions prevailing during 1930.

The commission finds that the facts with regard to the difference in costs of production, including transportation to the principal markets in the United States, of the domestic article and the like or similar foreign article produced in the principal competing country, as disclosed by the investigation herein reported, covering the year 1929, do not warrant a change in the duty of \$1 per thousand feet board measure, expressly fixed by statute on timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber not specially provided for; all the foregoing, if of fir, sprue, pine, hemlock, or larch. The commission finds that the facts with regard to the differ-

On December 2, 1931, the President of the United States approved this report.

The tariff on lumber included in the revenue bill overthrows entirely the findings of the Tariff Commission and the President's indorsement.

The existing flexible-tariff provision was advocated by the Republicans in both bodies of Congress, and in spite of this fact this proposed tariff has been supported in direct contravention of the findings of the Tariff Commission which were approved by the President.

Before the Senate Finance Committee, when Colonel Greeley, of the West Coast Lumbermen's Association, was testifying and pleading for a duty on lumber, Senator Couzens asked (p. 637):

What rule did you use to arrive at these rates which you ask for?

Colonel Greeley replied that the \$3 rate asked represented-

the difference in cost of production and the difference in exchange, plus a little extra benefit that we felt was due as an emergency measure on account of the unemployment.

Colonel Greeley produced no figures to show any difference in the cost of production, gave no substantial evidence of any advantage or disadvantage on account of the exchange, and his case therefore rests solely upon the "little extra benefit" which he feels is due the lumber industry.

The only new argument advanced by Colonel Greeley was the difference in currency exchange. On this subject, Robert L. O'Brien, chairman of the Tariff Commission, appearing before the Ways and Means Committee, made such a strong statement in opposition to any legislation based upon such differences that the Ways and Means Committee refused to report a tariff bill calculated to impose tariffs based on exchange. Apparently the only thing left upon which this levy can be based is "the little extra benefit" which the lumber industry wants at this time and seems able to obtain by means of logrolling and trading with the tariff advocates of other industries.

Knowing that there was no justification for the rates imposed, there was carefully included in the revenue bill a paragraph which provides that for the purposes of the socalled flexible-tariff provision the tariffs included in the revenue bill shall not be considered as duties (revenue bill, p. 240, lines 7-10). In other words, the rates are not to be subject to review by the Tariff Commission. Advocates of these tariffs are unwilling to go before the Tariff Commission and attempt to justify the rates. They are purely a logrolling proposition.

The tariff items included by the Senate are virtually embargoes; they will produce practically no revenue, and it is almost certain that they will start further retaliatory tariff measures on the part of our export customers. Such retaliation has been threatened, and will probably be carried through to enactment.

To adopt this tariff provision means a subsidy to the lumber industry and a hardship to the American consumer, and it will produce no revenue to help balance the Budget. The principal market for lumber is on the farm. The prices received for the products from the farm have been gradually going down, until they have almost reached the vanishing point. To impose this additional burden upon the farmer and the small-home owner will retard the return of prosperity and will benefit no one, not even those who expect to be benefited. I am opposed to this unjustified embargo against the principal exports of a friendly nation, with whom we have so long been doing business, largely to our own profit. [Applause.]

Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Speaker, may I express my thanks for the candor and the integrity with which the acting chairman of this committee, Mr. CRISP, of Georgia, to-day denounced the automobile taxes in this bill. The other day I called those taxes the meanest and the most merciless ever considered by an American Congress. On only one industry, the cleanest and most beneficent industry in the country, you have assessed in this bill about three-fifths of all the sales taxes in the bill. The sale taxes, as estimated by the American Petroleum Institute, are \$488,000,000, and about \$300,-000,000 of those taxes are on the automobile industry and its customers, the key industry of the country, and the one which is doing more in effort and sacrifice than any other industry in the country to cure unemployment and bring back prosperity.

In the last hours of this revenue bill in the Senate, on the very last day, the Senate increased the tax on the automobile industry 100 per cent by adding \$150,000,000 in gasoline taxes through a 1 per cent Federal tax. They took the taxes, as proposed by the House on automobiles, and increased them to three times the House taxes. In the Senate the auto taxes were increased in amount far over 200 per cent.

AUTO TAXES UNBEARABLE

There was already a tax of 100 per cent on gasoline and this tax was increased 25 per cent. There can be only one effect of this, and that is to cut down the amount of revenue derived from these taxes because they are so onerous.

In Tennessee, when sales taxes which were exorbitant were placed on the use of the automobile and on gasoline, many owners of automobiles went on strike and kept their automobiles in the garage. Of course, a boycott as a result of this tax would be very dangerous, as it would cut two ways, but I would not be surprised to see a boycott now of gasoline and to see citizens who are using gasoline use just as little as possible.

AUTO TAXES IN DETAIL

Of course, there is some dispute, as always, as to the amount of taxes which will be assessed because of these rates in this bill. The Treasury Department guesses and guesses again and changes its estimates almost from week to week.

But I estimate that the 3 per cent, 2 per cent, and 2 per cent taxes on automobiles, trucks, parts and accessories amount to \$55,000,000. Just recently the Treasury Department cut its guess to \$42,000,000.

My estimates and those of the Treasury Department agree on \$33,000,000 as the tax for rubber tires and tubes.

We both practically agree that the 1 per cent Federal tax on gasoline amounts to \$150,000,000 per year, but I contend that the amount will be considerably higher, and that 50 per cent of this tax will fall on the users of automobiles and trucks.

I maintain that lubricating oils will bring in \$35,000,000 per year, and the Treasury Department has recently cut its estimate to \$33,000,000.

I contend that a very large sum is assessed upon the automobile purchaser through the new tariffs on gasoline and oil and also through the tariffs on copper, lumber, and coal.

The most conservative figures which I have seen from the Treasury Department estimate the total new taxes on the automobile user as \$263,000,000, and I maintain that the amount is \$300,000,000 or over.

Thus I believe I am safe in saying that since the sales taxes in this bill are estimated at \$488,000,000, and the automobile industry and its customers are contributing \$300,000,000, that this one industry is taxed three-fifths of all the sales taxes in this revolutionary bill.

ONE-FOURTH OF WHOLE BILL

Since the amount declared to be raised by the bill is about \$1,121,000,000, it is clear that over one-fourth of the entire bill is assessed on the automobile industry and its customers.

MORE AUTO TAXES COMING

Moreover, the House Ways and Means Committee is proposing that the cost of the bond issues to be made necessary by the Garner \$2,309,000,000 relief and unemployment bill will come from an additional assessment of 1 cent per gallon on gasoline taxes.

May I presume that because of these burdens Acting Chairman Crisp denounces the automobile taxes in this bill? I particularly commend him for his fairness and frankness in stating that he was opposed to the new rubber tires and tubes tax which was put on the bill in the Senate and which is estimated to bring in \$33,000,000 per year.

This was a most violent and unfair tax, and I believe it will eventually prove that the tires and tubes tax will bring in more money to the Treasury than the 3 per cent tax on passenger automobiles.

THE FUTURE OF AUTO TAXES

Since Mr. Crisp and other members of the Ways and Means Committee have denounced these automobile, gasoline, and rubber taxes, it is fair to assume that when the time comes in the Ways and Means Committee to begin consideration of killing the burdensome taxes made necessary by the depression, they will be glad to extend mercy and clemency first to the automobile taxes.

It is difficult to estimate just how much damage the bill will do in its present form, as some of the levies are difficult

for me to estimate, but the tax on oil pipe-line transportation is estimated by the American Petroleum Institute to yield \$6,000,000 per year.

A CRUMB

Since the automobile users must be satisfied with crumbs, may I express my gratitude that the House conferees have insisted in killing the double taxation in the Senate revenue bill which arose from the fact that the finished automobile was assessed a sales tax in the Senate bill, and the Senate bill also provided for a heavy tax on rubber tires and tubes. This amounted clearly to double taxation, and we protested to the conferees.

The conferees killed the double tax features covering rubber tires and tubes and assessed one tax on them.

COMPETITORS JUBILANT

The revenue bill is very unfair in that it places three-fifths of the sales tax burden on the automobile industry and does not place any sales taxes on the automobile's competitors, such as railroads, vessels, airplanes, motor cycles, horses, buggies and wagons, and so forth.

This shows the bill is strictly discriminatory. Indeed, it might very well have been written by the relentless competitors of the automobile industry and could not have been more drastic.

THE WORT AND MALT TAXES

Another instance of favoritism and persecution in the bill can be seen in the brewers' wort tax of 15 cents per gallon, and in the liquid malt and malt sirup tax of 3 cents per pound.

Wort competes with liquid malt and malt sirup, and wort is assessed a 100 per cent tax, while malt sirup is taxed a much lesser percentage of its sale price. The wort people do not complain about the heavy tax so much as they do about favoring their competitor.

This tax may put out of business in Michigan a number of wort factories, employing hundreds of workingmen.

It should, at least, have the effect of causing the wort people to remodel their factories so that they will go into the manufacture of malt sirup, which is favored in the bill.

The present rule in the House to-day does not give a chance to amend the wort, malt, and sirup provisions, but they certainly should be amended to provide a just system of taxation of these commodities.

UNFAIRNESS EXPLAINED

Objection to the malt and wort tax as it has been amended by the Senate Finance Committee, section 601 (2), is that it is unequal and unfair to the liquid-malt manufacturers, by far the largest producers.

It is a fact, which must be understood, that malt sirup, malt extract, liquid malt, brewer's wort, and powdered malt are chemically identical products, all being derived from the same grains by the same methods and produced in the same type of equipment. All are adaptable to the same uses, and when sirup and liquid malt are used in the same manner for any purpose they will produce identical results, chemically.

There is a physical or visual difference in their appearance, however, which can best be explained as follows: In the case of milk there is whole milk, condensed milk, and powdered milk; or in the case of maple sirup there is maple sap, maple sirup, and maple sugar. In the case of malt we have liquid malt, malt sirup or extract, and powdered malt.

Each of the above being identical products in their group, but at different degrees of evaporation or dehydration. One being a concentrate, the other having that concentrate in a solution of water.

Both liquid-malt extracts and malt sirup or extracts are produced by the brewing industry, which has been divided into three groups; that is, brewers producing both liquid malt (wort) and malt sirup or malt extracts, those producing liquid malt (wort) only, and those producing malt sirup or malt extract only. (This division does not take into consideration whether or not a plant produces near beers.)

LIQUID MALT

Barley malt alone or barley malt plus an unmalted grain such as corn, and so forth, are placed in the mash tun, processed, the resulting liquor or wort is then run off into the tanks, where it is put in 5-gallon cans or larger containers and it is then ready for the market or for storage.

MALT SIRUP OR MALT EXTRACTS

Barley malt alone or barley malt plus an unmalted grain, such as corn, and so forth, is placed in the mash tun, processed, the resulting liquor or wort run off into the brew kettle, boiled, and hopped (or not hopped in rare instances), run to the evaporators, there concentrated by the evaporation of the water in the wort to the consistency of a sirup of from 32° to 42° Baumé, then packaged.

At the time the two products leave the brew kettle they are identical, each containing approximately 13 per cent of the grain sugars or solids in a solution of water. After evaporation the sirups or extracts contain at 42° Baumé approximately 80 per cent of sugars or solids, by weight, while liquid malt remains at 13 per cent of solids by weight.

In the House bill as it went to the Senate, a tax of 5 cents per gallon on liquid malt or wort, and a tax of 35 cents per gallon on malt sirup or malt extracts was proposed. This was a fair and satisfactory tax. The exemption feature in this bill, however, is a dangerous one from the viewpoint of revenue, as it is very possible that tax evasion on malt sirup alleged to be used for baking, industrial, medicinal, and so forth, purposes will amount to 50 or 75 per cent of the total amount of sirup or extract produced, while as a matter of fact and according to Treasury Department figures the total amount of malt sirup or extract which would fall under exemption was less than 7 per cent of the total amount produced.

The amount of sirup or extract produced in 1930 was 849,000,000 pounds, and of this amount only 52,000,000 pounds, or considerably less than 7 per cent, was used for baking, industrial, medicinal, and so forth, purposes, as covered in the exemption. It is also a fact that if the exemption clause were to be stricken from the bill it would affect the public in the amount of 1% cents per capita per year. If, however, the tax exemptions are left in the bill, and evasions indulged in to the extent of 90 per cent of the production of malt sirup or extract, which is the amount the sirup industry claims is used for purposes covered in the exemption, an alarming loss of revenue would result.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Speaker, I yield five minutes to the gentleman from North Dakota [Mr. BURTNESS].

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield for me to propound a unanimous-consent request?

Mr. BURTNESS. Yes; if it does not run against my time. Mr. LaGUARDIA. I ask unanimous consent that I may have 10 minutes in addition to the time heretofore agreed to during the course of the debate.

The SPEAKER pro tempore (Mr. O'CONNOR). The gentleman from New York asks unanimous consent that the time for debate be extended 10 minutes, to be used by him. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BURTNESS. Mr. Speaker, I yield to no one in my desire to balance the Budget at the earliest possible date. I think my record supports adherence to that view. Throughout the proceedings on this bill I supported, in the main, the recommendations of the Ways and Means Committee. I voted for the bill when it passed the House. I was also one of the very few Members from the great open spaces out in the Northwest who voted for a manufacturers' sales tax. I have never regretted that vote. When I see this conference report I know I was right, for the taxes now suggested are infinitely more burdensome to the people of my State.

I regret I can not vote for this conference report. If we reject it to-day, our conferees can improve it and report back on Monday or Tuesday. There are many items in the report which the conferees themselves have denominated on the floor under various names such as unjust, inequitable, yes, the gentleman from Massachusetts [Mr. Treadway] said indefensible, and they are in fact indefensible. I refer, for instance, to the tariff of \$3 per thousand feet on lumber-

brew kettle, boiled, hopped, then run to the racking or filling | not a protective tariff but an embargo one, indeed an absolute embargo that will not yield any revenue whatsoever but which may prove very costly to the consumers. Surely there is good reason for voting down this conference report, if for no other purpose than to instruct the conferees of the House to insist upon refusing to yield to the Senate provision with reference to that tariff item.

Involved in it is a matter of greater importance than the imposition of an unjustified tariff duty upon a product of our best customer, Canada. I refer to its effect upon the Great Lakes-St. Lawrence waterway project. I am reliably informed that negotiations for a treaty are well along. We hope they will be concluded soon. We can not afford to affront Canada to the extent this duty will do. Many sections will so resent it as to throw their influence against the waterway. The danger of defeating it by this duty is too great a hazard to assume.

Reference has already been made to the indefensible item with respect to bank checks. I do not know whether the gentleman from Nebraska [Mr. Baldrige] defended that item or not. If it was his intention to support it, he surely did a good job in behalf of those who regard it as indefensible, because he showed that the tax can be evaded by the large business interests of the country who can use orders payable at various banks without drawing checks upon the banks and pay all such orders by one check.

Surely, if it can be evaded in that way, the provision becomes one that will not yield much revenue, and such revenue as it will yield will come from those least able to bear the expense. There ought to be some way to instruct our conferees and say to them that when they make their next report to the House they shall at least bring in a provision which will not compel a tax of 2 cents on a check for a couple of dollars and provide the same tax on a check for \$100,000 involving some large transaction. A graduated tax, starting at 1 cent, increasing slowly and gradually with the amount, would have some merit; the present proposal has none. It will not only be burdensome but will result in hoarding to evade it.

Then, too, I want to protest against the Federal Government entering a field that I feel belongs to the States in the matter of taxation; and I refer, of course, to the tax on gasoline. The gentleman from Michigan [Mr. CLANCY] refers to the burden on the automobile industry. I think of the car owners, for they are the ones who will pay the tax on cars, trucks, tires, and accessories. Surely that will be great enough without also taxing gasoline. The cost thereof to North Dakota alone will be four-possibly five-times greater than our people's contribution in recent years to the Federal Government in corporation taxes and personalincome taxes. Why insist on such a discrimination on this class of citizens?

My friends, it is to the tax on gasoline that some of the States may have to turn in these times of decreased property values if they are going to protect the real property within their borders against confiscation by taxation, and if they are going to make it possible for the farmers to continue to carry on-to try to pay off their large debt burden in the present dear money as measured in terms of commodities they produce. But, lo and behold, the Federal Government now comes along and wants to invade this field of

Remember, a cheap car is a necessity on most farms; trucks are necessities in almost every line of business as well as on the farms; tractors are in general use, and consume gasoline which will be taxed under the Senate provision which we are now asked to agree to. If the cars and trucks themselves were not taxed under the bill when purchased, if repairs, accessories, tires, tubes, and even lubricating oil were not to be taxed, the situation would be different. You now propose to pyramid the burden so as to kill the goose that laid the golden egg.

I have heard no strong defense for another new item-the tax on electric energy for household and commercial use. Why single out these consumers?

I recognized that when a general manufacturers' excise tax with broad exemptions for food, clothing, and farm machinery was defeated, we would be compelled to impose more obnoxious taxes, but I believe none of you thought it would be as bad as the report confronting us. This bill will cost our farmers more in the tax on gasoline for their cars, trucks, and tractors than the manufacturers' excise tax proposed would have done. In addition they will have some 15 other sales taxes to pay, to say nothing of increased postage and

Let us vote down the conference report and by Monday or Tuesday we will have one with at least a few of the most objectionable features removed.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Speaker, I yield three minutes to the gentleman from Michigan [Mr. Person].

Mr. PERSON. Mr. Speaker, I rise to oppose the confirmation of this report with great reluctance. I represent in my district probably 80 per cent of the automobile industry of the country. I have in the district 18 of the largest automobile plants in the country, and I can not, in justice to my district, stand here and keep silent on this tax.

You will note that under this tax as it comes from the Senate the tax on passenger cars, trucks, parts, and accessories is \$55,000,000; on tires and tubes it is \$33,000,000; on oils it is \$35,000,000; and on gasoline it is \$150,000,000, raising the total tax that applies to this industry to the sum of \$273,000,000.

Now, just what does this mean? It means that the tax on the automobile industry is 22 per cent of the entire new tax. It means also on the basis of valuation an average tax of 25.44 per cent per annum on motor-vehicle property. How close is this to confiscation? Here is an industry that in normal times furnishes employment to 4,000,000 people.

Here is an industry that in normal times furnishes a dinner pail for from 15,000,000 to 20,000,000 people. [Applause.1

I am not pleading especially for the industry itself; I am pleading for almost one million and one-half of people in my district who are directly or indirectly relying on the automobile industry for their existence. I am pleading for labor and for the small business man. The automobile industry is the one industry which seems to be "on the spot" at the psychological moment. It asks nothing from government, it is ready to finance its own operations. It is the one industry that has the courage to go ahead. It desires to-morrow to draw its pay checks and pay its weekly wage. It desires to-morrow to begin to fill the dinner pails of the country. It stands at scratch, ready to go, and it asks that it be not hamstrung before it starts and compelled to go limping down the course.

If there is any industry on earth that answers the kind of search which we are making to solve the unemployment problem, it is the automobile industry, and it asks nothing except that it be allowed to go. It is the one industry which helps to revive all other industries. So far as its raw material is concerned, it draws that raw material from every single State in the Union. It uses coal and coke, iron and steel and tungsten. It uses cotton, it uses wool, it uses flax, it uses paints and varnish and petroleum and rubber and lumber and copper. As you call over the list of States and their products you will find that each State furnishes its quota of raw material which goes into the finished car or truck, and so far as this industry has the breath of life it breathes it into every other industry and into every State-north, south, east, and west.

I would like to say one more thing, if I may, in reference to accessories, repairs, and tires. I have a small home here in Washington instead of rooms, and before I left there this morning there came to my house the ash man, the garbage man, the laundryman, and the grocery man, and each one of them came in an automobile. If 20 people call at my home to-day, they will all come in automobiles. If I went back to my law office and then to the court room to-day, the judge would come to the court room in a car, as would the clerk and the other officers of the court; each member of the jury would come in a car, and all of the witnesses

would come in cars. To tax the automobile and the truck to-day is the same as taxing the buggy and the wagon in the old days. To tax accessories and repairs to automobiles and trucks to-day is exactly the same as taxing the clevis, the whiffletree, and the neck yoke or the harness in the old days. To place a special tax on tires to-day is like putting a tax on horseshoes in the old days; and even in the great distress of the Civil War this Government did not feel called upon to go as far as that.

I desire to read a letter from Mr. Thomas P. Henry, president of the American Automobile Association, and a telegram from Mr. Roy D. Chapin, chairman taxation committee of the National Automobile Chamber of Commerce, each of which sets forth the situation clearly.

JUNE 3, 1932.

Hon. JAMES W. COLLIER

Hon. James W. Collier,

Chairman House Ways and Means Committee,

House Office Building, Washington, D. C.

My Dear Mr. Collier: Because of the great interest you have manifested in the taxation of motor vehicles, I trust you will see fit to call the attention of your colleagues on the conference committee on the revenue bill to the burdensome, discriminatory, and disproportionate character of the levies imposed on highway

transport in the measure now pending before you.

In the aggregate, the motor taxes in the bill passed by the Senate amount to \$273,000,000, divided as follows:

Tax on passenger cars, trucks, parts, and accessories__ \$55,000,000
Tax on tires and tubes_______33,000,000 Tax on lubricating oil___ Tax on gasoline____ 35,000,000 _ 150, 000, 000

These taxes constitute 22 per cent of the total new revenue to be raised. We earnestly believe that this is out of all proportion to the ability of motor-vehicle owners to pay under existing conditions. It means an increase of \$10.58 in the average per vehicle

tions. It means an increase of \$10.58 in the average per vehicle tax, which will raise the 1931 national average tax from \$39.74 to \$50.32. On the basis of valuation, it means an average tax of 25.44 per cent per annum on motor-vehicle property. It should be apparent that such a rate of taxation on any form of property is inequitable, if not confiscatory, even in an emergency.

In the bill passed by the Senate the taxes on highway transport approximate the burden originally allotted to the users of motor vehicles by the Treasury Department. As Senator Vandenberg, of Michigan, pointed cut on the floor of the Senate, it is notoriously a fact that in seeking for new sources of revenue the Treasury Department has over a period of years turned first to the automobile. It is difficult to escape the conclusion that there is an ulterior motive, perhaps solicitude for the railroads, behind the ulterior motive, perhaps solicitude for the railroads, behind the willingness of the Treasury to shackle motor transport. It would be most unfortunate if the Congress of the United States should fall in line with such a policy.

The inclusion of a Federal gasoline tax in the revenue bill, even-for one year, is particularly objectionable and in our opinion un-wise. This field of taxation has been already overexploited by the States. In some States this tax is now close to 100 per cent of the retail price of the commodity. The high rates have led to tax evasion on a gigantic scale, all of which will be aggravated by the proposed Federal tax.

It is particularly important to bear in mind that close to \$2,000,-000,000 of State and county road bonds are now outstanding and that the liquidation of these is predicated to a very considerable extent on State receipts from gasoline-tax collections. The demoralizing effect of a Federal tax can not but jeopardize these heavy bond issues and is a matter of grave concern to State officials.

Some legislatures have in recent months refused to increase this some legislatures have in recent months retused to increase this tax even as a means of relieving unemployment, because they recognized that the rates in effect are already exorbitant and that the law of diminishing returns is manifesting itself in no uncertain way. The fact that the States, facing serious budget deficits of their own, should show hesitancy in raising the gasoline-tax rates, ought to serve as a warning to the Federal Government against even a temporary incursion into this field.

I need not go into the difficulties that millions of motor-vehicle owners, urban and rural, are having to-day in maintaining their means of transportation. The facts are available in the records of the House Ways and Means Committee and the Senate Finance Committee. In view of these facts, it is difficult to believe that the conferees on the revenue bill will finally approve levies that even their sponsors admit are discriminatory and oppressive.

These thoughts are respectfully submitted, with full appreciation of the difficulties confronting you and your colleagues and of your desire to avoid the working of hardships on any element of the population or on any industry.

I am. Yours very truly,

THOS. P. HENRY. President.

[Telegram]

JUNE 2, 1932.

Hon. JAMES W. COLLIER,

Chairman House Ways and Means Committee,

House Office Building, Washington, D. C.:

Tax bill you are now considering in conference places over 25 per cent of the total burden on the motor user, who is already

loaded down by staggering State and municipal special taxes amounting to over a billion dollars annually. The total of the new Federal gasoline tax, the tax on cars, trucks, tires, parts, accessories, and lubricating oil, the Treasury estimates, will amount to \$273,000,000. The motor industry feels that the tax bill should be passed promptly and the Budget balanced to restore confidence, but if any reduction is to be made in conference, then Congress owes it to the country to reduce or eliminate certain of the automobile rates and help us in our battle to restore employment in the country's largest industry, not only at the factories but in every section of the country.

(Signed) ROY D. CHAPIN,

(Signed) ROY D. CHAPIN,
Chairman Taxation Committee,
National Automobile Chamber of Commerce.

For these reasons, with great reluctance and realizing the emergency which we face, I feel that I must vote against the confirmation of the committee's report, with the hopes that a new conference will eliminate the injustice being inflicted on this industry by the tax as it now stands.

Mr. CRISP. Mr. Speaker, I yield to the gentleman from Kentucky [Mr. Vinson] such time as he desires.

Mr. VINSON of Kentucky. Mr. Speaker, I do not believe that any Member of the House has spent more hours in the preparation of this tax bill than I have. Due to the fact that the bill is a Senate bill, changing the entire scheme of taxation, I find that I am unable to support the conference report.

As a member of the subcommittee submitting the alternative proposals—after the defeat of the sales tax we had importunities to insert many of the taxes to which I now object. We refused to do it. Likewise, the full committee and the House refused to enter into these fields.

The Treasury recommended the tax on checks, gasoline, and electric energy. The subcommittee, the full committee, and the House refused to accept their recommendation. In the last throes the Senate taxed gasoline and checks. It likewise placed a tax of 3 per cent on electric energy produced by private enterprises to be paid by the vendor. In conference the Senate provision was amended to provide the payment of the tax to be made by the consumer.

I do not think it is necessary to tax gasoline—which has always been a source of revenue to the States—checks, or electric energy, to be paid by the consumer.

I was a member of the subcommittee dealing with the administrative features of the bill. The changes in the existing law as proposed by said subcommittee made a yield of \$100,000,000 to the Treasury. Many of the administrative features of the bill as it passed the House have been materially changed, and many millions of dollars thereby lost to the Treasury.

In opposing the conference report one does not oppose the balancing of the Budget. Opposition to the conference report is the only method of securing an opportunity to defeat the tax on checks, gasoline, and electric energy to be paid by the consumer, together with other specific taxes and administrative changes to which I do not agree.

According to the conclusions of the experts and the conclusion of the House committee, the Budget was balanced as it passed the House. There were many items stricken from the bill in the Senate which returned a tremendous yield. For instance, the tax on stock transfers—one-quarter of 1 per cent—was estimated to yield some \$75,000,000. Another item carried \$88,000,000. These items, together with the administrative changes and the retention of the rates of the House upon certain commodities, would have exceeded the yield of the three specific items to which I have referred; that is, checks, gasoline, and electric energy payable by the consumer.

As I said in the beginning, the bill, in its present form, is almost a new bill. It changes the theory of taxation adopted by the House. It has discarded the idea that capacity to pay is a real criterion in the selection of the taxes to be imposed.

Mr. CRISP. Mr. Speaker, there are many Members of the House who desire to extend their remarks in the Record, and therefore I ask unanimous consent that all Members of the House may have five legislative days in which to extend their own remarks on the conference report.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Speaker, I yield 14 minutes to

Mr. CRISP. Mr. Speaker, I yield 14 minutes to the gentleman from North Carolina, Mr. Doughton.

Mr. DOUGHTON. Mr. Speaker, I am willing to concede, and I believe in, the patriotism of every Member of this House. Therefore it is not a question of patriotism but a question of judgment with reference to this matter of taxation which we are now considering. I have no apology to make for my position with reference to the manufacturers' sales tax. [Applause.] That has been referred to in the discussion to-day, which I think was unnecessary, and I wish briefly to refer to that phase of the matter.

The manufacturers' sales tax was first proposed in the Ways and Means Committee, and I violate no confidence when I say that as far as my recollection bears me out, there was not a single member of that committee who favored a manufacturers' sales tax. The distinguished member of our committee and the acting chairman, the gentleman from Georgia, was one of the first, if not the first, to rise in his place and say that he was very much opposed to a manufacturers' sales tax.

Now, the fact that he changed his mind later is no reflection on him and I have no criticism of him on that account. I know that as far as a manufacturers' sales tax is concerned I have been consistent. [Applause.]

If those who have prepared this bill had for their sole purpose preparing a bill that was as nearly as possible as indefensible and unjustifiable and inequitable as the manufacturers' sale tax, I will say that they have succeeded to a large extent. There is no doubt about that.

Now, as much as I would like, I can not support this conference report.

The gentleman from Georgia, the distinguished acting chairman of the committee, referred to the fact that the conferees of the House fought to retain many provisions of the House bill, which were eliminated by the Senate. I can not understand for the life of me how any great opposition could have been offered or any strenuous fight made on a bill containing as many items as were in dispute, when the work of the conferees was concluded in one day.

My friend from Georgia referred to the fact that he was adamant in not yielding against the provisions in reference to the consolidated and affiliated returns of corporations. Well, if he was adamant, why did not his opposition and that of the House conferees retain some of these other House provisions in the bill?

My two objections to the conference report are, first, the tax on checks, the most objectionable, indefensible, unwarranted provision, and for which there is neither necessity nor excuse.

It bears no relation whatever to ability to pay. There can be no justification for it, whereas so far as the matter of consolidated and affiliated returns are concerned, against which my good friend from Georgia [Mr. CRISP] stood adamant, there was a division of opinion in the Committee on Ways and Means. When it came to the matter of a stamp tax on checks there was no argument. There was no division among the members of the Committee on Ways and Means with respect to that. Each member was unqualifiedly and unconditionally opposed to a stamp tax on checks. It was not in the bill when it was reported to the House. Yet there was not sufficient opposition to it by the House conferees to keep it out of the bill. We talk about inflation and deflation and preventing hoarding of money. What will do as much injury to banks, and through the banks to communities and industries in the country, as a stamp tax on checks? It will cause those who have deposits in banks to draw out their money. Take, for instance, a man who runs a creamery or one who purchases produce and gives hundreds of checks every day in amounts all the way from 79 cents up to ten or fifteen dollars, who has a roll of checks at the end of the month numbering one or two thousand. The stamp tax on the checks will amount | distinguished gentleman from Georgia [Mr. CRISP], if he to much more than all of the profits he can possibly make in his business. It will mean that many of those who have deposits in banks will draw their money out and hoard it, and it will do more to promote hoarding and cripple the banks than any other provision in the bill. And yet we expect to start the country on the road to prosperity while taking the very steps that will have a deflationary effect and which to that extent will cripple business. Of all the unjustifiable taxes-which the Ways and Means Committee members were all against, not a single member favoring itthat is the most iniquitous, the most unjustifiable, the most unfair, and the most burdensome, and will be the most harmful of all of the taxes proposed in this bill.

The next tax that I would say is the most unjustifiable and unreasonable and indefensible is the tax on gasoline. This is one field of taxation that the States have preempted. and if they have not already placed all of the taxes that the traffic will bear, if gasoline can stand still more tax-and possibly it could in some States—then that field should be left to the States.

We have a tax in our State of 6 cents a gallon on gasoline, and with it we are paying interest on our bonds and setting aside a sinking fund to pay our bonds and also maintaining our roads. This is all done out of the tax on gasoline. If gasoline could possibly stand 1 cent a gallon more tax, our State-and I think it is true of every other State in the Union-is entitled to that additional tax. This is one field of taxation that the Federal Government should have left entirely to the States.

Mr. SCHAFER. Does the gentleman favor a gasoline tax such as is embodied in the Garner public works bill?

Mr. DOUGHTON. That would take an hour to discuss. Is the gentleman in favor of doing anything for the unemployed? It is said that we must balance the Budget, that our legislation must be sound; but if we are to embark on a program of relief for the unemployed and to prevent destitution, starvation, and nakedness, we must finance the matter in some way; and if the handsome gentleman from Wisconsin has a better method, I am sure that Members of the House will favor it.

Mr. SCHAFER. I have a better method. Tax beer instead of gasoline.

Mr. DOUGHTON. I decline to yield further. It is certain that we will have to impose many taxes that are burdensome, and that would be unjustified; but, as my good friend from Georgia [Mr. CRISP] said, we are experiencing a condition now even worse than war. However, in levying a tax on the American people and raising billions of dollars, we should not get away from all sound principles of taxation. We should not ignore the well-established principle that taxes should be levied in proportion to ability to pay; and while there are many taxes in this bill that could not be justified in normal times, these taxes I have mentioned are the ones against which I would inveigh most emphatically because they can not be justified at any time.

Oh, they say, what is the remedy, what have we left to tax? We have the normal tax on dividends of corporations, which has been stricken out, and the tax on stock transfers, which has been reduced, and had we not reduced certain excise taxes carried in the bill we would have had adequate revenue to balance the Budget, according to the estimate of the Treasury Department, without imposing these taxes I have mentioned. I know they insist upon having the bill passed, but we have gone on this long, and could we not take two or three days more and send the bill back to the conference committee, where every disputed item and every item under controversy could have proper consideration? With all due respect and without criticism to the members of the conference committee, everyone knows that it is impossible to consider all of the items in dispute in this bill between the Senate and the House concerning which there was disagreement in such a short time. We have lost everything and gained nothing, according to the statement of our distinguished majority leader, Mr. RAINEY. If this conference report can not be supported by him, who knows more about it than any other Member on the majority side save the

can not support as earnestly as he desires to do so because of its tariff provisions which should have never gone into the bill, and no doubt because of other unjustifiable and inequitable provisions, is not that sufficient reason why the conference report should be sent back to the conference committee? Let us take two or three days more for the committee to consider item by item every disputed matter in the bill, in the light of the objections interposed on the floor of the House by Members who can not consistently support the conference report.

We all desire to help balance the Budget and do it as speedily as possible, but in doing that we can not violate our consciences nor our judgment; we can not support a bill for which there is no reasonable justification. I do not believe any Member of this House can justify some of the provisions of this bill except by the statement that the exigencies of the occasion make it necessary. The Budget should be balanced by sound and equitable taxes and not those that are utterly indefensible. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

Mr. CRISP. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LaGUARDIA. Mr. Speaker, I was very much amused at some of my colleagues on the Republican side of the House who were so vociferous, so constructive, and so statesmanlike in their advocacy of the sales tax, now seeking an avenue of escape, and on the eve of an election taking the floor and voting against the tax bill. I can not forget their selfpraise of their own patriotism as they pleaded for a balanced

I have no fault to find with anyone who fought the tax bill all the way through. I would like to see anyone draw a bill of this size that is satisfactory to every section of the country and satisfactory to each individual Member of the House. It can not be done. But I say to you gentlemen who have been trying to balance the Budget, here is your chance. Vote for this bill or forever keep silent on Budget balancing.

Of course, the bill is not satisfactory to me, but I never hoped, in my fondest dreams, to get an income tax and an inheritance tax and a gift tax, such as is contained in this bill. [Applause.] There has been all of this talk about a revision of the tax next winter, but let the word go out that the first revision of the tax will be to eliminate the obnoxious taxes, such as stamps on checks and the tax on gasoline, but that the income tax, the inheritance tax, and the gift tax are going to stay as the permanent taxing policy of this country. [Applause.]

That is why I am supporting this report. But I predict here and now that these excise taxes included in this bill will be made as obnoxious as possible to the American people. Not only the application of them, but the administration as well will be made as nearly intolerable as possible so that the people will rise and cry out against them. All this will be a part of the lecherous and systematic propoganda already under way for the enactment of a general manufacturers' sales tax at the next session of Congress. There is no need to fool ourselves about this. The same sinister interests that fought to the last ditch for the inclusion of a general manufacturers' sales tax in the present revenue bill will return as large as a cootie flock to vex the next session. There is no use trying to deceive ourselves. There is a widespread and vicious campaign on foot to make the poor and the working classes bear the cost of government. The salestax agitation is accessory to this campaign and part of it. The interests that promote this campaign to escape their just share of taxes will stop at nothing. They will see to it that the administration of the present tax bill, free as it is from general sales taxes, will be made as great a nuisance as possible to the people of the country.

Let me illustrate how unfair, how heedless of the facts this cry for a sales tax is. I want particularly to address myself to the Representatives from the automobile-manufacturing districts who took the floor to-day and stated they could

not support this report because of the unfair burden on the | our activities to clean the public-utility companies, to preindustry in their district, the automobile, but that they would have supported the sales tax.

On page 243 of the bill as agreed to in conference, section 606, you will find the automobile tax. It is one-quarter of 1 per cent less tax on trucks than it was in the sales tax. It is three-quarters of 1 per cent more on passenger cars than it was in the sales tax, and it is one-quarter of 1 per cent less on accessories to automobiles than it was in the sales tax.

Mr. PARSONS. Will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. PARSONS. Will the gentleman tell us who is for the sales tax? Who is supporting it?

Mr. LaGUARDIA. With the exception of the gentleman from North Carolina, almost all the speeches made to-day against this bill are made by advocates of the sales tax.

Mr. PARSONS. Is the President for the sales tax?

Mr. LAGUARDIA. Yes. Finally we hear that he is.

There is one provision in this bill that has not been referred to, and I am sure the gentleman from Georgia will explain it before the time has expired. That is the tax on electrical energy, either to consumers or to manufacturers. It seems to me that the provision that is now contained in the bill as far as the conferees are concerned is ultra vires, entirely. The conferees exceeded their authority. They had no right, no authority, to take the tax from the power companies as provided in the Senate bill and place it on the consumers. Surely there was no such provision in the House bill, and the amendment contained in the bill to-day is not in keeping with the provision as written by the Senate. I do not believe the Senate will approve that. It is their amendment and I sincerely hope they will reject the change written into it by the conferees. The consumers should not pay the tax. I think, perhaps, the time of making a point of order is past unless the point of order was reserved at the time the gentleman from Georgia reported the bill.

Mr. COCHRAN of Missouri. Will the gentleman yield? Mr. LAGUARDIA. I yield.

Mr. COCHRAN of Missouri. Just before the Senate adopted that provision there were two separate votes upon the very item that the conferees put in this bill, and on both occasions the Senate rejected the language that is in the bill.

The tax on power, should it remain as now wrongfully written into the bill, certainly can not remain in the revenue law very long. We are sure either to repeal it by joint resolution this session or the first thing next session. Congress can not permit the power companies, who have been controlling State legislatures and writing their own law, to dictate and write national legislation. They have been doing their dirty and slimy work long enough. After the exposures from the investigation of the Federal Trade Commission, decent people of this country had hoped that the Power Trust, the local power companies, the gas companies, and the electric-light companies had been shamed into respectability and honest trade practices. It seems that they have not. When I say Power Trust I include the local power company, the electric-light companies, and the gas companies-I mean each of them, and I say this because of the constant propaganda of these same people who charge that the reference to a Power Trust is indefinite and vague. Yes; it is not so long ago that Mr. Insull was shouting from the roof tops. It is not so long ago that people in high offices right here in Washington were doffing their high hats to the great Mr. Insull. Reference has been made right here on the floor of the House to this man Insull and his great genius for organization and his great genius for financing. Yes; financing, using bought-up political power and paid publicity to sell his securities made worthless by vicious financial manipulation. Let some of the defenders of Insull stand up and defend him as they did before the crash of his companies. Let some of the high officials who fraternized with him come to his defense. As time goes on, those of us who publicly used for the public good the information that we have had on the power and utility gang will be justified in

vent legalized exploitation of the consumers, and to avoid excessive rates on power, light, gas, and heat, now necessaries and indispensable in our present living conditions.

Personally, I doubt the legality of the provision of this tax paid by the consumer and collected by the company. I will look into that later. In the meantime I would like to have some of the sponsors of the provision prepare themselves to answer just what would happen if the consumer refuses to pay the tax. Could the company shut off service if he paid the rate provided for in that State for power but refused to pay the tax? That is something to think about. Suppose the company in turn does not pay the Government? Can the Government sue the consumer? Can the Government seize the property of the utility company, thereby shutting off service to the consumer? That is something more to think about. The last word on this provision has by no means been said. It is coming back, and sooner than the power crowd and their servants in Washington realize

Mr. LaGUARDIA. I will say to my colleague that I think the Senate will reject it again. Of course, that will eliminate it from the bill. To-day, as far as the House is concerned, we have either to vote this conference report up or down. By reason of the critical condition of the country and by reason of this cry for balancing the Budget, I am going to vote to support the conference report, because this does balance the Budget with a vengeance. They wanted it. They got it. Let them have it. [Applause.]

Of course, I do not agree to the lumber tax. The matter was submitted to the Tariff Commission only this year. They rendered their report in the early part of the year, and we are helpless on that; but, gentlemen, I have some very interesting figures on the wages paid in the lumber industry. I asked the Department of Labor to investigate those figures for me. They have confirmed them, and the minute that this lumber tariff goes into effect I am going to publish those figures. The purpose of the tariff is to pay the American standard of wages, and I will publish those figures and let the lumber industry pay the American standard of wages.

[Applause.]

Let me mention another phase of taxation: National prohibition is at an end. All that remains for us to do is to perform a few last sad rites and then look forward to the future. There is small doubt but what the repeal of prohibition will bring to the National Treasury enormous revenues. The same venal interests that have tried so intensively and so unsuccessfully to date to eliminate income taxes from our national tax schedule will make every effort to divert the impending liquor revenue to the cancellation of such income taxes. We will then face a fight as bitter as the recent effort to force a general sales tax down the throats of the American people and with the same lines drawn. But there will never be, and can never be, a sound system of taxation that does not rest on the taxation of incomes. It is not only necessary for revenue purposes but it is indispensable from a social standpoint. If we lose sight of ability to pay as a factor in taxation, we have no alternative but to bleed the weak and trample further on the interests of the working people while further exalting privilege and wealth. I say, we will have that fight when legalized liquor returns.

Finally, in this tax bill I am at least happy that we have got 1 cent more a share on the transfer of stocks, and I am glad that the conferees accepted the transfer tax on bonds. I recommended that before the Ways and Means Committee. We have something, at least we have a tax on the loan of stocks on short sales, but I will say, Mr. Speaker, when the time comes I want to appeal to the Members of the House to study the facts. There has been more deliberate lying on the stock-transfer tax than on any item in this bill, or in any tariff bill ever written. I appeal to the membership of the House to study the facts and get the truth on stock transfers, the procedure, the methods, the customs; compare it with the English taxes, compare it with the Canadian taxes, and I am sure that at

the very first opportunity we have we can vote out the stamp tax on checks, and vote a one-quarter of 1 per cent or an eighth of 1 per cent on all stock transfers. [Applause.] [Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from South Dakota [Mr. Williamson].

Mr. WILLIAMSON. Mr. Speaker, I have always been opposed to a sales tax, and one of the first speeches I made in the House was in opposition to the sales tax which was proposed in 1921. I do not believe in it now; but if there is any one thing that would come nearer driving a man to voting for such a tax than the provisions of this bill, I do not know where you would find it. So far as the midwest is concerned, we would be better off with a general manufacturers' sales tax than we shall be if this bill as reported by the conferees goes through. The original House bill, with its comparatively high sales tax rates, as contrasted with its income, inheritance, and gift tax rates, seemed to me unjust to the consumers of the country.

I voted against the sales tax when this bill was under consideration in the House but supported the bill in the form it took when ready for final passage. The principle of the general sales tax was eliminted and the special and other taxes that took its place were fair and moderate. The bill as it went over to the Senate was much better than the one that has come back to the House.

I recognize the fact that changes in economic conditions and in the estimates of the Treasury made it necessary for the Senate to find taxes in addition to those which were levied by the House, but it has taken from the bill some of the taxes we sent over, which were infinitely preferable to what we have in return. For instance, take the tax on lumber. Here we are placing a tax of \$3 a thousand boardfeet on lumber, which in addition to the existing tariff makes \$4 a thousand. That tariff, as has already been stated by the gentleman from Illinois [Mr. Rainey], is absolutely prohibitory. It amounts to an embargo and will certainly result in establishing retaliatory tariff measures by Canada.

Our trade with Canada is about the largest of that of any country to which we ship merchandise. It is going to be seriously affected by this outlandish tax on lumber.

It should also be remembered that the American farmers to-day need to put up improvements of every character, and require much lumber for repairs. They will be in the market for large quantities of lumber when conditions improve to a point where they can get into the market for anything. This is going to levy a tax upon the farmer at the rate of \$4 a thousand upon his lumber, which is a prohibitory tax, and which will make improvements in most cases utterly impossible.

Mr. BURTNESS. Will the gentleman yield?

Mr. WILLIAMSON. I yield.

Mr. BURTNESS. I know the gentleman is interested in the Great Lakes-St. Lawrence waterway project. What has the gentleman to say with reference to the effect the lumber provision will have upon the negotiations now nearing conclusion between the Dominion of Canada and the United States on that project?

Mr. WILLIAMSON. I may say to the gentleman from North Dakota that I think it is a serious question whether that treaty will ever be signed by the Canadian Government if this item goes into effect—at least not until the obnoxious tax is repealed.

This item should be removed from the bill; and if there were no other reason for objecting to the conference report, it should be rejected with instructions to delete this tax. It can not possibly be justified upon the difference in the cost of production here and in Canada. It would appear that the advocates of the sales tax have made the bill just as obnoxious as possible to force favorable consideration for their pet tax. We are intensely interested in the St. Lawrence waterway project. It means much to the Northwest.

I fear this proposed tax on lumber is going to be fatal to securing such a treaty with Canada in the immediate future. It is unfortunate that as we are nearing the goal which

would permit this development that it should be jeopardized by this unfriendly act.

The gentleman from North Dakota referred to the gasoline tax. All the States of the Union to-day are levying a heavy tax upon gasoline. It has been preempted by the States. In many cases it is the only source of revenue they have for road construction and maintenance, and the Federal Government ought not to step into this field.

Is it not enough that we have levied a heavy tax on trucks, automobiles, and parts, without piling on top of it a tax on lubricating oil and gas? This tax will cost South Dakota \$1,500,000 a year; and if the Garner relief bill goes through with its cumulative one-fourth cent a gallon on gasoline, there will be an additional \$375,000 to pay. To cap the climax a 2-cent tax on checks is added to the already heavy burdens of the little fellow. No discrimination is made between the small check and that for a \$100,00. There are no exemptions.

Those who will may sponsor these taxes. I do not propose to do so. I agree that the Budget must be balanced, but there are less obnoxious and harmful ways of doing it.

Mr. TREADWAY. Mr. Speaker, I yield four minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, every Member of the House who has spoken on this conference report has either apologized for it or has told why he was going to vote against it. The House has never before been confronted with so unusual a situation. Mr. Rainey, the distinguished minority leader of the House, referred to the bill as a "logrolling mess," while Mr. CRISP, of Georgia, the acting chairman of the Committee on Ways and Means, apologized for the report and contented himself by saying "it was the best they could do." The distinguished gentleman from Massachusetts, Mr. TREADWAY, said the report was "indefensible," and Mr. LaGuardia, of New York, said he was going to vote for it because it balanced the Budget "with a vengeance." This is the first time in my 20 years' experience in the House when legislation was publicly recommended for passage because it did certain things "with a vengeance." The gentleman from New York [Mr. LaGuardia] is undoubtedly referring to the estate-tax provisions and the income-tax rates embodied in the report which is before us. It certainly 'soaks the rich" as well as the poor with a vengeance, and it would require no prophet to predict the failure of the bill as a revenue producer, because it kills all of the geese that ordinarily lay the golden eggs. In a year from now there will not be any rich to soak, because initiative and constructive gain is destroyed in the tax bill about to be enacted into law under the guise of a "balanced Budget."

It is not so long ago when our distinguished Speaker, Mr. GARNER, stood down here in the pit of the House while indorsing this revenue bill, and I recall distinctly his melodramatic words when he called upon his colleagues in the House to "for God's sake have the courage to substitute something real when offering amendments to strike something from the bill." He appealed for constructive criticism and a substitution of language that would raise substantially the same amount of money as might from time to time be stricken from the bill. I, to-day, call upon you for that same kind of courage. Let us vote down this indefensible, iniquitous, inconglomerate mass of tax legislation and substitute for it a reasonable manufacturers' sales tax in line with a resolution which is now pending before the House Committee on Rules, which will make in order a sales-tax amendment to the bill now before the House.

Mr. Speaker, the time has arrived when we must choose between a conglomerate aggregation of nuisance and confiscatory taxes on the one hand and a well-considered universally adopted sales tax on the other. If the people back home would communicate their desires to Congress, I am sure that both the House and Senate would adopt a sales tax as the soundest and quickest way to promote industrial confidence and a balanced Budget.

The adoption of my resolution will mean the imposition of a $2\frac{1}{4}$ per cent tax on the sale of every article sold in the United States by a large manufacturer or producer thereof,

excepting farm and garden products, food, clothing, school | books and books of religious reading, and materials manufactured exclusively for use in houses of worship.

The acceptance of this tax would provide \$400,000,000 in revenue and would make unnecessary any increase in the existing income-tax rates in either the upper or lower brackets and it would also make unnecessary a lot of nuisance taxes and stamp taxes now carried in the bill.

A manufacturers' sales tax would have a wholesome effect upon industry generally, would definitely provide for a balanced Budget, and would promote an air of confidence throughout the United States such as has not prevailed during the past two years.

Excluding a tax on clothing and foodstuffs, which comprises a very large percentage of the average man's expenditures, the manufacturers' sales tax is regarded by the world's foremost nations as the most equitable means of raising revenue. It is felt by no one and yet contributes the very largest revenues.

Mr. Speaker, I am in receipt of telegrams from Walter T. Rice; Martin J. Faubel; Carl W. Gerstenberg, commander Board of Trade Post, No. 304, American Legion, which are more or less summarized in a like telegram from James Forrest, chairman of the committee of 100 to save the jobs of 100,000 American workers, which reads as follows:

CHICAGO, ILL., June 3, 1932.

PRED A. BRITTEN,

House Office Building, Washington, D. C.:

The most startling and paralyzing move of Congress from the standpoint of men who are employed in commodity markets was the midnight action of the Senate on Tuesday in reinserting in the the midnight action of the Senate on Tuesday in reinserting in the tax bill the tax of 5 cents on every hundred-dollar value of future trades. As you know, this was brought up suddenly by Senator Frazier, of North Dakota, and passed quickly, without its full significance being explained. Even in war time this tax was only 2 cents, and was reduced to 1 cent because of the burden it carried. When this matter was before the Senate committee representatives of more than half a million farmers' exchanges and verticus convergitive groups appeared in vigorous conversities. representatives of more than half a million farmers' exchanges and various cooperative groups appeared in vigorous opposition, and the committee readily visualized the dangers involved and knew that enforcement of such a law would in effect place a new heavy burden on agriculture as well as seriously restricting the grain, cotton, cottonseed, sugar, bran, butter and eggs, potatoes, and millers' products' markets and putting vast numbers of additional workers into idleness. It has been estimated enforcement of the law will throw 100,000 men and women out of work by July 15, adding this number to the 8,000,000 now tramping the streets in search of bread and butter.

forcement of the law will throw 100,000 men and women out of work by July 15, adding this number to the 8,000,000 now tramping the streets in search of bread and butter.

The undersigned are among those whose jobs and homes are threatened. The law will not bring in the \$6,000,000 estimated revenue, for it will kill the business it is intended to bleed of such revenue and bring additional suffering to the working classes and the farmers. Any student of markets will also advise that this tax would so seriously restrict future markets that hedging facilities so valuable to farmers in marketing their grain, cotton, and other produce would no longer be available. Consequently larger buyers will be able to dictate their price terms to the farmer. The farmer will suffer and 100,000 workers in the various commodity markets will be compelled to see their families suffer. Before these hundred thousand workers are thrown into idleness an appeal is being made to you by the undersigned committee because large numbers of your constituents believe you owe it to your constituency and to your State to bring the real facts to light. We respectfully urge that upon receipt of this communication you wire the chairman of this committee advising what may be done in the matter and what cooperation you will be able to extend. Every member of this committee is associated with business houses having connections and associations throughout Illinois and are acting on behalf of thousands of your constituents.

COMMITTEE OF ONE HUNDRED THOUSAND AMERICAN WORKERS.

COMMITTEE OF ONE HUNDRED TO SAVE THE JOBS OF ONE HUNDRED THOUSAND AMERICAN WORKERS, JAMES FORREST, Chairman.

Reverting to Speaker Garner's appeal for "courage," permit me to suggest that just a little courage at this time would put a tax on beer which would bring into the Federal Treasury the very first year not less than \$500,000,000, including a balanced Budget. [Applause.]

Mr. STRONG of Kansas. The gentleman has spoiled a good speech.

Mr. BRITTEN. No; I have not spoiled my speech. The gentleman is so dry that if he went out in the wind he would blow away.

Mr. STRONG of Kansas. But I would not drown.

Mr. BRITTEN. No; if it was wet, my friend would float away. The time has come, my friends, when we must have the courage to provide revenue for the Treasury, and if we can get \$500,000,000 by a tax on beer, why not accept it? Let us not be afraid to vote for it because for the past 10 or 12 years some of you have been dry. The sentiment of the country has changed, and you will have to change accordingly. No one can consistently vote for this tax bill and at the same time refuse to vote for a tax on beer.

I hope this conference report is voted down. [Applause.] [Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield three minutes to the gentleman from Kansas [Mr. McGugin].

Mr. McGUGIN. Mr. Speaker, of course this bill as it is presented to the House is indefensible, except on one theory, and that is balancing the Budget. I can not conceive how the mind of man could write a worse tax bill. I can only think of one thing which would be worse than to inflict this tax bill upon the American people, and that would be to say to the American people and to the world that the Government of the United States is insolvent and Congress has neither the patriotism nor the courage to meet its constitutional duty and provide sufficient revenue to operate this Government.

We could have had a better tax bill with an honest, fair manufacturers' sales tax, with the exemption of food, clothing, drugs, and agricultural implements. [Applause.] But this Congress would have none of it. When we voted down a general manufacturers' sales tax every intelligent man knew that he was not only voting out the manufacturers' sales tax but that he was voting for these substitutes. And now you have them. You have sales taxes which will rob the American people and hurt industry in more than one respect, and doubtless bring economic chaos to the country. If that be true, outside of the inescapable conditions with which we are confronted, no one is to blame save those who defeated a more equitable tax. [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from South Dakota [Mr. Johnson].

Mr. JOHNSON of South Dakota. Mr. Speaker, in my opinion the two most significant votes the House has cast throughout the entire discussion of the tax bill are the votes on the Doughton amendment eliminating the manufacturers' excise tax from the revenue bill, which vote is found on page 7324 of the Congressional Record of April 1 of this year, and the vote on this, the tax bill, conference report. When the April 1st vote was taken and the sales tax was defeated by a vote of 236 to 160 this House decided definitely that it would pass this proposed law, which is unfair, discriminatory, actually a tariff bill, and provides a sales tax which falls most heavily upon a few selected industries. When that decision was made it was practically decided to tax bank checks, automobile tires, brewers' wort used to make beer, grape concentrate used to make wine, gasoline, coal, lumber, copper, toilet articles and cosmetics, furs, jewelry, automobile parts and accessories, radios, refrigerators, sporting goods, firearms and shells, candy, matches, chewing gum, soft drinks, electric power, and to tax everything which we find taxed in this bill. I can not but say that in my judgment the burden and the iniquity of this bill falls upon those who could not anticipate the situation that would exist in the Public Treasury, and the present parliamentary situation of which every Member of Congress and almost every citizen had sufficient notice.

I am frank to say that at this minute I do not know whether to vote for or against this conference report. We know that the Budget must be balanced and yet an aye vote means that a Member of the House like myself, who felt certain that the manufacturers' excise tax ought to be adopted, must violate every rule of taxation by accepting this report. Yet I know that the Budget must be balanced. and I would feel that perhaps some of the burden should fall upon me if my vote should say that we would not accept the conference report. If I should vote for it, it would be under protest, knowing it is unfair, that it is discriminatory, that it has every bad fault of every tax bill that has ever been passed since I have been a Member of this body, and, as one of the final votes that I shall cast in this House I

would like to express this opinion and absolve myself of any responsibility for these iniquitous, unfair taxes. The only reason that I could vote for it would be because I can do nothing but vote it up or vote it down, and then cause further distress to come to this country because if it should fail to pass the Budget would not be balanced, and then, perhaps, I might be partially responsible for the drop in the prices of wheat, corn, cotton, hogs, cattle, and manufactured products which might result in every market in the United States to-day.

It is an outrage that this situation exists and the responsibility, eventually, will be fixed by the American people. They can not be fooled any great length of time by the votes that they saw us cast on April 1 and the votes that we will cast to-day. [Applause.]

[Here the gavel fell.]

Mr. CRISP. Mr. Speaker, I yield three minutes to the gentleman from Missouri [Mr. Cannon].

Mr. CANNON. Mr. Speaker, this conference report is not wholly agreeable to anybody—not even to the members of the committee which presents it. There are numerous objectionable features, but in the brief time I have I desire to mention one in particular.

In all the range of legislative possibilities, the committee could not have put into this report any provision that would have been so universally obnoxious as the tax upon checks; nothing that would have been so objectionable, and nothing that would have exercised such an unfortunate effect upon the business interests of the country.

What is the great need of business to-day, particularly in the agricultural districts? It is credit. The farmer especially can no longer secure credit from any outside source. The land banks are no longer lending money. The Reconstruction Finance Corporation will not lend him a dollar. The insurance companies long since ceased lending money on farm lands. The farmer and the tradesman dependent on farm patronage has no source from which he can secure one penny of credit to-day except from his local bank.

This provision taxing bank checks will lower the level of surplus funds in these last remaining credit reservoirs all over the country. Few small depositors will put money in a bank when they have to pay a tax in order to get it out again.

Anyone with any intimate knowledge of the situation knows that the great majority of accounts in all country banks at this time are small accounts and the great volume of checks are of small denomination. If these small accounts are to be taxed off the books of the banks, the inevitable result will be to further reduce the loanable funds of the banks. It will contract, to just that extent, practically the last source of agricultural credit.

Answering the suggestion just made that dealers in buying country produce can draw checks in such a form as to evade this tax, permit me to say that even if such an evasion is permitted by the Treasury Department, it can not protect farmers who receive such checks when they withdraw that money from their own accounts. The price of eggs at the point of production is now as low as 6 cents per dozen. And the farm wife drawing a small check on her account would pay a tax of 33½ per cent of the price she receive from a dozen eggs. Profiteers making excess profits and corporations filing consolidated returns and others go scot-free of huge taxes levied during the war but rejected by this bill in order to substitute a tax on the gas for the farmer's tractor, on the children's stick of candy, and on the home bank.

It is incredible that in this emergency, with the small bank fighting for its life and the liquid credit of it patrons, practical men should propose such a tax. It spells disaster in many communities; it retards recovery from the depression throughout the country, and it defers indefinitely the return of national prosperity.

[Here the gavel fell.]

Mr. CRISP. Mr. Speaker, I yield four minutes to the gentleman from Missouri [Mr. Dickinson].

Mr. DICKINSON. Mr. Speaker, our country was united during the World War; not so now. The country is more critical to-day than at any time in its entire history. We have been in session six long months. The House has been waiting on the Senate. The country has been demanding action. The business interests have been urging the speedy passage of a tax bill to balance the Budget. The time has come to meet the expectation and urgent desire of the country. Credit must be preserved and confidence restored.

No tax bill coming here from the Senate or the conference will be acceptable in its entirety either to the House or to the country, but you have got to pass a tax bill, and I am ready to vote on this measure now and end the suspense here and in the country. There is much in this pending tax bill as it comes from conference that does not suit me and which I have vigorously opposed from the beginning and which are in the bill as it comes from conference to my intense regret. If in their stead there had come from the Senate or from the conference between the two Houses a modified manufacturers' sales tax with liberal exemptions of food, clothing, medicines, and farm implements and other necessities, I was ready to vote for it and end the controversy over this temporary tax measure and relieve certain named subjects from such heavy taxation, which, in fact, are special sales taxes, but the bill is here in its present form and we must act. I have in my system now a speech that I would like to deliver to this House on this bill, but I can not do it in the brief time allotted me.

Action now is what the country demands. The patience of the people who sent us here is exhausted. The business of the country has urged Congress to act without further delay and provide sufficient revenues to meet the needs of the Government, to the end that the credit of the country may be preserved, that depression be relieved, and that fear may end.

Many of the subjects for taxation now in the bill were originally proposed by the Secretary of the Treasury and extended hearings before the Ways and Means Committee were had and these subjects were rejected, and a so-called manufacturers' sales tax was substituted, a modification of the Canadian law, but when reported to the House, this body refused to accept the sales-tax provision, and the tax bill went back to the Ways and Means Committee, and the rejected subjects were then embodied in the bill in place of the sales tax, and rereported to and passed by the House and sent to the Senate. There the sales tax was attempted to be substituted, but failed of adoption, so the bill is here with the same and additional objectionable subjects in the bill, made necessary in order to balance the Budget.

In this revenue bill of 319 pages there is much of merit and helpful value. I was strongly opposed to a tax on checks and to increased letter postage, and I greatly regret these items being in the bill. I was also unfriendly to increased taxes on automobiles and rubber tires and gasoline and other subjects. I favored increased taxes on incomes in the higher brackets and increased inheritance taxes on distribution of large estates, so that the great wealth of the country be made to pay its fair share of the burdens of Government. I favored taxation of stocks and transfers of stocks, so that the money of the country used in stock deals might be taxed, to the end that stock gambling, making enormous fortunes through speculation in stocks, should be made to pay taxes to support the Government.

I shall support this bill and the conference report with greater reluctance than any tax measure ever presented during my terms in Congress. Revenues must be raised to meet the demand of the Treasury or else bankruptcy will result. The credit of the Government must be preserved even though temporary hardships result. The bill runs for one year, for the fiscal year of 1933, commencing July 1 of this year.

Criticism may not end. Just criticism is the right and privilege of the American citizen. No man holding office should object to fair criticism, but he is entitled to just treatment while he is striving to carry out the will of those he is trying to serve. During my entire service in Congress

I have never known such general criticism of Congress, struggling to help relieve hard conditions.

Much of the criticism has been voluntary, much inspired, unparalleled propaganda from conflicting sources have flooded Congress and delayed action, a most difficult problem. For the confusion in the public mind, a part of the press, or its agencies here, in a measure may be responsible. The duty of all the press is to give accurate information. I am a friend of the press, but sometimes selfish interests controlling a part of the press unduly influence the public mind. Intelligent knowledge of the facts with common sense controlling judgment, will help to temper the mind of the public and meet the severe criticism of the representatives of the people, whose aim is to carry out the will of those who generously gave them opportunity to hold positions of trust in Congress.

No set of men, in my judgment, have worked harder or more conscientiously in attempting to discharge their duty here; and their greatest desire has been to know the will of their constituents and the best interests of the country. This has been the most strenuous session of all my terms in Congress.

The country and the world need readjusting. We need lower and more reasonable tariffs in order that commerce and trade may be restored. We need more money in circulation and a restoration of business by hoarded money coming out of hiding.

A tax bill to meet the demands of Government was absolutely necessary. The legacy of the war left a burden upon our country that is hard to bear. A billion dollars annually is necessary to pay interest on bonds and for the sinking fund to reduce our debt, and there is no way to secure money except by taxes or further issuance of bonds. I repeat that I do not like this tax bill, and with great reluctance I shall vote for it because the credit of the United States must be preserved.

The country is approaching a condition of chaos, revolution, the overthrow of our basic order of society. The people desire a recovery from this condition and look to Congress to help remedy the situation and to bring about a restoration of confidence. The hoarding of money is due to a lack of that confidence which is necessary before it will come out of hiding and return to the channels of business. Let us not fail to discharge our full duty as far as conditions will permit. Let us not for a moment criticize the public for this condition of unrest and distrust, for you are but their agents, and the great body of the people have a right to look to you to execute their will, and I know you are anxious to discharge that duty.

Mr. CRISP. Mr. Speaker, I yield two minutes to the gentleman from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Speaker, the Budget must be balanced. To balance it, a tax bill that will produce the required revenue must be passed; hence, however much we dislike it, we must vote for this tax bill.

I am not for many of the provisions in this bill, but I am going to vote for it, because it is the only chance to pass an adequate tax bill at this session, and Congress must provide revenue to run the Government before we adjourn.

I am not for the 2-cent tax on bank checks. I have fought against that provision uncompromisingly.

I am not for the increase in postal rates to 3 cents. I have made an uncompromising fight against it. I am not for the tax on consumers of electricity. I am not for a great many other things in this bill, but I realize that the committee has worked hard and has done it best.

It has kept in the bill—and I want to commend the committee for it—a tax on foreign oil that will rehabilitate the independent industry in this country, and stop the foreign monopoly of the Dutch Shell and Gulf Co., and will do much good in my section of the State. The committee has refused to permit a tax on little children and poor families of the country who attend picture shows at night where the admission charge is not more than 40 cents. Sometimes the only pleasure that the family has after work-

ing all day is to attend a picture show at night. I am glad the committee saw fit to keep that provision in the bill.

I also commend the committee for forcing back into the bill, after the Senate had knocked it out, the tax on stock transfers on the gambling exchanges of the country. That would have been infamous if it had agreed with the Senate to leave that out of the bill. I also commend the committee for carrying out the wishes of this House in not permitting the infamous sales tax to be placed in this bill. That would have saddled the expenses of this Government largely upon the backs of the poor. We have whipped soundly Mr. William Randolph Hearst and the Republican administration on this proposition and have prevented them from carrying out their well-organized scheme. While I am against many features of the bill I am going to vote for it to help balance the Budget. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. McFadden].

Mr. McFADDEN. Mr. Speaker, I am going to support this bill, because I recognize the fact that in the strained condition we are in we have got to have the money.

I am of the firm opinion, however, that this bill is not going to balance the Budget. I am supported in that view because of the fact that the Secretary of the Treasury, on three or four occasions, has during the present session of Congress appeared before the committee of this House and the committee at the other end of the Capitol, and each time he has had to revise upward his estimates as to the income necessary to balance the Budget because the sources of taxation were drying up.

How we could raise the revenue and balance the Budget—that has been the problem. There have been a lot of people interested apparently in carrying on propaganda insisting that we do this and that, that we must balance the Budget, but I do not believe that at this time you can pass any bill under which you will be able to raise the revenue which you contemplate can be raised by the levies in this bill because of the fact that on account of the continued business depression, the sources from which the money is to come are continually drying up.

This House refused to resort to a sales tax, but the Senate has inserted a limited sales tax in this bill. Many obnoxious provisions have been placed in the bill since it left this House. It would seem as though, in response to the demands of those people who are and have been insisting upon a sales tax that many of these obnoxious provisions have been placed in this bill for the sole purpose of creating a feeling of disgust on the part of the public, so that the public would prefer the sales tax, and thus would the salestax advocates succeed.

In view of what I have said, I should like to make this prediction, that by the time Congress assembles next December the Secretary of the Treasury will have discovered that the sources of taxation provided in this bill will have further dried up so as to make another deficit in the Budget, and the Secretary will then again appear before the two committees of the Congress where tax matters are considered, again revising his estimates in order to balance the Budget, and will insist that the only way to then balance the Budget will be for Congress to enact a sales tax law.

Gentlemen, in times like the present it is impossible to keep a balanced Budget.

Of course, there are items in this bill which are obnoxious. It is a drastic bill. These are drastic times, and we must take that into consideration. I would much rather reduce Government expenses than increase taxes, but that can not be done at this session. It will be done, however, at the next session.

Mr. Speaker, I have from time to time pointed out the fact that there are sources to which we could look for income to correct this situation and which so far have heretofore been avoided. I refer to the fact that there is now pending before the Treasury Department for collection practically a billion dollars' worth of unpaid taxes. There are

hundreds of millions of fraudulently withheld taxes which should be gone into and collected.

I should like to discuss some of these matters, because they are pertinent to this particular subject.

Mr. Speaker, for many months I have been participating in an active investigation into the collection of the public revenues. The time has come to place what has been discovered before the attention of the Congress.

Although I was in possession of important information at the beginning of this inquiry, I have been amazed by the almost unbelievable situation which has been discovered to exist. Hundreds of millions, perhaps billions, of dollars have been diverted from the public funds by practices which could not exist without the knowledge of the Secretary of the Treasury. It is not too much to say that the shortage is so great that it is directly responsible for the need for new revenue which is now absorbing the attention of the two honorable bodies meeting under this historic roof. If the tax laws had been enforced, there would be no need for new

I have called these discoveries to the personal attention of Mr. Andrew W. Mellon, former Secretary of the Treasury, and to Mr. Ogden L. Mills, the present incumbent of that office. I have not been able to discover in either of these gentlemen any disposition to correct existing evils, to collect back taxes, or to take any steps at all to bring this condition to an end.

Individuals and corporations who should pay large taxes not only escape full payment of their just share of the expenses of Government but are also the recipients of huge tax refunds which return to them the greater part of the sums they do pay. There exists what amounts to an alliance between tax evaders, attorneys, certain public accountants, and Treasury officials which operates to exempt from taxation those best able to pay and shifts the burden of governmental expense to the shoulders of those least able to pav.

The same forces which conduct this enterprise in defiance of law are now before the Congress and the public with specious arguments for legislation which will legalize the theory that only the poor and the middle class should "Socking the rich," that pat phrase given curpay taxes. rency by the present Secretary of the Treasury, is a deceptive smoke screen to cover the work of this propaganda. The rich are not being "socked"; it is the increasing poor and the dwindling middle class who are bending under the blows of taxation.

Tax evasion extends into every field of business. Any large income whose possessor is part of the system can and does escape taxation through the operation of the alliance to which I have already referred. I will offer but a few instances of the extent to which this has been done, saving most of the evidence and the time of the House for later and more orderly presentation.

Particularly odious are a group of cases in which the Treasury seems to be allied with the New York branch of an English accounting firm to cancel a vast sum of war-profit taxes levied years ago upon foreign steamship companies. Opinions of successive Attorneys General of the United States holding these taxes due and payable have been set aside in secret and unpublished proceedings in which the present Attorney General seems to have played an important part. Laws passed by Congress have been reversed by "opinions" and "regulations" and "interpretations" promulgated by Treasury attorneys, and millions of dollars of refunds have been made to these foreign steamship companies, instead of collecting from them the unpaid taxes they owe under the law.

Mr. Speaker, the founders of this Republic provided for three departments of our Government, the legislative, executive, and judicial. Each department was designed to act independently but in conjunction with the other two. Each has its inalienable rights and privileges not subject to infringement by either of the other two branches. Each acts as a check and a balance upon aggression by either of the other two branches.

The founders were freshly out from under the shadow of monarchy. Eight years of war had sickened them of kings. They planned a government in which there could be no supreme head, a government in which personal ambition or greed could never rise above the public welfare. They planned a system of cooperation and safeguard which would for all time keep this country out from under the shadow of dictatorship-provided that the laws were for all time observed.

For several years past there has been a tendency for the executive branch—that is, the President and his Cabinet and the bureaus under their control-to encroach upon the functions of the legislative and judicial branches of the Government, even to the point of ignoring the laws passed by the Congress and the decisions made by the Supreme Court. We are told that the Constitution is outworn that the 'great minds" know best what should be done and that we should abolish constitutional government in favor of the rule of the superman.

Congress has not yet submitted to this surrender of its share of the constitutional responsibility, but that has made no difference to the executive branch. The gentlemen at the other end of Pennsylvania Avenue are increasingly prone to do exactly what pleases them without regard for any consideration of law or ethics.

A few days ago the Senator from Virginia, Mr. CARTER GLASS, disclosed that a very important opinion of the Solicitor General of the United States had been ignored for over 20 years. The Senator further disclosed that he had great difficulty in securing a copy of this opinion, that none of the executive departments which should operate under its provisions would admit knowledge of its existence, and that it was as completely ignored as though it had never been rendered. It was with the greatest difficulty, the Senator said, that he had been able to secure a copy of this opinion and then only by personal appeal to the Attorney General.

I can appreciate the difficulties of the Senator, because I have had the same sort of experience myself. As did the Senator, I followed the matter through to a conclusion, with the result that I discovered a far more astonishing and alarming condition.

After being informed that the Attorney General of the United States had rendered an opinion reversing the opinions of his predecessors and permitting the cancellation of the vast sum in tax owed by foreign steamship companies, an organization which makes a business of furnishing information concerning tax and other legal matters sought to obtain a copy of this important opinion.

This organization was informed by both the Treasury and the Department of Justice that the letter containing this opinion could not be disclosed to the public and that neither department was in a position to discuss its contents-a most remarkable condition. Other efforts through legitimate channels to secure a copy of this opinion were all defeated by the same conspiracy of silence surrounding the mystery of these foreign steamship taxes.

Fortunately, all these efforts were designed only to demonstrate the existence of the conspiracy. An authorized copy of the letter in question containing the opinion had been in the possession of the investigators from the beginning of the inquiry. I will read that letter.

WASHINGTON, July 7, 1927.

To the Secretary of the Treasury.

Sir: Receipt is acknowledged of your letter of July 1, relating Six: Receipt is acknowledged of your letter of July 1, relating to opinions of the Attorney General rendered November 3, 1920 (32 op. 336 T. D. 3111, C. B. June, 1921, p. 280), and January 21, 1924 (34 op. 93 T. D. 3576, C. B. June, 1921, p. 211), in so far as they deal with the income-tax liability of foreign steamship companies under revenue acts prior to 1921. I am advised by the general counsel of the Bureau of Internal Revenue, in a letter written by him July 1, 1927, that the conclusions reached in the opinions referred to have never been acquiesced in by the foreign steamship companies.

opinions referred to have never been acquiesced in by the foreign steamship companies.

It appears that the returns of 72 companies are now pending in the bureau awaiting the determination of the proper method of computing tax liability for the years prior to 1921, and that 5 such cases are pending before the Board of Tax Appeals and 35 other cases are pending in the courts.

In a few instances steamship companies have paid taxes as computed by the bureau, but these were cases where the taxes

resulting from the difference in the methods of computation were

resulting from the difference in the methods of computation were so small as not to justify resistance by the taxpayers.

In short, the matter rests practically where it did before the two opinions referred to were rendered. The questions involved are difficult, and there is room for difference of opinion about them and the outcome of litigation is doubtful; but the opinions referred to stand in the way of your dealing with these cases in the exercise of authority granted to you by law and in a way to serve the best interests of the United States. The questions do not arise under the revenue act of 1921 or any later revenue act. Under all the circumstances you should be free to deal with the cases as the conditions seem to require; and, in order that you may do so, the opinions referred to are hereby withdrawn.

The Acting Attorney General of the United States.

Such opinions came from the office of the Solicitor General. The Solicitor General from June 4, 1925, to March 4, 1929, was William D. Mitchell, who became Attorney General at the first vacancy after this opinion was rendered.

It is little wonder, Mr. Speaker, that neither the Department of Justice nor the Treasury cares to make the contents of this letter public or to discuss those contents. Let me quote two decisions of the Court of Claims.

In the Lavalette case (1 C. Cl. 149) the court said:

That the head of a department can not, in a matter involving judgment and discretion, reverse the decision and action of his predecessor was held by the Supreme Court in the United States v. Bank of the Metropolis (15 Peters 401).

In Jackson v. The United States (19 Court of Claims, 508) the court held that-

The right of an incumbent of reviewing a predecessor's decision extends to mistakes in matters of fact arising from errors in calculation and to cases of rejected claims in which material evidence is afterwards discovered and produced.

In this last decision the court refers to the following authorities.

See also 9 Opinion of Attorney General, page 34. See also 12 Opinion of Attorney General, pages 172–358. See also 13 Opinion of Attorney General, pages 387–456. See also 14 Opinion of Attorney General, page 275.

Here we have the authority of the Attorney General clearly defined by decision of the Supreme Court and the Court of Claims. We see that he has no power to reverse the opinion of his predecessor except in cases where errors of fact have been proven. We see him in this case reversing the opinion of two predecessors upon his own stated ground of the convenience of the Secretary of the Treasury. He adds the sonorous provision-

To serve the best interests of the United States.

How does the Secretary of the Treasury proceed to "serve the best interests of the United States"? He cancels the whole sum of the taxes due under the law, using this unpublished and illegal letter from the Acting Attorney General as the basis of this generous (?) action—generous to the foreign steamship companies, but costly to the taxpayers of the United States.

Not content with this generosity at the public expense, the Secretary of the Treasury has dipped deeply into the public money to make large tax refunds to these foreign steamship companies. It is a matter of public record that as late as 1931 he made the following refunds upon the illegal withdrawal of these opinions of the Attorney General of the United States:

 Holland-America Line
 \$106, 598

 International Navigation Co. (Ltd.)
 122, 155

 Oceanic Steam Navigation Co. (Ltd.)
 247, 374

Tax refunds made to foreign steamship companies prior to 1931 amounted to millions of dollars.

Mr. Speaker, can there be any doubt of the existence of an understanding between the foreign steamship companies, the Secretary of the Treasury, and the Acting Attorney General? Let me requote the wording of the Acting Attorney General's letter:

The questions involved are difficult, and there is room for difference of opinion about them, and the outcome of the litigation is doubtful * * * is doubtful

The opinions referred to stand in the way of your dealing with

The opinions referred to have never been acquiesced in by the foreign steamship companies. • • •

Mr. Speaker, I have been a Member of this body for 18 years. Never, in my experience, have I seen such evidence of a surrender by the Government to the whims and wishes of private interests. If we are to believe this remarkable letter of the Acting Attorney General, the objection of a foreign company to the provisions of a duly enacted law is sufficient ground for canceling that law, even though the Supreme Court of the United States must be reversed in the

This unprecedented and illegal opinion by the Acting Attorney General has no shadow of legal support or precedent. while the two opinions of his predecessors, which he so lightly set aside, have been sustained by our entire judicial system, to and including the Supreme Court of the United States.

The convenience of the Secretary of the Treasury is the determining factor in the administration of the laws of the United States. The rights of our people are to be surrendered because of a fear in the mind of an Acting Attorney General that it might be "difficult" to enforce those rights in a court of justice. We are to quit because we fear that there is a possibility of defeat. We are not to enforce laws if the "right people" do not think they ought to be enforced.

We are to forgive the taxes of corporations whose officers say that they do not want to pay them, and then we are to meet in this Chamber and pass new laws laying heavy burdens upon the plain people not protected by such influence-new taxes to pay the shortages in our public funds created by the illegal cancellation of other taxes by executive officials who have no authority to make such cancellations.

It has been whispered about that conditions are worse than we know; that a dark and mysterious crisis of untold gravity hangs over our unknowing heads. It is whispered that we may have to turn to the remedy of a dictatorship, to suspend the Constitution, to dissolve the Congress, and put our fate into the unchecked and uncontrolled hands of a domestic-or imported-Mussolini.

Mr. Speaker, our distress can be traced in large measure to the perversion of law and the evasion of duty by the executive branch of the Government. We can not avoid any disaster by surrendering our affairs to the fathers of disaster. If this country is to survive—and it will survive—it will do so by the same strength that gave it birth and carried it through its other crises-the genius of our people for selfgovernment.

It is time for great changes in our Government, but not for changes turning back through the centuries to absolutism and dictatorship. It is time to restore the rule of constitutional government, time to drive out privilege and conspiracy and corruption. We must clean our house, not burn it.

Unpaid taxes in these foreign steamship cases now amount, with interest, to between one hundred and fifty and two hundred million dollars—a great sum of money and of particular interest in our present struggle to raise revenue without asking anybody to pay taxes.

I have seen no evidence that this manipulation was hatched by the foreign owners of these steamship lines. No doubt they are good business men and it is but natural that they should take advantage of our governmental conditions as they find them-but I wonder if Congress would have approved the present intergovernmental moratorium if it had been advised of this earlier and unofficial moratorium for the benefit of foreign interests.

During recent years there has been much discussion of the advisability of subsidizing American merchant ships. Congress has declined to approve such a subsidy except in the indirect form of ocean mail contracts. It is disturbing to discover that the Treasury Department has taken it upon itself secretly to subsidize foreign shipping by the extension of tax exemptions which have not been granted to American shipowners. It is little wonder that our steamship lines find difficulty in competing with foreign ships which are subsidized both by their governments and our own.

There is no warrant in law, in justice, or in morality for | laying upon our already burdened people the load of maintaining steamship lines whose vessels are part of the naval reserves of the nations whose flags they fly. This is internationalism gone mad.

The contributions made by this Congress to the maintenance of the United States Navy are the subject of careful study, much debate, and close economy. It is disturbing to find that our Treasury Department is secretly making contributions of public money to the support of foreign navies.

Steamship lines of all the great naval powers have been extended tax concessions which have not been extended to American shipowners, although not a single one of these foreign lines could exist without its share of American freight and passenger business; the American people are the greatest source of shipping revenue in the world.

English, Japanese, French, and Italian lines have all participated in this unofficial and illegal generosity of Uncle Sam; not only do we sink our warships lest we embarrass their sea power, but we also subsidize the merchant marine. which is part of the first line of the naval strength of these powers, by exempting them from the taxes we lay on our own shipping and which our law says we must levy on foreign shipping for the profits earned on American business. So that there will be no hard feelings in the League of Nations, no belief in the mind of any country that it has been slighted at the Christmas tree, the Treasury has also extended its unofficial and illegal tax exemptions to the American profits of Dutch, Spanish, Belgian, Swedish, and Norwegian shipowners.

The startling but convincing details of the manipulations by which these exemptions were accomplished is matter for an investigating committee. I will not take the time of the House to relate them here.

All this has been done by edicts of the Treasury Department-edicts directly contradictory of laws passed by the Congress and signed by successive Presidents of the United States. These contributions to the shipowners of other countries are made in secret and behind a smoke screen of foggy technicalities by the same department of the Government which now comes before our committees and tells us that we must increase taxes to replace the money that it has given away, that we must lay new imposts upon every step of our people's lives, from the baby's nursing bottle to the casket and tombstone of the final rest.

There are more chapters in this story of tax frauds and tax evasions. Hundreds of millions of dollars of foreign commercial profits taken from the American people every year pay absolutely not 1 cent of tax to the Treasury, although the law is clear that such taxes should be paid.

These exemptions are not restricted to foreign business interests. American businesses which have the password, or whatever it takes to escape income taxes, are also exempted. Thousands of cases of tax fraud and evasion are openly condoned. Evidence in several of these cases has been presented to Mr. David Burnet, United States Commissioner of Internal Revenue, with the idea of seeing what he would do about them. Not one of these cases has been brought to conclusion and collection, although after months of investigation the bureau admits that they are due and

The history of representative government is the history of the struggle for the power to levy taxes. The English Parliament was born out of the popular demand that the representatives of the people and not the King should have the sole power to levy taxes upon the people; the American Revolution was the expression of the colonists' belief that taxation without representation was tyranny.

The wheel of history has again turned full cycle. Once again, as in the dim past, we find a parliament defied by the crown; once again do we see men in executive power secretly nullifying legislation, secretly taking into their own hands without warrant of law that power which is the foundation of government-the power to determine who

shall pay taxes and in what amount. Once again do we see that same protected greed which sent Charles the First to the block, Louis the Sixteenth to the guillotine, and Nicholas the Second to the firing squad, raising its head in human affairs. Kings are dethroned not so much because of what they have done as because of what has been done in their name. They suffer for the sins of their courtiers.

The sole power to determine and levy taxes upon the people of the United States rests with the Congress of the United States. Only the elected representatives of the people can tax the people. It is our sacred duty to be watchfully jealous of that responsibility if we would continue our own existence and the existence of our country.

No Secretary in the Cabinet, no subordinate head of an executive bureau, has the legal power to say who shall pay taxes, to exempt from taxation his friends or the friends of the political organization which maintains him in office.

If any man steals money out of the Treasury, we call that theft and send the offender to prison. It is time that we determine what it is to keep money from being paid into the Treasury that should be so paid, time to determine what shall be done with trusted men who connive to destroy our laws for the benefit of their friends and to increase the burdens of the whole people so that the burdens of the chosen few shall be light.

Taxation without representation is still tyranny.

It would be folly to adopt new tax laws until we first assure ourselves that these taxes will be fairly levied and honestly collected according to the law. We have a deficit now because our present laws have not been honestly administered. If we can unearth the tax frauds of the recent past, we will discover, I believe, that they will total as much or more than the sum we are trying to raise in the pending revenue bill.

While we are considering how to lay the new taxes made necessary by the emergency of our country, other men here in Washington are sitting in secret conference to devise ways to set aside our work, to violate and destroy the new law as they have violated and destroyed the present laws, to overrule the will of Congress so that wealth may grow greater in fewer hands. Why should we lay new taxes when the revenue due under present laws is not collected from the privileged?

I realize the seriousness of the statements I have made. I hesitated to make them on the floor of this House until it became evident that they are true and that calling them to the attention of the Treasury would have no effect whatever. Repeated appeals to Mr. Mellon, Mr. Mills, and Mr. Burnet have convinced me that nothing can be expected from them. The matter must be taken over by Congress. This necessity forces me to introduce this resolution calling for an investigation. This resolution should have immediate attention by this House.

The evidence furnished to Mr. Burnet, the collector of internal revenue, and on which he has failed to act will be available for the purposes of the investigation, as will a much greater mass of information which was not intrusted to the Treasury.

Not wishing to take further time of the House, I ask unanimous consent that I may insert in the RECORD correspondence with the Secretary of the Treasury on these tax matters and put into the RECORD a copy of a bill I have introduced to-day.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from Pennsyl-

There was no objection.

It is as follows:

NOVEMBER 21, 1931.

Hon. Andrew W. Mellon,
Secretary of the Treasury, Washington, D. C.
My Dear Mr. Mellon: I shall be pleased if you will advise me the number and total amount of the unpaid or disputed income or other tax cases remaining unsettled or now pending before the tax board or the Treasury.

Respectfully yours,

L. T. MCFADDEN.

DECEMBER 7, 1931.

Hon. L. T. McFadden,
Chairman Committee on Banking and Currency.
House of Representatives.

Dear Mr. Chairman: I have your letter of November 21, 1931, in which you request that I advise you concerning the number and total amount of the unpaid or disputed income or other tax cases remaining unsettled or now pending before the tax board of the

The records maintained by the Bureau of Internal Revenue with respect to the cases awaiting hearings by the United States Board of Tax Appeals indicate that on October 31, 1931, there were pendof Tax Appeals indicate that on October 31, 1931, there were pending before that body, or on appeal to circuit courts of appeal from decisions of the board, 19,444 appeals, and that the amount of proposed deficiency taxes involved was approximately \$728,634,000. As to 221 cases the board had reached its decision, but the final order had not issued. In 644 cases the final order had issued, but the 6-month period permitted for appeal has not run. In 860 cases appeals had been filed with circuit courts. The number of cases which the board must decide is, therefore, 17,719.

There are pending before the Income Tax Unit in Washington approximately 16,400 cases which involve about \$174,000,000. These cases are largely for current or late years. Most of the cases involve the tax year 1929, while the balance is for 1928 or prior years.

Although no exact figures are available as to the cases now pending before our field forces, it is probable that about \$25,000,000 is involved in examinations under way at this time.

Very truly yours,

A. W. MELLON, Secretary of the Treasury.

NOVEMBER 21, 1931.

Hon. Andrew W. Mellon,

Secretary of the Treasury, Washington, D. C.

My Dear Mr. Mellon: I am informed that there has been filed with the income-tax division of the Treasury several cases of tax evasions by large income-tax payers and that these cases are now pending in the income-tax division of the Treasury. My now pending in the income-tax division of the Treasury. My information in the case is that many of these evasions have been made possible by the collusion of one of the large certified public accountant companies, namely, Price, Waterhouse & Co., of New York City. I also know that this firm do now and have for many years specialized on tax cases before the Treasury Department and that they represent hundreds of the leading taxpayers and have in many instances been employed as accountants by these taxpayers in the auditing of their accounts and making up of their annual tax returns.

My information also indicates that their eleverness has been

My information also indicates that their cleverness has been extended so far as to have been influential in the drafting of provisions in the law so as to permit easy evasion, and that their sources of influence and contacts have been of such a nature as has made it possible for them to easily secure favorable rulings and otherwise cause only a casual examination of the fraudulent reports which they have filed with your Bureau of Internal Revenue.

I also understand that, notwithstanding these disclosures, this firm has not as yet been disbarred from practicing before the Treasury Department.

The purpose of this letter is to ask you to immediately take steps to disbar this company from practicing before the Treasury Department in connection with any income tax or other matters before your department. The evidence is now in your department to justify such immediate action.

If an accounting company of the supposed reputation and

If an accounting company of the supposed reputation and standing of this company can be so clever as to have, over a period of so many years, deceived the Treasury Department, there should, now that the fraud is known, be a reaudit of the tax payments and reports as filed by them or any of their clients

payments and reports as filed by them or any of their clients before your department.

The fact that this public-accounting firm has done such a thing, naturally brings suspicion upon other accounting firms who have been acting in a like capacity before the department representing large taxpayers. It would, therefore, seem to me that it should be imperative in the public interest that not only each one of the accounts of this particular firm's clients be completely audited and prosecuted, but that all other similar cases should likewise be audited and prosecuted.

pletely audited and prosecuted, but that all other similar cases should likewise be audited and prosecuted.

If my information is correct, and I believe it is, there is due and unpaid the United States Treasury hundreds of millions of dollars fraudulently withheld taxes. It seems to me that this is a matter of prime importance to you and your department—I know it is to taxpayers and the Congress—that before any new tax levies are made to cover the deficit now growing in the Treasury you should ascertain the amount of these fraudulently unpaid taxes and steps should be taken to collect them forthwith.

It does not seem possible that such a condition as this could exist or could have been perpetrated over such a long period of time without detection on the part of your department. Now that the matter is known to your department, I hope that the investigation, which I know your department has now started, will proceed thoroughly and completely before any new sources of taxation are recommended to be levied by your department on the already overburdened honest taxpayers of this country, and that

these crooked taxpayers may be made to pay and those responsible for these evasions be properly dealt with.

I shall be pleased to be advised what action you take in this

matter.

Respectfully yours,

L. T. MCFADDEN.

THE SECRETARY OF THE TREASURY, Washington, November 24, 1931.

Hon. Louis T. McFadden,

Hon. Louis T. McFadden,

House of Representatives.

My Dear Congressman: I have your letter of November 21 in regard to what you refer to as cases of tax evasion with the supposed collusion of a firm of public accountants. As you have stated, this subject is one of prime importance to this department. You may rest assured that any evidence of tax evasion submitted to this department is promptly and thoroughly investigated.

The firm which you name bears a high reputation here for professional standing and trustworthiness. To assume the truth of accusations against it would be contrary to principles accepted here as in the courts.

If you have any information of the character indicated in your

If you have any information of the character indicated in your letter tending to support any charge of tax evasion, I will appreciate your promptly submitting such information to this department. If you are merely referring to charges from some other source, you are advised that anything submitted will receive proper attention.

Your three other letters of the same date on other subjects will be appropriate the same date.

be answered shortly.

Very truly yours,

A. W. Mellon, Secretary of the Treasury.

DECEMBER 1, 1931.

Hon. Andrew W. Mellon,

Secretary of the Treasury, Washington, D. C.

My Dear Mr. Mellon: I desire to acknowledge the receipt of your letter of November 24, which I have noted carefully. I am glad to get your assurance that your department are now investigating the several cases hereafter mentioned, which are pending before your department, and that you will investigate any further cases that may be reported to you through this same source or any other source. any other source.

any other source.

The second paragraph of your letter attests to the high reputation with your department of Price, Waterhouse & Co. as regards their professional standing and trustworthiness. The cases which are now under consideration by your department, which are noted below, are cases which challenge the standing of this firm, and I am sure that a careful perusal of these cases and the ones I am herein referring to you will justify the disbarring of this firm in practicing before your department. I say in emphasize the inpracticing before your department. I again emphasize the importance of immediate action and advice in this respect.

practicing before your department. I again emphasize the importance of immediate action and advice in this respect.

Referring to the third paragraph of your letter, there is much more information of the character indicated in my last letter, which will be supplied to your department when they have acted upon the cases that are now pending before the department, and in this respect I refer to letters addressed to David A. Olson under date of November 24, signed by David Burnet, Commissioner of Internal Revenue, in regard to cases Nos. A-254307, A-254309, A-254311, A-254312, A-254313, A-254314, A-254315, A-254316, A-254317, A-254318, A-254319, A-254320.

Referring further to the third paragraph of your letter and supplementing my last letter to you, I desire now to inquire relative to what action is being taken by the Bureau of Internal Revenue in regard to Japanese steamship cases Oaska Shosen Kaisha, Nippon Yusen Kaisha, and Toyo Kisen Kaisha, the tax years involved being 1917, 1918, 1919, and 1920. I understand that as a result of an agreement with your department the firm of Price, Waterhouse & Co. were to secure the necessary information from the books of these companies in Japan in each of these cases and were to prepare the returns on what is known as the cost-of-service basis. In this connection, I would like to inquire as to what right the Treasury has to accept the figures of any accounting house, particularly when that accounting house is a representative of the taxpayer.

The type of men, the concealments, and the careless manner in which Price, Waterhouse & Co. have carried on this work have a remained and the careless manner in which Price, Waterhouse & Co. have carried on this work have

The type of men, the concealments, and the careless manner in which Price, Waterhouse & Co. have carried on this work have been made known to the Bureau of Internal Revenue. I am reliably informed that the figures which have been furnished to your department under this agreement are not compiled in accordance with the regular understanding of the cost-of-service

I am at a loss to understand why the cost-of-service theory has

am at a loss to understand why the cost-or-service theory has been made retroactive in the face of board and court decisions to the contrary in cases dealing with other foreign taxpayers. The importance of calling these cases to your attention now is that they are open by the extension of the statute of limitation by waivers which will expire on December 31, 1931. The time is so short in regard to your department's securing the necessary waivers or protection or other contemplated necessary action which would extend the statute for another year or otherwise preserve the department's rights under the law that, in view of the fact that this case has now been standing so long, it would seem to be imperative that immediate decisions be reached. Is this not a case where a jeopardy assessment should be applied, and the usual 60-day letter sent which, of course, would entitle the tax-payer to appeal to the United States Board of Tax Appeals for a hearing?

The basis of a 60-day letter would of course be the figures submitted to the taxpayers in the 30-day letters issued back in 1923. I make mention of this fact for the simple reason that

1923. I make mention of this fact for the simple reason that the bureau can not now accept the figures which this firm have previously submitted to the department.

If this procedure were followed, I am assuming that the Commissioner of Internal Revenue would also send out a notice and demand for immediate payment of the tax, under which circumstances the taxpayer would have to pay the tax or file a bond with the collector of internal revenue.

The precedents already established by the board and courts are well understood, and it seems to me that if the companies herein referred to would appeal to the board or the courts they would find that the courts have already upheld the constitutionality of the method used in the 30-day letters submitted years ago under the section of the law upon which these cases rest in respect to other foreign toxygyers. other foreign taxpayers

other foreign taxpayers.

My collaborator in these matters, in case you do not know, is David A. Olson, who for several years, until quite recently, was in the employ of Price, Waterhouse & Co. as an expert on tax matters and who is admitted to practice and has been practicing in these very cases before your department. Mr. Olson has been closely associated with the main partners of this accounting firm, and particularly with Mr. George Oliver May, and I am happy to say to you that Mr. Olson is not only willing to cooperate, but is cooperating, in every way possible with your department and will so continue until these matters are entirely disposed of.

Respectfully yours.

Respectfully yours,

L. T. McFadden.

THE SECRETARY OF THE TREASURY, Washington, December 3, 1931.

Hon. Louis T. McFadden,

House of Representatives.

My Dear Mr. McFadden: Your letter of December 1, which I have before me, makes it clear that the cases to which you refer are cases to which the attention of the Bureau of Internal Revenue

was directed by Mr. David A. Olson, of whom you speak. Your letter gives no information in addition to that furnished by him. I am advised that the charges made by Mr. Olson are receiving careful attention by the proper officers of this department. If the charges, or any of them, are found to be sustained, such action as is appropriate will be taken.

Very truly yours,

A. W. MELLON, Secretary of the Treasury.

DECEMBER 9, 1931.

Hon, Andrew W. Mellon,

Secretary of the Treasury, Washington, D. C.

My Dear Mr. Mellon: I am informed by Mr. David A. Olson that the Japanese steamship cases, which I referred to in my letter of December 1, are now in the office of general counsel of the Bureau of Internal Revenue for consideration as to whether or not the cost-of-service basis is applicable to the particular years involved. I am at a total loss to understand why it should be necessary at this late date for general counsel to consider the legality of the service basis or any other basis.

It is my understanding that the Attorney General, in an opinion

legality of the service basis or any other basis.

It is my understanding that the Attorney General, in an opinion dated November 3, 1920, stated that foreign steamship companies are taxable upon income from traffic originating within the United States, and that this method was also upheld by the Attorney General in a letter addressed to you under date of January 21, 1924. It seems to me that the presence of these cases in the general counsel's office is an absolute refusal on the part of the bureau to recognize the Attorney General's, opinions, even including the letter which the Acting Attorney General wrote to you under date of July 7, 1927.

Inasmuch as there seems to be a question in the minds of the bureau officials as to what basis should be used, it would seem to me as a justice to the taxpayer that the bureau use the method outlined by the Attorney General in his opinion dated November 3, 1920, for the reason that that opinion has been upheld by the United States Board of Tax Appeals in the Birkin case decided November 9, 1926, and also in the Tootle, Broadhurst, Lee Co. case decided November 25, 1927. In the latter case the board's opinion was affirmed by the second circuit court.

The acceptance of further waivers in these cases tends only to weaken the administrative application of the statute, and in view of that fact I seriously request you as the Secretary of the Treasury to take immediate steps to advise these taxpayers of their tax liability before the expiration of the statute of limitation.

Sincerely yours,

Sincerely yours,

L. T. MCFADDEN.

THE SECRETARY OF THE TREASURY, Washington, December 11, 1931.

Hon. Louis T. McFadden,

House of Representatives, Washington, D. C.

My Dear Mr. McFadden: I have your letter of December 9,
written at the suggestion of Mr. David A. Olson. I will see that

Mr. Olson's suggestions, transmitted through you, are placed with the material that he furnished to the department directly, which, as I advised you, is now receiving consideration.
Yours very truly,

A. W. MELLON, Secretary of the Treasury.

MARCH 26, 1932.

Hon. OGDEN L. MILLS,

Hon. Ogden L. Mills,

Secretary of the Treasury, Washington, D. C.

My Dear Mr. Secretary: Under date of December 8, 1931, I addressed your predecessor, Mr. A. W. Mellon, in connection with certain Japanese steamship tax cases as to their liability on the basis of the information previously submitted, and I was advised at that time that the bureau would accept waivers extending the statute of limitation to December 31, 1932.

I desire to call your attention to the fact that six months have now elapsed since the bureau was notified of the irregularity in connection with these cases and other steamship cases which were referred to, and yet no apparent action has been taken by the Commissioner of Internal Revenue in regard to these cases. I am at a loss to understand the nonaction on the part of the Treasury

at a loss to understand the nonaction on the part of the Treasury in regard to this important matter.

I shall appreciate it very much if upon receipt of this letter you will advise me what the Commissioner of Internal Revenue intends to do in connection with the collection of these taxes which are due from these several companies which have been reported to you under the revenue act of 1918.

Awaiting your reply, I remain, very truly yours, L. T. McFadden.

THE SECRETARY OF THE TREASURY,
Washington, April 1, 1932.

Hon. Louis T. McFadden,

Hon. Louis T. McFadden,

House of Representatives.

My Dear Congressman: I have your letter dated March 26, 1932, relative to the income and profits tax liabilities, under the revenue act of 1918, of certain Japanese steamship companies, and also referring to prior correspondence in this matter.

You will, of course, understand that the determination of the tax liabilities of alien enterprises of this nature, carried on for the most part abroad, can not be accomplished with the expedition ordinarily possible in dealing with domestc taxpayers. This is especially true in cases involving, as these do, a number of contested issues. The absence of ultimate decision, whether by way of agreement between the parties, if that should be possible, or as a basis for litigation, is not to be taken as indicating nonaction. On the contrary, the so-called Japanese steamship cases have been, are now, and will be for some time in the future, under very active consideration.

With reference to the concluding paragraph in your letter, the

With reference to the concluding paragraph in your letter, the Commissioner of Internal Revenue will determine the tax liabilities in question in a fair and lawful manner, under the governing revenue act, and this will be done as expeditiously as the circumstances of each case will permit.

Very truly yours,

OGDEN L. MILLS, Secretary of the Treasury.

[H. Res. 249, in the House of Representatives, Seventy-second Congress, first session, June 4, 1932]

[H. Res. 249, in the House of Representatives, Seventy-second Congress, first session, June 4, 1932]

Mr. McFadden submitted the following resolution; which was referred to the Committee on Rules and ordered to be printed:

Resolved, That the Speaker is authorized and directed to appoint a committee to be composed of seven Members of the House, one of whom he shall designate as chairman. The committee is authorized and directed to investigate and determine the amount of income and excess profits taxes which have been fraudulently evaded, either with or without the knowledge of the Bureau of Internal Revenue; and to investigate and determine the exact amount of income and excess profits taxes which the Bureau of Internal Revenue failed to collect by the unconstitutional and illegal withdrawal of the Attorney General's opinions rendered November 3, 1920 (32 O. P. 336 (T. D. 3111, C. B., June, 1921, p. 280)), and January 21, 1924 (34 O. P. 93 (T. D. 3576, C. B., June, 1924, p. 211)), in the 112 foreign steamship cases for the years prior to 1921, falling under the revenue acts of 1916, 1917, and 1918; and to investigate and determine the amount of income and excess profits taxes lost to the United States Government through favoritism given to certain taxpayers by the failure of the Bureau of Internal Revenue to publish rulings which have been rendered by the Treasury Department; and to investigate and determine the amount of income and excess profits taxes lost to the United States Government in tax cases which have been settled by officials of the Treasury Department after the issuance of 60-day letters to taxpayers; and to investigate and determine the number of cases and the total amount of taxes involved in those cases now pending before the United States Board of Tax Appeals; and, further, to make a review of tax refunds in excess of \$100,000.

The committee shall as soon as possible, but not later than the termination of the present Congress, report to the House the results of its investigation, together wit

times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, to have such printing and binding done, and to make such expenditures, not exceeding \$50,000, as it deems necessary.

Mr. CRISP. I yield two minutes to the gentleman from Arkansas [Mr. Glover].

Mr. GLOVER. Mr. Speaker, I can not do justice to myself in two minutes, and I yield back that time.

Mr. TREADWAY. Mr. Speaker, I yield three minutes to the gentleman from Ohio [Mr. White].

Mr. WHITE. Mr. Speaker, there are many items in this bill that I dislike to see in it. If I had the means of taking them out without disturbing the country, I would do everything I could to get them out. I am particularly discouraged about the increased rates in the lower income taxes. I dislike very much to see a tax on checks.

My particular district will be punished very severely because of the tax on the sale of automobiles and accessories. Many of the so-called luxury items are unfortunate. I dislike to see the tariff items in the bill, but during the last several weeks this Nation has gone through a steady decline, a decline and a discouragement in business of every kind. We have tried many things, but each day confidence slumps and commerce recedes. I believe to go over this week-end without adopting this conference report would be one of without adopting things we could possibly do to the country. I appeal to the House, without regard to political effect, to join with us and vote to pass this measure in order that to-night when this Nation goes to bed it can have some confidence that we have taken a definite effective step to balance the Budget. [Applause.]

But our job will not yet be done. The Budget can not be completely balanced by taxation alone. We can not ask the people to bear the full burden of this enormous, unwieldy, uncoordinated, uneconomic machinery of government which past Congresses set up in those Pollyanna years when the flower of prosperity was thought to be everblooming.

We must quickly narrow the function of government to the limits of necessity.

Mr. TREADWAY. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Speaker, of course probably not a single Member of this House would indorse a major part or perhaps even a large part of the methods of taxation and other details contained in this conference report, but the question before us now is not whether we may choose between one system or another but whether or not we will pass any revenue law at all. Gentlemen now say that they are in favor of the manufacturers' excise tax of the character which the Committee on Ways and Means brought into the House. If any Members of the House have changed their views on that subject and now favor the general tax, let them vote down this conference report and then direct very frankly that the House itself shall again proceed to the consideration of the matter de novo, to the end that the House may have an opportunity to change its former attitude: but the members of the Committee on Ways and Means, with all of the earnestness at their command, sought to convince the House that the general manufacturers' excise tax was the best method for raising the taxes which are failing because of the loss of incomes by those who have heretofore borne the largest burdens of Federal taxation. We are yet convinced that that is the best method and that eventually that method will be adopted by a future Congress if not by this Congress. But now we have a single issue that stares us in the face, the naked question whether to-day we will take the last necessary step toward balancing the Budget. Do you realize that next Tuesday, the 7th day of June, six months will have expired since this House convened in the present session of Congress?

Do you realize that this Congress will have spent six full months, one half year, in the passage of a tax bill at a time when the passage of such a bill was absolutely necessary for maintaining the credit of the Government of the United States and for restoring prosperity, confidence, and happiness among the people? Then why talk about the things that are past? I say to my good brother from Chicago that I was for the manufacturers' sales tax, and I am for it now, but there is no chance of putting it into this bill. Also, I was for the tax on beer, and I am for it now, but there is no chance in the world of getting this Congress to adopt it; so why waste time about it? The deficit of this Government amounts to \$3,400,000 per day, at the rate of \$1,241,000,000 per year. Every day that we have lost and every day that we will lose in the passing of an adequate revenue bill has increased and will increase the deficit of the United States Treasury by that amount.

There are many things practically indefensible in this bill. There is, for instance, the tax put on in this House of 5 cents per hundred dollars of valuation on operations on the produce exchanges which was accepted by the Senate a few hours before it concluded the consideration of the bill, after having previously reduced it to the present rate of 1 cent. There is the failure both of the other body and of the conferees to accept the very just and humanitarian proposal for a revaluation of the depreciated assets of estates which are practically wiped out by the present tax. There is the provision which the gentleman from Georgia [Mr. Crispl emphasized a moment ago as a great victory by the House conferees, which places an additional tax on consolidated returns and which is in fact a penalty on certain corporations for the privilege of doing business in the best way suited to them.

We have in this bill selected the industries and the interests which show any signs of life, which show any hope of progress for the immediate future, and have placed the heaviest burdens on them instead of distributing these burdens over all the people. But beyond and in spite of all these and other hardships in this bill, there is presented to us at this moment the paramount proposition that we must balance the Budget of the United States and tell the world as well as our own people that the Congress of the United States after six months will not reject the labors of all that period and that we will immediately do what we can toward restoring confidence and thereby ultimate general prosperity among our people. [Applause.]

To me, our inescapable duty to-day is to adopt this conference report and leave to a better and happier day the adjustment of the discriminations and inequities and even the mistaken policies, which unfortunate, and perhaps unavoidable, conditions in the country, as well as in the Congress, have brought into this piece of legislation. Both the Congress and the country have learned much since the House rejected the manufacturers' excise tax. Future experience will also again prove the folly of drying up the sources of revenue both from income and from capital and the wisdom of extending a part of our Federal revenue system to the only other remaining source, the exchange, that is, the sale of commodities, as was done in the recent proposal, without pyramiding and without unfair discrimination. This is a government of all the people, and all should share justly in the cost of its maintenance.

Mr. TREADWAY. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I am glad that we are coming to the conclusion of the consideration of this tax problem. This tax problem has hung ghostlike over this Congress since the beginning of the session. I admit the bill is not absolutely perfect. There is probably no man in the United States who agrees to every single provision in the bill, but was there ever a tax bill that was popular? The only tax bill that I can imagine that would be popular at this time would be one that would relieve all of the people from all parts of the country from paying any tax at all, and that is an impossibility at the present time. When we consider this bill let us keep this in mind, that this is not a permanent tax bill, that this is only a temporary one to meet the present

emergency. This is not the last time we are ever going to ! have a chance to express ourselves on tax measures.

If there are some provisions in the bill that ought not be here, there will be an opportunity to take them out. If there are some inconsistencies in the bill, there will be an opportunity to rectify them. If there are some omissions that ought to go in the bill that are not here at the present time, there will be an opportunity to put them in.

Now, as the gentleman who just preceded me said, I am one of those Members who was in favor of the manufacturers' sales tax. I believe the original tax bill as presented by our Ways and Means Committee was the fairest, most just, and equitable tax that could possibly have been passed at this time, but the majority thought otherwise.

A great many representatives of business organizations came to my office to protest against the original sales tax. Some of those same men have been here this last week to protest against the taxes that are carried in this bill. I told them at the time that they might better take a reasonably small tax, evenly distributed throughout the whole country, than some selected sales taxes which would not be agreeable to them or to their people. But, of course, every man wants to get away from paying taxes, if possible. I do not know that I blame them, but, of course, they come here now and they have just exactly what we told them they would get, namely, special excise taxes.

Every part of the country is demanding that we balance this Budget. Every part of this country is demanding that we pass a tax bill and go home; and it does not make any particular difference if we stay here three or four months longer, the men who are protesting this present tax bill would lose more in depreciation of their present assets than any amount of money they will ever pay under this tax bill.

In the four or five months we have been considering it we have lost four times as much money as we collected, and securities of every kind are depreciating every single day. I tell you, my friends, I tremble to think what would happen if the news went out of this Chamber this afternoon that we failed to do our duty. I tell you, my friends, we must do our duty and agree to this report, and do it at once, and tell the world we are going to stabilize the American financial and economic structure. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CRISP. Mr. Speaker, the responsibility of taking the lead in a very unpopular legislative enactment, to wit, levying heavy taxes, fell upon me. I have met that responsibility to the best of my ability. I knew it would subject me to criticism. Conscious that I was doing my duty, serving my country, criticism is immaterial, whether from the gentleman from Illinois [Mr. RAINEY] or anyone else. I emerge from this contest with my complete self-respect, which to me is all important. I was somewhat surprised at the remarks of my friend the distinguished leader [Mr. RAINEY] in view of what took place in the conference. The gentleman referred especially to the tax on electric energy. I heard no protest from him in conference, but all agreed that that matter had to be changed. The gentleman did oppose the tariff on lumber. So did I. I think it is indefensible, but an emergency confronted me as to whether I would agree temporarily as to that item in order to bring in a bill to balance the Budget, and to serve my country, and I accepted it. When the next tariff bill is written it will be corrected. In the House I opposed all tariff items, and a grievous error was made when two-oil and coal-were included in the bill. The Senate agreed to them. So the conferees were impotent to change them. I was not going to let one more, lumber, hold up the tax bill, so vital to the country and for that reason alone I agreed to it as I frankly stated in my opening speech to-day.

Mr. Speaker, I will not prolong this discussion. Next to my God and my family I love my country. [Applause.] And some weeks ago, yea, some months ago, I announced from this spot that I was going to forget self and serve my country, and I have kept the faith. [Applause.] I have

not spared myself, mentally, physically, nor considered my political welfare. If this bill passes, the Budget will be balanced-and if anything will aid in restoring prosperity and giving employment and confidence in the American Government, it will be a balanced Budget. [Applause.]

The SPEAKER. All time has expired. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. Crisp, a motion to reconsider the vote by which the conference report was agreed to was laid on the table

EXTENSION OF REMARKS-REVENUE BILL OF 1932

Mr. HORR. Mr. Speaker, regarding this general tax bill, H. R. 10236, may I call attention further to the objectionable features in this bill.

The tax on electrical energy is truly a tax that will be paid by the consumer direct. I call attention to my remarks on the floor to the fact that the power companies will not be affected by this tax other than whatever reduction in their business will come through additional charges, which may cause some to economize. I doubt, however, if this will be scarcely noticeable.

The ordinary consumer of electricity will continue to use electrical power and light, and the burden will be borne by him rather than by the power companies. The old rates established by the power companies are still in effect, and have not been reduced correspondingly as prices in other industries have been reduced.

These companies have the benefit of cheaper labor, cheaper construction and upkeep, and cheaper commodities necessary in the conduct of their business, yet the rates of public utilities have not been reduced in proportion to the actual benefits that have come to them from the depression.

The farmers in the arid districts who are dependent upon electrical power in irrigation will be compelled also to pay an additional tax. When we consider what the farmer has lost in the reduction of his price of commodity, it does not seem fair and equitable that he should be burdened with a tax that should be properly levied against an institution that has been more favored than himself.

A statement that the Government can collect easier is, indeed, a fallacy and, in my opinion, is not based upon fact. In each instance the Government must collect from the vendor, namely, the power company; and why it is said collection can be expedited if the power company is permitted to collect from the consumer, and then the Government collect from the vendor, the power company, is beyond my power of comprehension.

This tax is almost as bad as the proposed tax on food and clothing, which were exempted, as electrical power and light is no more considered a luxury but a necessity, and I can not be in favor of taxing a necessity of life as long as there are other avenues of taxation open.

This bill also carries a tax on brewers' wort of 15 cents a gallon, and also upon malt and malt sirup, unless sold to a baker for use in baking or to a manufacturer or producer of malted milk. Grape concentrate, evaporated grape juice, is also taxed 20 cents a gallon.

Can one conceive how the House of Representatives, that has heretofore voted against a tax on intoxicating liquors, if beer may be so classified, and voted against any change in the present Volstead Act, and in this bill this same House of Representatives voting a tax upon brewers' wort and malt, out of which beer only can be made, and placing its approval upon the contraband that is designated for one purpose, and that is the evasion of the very law the Congress refuses to change, namely, the Volstead Act?

Under what theory can one vote to tax grape concentrate and at the same time refuse to vote a tax on wine when grape concentrate is used for the one purpose, in the main, of making contraband wine? It seems strange that mentality can so adjust itself as to vote for a product that will produce an article that in itself will eventually become contraband and prohibited by law.

In other words, to-day the House of Representatives is voting to tax the unassembled ingredients of wine and beer and at the same time refuses to place a tax upon the same product when scientifically manufactured.

This tax recognizes the legitimacy of the home brewer and refuses to recognize a brewer authorized by law.

Even the authors of this bill admit it has discriminatory provisions. Many selected articles like jewelry and furs, pay the penalty for being in the selective class.

In a few days the economy measure will be brought to us to produce a saving of approximately \$260,000,000. This saving will largely be deducted from the wages of the Federal employees. And if this economy bill is adopted, let it be known to the wage earners of the country that rather than tax beer, which is wort in one of its stages, the Congress is taking from the wage earners these millions of dollars.

Every bill has its good parts, and one of these sections adopted gives great comfort to the people of the country that I represent. The provision in the bill where lumber, rough or planed or dressed on one or more sides, is protected by a \$3 per thousand feet board measure is one of the items in this bill that will assist the Pacific Northwest in this time of depression.

I am surprised at my colleagues from States that do not produce timber products objecting to this provision. The Pacific Northwest to-day is prostrated because of the influx of timber products from Canada on the north of us.

Our sawmills are closed down. Thousands of our citizens are unemployed because of the fact that Washington mills can not meet the competition of the Canadian industry. Carload after carload of lumber is being shipped through the State of Washington from British Columbia directly past sawmills that are now idle in Washington State.

The entire industry is paralyzed. Banking institutions that were dependent upon this industry have failed by the score. Men and women are walking the streets asking for bread. We are hoping that this \$3 per thousand tariff will open some of these mills and give employment to our people.

I can not understand the objection of my colleagues from States not producing timber products. Our prosperity means their prosperity. We can not buy their products unless our mills are open and kept going, and I am of the opinion that it is a shortsighted policy on the part of representatives from other States objecting because they will be compelled to pay a little more for timber products. If they pay more for our timber products, we will give them a market for the products of their farms.

This, in my opinion, gentlemen, is one of the outstanding features for good in this bill. May I state that there are very few features that can be so labeled?

Mr. LANKFORD of Georgia. Mr. Speaker, the subject of taxation is all-embracing; and when we consider it, we think of all other economic problems. Therefore, let me mention a few of these before I briefly set forth some of my ideas touching the various forms of taxes.

Among the problems of first magnitude now seriously and tragically confronting the Nation is that of a farm-relief system which will permanently insure much better prices for farm products. I believe this can only be accomplished in a satisfactory way by a contract system controlling alike production, marketing, and prices.

Next in importance is that of securing gainful employment for labor and reasonable income for the individual independent citizen. In order to accomplish these essential economic achievements, it is necessary among other things to solve the transportation question and give both labor and capital equal protection, each within its own proper sphere.

It has been said that "the power to tax is the power to destroy" and hence no economic problem is of more importance than that of taxation.

We should strive with all our might to tax as little as possible rather than be engaged in imposing new vicious methods of using this "power to destroy."

I am unalterably opposed to the Federal sales tax. This tax can not at all be justified, unless it be for State or other

local purposes and then only for the purpose of giving relief against the unfair, ad valorem or property tax which is now so burdensome to our people. No direct tax should be levied for Federal purposes except upon the larger incomes, estates, and inheritances. Revenues for local or State purposes may be properly raised from these sources, but as the States begin to augment the raising of revenues in this way, the property tax should be proportionately decreased. By far, the larger part of the present unbearable tax burden is borne by the people for State, county, and municipal purposes.

The State of Georgia should never have imposed the in-

The State of Georgia should never have imposed the income tax or any other additional tax burden except as a means of relieving the property tax. The Federal Government should never invade the States by an imposition of a sales tax or any form of excessive excise taxes. The so-called tobacco tax is too high and should be only levied so as to raise revenue and to the end that the farmers may get a better price for their products, but I do not wish to go farther into that question now, as it would require too much time for this discussion.

I am opposed to this entire tax bill because I feel it is vicious in many particulars and that it is unnecessary at this time. I have heretofore stated in detail why I object to this measure and shall not again do so now.

Mr. SPARKS. Mr. Speaker, the House has just been informed by the acting chairman of the Ways and Means Committee of the House that the conference report, signed by conferees on the part of the Senate and the House, and which is now before us for consideration, must be accepted as a whole, or rejected as an entirety. There is no way that amendments may be made to items placed in the bill by the Senate, and which may aptly be designated as nuisance taxes.

The Senate placed a tax of 2 cents on each bank check. This means a heavy penalty upon small cream and egg transactions if checks are used. I do not think it just or fair for small bank checks to be so taxed; in fact, I think the farmer and the buyer can cooperate to defeat such an iniquitous tax. If the purchasers of eggs and cream should give an order in the following form, it would not be subject to the 2-cent tax, and the Treasury Department has so held:

Main Office, Goodland, Kans. James Butcher, dealer in poultry and eggs Highest price for quality

Payable at the Silver Lining Bank, Goodland, Kans.

Farmers should insist that the dealers to whom they sell their cream and eggs give them such orders.

The Senate also included a \$3 per thousand feet tax on lumber, which is in addition to the dollar tariff rate now levied against lumber. The Tariff Commission under the law is empowered to make investigations and to make findings therefrom as to the cost of production abroad and at home upon the particular item investigated. The commission on November 9, 1931, rendered a very exhaustive report of its investigation as to lumber and at this time found that a change in the existing rate was not warranted. In violation of our established tariff policy the \$3 rate was included in the bill during its consideration in the Senate. It will in effect constitute an embargo, and as a result the lumber buyers of the United States will be left at the mercy of the lumber mills.

Another very objectionable item included in the bill during its consideration in the Senate was the 1 cent per gallon tax on gasoline. The various States of the Union have for some time been levying a tax upon gasoline sold in their respective States for the purpose of helping to defray State expenses. The Federal Government's intervention into the States' avenues of raising taxes creates confusion and adds to the very heavy burden now assumed by gasoline buyers.

I can not support such obnoxious provisions. They are unfair and unjust to the common people of this country, and shall not be sanctioned by my vote.

Mr. LANKFORD of Virginia. Mr. Speaker, in voting for the Budget balancing tax bill I had very much the same feeling that a patient has on entering the operating room for an operation. The operation is bad enough but a ruptured appendix is worse. I disliked it—I dreaded to vote and place this additional burden on the taxpayers of the country already burdened to distraction by Federal, State, and municipal taxes; I hoped until the last minute some other solution could be found, but there was none, and no alternative was left.

In view of the disclosures in the President's message to the Senate several days before, showing the rapid withdrawal of gold from the United States, failing confidence in our financial stability at home and abroad, and the necessity for immediate action to save a general financial and industrial collapse, I saw then and can see now nothing to do but support this measure.

I feel that a great mistake was made in not passing the manufacturers' excise tax, a slight, evenly distributed manufacturers' tax with such a broad base that it would have hurt no one seriously and raised a revenue of approximately \$600,000,000. Revenue would have begun to flow into the Treasury at once and the nuisance taxes, such as stamps on checks, increased postage, telephone and telegraph messages, light and gas, stock, bond, and real-estate transfers, movies, and numerous other irritating and in the aggregate expensive taxes could have been avoided. An even more serious objection is the heavy burden placed on a special class of selected industries, so heavy that at this time of depression it may result in serious injury to some of these activities, every one of which is a large employer of labor.

No choice, however, was given; it was this tax bill or chaos, and for this reason and this alone I voted for it.

I voted for the manufacturers' excise tax bill when it was presented, and urged its passage, and would have voted against this bill had there been any chance of going back to the excise tax, but having been defeated in both the House and the Senate it was hopeless to expect it to be revived.

It is entirely possible, however, that if the present bill fails to produce the revenue expected of it, and many think it will, and proves to be too great a burden, that the manufacturers' excise tax may be revived at the December session. If so, I shall support it again.

This country has borrowed and mortgaged itself into its present condition, and I do not believe it can borrow or mortgage itself out. The way out, in my opinion, lies in the strictest economy; in adhering strictly to the necessary and essential functions of Government, and not in further depressing the millions of overburdened taxpayers with vast and unnecessary projects to create work for a comparatively few workers. They will be absorbed much quicker, and permanently, by relieving business and industry of the burdens of Government and if let alone they will take up the slack in unemployment.

For this reason I can not support the Garner bill, nor can I support other expenditures for the Farm Board, Department of Agriculture, aside from its normal functions, or any other artificial and socialistic activity.

I propose to vote Government dollars for strictly Government functions and nothing else.

Mr. LARRABEE. Mr. Speaker, propagandists of the administration now in power and the party whose administrations have been in full power for the past 12 years, as was to be expected, are making every possible effort to cover up their own blunders, failures, and shortcomings with the attempt to saddle the entire blame for the present panic on the new Democratic House of Representatives, and at the same time resell their candidate for President to the people under the smoke screen.

They have gone so far with this propaganda campaign that they have succeeded in a measure in turning some minds from the real facts, while the Democratic House, true to its pledge, has made every possible effort to give full cooperation in every way possible to the program of the administration or anyone else who offered any suggestion to relieve conditions.

It is encouraging to note, however, that the people as a whole, are not swallowing this old-fashioned brand of propaganda, and the people generally are rallying to their own defense as citizens and taxpayers. However the interest now being shown by the taxpayers has come too late to prevent the conditions that are upon us.

Had the people shown this same keen interest in times of plenty, the Federal Government would not be suffering from financial paralysis to-day.

The Hoover administration would never have permitted the 63 per cent increase in expeditures of major Federal departments, commissions, and independent offices, that has resulted since 1927.

The report of the Secretary of the Treasury shows that in appropriations and expenditures of 15 major departments, commissions, and independent offices, increases since 1927 ranged all the way from 19 to 614 per cent, and in only one department was any decrease shown. The Navy Department's increase from 1927 to 1932 was 19 per cent. The Post Office Department deficit appropriation increased in 1932 by 614 per cent over that of 1927. The Interior Department, according to the figures, showed a decrease of 74 per cent, but the fact is that this largely, if not all, resulted from the removal of the Bureau of Pensions from that department to the United States Veterans' Administration, an independent office. The others are varied from 34 to 220 per cent increases, to give a total percentage of increase of 63 per cent for these departments.

These are actual figures of what has happened in that brief period of from 1927 to the present time, and it should be remembered that the Democratic House had not yet been elected.

According to the estimate of the Treasury Department, made public in December last, the National Government's expenditures for the fiscal year ending June 30, 1932, exceed by \$1,231,100,000 those of 1927.

It should be remembered, too, in the year of 1927 industrial activity in the United States was nearly at its peak, and prices of commodities were, generally speaking, far above those of to-day. In 1927 the people were prosperous, as a whole, and were able to stand what should be considered the peak in governmental expenditures and taxation.

From 1928 until to-day the industrial, commercial, and general economic trend has been downward, slowly for a time, then with tragic suddenness. But notwithstanding all this, the Federal expenditures under the Republican administration have been rocketing upward with uncontrolled speed until the administration finally awoke to the realization that the Federal Government had been plunged into virtual bankruptcy. Bureaus and commissions have multiplied until there are now approximately 200, which are ever demanding more expansion, more authority, and more of the taxpayers' money.

Early this year the administration estimated to Congress that a deficit of \$2,000,000,000 would result in the Federal Treasury by the end of the present fiscal year, June 30, but they tried to make it appear that this was all due to decreased revenues from falling tariff and other sources of Federal income.

The truth is that expenses so drastically increased—and needlessly—had much to do with the condition as it now is. Why the administration seeks to place this burden all on its own panic, and not on its own extravagance, is not hard to understand. But, more serious than that, latest available estimates are that the deficit will reach \$3,000,000,000.

Now, to cover up this deficit the Republican administration has been forced to call on Congress for huge additional taxes to be paid from the practically empty purse of a prostrate public. New sources of revenue had to be found. It was impossible to effect sufficient economy in the present establishment of Federal governmental departments to prevent it without practically prostrating the entire establishment of Federal governmental functions and bringing down ruin to the governmental system.

No plan of taxation that could be offered will meet with general approval. Those individuals, who in the past have

enjoyed incomes sufficiently large to place them in the class of income-tax payers, resent any increase in income taxes, as they too have suffered substantial decreases in their incomes as the result of the panic. Corporations and other producers of this class resent any increase in corporation taxes for the same reason.

Taxes, through proposed sales-tax levies, to be paid by every one who buys any commodity with the possible bare necessities of plain food and modest clothing, would even heap an additional hardship on the unemployed laborer and the bankrupt farmer, most of whom have never "enjoyed" the sensation of paying income taxes even in prosperous years.

Fither method of taxation will doubtless have the effect of raising prices without any benefit to the producers—the farmers and the laborers—that should come with increased prices, and threaten to lessen sales, slow down industry, and increase unemployment and want, which will only drive costs upward and result in greatly increased distress.

While the Democratic House of Representatives and its committees has been struggling with the problem of reducing appropriations for the Federal departments to effect savings and economy that must be effected to avert further catastrophy, they have faced the spectacle and the obstacle of the administration, through its Cabinet members—the heads of the various departments that have contributed the 63 per cent increase in expenses since 1927—opposing bitterly, and in fact obstructing, the work of Congress along this line.

When the House first tackled this problem several weeks ago the Treasury Department provided one set of figures as to the financial condition of the Federal Government. Before the House had completed its work on the revenue bill the Treasuy Department, evidently discovering a serious error in the first figures it had provided, submitted another and entirely different set of figures. We are told this same condition was forced upon the Senate committee, as it attempted to decide whether or not the House bill was adequate, and called for Treasury estimates.

In addition to objections of bureaus themselves, in almost every instance, while the House considered the economy bill, it and its members and committees were deluged with letters and telegrams from every section of the country, urging that this or that bureau be not disturbed. Many of those who sent these messages pleading for the life of their pet bureau or appropriation also sent letters and messages, before or later, taking Congress to task for a presumed failure to bring about economy and for the necessity of increasing revenue through taxation.

The tendency within recent years to have the powerful hand of Federal Government reach into almost every phase of human life is not only costly but a dangerous one. Such a tendency is leading into inactivity and indifference in local governments and community responsibility in many sections, and is challenging the actual perpetuity of our form of government, which all Americans demand that we preserve for posterity.

During consideration of the economy bill the heads of the Army and the Navy, under the presidential control as their Commander in Chief, bitterly assailed the Democratic House plan to effect gigantic savings in those departments, and made it plain that any measure providing for this saving would not survive the White House veto. The Democratic plan would have eliminated many high-salaried executives, valuable to the administration for political purposes, and would have effected gigantic savings to the taxpayers, while at the same time it would have increased the efficiency of our system of national defense.

The heads of other departments fought just as bitterly in committee when cuts were proposed for their departments by the Democratic House committees.

As the economy bill and the revenue bill now stand there is grave danger that from 66 to 72 per cent of the economies which have a chance to survive the White House veto will come from threatened slashes in salaries of the laboring and working classes in the Government departments and not from needed reduction of the departmental organization.

This, too, provides another danger. It will decrease the buying power generally. It will result in thousands of Government workers now contributing substantially to the support of dependents throughout the entire Nation having to withdraw this financial aid and will add that many more to the burden that charity is already stumbling under. It endangers possibility of reviving wage scales.

Effecting economies in government is not a partisan task but a patriotic duty. Without any regard for party lines, without any effort to claim partisan credit or evade responsibility, this tremendous problem challenges our best thought and rests not only on every Member of Congress but upon the entire citizenship of the United States.

Mr. POLK. Mr. Speaker, when the tax bill was first passed by the House of Representatives, on April 1 of this year, I voted against this bill because in my opinion we should not levy one cent additional tax upon our people until we have cut the cost of government to the very bone.

So long as Congress continues to levy additional taxes there will be no real curbing of governmental extravagances. Only by a refusal to further burden our people with taxes can we hope to have any real economy in government.

The Budget should be balanced by reducing governmental expenditures instead of by increasing taxes.

As this tax bill comes back to the House from the Senate, it is more objectionable than when it first passed the House. It contains a tax on the domestic consumer of electricity. It places a tax on the users of checks which will further burden our farmers, and the small country bankers, who are already weighted down to the breaking point by taxation.

The Senate has also placed an additional tariff of \$3 per thousand feet on lumber, which it is admitted will bring in little if any revenue, but will increase the price of lumber to the domestic consumer.

Additional unfair and unjust burdens have been placed on the users of automobiles by the Senate, through a tax on gasoline, tires, and tubes.

Because I believe this tax bill places an unfair and unnecessary burden upon those least able to pay, I am forced to vote against it.

Mr. JONES. Mr. Speaker, the limited time allotted for discussion on the conference report, which is the final action by the House on the revenue bill, has been taken up largely by the members of the Ways and Means Committee, thus affording little opportunity for other Members to express themselves. However, I desire to submit a brief statement for the Record.

In my judgment, the whole philosophy of the bill has been changed since it was first presented. It contains numerous taxes that should not be included in a proper revenue measure.

I object seriously to a tax on bank checks. This is not only a nuisance tax but, it seems to me, would have a tendency to cause depositors to withdraw their money, thus interfering with the proper conduct of the business of the country. I am not in favor of the additional tax on gasoline, as I believe this is a field that should be left to the States. Most of the States are making full use of this tax privilege. I do not believe the first-class postal rates should be increased, as this phase of the Postal Service is already more than self-sustaining. There are many other objectionable taxes embodied in the measure.

In my judgment, two methods should be used rather than the form in which this tax burden is levied.

In the first place, Government expenses should be reduced all along the line, some bureaus and commissions should be eliminated, the activities of others curtailed, and economies practiced wherever possible.

In the second place, we are far ahead in our payments on the public debt. I believe that the future payments on the public debt should be spread out over a longer period, somewhat comparable to the payments allowed foreign countries in taking care of their obligations to us. The added stimulus that would thus be given to business by virtue of not being forced to pay the added taxes would in itself increase

the commerce, making payment of the balance of the taxes much easier to take care of.

Only such taxes can be justified as are necessary to carry on the affairs of the Government, economically adminis-tered. By properly safeguarding the activities of Government many of the taxes provided for in this bill would be made unnecessary.

Mr. HART. Mr. Speaker, I can not support the tax bill as returned to this House by the conferees. During the discussion of the bill in the House I voted against import taxes upon oil and coal. I do not believe that a tariff has any place in a revenue bill. These import taxes upon oil and coal are not tariffs for revenue but are intended as embargoes. We have suffered too much already as the result of embargo tariffs. Retaliatory tariffs and that peculiar system in Europe known as a quota have destroyed our foreign trade. Instead of imposing more retaliatory tariffs we should be negotiating to reduce them and encourage trade. We are subsidizing the merchant marine through mail contracts and destroying our foreign trade through tariff barriers, and allowing our ships to rust in our ports. This tax upon oil means an additional burden upon the farmer.

I am also opposed to the increase placed upon the automobile industry through the tax on gasoline and the tax upon passenger cars, trucks and auto parts, together with the tax upon tires. One-quarter of the entire tax bill is placed upon this industry. This is peculiarly a Michigan industry, and this bill strikes a heavy blow at an industry that has shown more courage and initiative than any other in the country.

Another feature of this bill I can not subscribe to is the racketeering provision, which places ten times the tax upon liquid malt or wort as is placed upon malt sirup, which is largely sold in cans. The tax on malt sirup is 3 cents a pound; a 21/2-pound can will make 5 gallons of wort. The tax laid upon this 21/2-pound can is 71/2 cents. On the other hand, the 5 gallons of wort, which is the product before condensing-and the small brewery has no condensing plant or canning plant—is taxed 75 cents for 5 gallons, in place of 7½ cents.

I am told that this provision was placed in the bill on the advice of the Prohibition Department. I am wondering what the interest of the canned-malt-sirup manufacturers was in this provision. I regard this provision as racketeering the small manufacturer in favor of the large one, and I can not vote for a bill containing this vicious provision.

I shall therefore record my vote against the bill.

LEAVE OF ARSENCE

By unanimous consent, leave of absence was granted to-Mr. Collins, for to-day, on account of illness.

Mrs. Wingo, at the request of Mr. Driver, on account of illness in family.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now

The motion was agreed to; accordingly (at 1 o'clock and 32 minutes p. m.) the House adjourned until Monday, June 6. 1932, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

MAY 19, 1932.

To the Clerk of the House of Representatives:

Pursuant to clause 4 of Rule XXVII, I, WRIGHT PATMAN, move to discharge the Committee on Rules from the consideration of the resolution entitled "A resolution to make H. R. 7726, a bill to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, a special order of business," which was referred to the said committee May 10, 1932, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

- sentatives amx their signat

 1. Wright Patman,
 2. John E. Rankin,
 3. Thomas L. Blanton,
 4. Carl Vinson,
 5. J. V. McClintic,
 6. Paul John Kvale,
 7. Patrick J. Boland,
 8. LaFayette L. Patterson,
 9. Gardner R. Withrow,

- 10. Gerald J. Bolleau. 11. George W. Lindsay. 12. R. A. Green. 13. Tom D. McKeown.

- 14. Russell Elizey. 15. Stephen A. Rudd. 16. W. W. Hastings. 17. Patrick J. Carley.
- 18. Thomas H. Cullen.

- 19. J. P. Buchanan.
- 20. Francis B. Condon. 21. John J. Douglass.
- Anning S. Prall. Morgan G. Sanders. Glenn Griswold. 23.
- 25. Hubert H. Peavey. 26. Dennis Chavez.
- 27. James M. Fitzpatrick, 28. Loring M. Black, 29. F. B. Swank,

- 29. F. B. Swank.
 30. Jed Johnson.
 31. Luther A. Johnson.
 32. W. L. Tierney.
 33. George J. Schneider.
 34. M. C. Allgood.
 35. A. H. Gasque.
 36. Numa Montet.
 37. John H. Overton.
 38. J. O. Fernandez.

- J. O. Fernandez. Guinn Williams.
- Wilburn Cartwright. Martin J. Kennedy.
- 42. Harry P. Beam.
- 43. John E. Miller. 44. W. J. Driver. 45. D. D. Glover. 46. J. Will Taylor. 47. W. H. Larrabee.

- 48. Joe Crail. 49. William N. Rogers.
- 50. John J. Delaney. 51. Lamar Jeffers. 52. Jesse P. Wolcott.
- 53. A. J. May. 54. Martin L. Sweeney.

- 55. William H. Dieterich.
 56. Leonard W. Schuetz.
 57. Edgar Howard.
 58. Victor Christgau.
 59. Fred H. Dominick.
- H. P. Fulmer. Wall Doxey. 61
- 62. Jere Cooper.
- J. H. Sinclair. Frank R. Reid. 63
- 66.
- Kent E. Keller. John R. Sandlin. Wesley E. Disney. Phil D. Swing. René L. DeRouen.

- 70. M. C. Garber. 71. Richard J. Welch. 72. William P. Connery, jr.
- Chas. Finley. James G. Polk
- Gordon Browning.
- A. J. Sabath. John C. Schafer.
- 78. Robert S. Hall.

- Melvin J. Maas. S. D. McReynolds. Tillman B. Parks. William C. Lankford.

- 83. Ralph A. Horr.

- 84. H. Ragon. 85. Riley J. Wilson. 86. Bolivar E. Kemp. 87. Fred M. Vinson. 88. J. R. Mitchell.
- 89. Ben M. Golder.
- 90. Ed. B. Almon.
- 91. Vincent L. Palmisano. 92. John W. McCormack.
- 93. Paul H. Maloney.
- 94. Marvin Jones. 95. George N. Seger
- 96. Charles A. Kading. 97. Fred A. Hartley. 98. Charles A. Wolverton. 99. Charles A. Karch.
- 100. Stanley H. Kunz.
- 101. Andrew L. Somers. 102. Ewin L. Davis.
- 103. O. B. Lovette.
- 104. James J. Connolly. 105. R. E. Thomason.
- 106. O. H. Cross. 107. E. E. Eslick. 108. J. W. Flannagan.
- 109. Sam B. Hill. 110. Edward A. Kelly.
- 111. Martin Dies.
- 112. E. F. Erk 113. Conrad G. Selvig.
- 114. J. J. Mansfield, 115. C. F. Curry, 116. W. F. Brunner, 117. Efficiene Wingo, 118. Robert R. Butler,
- 119. Byron B. Harlan.
- 120. Clay Stone Briggs. 121. Thomas R. Amlie.
- 122. James M. Mead. 123. Seymour H. Pearson. 124. J. E. Major.
- 125. Harry L. Englebright. 126. Butler B. Hare.
- 126. Butler B. Hare.
 127. Ed. H. Campbell.
 128. C. Murry Turpin.
 129. Mell G. Underwood.
 130. Frank C. Kniffin.
 131. Jeff Busby.
 132. John M. Evans.
 133. William W. Arnold.
 134. W. Frank James.
 135. O. L. Auf der Heide.
 136. Robert Crosser.
 137. Claude A. Fuller.
 138. J. J. McSwain.
 139. Lister Hill.

- 139. Lister Hill.
- 140. E. H. Crump. 141. William J. Granfield.

- 142. C. V. Parsons. 143. Charles West. 144. Joseph A. Gavagan. 145. Daniel E. Garrett.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, June 4, 1932.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CARLEY: Committee on Public Buildings and Grounds. H. R. 12360. A bill to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post-office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937; without amendment (Rept. No. 1503). Referred to the Committee of the Whole House on the state of the Union.

Mr. JAMES: Committee on Military Affairs. H. R. 12448. A bill to amend the laws providing retired pay for certain officers and former officers of the Army, Navy, and Marine Corps of the United States; with amendment (Rept. No. 1504). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 1434. A bill for the relief of Frances E. Eller; without amendment (Rept. No. 1501). Referred to the Committee of the Whole House.

Mr. PARKER: Committee on Military Affairs. H. R. 11624. A bill for the relief of Thomas A. Heard; without amendment (Rept. No. 1502). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FULMER: A bill (H. R. 12461) to amend the agricultural marketing act so as to secure to farmers a price for their commodities equal, as nearly as possible, to the cost of production, and to enable the producers of agricultural commodities produced in excess of domestic requirements to benefit from tariff protection on that part of their production consumed within the United States; to the Committee on Agriculture.

By Mr. McFADDEN: Resolution (H. Res. 249) authorizing the appointment of a committee to investigate the Bureau of Internal Revenue; to the Committee on Rules.

By Mr. DOUGHTON: Joint Resolution (H. J. Res. 416) to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONNERY: A bill (H. R. 12462) granting an increase of pension to Margaret F. Roach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12463) granting a pension to Jennie B. Southwick; to the Committee on Pensions.

Also, a bill (H. R. 12464) granting a pension to Amelia M. Lashua; to the Committee on Pensions.

Also, a bill (H. R. 12465) granting a pension to Bridget

Honohan; to the Committee on Pensions.

Also, a bill (H. R. 12466) granting an increase of pension

to Abbie J. Parsons; to the Committee on Pensions.

Also, a bill (H. R. 12467) for the relief of William H.

Rounceville; to the Committee on Military Affairs.

Also, a bill (H. R. 12468) for the relief of Laurie A. Small;

to the Committee on Military Affairs.

Also, a bill (H. R. 12469) for the relief of Daniel W. Tan-

ner; to the Committee on Military Affairs.

Also, a bill (H. R. 12470) for the relief of George R.

Whyte; to the Committee on Military Affairs.

Also, a bill (H. R. 12471) for the relief of Orzo F. Rideout;

to the Committee on Military Affairs.

By Mr. HARLAN: A bill (H. R. 12472) granting an increase of pension to Melissa J. Paddock; to the Committee on Invalid Pensions.

By Mr. HASTINGS: A bill (H. R. 12473) for the relief of Mary McCutcheon; to the Committee on Claims.

By Mr. KELLY of Illinois: A bill (H. R. 12474) for the relief of James J. Keeley; to the Committee on Military

By Mr. LONERGAN: A bill (H. R. 12475) granting a pension to Ann M. Callery; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 12476) granting a pension to Louise Patterson; to the Committee on Pensions.

Also, a bill (H. R. 12477) granting a pension to George F. Davis; to the Committee on Pensions.

Also, a bill (H. R. 12478) for the relief of James J. Laughlin; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8134. By Mr. CAMPBELL of Iowa: Petition of J. J. Osborn, jr., and 43 other citizens and voters of Sioux City, Iowa, urging the immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

8135. By Mr. CHAVEZ: Petition to balance the Budget; to the Committee on Ways and Means.

8136. Also, petition to balance the Budget; to the Com-

mittee on Ways and Means.
8137. Also, petition to balance the Budget; to the Commit-

tee on Ways and Means.

8138. Also, petition to balance the Budget; to the Committee on Ways and Means.

8139. Also, petition protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

8140. By Mr. CRAIL: Petition of 24 citizens of California demanding prompt action in balancing the Budget, and expressing their opinion as to how this can best be done; to the Committee on Ways and Means.

8141. By Mr. FULLER: Petition of members of the Russel Colson Post, No. 102, of the American Legion, and other citizens of Norfolk, Ark., urging support of House bill 1; to the Committee on Ways and Means.

8142. Also, petition of Bill Rogers, Al Feltz, Charles D. James, and 148 others of Eureka Springs, Ark., requesting the immediate payment of the certificates of adjusted compensation for World War veterans, under House bill 1; to the Committee on Ways and Means.

8143. By Mr. GARBER: Petition of C. H. Christensen, commander Fitzhugh Lee Camp, No. 15, Tulsa, Okla., opposing the pauper clause of economy bill and reduction of pensions while disabled veterans are hospitalized; to the Committee on World War Veterans' Legislation.

8144. Also, petition of Railway Employees' and Taxpayers' Association of West Virginia, urging enactment of legislation to bring all methods of transportation engaged in interstate commerce under uniform regulation; to the Committee on Interstate and Foreign Commerce.

8145. Also, petition of R. B. Stewart, department commander, State of Oklahoma, United Spanish War Veterans, urging opposition to pauper clause affecting veterans and reduction of pensions to certain veterans; to the Committee on World War Veterans' Legislation.

8146. By Mr. KELLER: Petition of the citizens of Benton, Ill., asking for legislation favoring the Big Muddy Canal project; to the Committee on Rivers and Harbors.

8147. By Mr. JOHNSON of Texas: Petition of Voluntary Voters' Committee, citizens of Blum, Tex., Jess Carmichall, secretary, favoring Patman bill for cash payment of adjusted-service certificates and the Garner relief plan, provided new currency is issued in lieu of bonds, and opposing economy at the expense of the disabled, maimed, and diseased ex-service men; to the Committee on Ways and Means.

8148. By Mr. LEAVITT: Petition of residents of Larslan and Avondale, Mont., favoring the enactment of House bill 5857, a bill to provide legal-tender money without interest secured by community non-interest-bearing 25-year bonds, etc.; to the Committee on Banking and Currency.

8149. By Mr. MEAD: Petition of American Society of Civil Engineers, regarding a normal program for public-works construction to stimulate trade recovery and revive employment; to the Committee on Ways and Means.

8150. By Mr. RUDD: Petition of the National Economy League, New York City, opposing Federal pensions to war veterans not injured in war service; to the Committee on Economy.

8151. Also, petition of Chamber of Commerce of the State of New York, protesting against Government expenditures on Muscle Shoals; to the Committee on Military Affairs.

8152. Also, petition of Chamber of Commerce of the State of New York, opposing the taxation of capital gains; to the Committee on Ways and Means.

8153. Also, petition of Chamber of Commerce of the State of New York, opposing Federal pensions to war veterans not injured in war service; to the Committee on World War Veterans' Legislation.

8154. Also, petition of Chamber of Commerce of the State of New York, opposing the passage of Senate bill 1963, regulation of common carriers by water in intercoastal commerce; to the Committee on Interstate and Foreign Commerce.

8155. By Mr. SUTPHIN: Petition of Senate of the State of New Jersey, objecting to the proposed 1-cent per gallon tax on gasoline; to the Committee on Ways and Means.

8156. By the SPEAKER: Petition of Ida von Claussen, requesting that she be allowed to appear before a duly constituted committee of the House of Representatives appointed to hear and pass upon her petition for the impeachment of President Herbert Hoover, Ambassador Andrew Mellon, and colleagues; to the Committee on the Judiciary.

SENATE

MONDAY, JUNE 6, 1932

(Legislative day of Wednesday, June 1, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

CALL OF THE ROLL

Mr. SMOOT obtained the floor.

Mr. FESS. Mr. President, will the Senator from Utah yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Utah yield for that purpose?

Mr. SMOOT. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Cutting Robinson, Ind. Ashurst Jones Dale Davis Kean Kendrick Austin Bailey Schall Schall Sheppard Shipstead Shortridge Smith Bankhead Dickinson Keyes La Follette Lewis Dill Barbour Barkley Fletcher Frazier Smoot Steiwer Logan McGill Borah George Glass Thomas, Idaho McKellar Bratton McNary Metcalf Thomas, Okla. Bulkley Bulow Byrnes Townsend Glenn Goldsborough Hale Moses Trammell Neely Tydings Vandenberg Capper Caraway Harrison Hastings Hatfield Norbeck Wagner Walcott Norris Carey Cohen Nye Oddie Connally Hayden Walsh, Mass. Walsh, Mont. Patterson Coolidge Hebert Howell Reed Watson Couzens Johnson Robinson, Ark. White

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. Swanson] is necessarily absent as a member of the Geneva conference and that the junior Senator from Louisiana [Mr. Long] is necessarily absent from the city.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

REVENUE AND TAXATION-CONFERENCE REPORT

Mr. SMOOT submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 8, 15, 16, 35, 40, 41, 42, 45, 60, 61, 62, 63, 64, 65, 71, 72, 76, 113, 114, 115, 146, 174, 193, 207, 212, 214, 254, 257, 262, and 267

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 36, 37, 38, 39, 43, 44, 46, 47, 48, 49, 50, 51, 52, 53, 55, 56, 57, 58, 66, 67, 68, 69, 70, 73, 74, 77, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 91, 94, 95, 96, 97, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 116, 117, 118, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 138, 139, 141, 142, 145, 147, 148, 149, 151, 152, 153, 154,

155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 169, 170, 171, 172, 173, 175, 176, 177, 178, 179, 181, 182, 183, 185, 188, 189, 190, 191, 192, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 208, 209, 210, 211, 213, 215, 216, 217, 218, 219, 221, 222, 223, 224, 226, 227, 228, 229, 230, 231, 232, 234, 237, 238, 239, 240, 241, 242, 243, 244, 245, 247, 248, 249, 250, 251, 252, 253, 255, 256, 258, 259, 260, and 261 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: On page 2 of the Senate engrossed amendments, under the heading "Title V—Miscellaneous Taxes" and the subheading "Part II—Admissions tax," strike out "Sec. 712. Admission to Olympic Games."; and on page 3 of the Senate engrossed amendments, under the heading "Title VIII—Postal Rates," strike out "Sec. 1002. Adjustment of Postal Rates."; and on page 3 of the Senate engrossed amendments, under the heading "Title IX—Administrative and General Provisions," strike out all after "Sec. 1106. Refunds of Miscellaneous taxes.", the remaining portion of the matter inserted by the Senate amendment, and in lieu thereof insert the following:

"SEC. 1107. Adjustments of carriers' liabilities to conform to recapture payments.

"SEC. 1108. Limitation on prosecutions for internal revenue offenses.

"SEC. 1109. Special disbursing agents of Treasury.

"SEC. 1110. Refund of taxes for taxable year 1918.

"SEC. 1111. Definitions.

"SEC. 1112. Separability clause.

"SEC. 1113. Effective date of act."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13¾ per cent"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(r) Limitation on stock losses-

"(1) Losses from sales or exchanges of stocks and bonds (as defined in subsection (t) of this section) which are not capital assets (as defined in section 101) shall be allowed only to the extent of the gains from such sales or exchanges (including gains which may be derived by a taxpayer from the retirement of his own obligations).

"(2) Losses disallowed as a deduction by paragraph (1), computed without regard to any losses sustained during the preceding taxable year, shall, to an amount not in excess of the taxpayer's net income for the taxable year, be considered for the purposes of this title as losses sustained in the succeeding taxable year from sales or exchanges of stocks or bonds which are not capital assets.

"(3) This subsection shall not apply to a dealer in securities (as to stocks and bonds acquired for resale to customers) in respect of transactions in the ordinary course of his business, nor to a bank or trust company incorporated under the laws of the United States or of any State or Territory, nor to persons carrying on the banking business (where the receipt of deposits constitutes a major part of such business) in respect of transactions in the ordinary course of such banking business."

And the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: On the last line of page 19 of the Senate engrossed amendments, after the word "coal," insert "mines"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59,

lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

"(a) Earned income from sources without United States .-In the case of an individual citizen of the United States, a bona fide nonresident of the United States for more than six months during the taxable year, amounts received from sources without the United States (except amounts paid by the United States or any agency thereof) if such amounts constitute earned income; but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this subsection. As used in this subsection the term 'earned income' means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered. In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 per cent of his share of the net profits of such trade or business, shall be considered as earned income.'

And the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following: "; except that for the taxable years 1932 and 1933 there shall be added to the rate of tax prescribed by sections 13 (a), 201 (b), and 204 (a), a rate of three-fourths of 1 per cent"; and the Senate agree to the

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1334 per cent"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13% per cent"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13% per cent"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92. and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13% per cent"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1334 per cent"; and the Senate agree to the same.

Amendment numbered 98: That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "13% per cent"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99. and agree to the same with an amendment as follows:

and agree to the same with an amendment as follows: In | In lieu of the matter proposed to be inserted by the Senate amendment insert "1334 per cent"; and the Senate agree

> Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

> "(c) The tax shall not apply to a transfer of property in trust where the power to revest in the donor title to such property is vested in the donor, either alone or in conjunction with any person not having a substantial adverse interest in the disposition of such property or the income therefrom, but the relinquishment or termination of such power (other than by the donor's death) shall be considered to be a transfer by the donor by gift of the property subject to such power, and any payment of the income therefrom to a beneficiary other than the donor shall be considered to be a transfer by the donor of such income by gift."

And the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(4) Crude petroleum, one-half cent per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel, one-half cent per gallon; gasoline or other motor fuel, 21/2 cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles."

And the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

'(7) Copper-bearing ores and concentrates and articles provided for in paragraphs 316, 380, 381, 387, 1620, 1634, 1657, 1658, or 1659 of the tariff act of 1930, 4 cents per pound on the copper contained therein: Provided, That no tax under this paragraph shall be imposed on copper in any of the foregoing which is lost in metallurgical processes: Provided further, That ores or concentrates usable as a flux or sulphur reagent in copper smelting and/or converting and having a copper content of not more than 15 per cent, when imported for fluxing purposes, shall be admitted free of said tax in an aggregate amount of not to exceed in any one year 15,000 tons of copper content. All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph, in which copper (including copper in alloys) is the component material of chief value, 3 cents per pound. All articles dutiable under the tariff act of 1930, not provided for heretofore in this paragraph, containing 4 per cent or more of copper by weight, 3 per cent ad valorem or 3/4 of 1 per cent per pound, whichever is the lower. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles. The Secretary is authorized to prescribe all necessary regulations for the enforcement of the provisions of this paragraph."

And the Senate agree to the same.

Amendment numbered 143: That the House recede from its disagreement to the amendment of the Senate numbered 143, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert "tooth and mouth washes (except that the rate shall be 5 per cent), dentifrices (except that the rate shall be 5 per cent), tooth pastes (except that the rate shall be 5 per cent)" and a comma; and the Senate agree to the same.

Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be stricken out by the Senate amendment insert "toilet soaps (except that the rate shall be 5 per cent)" and a comma; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "No tax shall be imposed under this section on any article used for religious purposes, or any article (other than watch parts or clock parts) sold for less than \$3"; and the Senate agree to the same.

Amendment numbered 168: That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(2) Upon unfermented grape juice, in natural or concentrated form (whether or not sugar has been added), containing 35 per cent or less of sugars by weight, sold by the manufacturer, producer, or importer, a tax of 5 cents per gallon."

And the Senate agree to the same.

Amendment numbered 180: That the House recede from its disagreement to the amendment of the Senate numbered 180, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 616. TAX ON ELECTRICAL ENERGY .-

"(a) There is hereby imposed a tax equivalent to 3 per cent of the amount paid on or after the fifteenth day after the date of the enactment of this act, for electrical energy for domestic or commercial consumption furnished after such date and before July 1, 1934, to be paid by the person paying for such electrical energy and to be collected by the vendor.

"(b) Each vendor receiving any payments specified in subsection (a) shall collect the amount of the tax imposed by such subsection from the person making such payments, and shall on or before the last day of each month make a return, under oath, for the preceding month, and pay the taxes so collected to the collector of the district in which his principal place of business is located, or if he has no principal place of business in the United States, to the collector at Baltimore, Md. Such returns shall contain such information and be made in such manner as the commissioner with the approval of the Secretary may by regulation prescribe. The commissioner may extend the time for making returns and paying the taxes collected, under such rules and regulations as he shall prescribe with the approval of the Secretary, but no such extension shall be for more than 90 days. The provisions of sections 771 to 774, inclusive, shall, in lieu of the provisions of sections 619 to 629, inclusive, be applicable in respect of the tax imposed by this section.

"(c) No tax shall be imposed under this section upon any payment received for electrical energy furnished to the United States or to any State or Territory, or political subdivision thereof, or the District of Columbia. The right to exemption under this subsection shall be evidenced in such manner as the commissioner with the approval of the Secretary may by regulation prescribe."

And the Senate agree to the same.

Amendment numbered 184: That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment as follows: On page 46 of the Senate engrossed amendments, line 17, after "tube," insert a comma and the following: "or an article taxable under section 604, relating to the tax on furs"; and the Senate agree to the same.

Amendment numbered 186: That the House recede from its disagreement to the amendment of the Senate numbered 186, and agree to the same with an amendment as follows: On page 48 of the Senate engrossed amendments, line 19, strike out all after "tube" down to and including "wort" in line 21; and the Senate agree to the same.

Amendment numbered 187: That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 623. SALES BY OTHERS THAN MANUFACTURER, PRODUCER, OR IMPORTER

"In case any person acquires from the manufacturer, producer, or importer of an article, by operation of law or as a result of any transaction not taxable under this title, the right to sell such article, the sale of such article by such person shall be taxable under this title as if made by the manufacturer, producer, or importer, and such person shall be liable for the tax."

And the Senate agree to the same.

Amendment numbered 220: That the House recede from its disagreement to the amendment of the Senate numbered 220, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert "in case the selling price, if any, is \$20 or more per share the above rate shall be 5 cents instead of 4 cents: Provided further, That"; and the Senate agree to the same.

Amendment numbered 225: That the House recede from its disagreement to the amendment of the Senate numbered 225, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert a comma and the following: "and by striking out the following: 'in case the selling price, if any, is \$20 or more per share the above rate shall be 5 cents instead of 4 cents: Provided further, That'"; and the Senate agree to the same.

Amendment numbered 233: That the House recede from its disagreement to the amendment of the Senate numbered 233, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "4 per cent"; and the Senate agree to the same.

Amendment numbered 235: That the House recede from its disagreement to the amendment of the Senate numbered 235, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "4 per cent"; and the Senate agree to the same.

Amendment numbered 236: That the House recede from its disagreement to the amendment of the Senate numbered 236, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "4 per cent"; and the Senate agree to the same.

Amendment numbered 246: That the House recede from its disagreement to the amendment of the Senate numbered 246, and agree to the same with an amendment as follows: On page 58 of the Senate engrossed amendments, line 12, strike out "made or drawn" and insert in lieu thereof "presented for payment"; and the Senate agree to the same.

Amendment numbered 263: That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with an amendment as follows: On page 73 of the Senate engrossed amendments, line 14, strike out "1108" and insert "1107"; and the Senate agree to the same.

Amendment numbered 264: That the House recede from its disagreement to the amendment of the Senate numbered 264, and agree to the same with an amendment as follows: On page 74 of the Senate engrossed amendments, line 15, strike out "1109" and insert "1108"; and the Senate agree to the same.

Amendment numbered 265: That the House recede from its disagreement to the amendment of the Senate numbered 265, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1109"; and the Senate agree to the same.

Amendment numbered 266: That the House recede from its disagreement to the amendment of the Senate numbered

266, and agree to the same with an amendment as follows: | In lieu of the matter proposed to be inserted by the Senate amendment insert "1110"; and the Senate agree to the

Amendment numbered 268: That the House recede from its disagreement to the amendment of the Senate numbered 268, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1111"; and the Senate agree to the

Amendment numbered 269: That the House recede from its disagreement to the amendment of the Senate numbered 269, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1112"; and the Senate agree to the

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "1113"; and the Senate agree to the same.

> REED SMOOT, JAMES E. WATSON, DAVID A. REED, PAT HARRISON, WILLIAM H. KING, Managers on the part of the Senate.

> > J. W. COLLIER, CHARLES R. CRISP, W. C. HAWLEY. ALLEN T. TREADWAY.

Managers on the part of the House.

MILITARY NOMINATIONS AND CONFIRMATIONS

Mr. REED. Mr. President, out of order and as in executive session, I report favorably from the Committee on Military Affairs certain nominations. These include the nominations of the graduating class at West Point to be second lieutenants. Inasmuch as the commencement exercises take place next Friday, I ask unanimous consent that the nominations of the cadets only may be confirmed at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

(The list of nominations confirmed will be found at the end of the Senate proceedings to-day.)

Mr. REED. I further ask unanimous consent that the President may be notified of the confirmation of the nominations of the cadets.

The VICE PRESIDENT. Is there objection?

Mr. CONNALLY. Mr. President, I regret very much to object-not that I object to the cadets being confirmed, but I object to notifying the President of any nominations confirmed to-day.

Mr. REED. I understand the Senator's reason for adhering to the custom, and I would not dream of asking a waiver in regard to the other nominations, but unless we act to-day it will be impossible for these young men to receive their commissions on Friday at the time of their

Mr. CONNALLY. To-day is Monday, and they are not to graduate until Friday. The confirmations have to lie over only two days.

Mr. REED. Oh, no; we have to wait for two executive sessions under the rule. If it were only a matter of waiting two days, we could get the commissions to the cadets in time, but I think it is entirely unlikely that we shall have two executive sessions in the two days.

Mr. CONNALLY. When did the nominations reach the

Mr. REED. They reached the Senate either Friday or Saturday. They reached the committee this morning. It was impossible to get them any sooner, because so much depends upon the cadets passing their final examinations. The department is not to blame, because they have to await the result of the examinations.

Mr. ROBINSON of Arkansas. Mr. President, may I say to the Senator from Texas that from my information I do not believe the objection should be persisted in?

Mr. CONNALLY. Let me suggest to the Senator from Pennsylvania that he renew his request later in the day.

Mr. REED. Very well.

Mr. REED subsequently said: Mr. President, out of order, by unanimous consent, as in executive session, I desire to submit a request for unanimous consent. This morning the Senate confirmed the nominations of all the cadets who expect to graduate this week from West Point. I asked that the President might be notified of the confirmations. The Senator from Texas [Mr. Connally] objected and said he preferred that the request should be renewed later. I have spoken to that Senator, and he told me he does not care to be present when I make the request again, and that if he were present he would not object. Therefore, I feel free, in his absence, to renew the request, and do so.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified of the confirmations indicated.

PROPOSED ISSUE OF GOVERNMENT CERTIFICATES

Mr. SHORTRIDGE. Mr. President, I ask to have inserted in the Congressional Record an article which appeared in the Long Beach Sun, Long Beach, Calif., under date of December 20, 1931.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VOX POP'S PLACE IN THE SUN—URGES "UNITED STATES IMPROVEMENT CERTIFICATES" AS TENDER

EDITOR THE SUN:

I have addressed the following open letter to President Hoover and the United States Congress:

and the United States Congress:

"You are the only agency that can relieve the distressing conditions in this country. You are the only agency that can save this Nation from the decay into which we are fast drifting. You are the only agency that can bring back again the hope and luster to the eyes of our great American people. You are the only agency that can prevent the people from becoming wards of charity, or an emaciated people, so caused by malnutrition, or a nation of criminals.

"The very lives of our people and the perpetuity of our Nation

charity, or an emaciated people, so caused by malnutrition, or a nation of criminals.

"The very lives of our people and the perpetuity of our Nation are in your hands at this moment. May God give you wisdom and strength to solve this situation. Will you act in this matter at once, or will you be weighed and found wanting?

"It is not taxes that the American people want, for they have lost nearly everything they have had already by that method. Additional taxes will only serve to take away from the people all the hope they may have at this time of ever being able to have anything again in the future.

"It is work the people want, not charity or doles. They want a Government administered in the interest of all. No nation can endure which administers in the interest of the few without regard to the many, for in the end the interest of the few will be destroyed. The law that the interest of all is also to the interest of the few is very generally accepted; but the opposite of this—that is, that what is to the interest of the few is to the interest of all—is doubted by nearly everyone.

"Every man and woman should unite on a common ground to take us out of this situation; for in fact it is now more serious to the people that have than to the people that have not; because, unless something is done soon, they that now have will be in the same condition as those that have not.

"On account of the conditions that we find in America to-day, the psychology of many of our people is becoming of a desertion."

On account of the conditions that we find in America to-day, the psychology of many of our people is becoming of a destructive nature not only to themselves but to the very nation itself.

"In behalf of the disheartened, the hungry, the cold, the shelterless, and those who will find themselves in this condition sooner or later unless some relief is afforded, I beg of you that you give due consideration to the following as a solution of this great financial depression:

"Arrange to put the new idle people who delivered."

"Arrange to put the now idle people who desire work to work on Government improvement projects in the various States at the

earliest opportunity.

"In order that the people may not be taxed any more to carry this plan into execution, let a law be passed that the people shall be paid for this work and the people or firms furnishing that material for this work be paid for their work and material by the Government issuing to them Government improvements certificates that shall pass as money and be legal tender for all debts, both public and private.

"All public improvements should be put in by the Government, and paid for in this manner, thereby doing away with the trouble-some assessments and taxes for these purposes.

"If the amount of property and homes that have been lost in this manner could be realized, the people would be appalled. By using the method suggested above this could have been avoided.

"The number of hours work per day and the price to be paid per hour to be regulated by the need. This will offer immediate relief from the first pay day, and start an era of prosperity such as we have never known. This will be conducive to red-blooded Americanism, instead of a people who are of necessity wards of

Respectfully submitted.

ROLAND C. CASAD.

BIENNIAL REUNION OF DEMOCRATIC PARTY OF YORK COUNTY, S. C.

Mr. SMITH. Mr. President, I ask permission to have inserted in the RECORD an address which was printed in the Fort Mill Times of May 5, 1932, delivered by W. B. Bradford before the York County Democratic Convention, York, S. C., on May 2, 1932, on the occasion of the biennial reunion of the Democratic Party of that county.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

This, gentlemen, is the biennial reunion of the Democratic Party of York County. We meet here in this courthouse every other year as political kinsmen to promote the welfare of our party, and through the party the welfare of our county and our State. Permit me to say that I am a party man. My first vote was cast for William Jennings Bryan in 1896. Ever since then I have gone to the polls as regularly as election day rolled around and supported the party nominees. I make no apology to anyone for my allegiance to the Democratic Party.

The Democratic Party is the oldest, the most trustworthy, and the most patriotic political organization in America. Its birth was practically coincident with the birth of the Republic. It has lived through all the intervening years because it deserved to live. Any This, gentlemen, is the biennial reunion of the Democratic Party

practically coincident with the birth of the Republic. It has lived through all the intervening years because it deserved to live. Any party that could survive the vicissitudes and storm of one of the most disastrous civil wars in the world's history, following an unfortunate split in its ranks which had just cost it the Presidency, and when it was looked upon as little short of treason in some sections of the country to be a Democrat—these facts, taken in conjunction with the further fact that the party has always been the unrelenting champion of human rights, surely are enough to recommend it to any fair-minded citizen.

In South Carolina the Democratic Party represents Anglo-Saxon civilization. Our State has been the banner Democratic State of the Union in the past. It will be the banner Democratic State of the Union in the future. Here as nowhere else in this broad land, the people know the Republican Party for what it is, and not for

the people know the Republican Party for what it is, and not for

what it pretends to be.

Recently there has been a flare-up in this State over a new Re publican Party. Let us consider for a moment what that party is. It undertakes to recommend itself to the white people of South Carolina upon the hypocritical claim that it is a white man's party

publican Party. Let us consider for a moment what that party is. It undertakes to recommend itself to the white people of South Carolina upon the hypocritical claim that it is a white man's party and does not welcome negroes to its ranks and will not admit them to its councils. The leaders of the party know, as every Democrat in the State knows, that they must look to the negroes for their membership. Hence, after proclaiming itself a "lily white" organization, lo and behold! in its very first State convention a few days ago it did the thing it planned to do by electing four negroes as delegates to the Republican National Convention.

So long as there is not in the ranks of the Republican Party of South Carolina a single white man recognized as a leader in any field of endeavor, it is idle to talk of that party as anything but an organization of pie hunters, with practically every member looking for the opportunity to plunge his proboscis up to his eyes into the Federal patronage trough. Take the Federal patronage from the Republicans of this State—as we propose to do after the 4th of next March—and, outside the negroes, there won't be 2,000 members of the party left in all South Carolina. To be sure the Republican leaders wish to increase their white membership here—it means livelier bidding for Federal jobs. It is unthinkable that any patriotic, intelligent South Carolinian should this year, of all years, consider going over to the Republicans when in other sections of the country hundreds of thousands are quitting that party like rats deserting a sinking ship.

Let us consider briefly, if you please, the condition of the country. I wonder how the financial depression is affecting you, gentlemen—I wonder whether there are any farmers in this convention who have seen their practice dwindle until there is practically none of it left; whether there are merchants in this convention who have seen their practice dwindle until there is practically none of it left; whether there are merchants in this convention who h

Everywhere helpless children are tugging at the sleeves of their fathers and mothers crying for bread, with their parents unable to respond to the cries. Hundreds of thousands have been driven from the homes they loved and cherished since childhood, many of them old and infirm, but forced to start life anew in circumstances that are appalling. "The foxes have holes, and the birds of the air have nests; but the Son of man hath not where to lay

Who is responsible for the hardships, the misery, the want, the despair millions are experiencing? From the spot where I am despair millions are experiencing? From the spot where I am standing I am undertaking to project my voice to every ear in this convention to charge that the Republican administration is 100 per cent to blame for the woes of the country, and I challenge anyone to disprove the charge. The man who denies it convicts himself of ignorance or a desire to pervert the facts. The Republicans try to hide their responsibility by claiming that the depression is world-wide. Suppose it is, Where did the depression start? It started in this very country five months before it spread to other countries and is worse here than in any country of Europe, save England, which never has even partially got on its feet from the effects of the World War. Even in Germany the number of impoverished people is far less than in the United States.

States.

Good man though he may be in some respects, the most monumental failure this country has ever been so unfortunate as to elect as Chief Magistrate sits back calling for Congress to supply him with more commissions to make a gesture at doing the very things he himself ought to be able to do. But he seems unable to devise plans to pull the country out of the hole into which he and a Republican Congress put it. The lightning does not strike twice in the same place. Neither can the American people be deceived the second time by a rehearsal of promises which have gone unfulfilled and pledges which there never was any intention of redeeming. There is a day of reckoning coming and it will be here on There is a day of reckoning coming and it will be here on Tuesday, November 8 next.

In the past the Democratic Party has made mistakes which have

In the past the Democratic Party has made mistakes which have cost it dearly. Four years ago we made such a mistake; but this year our party is not going to make the mistake of nominating a man the country will not vote for. From the unfortunate experiences of the past some of us have lost heart and are apprehensive of the result of the election even this year, when our prospects of success are brighter than they have been in many years. For the benefit of these, permit me to recite a little story which has come down in my memory when he has come down in my memory when he were down in the past series and the series of the past series and the series of the past series are the past series and the past series are the past series and the past series are the past series and the past series are the past series are the past series and the past series are the past series ar which has come down in my memory since my boyhood days and

which has often given me encouragement and inspiration.

At the Battle of Marengo, fought between the Austrians and French, Napoleon, sad, discouraged, and disheartened, rode behind his lines and seeing the frightful gaps the Austrians had torn in the French ranks and believing defeat inevitable, ordered a drummer boy standing idly by to beat a retreat. The boy, measuring his words, because he knew to whom they were being addressed,

"Sire, my master never taught me to beat a retreat, but he taught me to beat a charge. Oh, I can beat a charge that would make the dead fall into line. I beat that charge at the Bridge of Lodi, I beat it at Mount Tabor, I beat it at the Pyramids. Oh, may I beat it here?

The charge was ordered; instantly the French lines re-formed and with courage born of despair swept the Austrian army from the field. And when the sun set on June 8, 1800, the battle of Marengo had been added to the long list of victories of the Man

Marengo had been added to the long list of victories of the Man of Destiny.

Blessed be God, the Democratic Party will beat no retreat this year. But it will beat a charge that will be heard from the Great Lakes to the Gulf, from the turbulent Atlantic to the placid Pacific—it will beat a charge that will find a responsive echo in the heart of so many millions that when the returns begin to trickle into the White House on election night it will sound to the Republican candidate like the swish of the waves as they lap the lonely shores of a desolate midocean island.

PUBLIC-WORKS PROGRAM

Mr. WAGNER. Mr. President, I ask permission to have printed in the RECORD a letter from Walter Moore, secretary of the Journeymen Plasterers' International Association.

The VICE PRESIDENT. Without objection, it is so

The letter is as follows:

JOURNEYMEN PLASTERERS' INTERNATIONAL ASSOCIATION, Local Union No. 96, Washington, D. C., May 28, 1932.

Hon. ROBERT F. WAGNER

Hon. ROBERT F. WAGNER,

United States Senate, Washington, D. C.

My DEAR SENATOR WAGNER: The members of Local No. 96,
O. P. C. F. I. A., would like to express their appreciation for your kind and sincere efforts in regard to the laboring class of people

in this country.

We also admire your stand in this time of stress and heartily indorse your policy in your bills for relief of the unemployed and your bill for public works.

We wish to have you insert this in the Congressional Record and furnish us a copy of same.

Respectfully yours,

WALTER MOORE, Secretary,

REDUCTION OF SALARIES OF GOVERNMENT EMPLOYEES

Mr. LOGAN. Mr. President, I desire to enter a motion to reconsider the vote whereby the Senate on Saturday adopted the amendment reducing salaries of Government employees.

The VICE PRESIDENT. The motion will be entered.

INEQUALITIES AND INJUSTICE DONE TO CERTAIN POSTMASTERS AND CLERKS

Mr. ODDIE. Mr. President, I ask that there may be inserted in the RECORD some further data I have secured which shows the inequalities and injustices done to certain postmasters and clerks in post offices throughout the country by the straight 10 per cent salary cut.

The VICE PRESIDENT. Without objection, it is so or-

The data are as follows:

Effects of salary reductions of third-class postmasters for the fiscal уеат 1932

3.656 third-class postmasters reduced in salary, aggre-\$437, 100 third-class postmasters relegated to fourth class, estimated reduction____ 48, 500

Total reductions suffered by third-class post-485, 600 masters__

FISCAL YEAR 1933

For fiscal year 1933, 546 third-class postmasters are to be relegated to the fourth class on July 1, 1933, or nearly double the number relegated last year. If salary reductions of third class can be based on the number of postmasters relegated, then it is estimated that they will suffer further reductions aggregating

If the above estimation for the fiscal year 1933 is correct, then postmasters of the third class will suffer reductions for the fiscal

postmasters of the third class will suffer reductions for the fiscal years 1932 and 1933 an amount of \$1,441,700.

Not only is the postmasters' salary reduced but the clerical allowances being based on postmasters' salaries is also reduced \$90 to \$260 for each \$100 reduction suffered by the postmaster.

It is also estimated that fourth-class postmasters, who are paid according to stamps canceled, approximately 20 per cent.

In view of these facts and the fact that postmasters' salaries and compensation are based on the business done, which has been materially reduced, we respectfully ask that postmasters be excluded from any proposed salary reduction.

Estimates submitted by Mr. Trotter, Post Office Department, April 26, 1932 (these figures are subject to revision from time to time)

Number of postmasters to be reduced July 1, 1932, 6,852__ \$909,000

5,259 to be reduced \$100 each. 243 to be reduced \$200 each. 230 to be reduced \$200 each.
70 to be reduced \$400 each.
20 to be reduced \$500 each.
5 to be reduced \$600 each.
1 to be reduced \$700.
1 to be reduced \$800.
23 to be reduced \$1000 each.

23 to be reduced \$1,000 each. Number of supervisors (including assistant postmaster) at first-class offices to be reduced July 1, 1932, 737____
In addition, 380 assistant postmasters at second-class offices will be reduced about \$100 each_____

UNEMPLOYMENT RELIEF

Mr. JONES. Mr. President, I have here a statement from John M. Reynolds with reference to Senate bill 2657, a bill prepared by him with reference to the unemployment situation. I ask that it may be printed in the RECORD, and in the same connection an editorial from the Puyallup Valley Tribune entitled "Feed the Hungry First," by Robert Montgomery. It is a very carefully prepared editorial.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. Reynolds's statement is as follows:

PROSPECTUS OF THE NATIONAL EMPLOYMENT COOPERATIVE ASSOCIATION OBJECT

To secure to unemployed American citizens opportunity to work cooperatively in the production and mutual exchange of food, clothing, shelter, commodities, and services, and to relieve the

community of the burdensome cost of maintaining citizens in involuntary idleness.

Nore.—It is reliably reported that there are between 700,000 and 800,000 persons receiving relief in New York City, and that it costs about \$75,000 per week to only keep them alive. Seattle, Wash., has about 60,000. All communities lying between are similarly affected. larly affected.

Major depressions have occurred every six or seven years during the last 100 years, according to President Hoover's last message. During and after every one, millions suffer. The Nation owes every citizen not a living but a chance to support himself and dependents.

It is here proposed that instead of spending vast sums only to keep unemployed citizens alive, which is degrading and unsatis-factory to recipients and irksome to investors, a definite sum be determined and set aside to equip the unemployed so that they can support themselves.

can support themselves.

Labor has builded our civilization. Labor maintains it. Material wealth of all kinds is so much dead weight, only made useful by labor. Labor—the unemployed—need only a chance to work advantageously to amply provide for themselves.

To enable the unemployed to do so, organize and incorporate a citizens' employment cooperative association. Let it be operated upon strict business principles so far as its affairs relate to the investor. (The investor may be one or more individuals, district, or State.) The operation of the equipment, however, is to be strictly cooperative, as between the unemployed who operate the equipment, under the supervision of the investor or his representative.

resentative

The charter of the corporation will provide, among other things, that the cost of the equipment, materials, labor, overhead, depreciation, taxes, interest, and betterments shall all be paid out of the operations

ciation, taxes, interest, and betterments shall all be paid out of the operations.

To protect the investment, the charter will stipulate that a written agreement between each of the unemployed citizens (who are given work) and the C. E. C. A. that, in lieu of legal money and because of the opportunity and benefits to be obtained, while using the equipment set up by the C. E. C. A., the unemployed applicant will accept the products and services of other employees of the C. E. C. A. upon equal terms to those that are applied to him and his products and services.

To protect the employees it will be provided in the charter that the wages of each employee shall be at the same rate per hour, and that the sales values that will be placed upon all products, services, and commodities shall be determined by the labor cost, plus the cost of material, overhead, taxes, interest, depreciation, amortization of the investment, and betterments.

By incorporating the enterprise the charter can and must be so worded that protection and fairness will be meted out to all concerned. The last-stated provision will enable all fixed charges to be met, as is essential and usual in successful business.

To secure legal money to meet these fixed charges the charter will empower the C. E. C. A. to bid on, contract, and do work on public roads and public improvements. This provision obviates the necessity of selling products in the open market, secures to the necessity of selling products in the open market, secures to the public an organization to do its work at a reasonable cost, and gives to the C. E. C. A. opportunity to obtain funds, not only to pay fixed charges but also to buy raw materials and carry on independently.

The charter will provide that applicants must be citizens and

106, 400 38,000 independently.

The charter will provide that applicants must be citizens and residents of the district, in which the association is incorporated, for — years, thus protecting the district organization from an influx of the unemployed from other districts.

COMMENT

The unemployed are men and women from the various walks of

The unemployed are men and women from the various walks of life. Farmers, mechanics, clerks, engineers, accountants, and their children just entering the ranks of industry. The equipment then must be land and a gradual set-up of modern machinery.

Application blanks can be so worded to obtain desired information as to vocation, experience, references, and capacity. Then, by personal contact, the investor or his representatives can select experienced foremen for each department. These foremen, by provisions in the charter, should be the board of operations, acting as such under the supervision of the investor or representatives, who would see that the provisions of the charter are carried through as prescribed.

The accounting system should be simple. Work done by each employee should be regularly credited, in hours, upon a pass book, similar to a bank-deposit book. Debits, in dollars, are to entered as supplies are withdrawn and balances regularly struck. This brief prospectus represents a local application of Senate bill 2657 of the Seventy-second Congress.

Respectfully submitted.

John M. Reynolds.

JOHN M. REYNOLDS.

MANETTE, WASH., May 2, 1932.

[From the Puyallup Valley Tribune, Puyallup, Wash.] FEED THE HUNGRY FIRST

Government—from the National Capitol to the thousands of county courthouses and city halls—is compelled to recognize that a critical condition confronts all America.

Congress may "balance the Budget" and evolve administration economies and taxation schedules adequate to face the future. State legislatures, county boards, and city councils are busy doing likewise locally, but all these adjustments are for the year ahead. Sheer necessity, as never before in a generation, has already driven every public relief agency into action. All must realize that to-day and to-morrow are no time for academic discussions of economic theory or for trifling about technical tactics of social relief.

There are several millions of men, women, and children throughout America facing lack of food in a land of ample food supply—and there will be more millions in want next winter. These multitudes must be fed by their fellow men to-morrow, next week, next month—perhaps into next year. This is no day of miracles. There is no modern Master with power to multiply the loaves and fishes for the needs of the hungry multitude. While they wait for future employment and self-support, they must eat to survive!

This is no time to "stand pat" for "sound" business prin-

This is no time to "stand pat" for "sound" business principles—to prate about the danger of setting "bad precedents."

Of course, "the dole system is un-American," but the starvation alternative would be inhuman if it were not impossible.

Community chests are bare; county and city relief funds are overdrawn; public provision for 1932 aid to the needy is everywhere exhausted with the year not half run and with unemployment still unrelieved.

Municipal and county bonds and warrants for emergency relief of the unemployed and destitute meet with rejection by all the private credit agencies. State resources can not be rallied to

meet the crisis.

Only the National Government, armed with sovereign credit and backed by national wealth, can meet the needs of to-day—can avert the disaster of an unprovided to-morrow and the days that immediately follow.

It was well that the Nation should establish a giant Reconstruction Finance Corporation, to release "frozen credits," to unlock hidden hoards of dollars, and to give industry a stimulus from

stagnation toward progress.

The hour demands that the ministrations of this beneficial agency be expanded to meet the imminent necessities of social and community relief, no less than those of private corporation

Surely, the several States of the Federal Union and their thousands of county and city municipalities can offer securities for the giant of public credit at least equal to those offered the Federal reserve by the banks and railway corporations. Perhaps the public loans may be less liquid to-day, but they will prove more solid to-more. to-morrow

President and Congress-Republicans and Democratspatriots in a crisis hour, should not let the sun set many more days without the enactment of adequate provision for immediate social relief and a national program to overcome unemployment and restore self-support as speedily as possible.

Whether by amendment of the Federal reserve and Reconstructions.

tion Finance Corporation acts, or otherwise, provision for applying the Federal credit upon the securities of States, counties, and municipalities should be promptly and adequately enacted and put in force

Social and community relief funds to meet necessity everywhere and at once should be the first order of business, to be given the

preference so long as the necessity may last.

State, county, city, and other public district projects of public works, backed by the local faith and authorities in the form of lawful securities, should receive the benefits of national credit and forward on a program of State and local warfare upon unemployment.

And the Federal Government should not fail to authorize and

advance a national program of necessary public works, wisely planned and prudently directed.

Between the threatening Scylla rocks of social disaster and the luring Charybdis shoals of Hearst financial wreckage there is a safe channel for our common ship of state through the crisis of to-day to the progress of to-morrow—steered by the national credit credit.

Hundreds of millions are needed for immediate relief and for specific war on unemployment conditions; but not a dollar for an economic theory or political program.

Mr. JONES. Mr. President, I have a telegram relating to the same subject, which I ask may be read at the desk.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

SEATTLE, WASH., June 5, 1932.

Hon. Wesley L. Jones,

United States Senate, Washington:
Supporting the resolution of Seattle Chamber of Commerce which was unanimously adopted last Tuesday, urging the necessity of immediate Federal appropriation of \$150,000,000 for relieving distress among the unemployed, and, inasmuch as local private, county, and city funds have been used very generally throughout the country to the limit, I urge you to support this request and help see that a Federal appropriation of this or like amount be made available for quick distribution through proper channels. REGINALD H. PARSONS.

VETERANS' RELIEF

Mr. GLASS. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the New York Times of Sunday, contrasting the measures of relief which this country has adopted with respect to its veterans and those adopted by other nations which were in the war.

The VICE PRESIDENT. Without objection, it is so

The article is as follows:

[From the New York Times, Sunday, June 5, 1932] VETERANS' RELIEF: WHAT OTHER NATIONS DO—PROVIDING NO GENERAL BONUS AND BASING THEIR PENSIONS IN THE MAIN UPON WARTIME DEATHS AND INJURIES, THE CHIEF BELLIGERENTS HAVE LIMITED OUTLAY TO A FRACTION OF THAT MADE BY THE UNITED

At a time when there is clamor for immediate payment of the "soldiers' bonus," it is illuminating to compare what the various governments have done for the relief of World War veterans and their dependents. From the standpoint of annual outlay for this purpose the United States leads the world; its appropriations for veterans exceed those of all the chief belligerents combined, despite the fact that the number of men it mobilized and its total casualties were far below those of these other nations.

The leading combatant nations, Great Britain, France, Germany, and Italy, together with our neighbor, Canada, will spend this year for so-called veterans' relief a total of about \$891,190,360, or some 10 per cent less than the Government at Washington. The ranking is as follows:

	Men mo- bilized	Dead and wounded	This year's relief bill
United States	4, 355, 000	360, 300	\$1, 072, 064, 527
	13, 000, 000	6, 111, 862	298, 690, 000
	8, 410, 000	5, 623, 000	286, 722, 000
	6, 600, 000	3, 000, 000	174, 802, 060
	5, 615, 000	1, 597, 000	69, 853, 300
	619, 636	232, 045	61, 123, 000

The cost of relief in America as compared with that of other countries is attributable to two factors—political pressure of the veterans themselves and a refusal on the part of Congress to limit aid only to the wounded and the dependents of those who died in action. Thus all who were mobilized are entitled to free hospital and dental care and to a 20-year bonus certificate on which they may receive cash at maturity, with loans in the meantime.

THE BONUS AN AMERICAN PLAN

While free medical service to veterans is provided also in Canada, Germany, and, to a limited extent, in Italy, the idea of a bonus for all is a distinctly American departure. Elsewhere, save in special instances, outright payments are made only on a pension basis, corresponding to the compensation paid in this country to those partly or wholly disabled in the war and to the dependents of those who died in service.

France, in addition, promises a small pension to active-service veterans on reaching the age of 50, but this age provision limits the burden on the taxpayer.

Various projects for settling veterans on the land, by means of loans or easy payments, have been undertaken in some countries, notably Italy and Canada. In Italy social and moral considerations are closely tied up with relief. In Germany the loss of earning power, the local cost of living, and the size of a disabled man's family are taken into account in fixing pensions, Canada, although it has no bonus system, ranks next to the United States in the generosity with which it has treated its veterans. Great Britain, on the other hand, shows a steadily decreasing outlay to survivors of the war. survivors of the war.

Dispatches describing veterans' aid in the various countries

GREAT BRITAIN

By Charles A. Selden

London.—In the past 12 years Great Britain has reduced the financial burden of pensions growing out of the World War by 55

per cent.

The peak of the pension load came in 1920, when it cost the British Government £105,660,000 to pay the allowances of her disabled soldiers and sailors and those of surviving dependents of men who had been killed. This year that charge has dropped to £47,243,800 (\$174,802,060 at current exchange).

The gradual diminution of the World War pensions is one of the certainties of British finance. There will be nothing left of them by the end of the century, except for an isolated case here and there of an old soldier, or the widow of one, who lives to be a centenarian. Thus will end the pension phase of a war in which Great Britain had nearly 6,600,000 men engaged, nearly 2,000,000 wounded, and about 1,000,000 killed.

FEWER CHILD DEPENDENTS

FEWER CHILD DEPENDENTS

But long before the end of the century the pension expenditure will cease to be a major item of the national Budget. Five years will cease to be a major item of the national Budget. Five years hence the last of the largest group of dependents, the children, will have vanished altogether, save for some exceptional cases so few in number that they are practically negligible in the book-keeping. The law provides that the child ceases to be a beneficiary when he or she attains the age of 16. As the war period is considered to have ended on September 30, 1921, for purposes of determining eligibility, the last of the children will be eliminated in 1938. in 1938.

The exception already noted covers the cases of children for whom extended education is desirable in the opinion of the Government. The theory of that is that the state must take the place of the father who was killed or who is disabled. Are the circum-

stances of a given case such as to suggest definitely that if there had been no war the father would have sent the child to college? If they are, the pension in respect of such a child is continued until he is 21 years old.

Widows also are decreasing in number, and, anyway, their eligi-lity as pensioners ceases with remarriage. Women who were withows also are decreasing in number, and, anyway, their engi-bility as pensioners ceases with remarriage. Women who were married to ex-soldiers after September, 1921, do not become pen-sioners when they lose their husbands, and children born more

sioners when they lose their husbands, and children born more than 10 months after September, 1921, are not eligible.

Ten years ago there were 992,116 children on the list of pension beneficiaries; last year there were only 185,125. In the same period the number of widows decreased from 226,700 to 137,750. Reductions in the number of pensioned soldiers and sailors themselves are from 57,870 officers and 1,328,697 men in 1922 to 23,850 officers and 463,000 men last year.

In 1920, when the pension budget called for the expenditure of £105,650,000, the aggregate of men, women, and children who benefited was 3,344,506. Last year, with the budget reduced to £51,725,-000, the number of pensioners had shrunk to 1,265,500.

SEPARATE MINISTRY NEEDED

The present pension law was enacted in 1917 when war casualties had amounted to such enormous proportions that old methods and systems became inadequate to handle them. A separate Minand systems became inadequate to handle them. A separate Ministry of Pensions was created with powers to take over from the War Office, the Admiralty, and the Ministry for Air the whole administration of pensions, which formerly had been handled separately. At the same time the present rates of payments were established and the all-important question of eligibility was determined. To qualify for a pension for either himself or dependents it was necessary that a man should have been killed, wounded, or impaired by illness definitely attributable to war service. A slight wound which did not impair a man's future health or capacity for his work did not qualify him for a pension. Nothing has been done since to widen the basis of eligibility or otherwise interfere with the year-by-year reduction in the cost of the system.

cost of the system.

cost of the system.

Politics has not been a factor in the matter except in one negative respect. When the amount of pension was determined in the beginning of the new ministry it was fixed at 40 shillings a week as the minimum for a totally disabled single man without dependents. It was understood at the time that this would be reduced in the event of decrease in the cost of living. Well, the cost of living has decreased materially, but so far no government and no party has seen fit to propose a reduction in the pension's minimum. Very recently, however, the war pensions, together with old-age pensions, health insurance, school costs, and unemployment insurance, have been considered, tentatively, as susceptible of cuts should the present strain on the Exchequer become more serious.

NO VETERANS' LOBBY

But, even so, it is not at all likely that the pension system will become a political issue. It never has been one. It never figures in parliamentary elections and there is no such thing as an organized propaganda or a group of lobbyists to exert pressure on candidates or members of the House of Commons to compel them to support amendments which would widen the basis of eligibility. Neither is there any incentive to press bogus claims upon the Government. All claims are examined free of charge by the ministry itself or by its organized but unpaid committees. Every claim is decided upon its merits and nobody pays anybody any fee for the transaction. This, of course, eliminates the middleman who would undertake to get a pension for a client with the understanding that he would receive a percentage of it.

On the whole, the system is satisfactory to its beneficiaries, to the taxpayers, and the Government. It is considered the most humane, generous, and yet graft-proof method of compensating disabled veterans that England has had in centuries of handling this problem, either by government action or private charity.

The Ministry of Pensions will have finished its work within the next two generations, unless there is another war. Already it has been able to amalgamate so many of its branch offices and so reduce its working staff that the cost of administration has decreased from something over a shilling for every pound of expenditure on benefits themselves to 5d.

In the first year after the peak load of 1920-21 the total expenditure on account of pensions dropped by about £10,000,000. The

In the first year after the peak load of 1920-21 the total expend-In the first year after the peak load of 1920-21 the total expenditure on account of pensions dropped by about £10,000,000. The next year the decrease was £14,000,000. The next it was only £9,000,000. Thereafter the annual reduction varied between £2,000,000 and £3,000,000, until this year's total appropriation of £47,243,800 was reached. Rough estimates are that the decreases from now on will average about £1,000,000 a year. This would mean that the pensions growing out of the World War will end in about 1980, except for the few cases of unusual longevity.

FRANCE

By P. J. Philip

-While the United States is paying this year more than Paris.—While the United States is paying this year more than \$1,000,000,000 in war veterans' relief, France is paying just over a quarter of that sum, the total appropriation being \$286,722,000. This does not mean, however, that France does not also have a war veterans' problem which is becoming a growing embarrassment to each successive government and to the country as a whole. During the recent elections the claims of the "former combatants," as they are called, played a very considerable rôle in many constituencies, though there was no combined political action. From the outset the effort of each successive government has been to try to deal justly by the men who fought the war, while giving an attentive eye to the taxpayers' interests. Adjustments have had to be made at various intervals for the decline in the value of the franc and for other reasons. The difficult question has not yet been finally settled, and it has about it this unfortunate aspect: That the annual payments which will have to be made under the present law tend to increase.

At present there are listed as "former combatants" in France 3,633,100 men who are entitled to compensation in the form of a pension or invalidity allowance. Each of these holders of a "combatant's card" has had to convince some competent authority that he served on the front for at least three months. It is believed that at least another half million claims can be presented and justified, but the control of claims has recently become more severe as the need for economy has increased.

FENSIONS AT 50

PENSIONS AT 50

The present law, passed in April, 1930, provides that each "former combatant" shall receive at the age of 50 a pension of 500 francs (\$20) a year and from the age of 55 a pension of 1,200 francs (\$48). As the average age of the World War veterans is still well below 50, it is apparent that the burden of this decision has not yet been felt in its entirety. On the other hand, by the time these pensions must be paid in any large amounts, other expenses resulting from the war, such as the pensions to wounded men, will, it is calculated, have diminished and the cost of reconstruction in the devastated districts will have been wiped out.

This pension allowance is distinct from and in addition to all gratuities and allowances paid to wounded and disabled men,

gratuitles and allowances paid to wounded and disabled men, which are appraised on a different scale. Totally disabled men which are appraised on a different scale. Totally disabled men receive, according to the revised schedule now in operation, \$286 a year, but to that must be added other amounts covering medical attention, etc. Here, indeed, it might be interpolated that the whole system of grants and allocations is so immensely complicated that it is almost impossible to discover accurately how much any man is entitled to, almost every case being treated as special in one sense or another

According to one official statement an ex-soldier who is completely invalided can receive on all accounts as much as 35,200 francs (\$1,400) a year. Wounded also benefit by reduced railway fares and medical treatment. In almost every department or county there is a soldiers' home in which "unemployable" men are cared for. In all these homes there are recreation rooms and

are cared for. In all these homes there are recreation rooms and gardens attended by the men themselves, and in most of them they do their own cooking and service.

One very important feature of the French veterans' pension system is that it is individual. If an ex-soldier dies before having reached the age of 50, his heirs can not collect any part of his pension. Neither can he capitalize his claim in any way except by the ordinary insurance methods. He can not borrow on his prospects, except at the risk of the lender.

The following annual provisions are, however, made for the relatives of deceased soldiers:

Father and mother jointly__ Children of deceased soldiers, until the age of 18_____

On February 1 this year the number of men drawing invalidity pensions or receiving provisional allowances was 1,098,047. The number of widows receiving pensions was 379,710, and remarried widows receiving similar allowances numbered 270,080. Parents and grandparents receiving allowances numbered 826,069.

The appropriations for veterans' relief for the current year are

made up as follows:

Ministry of Pensions:

Provisional advances against unsettled claims	\$13, 822, 000
Payments to disabled veterans	14, 142, 000
Care and treatment of tubercular cases	8, 880, 000
Pension payments to veterans	45, 600, 000
Medical and surgical equipment	880,000
Free medical treatment under the national in-	
surance act	454,000
Government subsidy to National Veterans Bureau_	2,000,000
War Insured	1,600,000
Government subsidy to National Veterans Bureau_	2,000,000
Total	87, 378, 000
Ministry of Finance:	
Finally settled pensions	199 344 000

Grand total_ 286, 722, 000 Compared with the other main items of expenditure in the French budget the cost of pensions and veterans' allowances ranks third. The highest burden on the taxpayer is for the service of the public debt, with national defense ranking second.

GERMANY

By Hugh Jedell

Beelin.—Veterans' pensions are handled in Germany by the Labor Ministry, which has charge of social insurance and other welfare services. This fact emphasizes the character of the German war-pension system. To risk his body for the Fatherland gave no German a monetary claim on it. He must have been at least partly disabled to be entitled to a pension.

One exception is made. The surviving members of the active officers' corps of the old army—the professional officers—draw pen-

sions on retirement, trrespective of disability, because they were state employes. Dependents of deceased members of these state servants also come in for pensions.

All the others of the 13,000,000 Germans mobilized during the World War were simply "the people in arms." What the Reich pays out to those of them who were maimed and the dependents of the dead are not pensions in the true sense of the word; the budget carries these disbursements under the head of "care of war sufferers," but they are much like what Americans know as warkmen's compensation and are graded according to loss of workmen's compensation and are graded according to loss of earning capacity.

THE FINANCIAL BURDEN

Despite the modest standard of payment, veterans' care lays a heavy financial burden on the Reich. It has constituted the biggest single item of expenditure outside reparations, and in the eight years since the mark was stabilized in 1924 has cost 11,380,-000,000 marks (\$2,708,440,000), distributed (in round numbers) as follows:

s: 924	of
925	
926	
927	
928	
929	
930	
931	

The vast bulk of these disbursements is on account of the World War. In the 1,355,000,000 marks (\$322,490,000) paid out in the fiscal year beginning April 1, 1931, there were included 9,000,000 marks to veterans of the war of 1870-71 and a few even of the marks to veterans of the war of 1870-71 and a few even of the Austro-Prussian War of 1866, and their dependents. Some 170,-000,000 marks went to members of the regular establishment of the old army or their dependents. All the remainder, 1,185,000,000 marks—17.5 per cent of the Reich's total expenditures for the year—went to those of the "people in arms" who suffered disability in the World War or the dependents of those who died of it, 570,000,000 being paid out to the former, 615,000,000 marks to the latter. the latter.

the latter.

The 570,000,000 marks paid out in 1931 as disability compensation was distributed to 838,360 rectplents, giving an average of 687 marks (\$163.50) per head per year. The 615,000,000 marks paid as dependents' allowances went to 1,282,871 recipients. They include widows, full and half orphans, and dependent parents.

It is pertinent to recall that Germany's war losses were: Dead, 1,865,156 (officers, 54,780); wounded, 4,246,706 (93,247 officers). Of the dead 30 per cent were married; of the more or less disabled, 25 per cent.

35 per cent.

The number of dependent pensioners has been fairly steadily diminishing from natural causes. Since pension allowances on account of orphans cease when these attain the age of 18—except for education allowances in exceptional cases—this class will have

for education allowances in exceptional cases—this class will have become practically eliminated in 1935-36.

The number of disability pensioners, on the other hand, rose from 1924 to 1930 by nearly 120,000. This increase of claimants and progressive loss of earning capacity, due to aggravation of wound effects, etc., are chiefly responsible for the rise of the total disbursements up to 1929. The sharp decline in the total for 1931 is due to the emergency decree of July, 1930, which cut allowances and summarily barred all new applications. The Labor Ministry estimates that the veterans' "pension" bill, with present rates maintained, will from natural causes diminish by about 100,000,000 marks in the current year, by 50,000,000 more in 1933, and by 30,000,000 in 1934.

100,000,000 marks in the current year, by 50,000,000 more in 1933, and by 30,000,000 in 1934.

The veterans' pension schedule is a complicated system of coordinates. First, there is a base rate, fixed according to loss of earning capacity. During the war a loss of 10 per cent entitled one to compensation; right after the war the admission limit was raised to 20 per cent loss of earning power. Since 1923 it has been 30 per cent. In determining loss of earning capacity, in any individual cases account is taken not only of the civil status or actual earnings of the man before he was drafted into the army but also his education, and training; in a word, his potential earning capacity.

earnings of the man before he was drafted into the army but also his education and training; in a word, his potential earning capacity. There result three subschedules: Disabled who get the simple base rate, others who receive this plus a "simple" monthly bonus, and a third class whose supplement is a "raised" bonus.

Married men who are disabled 50 per cent or more receive an additional small allowance for their wives. And all disabled veterans suffering 30 per cent disability or more receive an addition for each child up to 7. Finally, the pension varies according to where the recipient lives. All places in the Reich are divided into five classes, according to size and relative cost of living. The lowest amount provided in the schedule is 13.50 marks a month; that is, the monthly pension of a nonbonus childless veteran 30 per cent disabled and belonging to the lowest residence class. The highest amount payable is 326.15 marks a month, to completely disabled maximum bonus veterans with seven children living in Berlin.

Widows, orphans, and dependent parents' pensions are also graded according to the five residence classes and occupational and educational status. The highest widow's pension is 56.90 marks a month. The highest amount payable on behalf of an orphan is

month. The nighest amount payable on behalf of an orphan is 37.95 marks monthly.

To aid the seriously disabled veterans—those from 50 per cent up—a statute of the Reich requires that 2 per cent of the employees in the larger business establishments must be recruited from

among them. In the administration services of the Reich 3.86 per cent of the officials and employees are such gravely war-injured veterans.

Special attention has been paid to veterans' medical care; 45,-000,000 marks was expended last year on this score. This service—free to the veterans—is considered to have paid for itself many times over by removing or limiting incapacity.

TTALY.

By Arnaldo Cortesi

ROME.—The legislative measures applied by Italy in favor of ROME.—The legislative measures applied by Italy in favor of World War veterans and their relatives aim especially to enhance their prestige. Measures for moral assistance, therefore, have a preponderating part. Among them, worthy of special notice, are the granting of special emblems to the mutilated, to those decorated for valor, and to the parents and orphans of the fallen, and the concession of precedence at court and at official functions.

Many important measures also exist for veterans' relief in the economic field, alming to indemnify the war invalids and the families of the fallen by means of pensions and to provide remunera-

lies of the fallen by means of pensions and to provide remunera-tive work for the veterans in general.

lies of the fallen by means of pensions and to provide remunerative work for the veterans in general.

The state, in certain cases, attends directly to the application of these relief measures. Generally, however, they are applied by three great national "opere" and by three great national associations, which have been delegated thereto by the state, respectively, for the veterans, the invalids, and the orphans and relatives. The state superintends the work of all these organizations through a special office under II Duce.

Important relief duties on behalf of veterans in general are intrusted to the Opera Nazionale per i Combattenti, whose task it is to buy or expropriate lands, improve them for farming purposes, and sell them to veterans at the lowest possible price on the installment plan. The "opera," moreover, performs land-reclaiming work on contract on land not its own, employing many thousands of veterans. It promotes the founding of agricultural colonies and new centers of habitation, the organization of cooperatives for purchases and sales and for the transformation of agricultural products, the establishment of agricultural-experiment stations, the development of agricultural and fishing industries, the founding of schools and libraries, and, in general, all those projects aiming to perfect and render more widespread the technical, professional, and cultural education of the workers who participated in the war. in the war.

FINANCES OF THE " OPERA"

The "opera" was originally endowed by the state with a capital of 300,000,000 lire (\$15,780,000), which has since considerably increased. A part of the revenue is dedicated to the relief of individual veterans.

By the side of this "opera" exists the Associazione Nazionale dei Combattenti, which, in addition to the moral relief of the veterans, has among its duties:

1. Economic and social relief, including the grant of small mortgages for the purchase of agricultural machinery, tools, seeds,

2. Sanitary and hygienic relief by means of numerous sanitary stations and the distribution of medicines, particularly quinine, to veterans stricken by malaria.
3. Legal help to aid veterans to receive their due in the matter

of pensions, insurance policies, war medals, etc.

4. Legal help to aid veterans to subsidies and the finding of

work for veterans.

The "associazone" is financed by the membership fees of its members and by contributions made by the state and by the Opera Nazionale per i Combattenti.

PRIVILEGES OF VETERANS

All veterans enjoy the following privileges:

1. Special facilities for entering the Government services.

2. Preference for employment by private enterprises when unemployed.

3. Free insurance policies.

3. Free insurance policies.
4. Preference for apartments in the houses built by the Institute for Workmen's Dwelings.
5. Special facilities to enable them to obtain licenses to sell the articles produced by the state monopolies—tobacco, salt, quinine, stamped paper, etc.

The veterans who have received medals for military valor, moreover, receive a small pension and various small additional privileges. Their interests are safeguarded by two organizations, called the Gruppo Medaglie d'Oro and the Instituto del Nastro Azzurro. Invalid veterans have all the privileges and benefits enloved by

Invalid veterans have all the privileges and benefits enjoyed by the veterans in general, and in addition receive a pension and a special free insurance policy. They are also protected economically by special legislative measures which make it obligatory for carry by special registative measures which make it obligatory for private enterprises to give work to 1 invalid veteran for every 20 men they employ, while the state administration must employ them in an even greater proportion. Moreover, they receive relief in other forms, principally sanitary and educational, and enjoy special privileges for the granting to them of dwellings in the inhabited centers. A special institute exists to build houses for the mutilated veterans.

SAFEGUARDING THE DISABLED

Relief measures for the invalid veterans are applied by the Opera Nazionale per la Protezione ed Assistenza agli Invalidi di Guerra, with state funds. Their interests are safeguarded by the Associazione Nazionale fra Mutilati ed Invalidi di Guerra, which is

financed by membership fees and by contributions made by the state and by the "opera." It also carries out important relief measures on its own initiative. It runs, for instance, a great number of homes for blind veterans and many homes for totally disabled veterans.

The families of the fallen in the war receive war pensions, free insurance policies, preference for employment by state and private enterprises, and several other privileges. War orphans, in addition, get scholarships, free books, and scholastic materials, exemption from payment of school fees, etc. Private enterprises must employ a fixed proportion of war orphans, who can also, in certain cases, obtain tools free. Female war orphans receive a small down when obtain tools free. Female war orphans receive a small dowry when

they marry.

The relief measures for war orphans are applied by the Opera Nazionale per gli Orfani di Guerra, which is financed by the state. By its side exists the Associazione Nazionale delle Famiglie del Caduti in Guerra, which, with state funds, looks after the interests of the relatives of the fallen in the war. Connected with the Opera Nazionale per gli Orfani di Guerra are several other organizations, existing for special purposes.

The number receiving relief from the aforementioned organizations are:

Mutilated and war invalids	264, 652
Sound veterans	457, 557
War orphans	288, 130
War widows	152, 851
Parents of fallen	313, 071
Relatives of fallen	4, 210

1, 480, 471

The sums available for relief in the present year are: __ 1, 130, 388, 000 __ 62, 072, 060 Pensions paid by state_ Contributions of state toward relief
Contributions toward relief by the 3 "opere" and
the 3 national associations.
Revenue from investments by the Opera Nazionale
per 1 Combattenti. 51, 044, 449

84, 505, 000

1, 328, 009, 509 (\$69, 853, 300)

Large sums are also contributed for the relief of the veterans by various public bodies or are raised locally, but it is not known with precision how much they amount to. The total spent for relief between the end of the war and the end of 1931 is estimated at over 20,000,000,000 lire (\$1,052,000,000). It is believed that no substantial decrease in the expenditure for relief will be possible for another 15 or 20 years.

CANADA

By V. M. Kipp

OTTAWA.—Toward the relief of World War veterans and to their dependents the Government of Canada is paying to-day more than \$1,000,000 every week, and will continue to pay as much, or more, for many years to come. The total for the years since the war now is more than \$950,000,000, and in the federal budget for the present fiscal year, which ends March 31, 1933, there are items totaling \$61,123,000 for war pensions and relief..

The present annual expenditure is as much as the total cost of government as late as 1906 and to-day accounts for more than one-sixth of the budget. Veterans' relief is the largest single item in federal expenditures after interest on the public debt.

Enlistments in the Canadian Expeditionary Forces were 619,636,

federal expenditures after interest on the public debt.
Enlistments in the Canadian Expeditionary Forces were 619,636, and 59,544 men were killed in action. Other casualties—sick and wounded—were 172,505. Presumably 560,092 men were demobilized into civil life, and to-day 75,878 of these veterans—better than 1 in 7—are in receipt of pensions. In addition, 19,308 dependents of deceased soldiers receive monthly checks from Ottawa, bringing the total pensioned to 95,186. Adding children and wives of pensioned veterans, children of pensioned widows and mothers, there is a grand total of 258,495 Canadians maintained by their country as an obligation inherited from the war vears.

The pension list is growing at the rate of about 500 each month, and the end is not in sight. Something like 24,000 applications for new or increased relief still are pending. Probably by the end of the present year the number of Canadians drawing World War pension checks from the Canadian Government will pass 100,000, with the assurance of going still higher before it is lower. The cost also will mount, and before the last check is drawn, more than half a century hence, the bill will have gone well into the billions of dollars.

of dollars.

of dollars.

The administrative machine which cares for the disabled veterans operates under a minister of the Government and has many branches. Thus for the present year pensions alone are estimated at \$48,000,000, and hospitals, unemployment relief, land settlement, administration, etc., bring the total to \$61,123,000. From April 1, 1916, to date there has been spent on pensions \$500,000,000; on account of "reestablishment," which includes vocational training and hospitals \$200,000,000; the soldiers' land-settlement scheme has cost more than \$45,000,000 in debts written down and will go higher before the books are closed; general administration has accounted for \$6,000,000: there was paid as administration has accounted for \$6,000,000; there was paid as war gratuities on demobilization to veterans and to the dependents of those who had given their lives the sum of \$164,171,673;

and there are smaller items which roll up the majestic total of \$950,000,000—for a country of 10,000,000 people.

The history of pensions in Canada shows a continued tendency toward liberalization, the extension of rights and privileges. While Canada lacks the problem of a deferred bonus, there is unceasing agitation in Parliament and out of it to broaden the scope of benefits.

scope of benefits.

Until 1918 pensions were paid under the war measures act. The 1918 law was the medium for handling the question until 1930, when there was a general overhauling of the machinery. The 1930 law made eligible for pensions many thousands of veterans who had commuted their claims for small cash payments, and in the two years since this legislation became effective nearly 20,000 additional pensioners have been added to the lists. A further increase in the lists, to the extent of 1,000 pensioners, was made by provision that women who married before January 1, 1930, shall be eligible for pensions if their husbands die of World War disability. Under the pensions act of 1930 a Board of Pension Commissioners was created to which all veterans' claims are submitted. From the board appeals may be taken to the pension tribunal—a body which sits in six sections at points throughout the country. As the final court of appeal, there is the Federal Appeal Board, headed by a former high court judge.

Holding an important place in the pensions organization is the Veterans' Bureau, created as a branch of the department to give organized assistance to applicants, that their claims may not fall

veterans Bureau, created as a branch of the department to give organized assistance to applicants, that their claims may not fall through improper advance work.

Every petition not granted by the Board of Pension Commissioners must pass through the bureau before being dealt with by the tribunal or the final appeal court. It is the first and foremost duty of the bureau to act as the soldier's friend, to do its utmost within the law to secure his rights.

SCALE OF PAYMENTS

In the scale of pensions established in 1930 there is no distinction between the lieutenant and all ranks and rating below, this basic total-disability allowance being set at \$900 per year. The scale increases in the higher ranks to \$2,700 for a totally disabled commodore or brigadier general; more elevated rank brings no higher pension. For all ranks there is an additional pension of \$300 for a married man, \$180 for one child, \$324 for two children, and \$120 for each additional child. Thus a totally disabled private, married, with three children, receives \$1,644 a year, plus hospital service under certain conditions, cheap insurance, and sundry other benefits of minor degree.

sundry other benefits of minor degree.

Aside from the fundamental business of monthly pension checks, the service Canada renders her war veterans is varied, checks, the service Canada renders her war veterans is varied, complex, and intimate. Eight departmental hospitals are maintained, and there are soldiers' wards in general hospitals, which are treating more than 12,000 men each year. In addition, under the heading of "Veterans' care cases," more than 170 incurable tuberculosis cases are being treated at various hospitals. Up to March 31 of this year there had been expended in the form of hospital assistance \$42,696,667, and for the current year the estimated expenditure is \$7,135,000.

There is a dental service for veterans which, in a year, gives more than 50,000 treatments to 3,200 patients. There are departmental orthopedic depots throughout the country in which are manufactured artificial limbs for veterans, special boots and appliances, artificial eyes, etc.

The Government has an insurance department which gives protection to veterans at about half the rates of commercial companies and under conditions of special advantage. This service is practically self-sustaining.

practically self-sustaining.

WORK FOUND FOR VETERANS

Assistance is given returned men seeking employment through

Assistance is given returned men seeking employment through a special branch of the department, which gets about 18,000 applications a year and succeeds in placing a fair proportion even in present times. Its labors are lightened by the fact that preference is given veterans by the Government itself in filling civil-service posts, and by many private employers. For veterans' relief, caring for cases not adequately covered by pension regulations, there will be spent this year something like \$2,500,000. Vocational training, on which the Dominion spent \$4,345,759 in the earlier years of postwar rehabilitation, is now a closed chapter.

Still another aid for the unfortunate veteran is found in the departmental organization known as the War Veterans' Allowance Committee, which is allocated \$1,300,000 this year. Its object is to relieve from necessity the aged or totally incapacitated veteran whose resources or income are insufficient to provide for his comfortable maintenance. The committee may supplement the income of such a single man up to \$365 a year, and a married man to \$730. Only those come under this fund who are 60 or more, or who are permanently unemployable through physical or mental disability. Old-age pensions are available to war veterans at 60, while 70 is the civilian age for this public relief.

The scheme for settling soldiers on the land, principally in western Canada, on which great hopes were based directly after the war, has achieved a fair measure of success although at high cost. Through Government loans 24,491 soldier settlers were established on farms, of whom 11,612 remained at the end of last year. Most of the reverted soldier farms have been taken over by civilians under a general land settlement plan of the Department of Immigration and Colonization, which administers this project.

For the current year the estimated expenditure on land settlement is \$1,500,000, which is \$680,000 less than for the preceding 12 months.

12 months

WHAT WE DO FOR VETERANS-THE GOVERNMENT'S OUTLAY VIEWED IN ! TERMS OF THE EX-SERVICE MAN'S BENEFITS

Up to the end of February, 1932, the American Government had spent a total of \$5,475,505,520.29 directly for the relief of World War veterans and their dependents. Of this sum, \$2,100,888,433.65 was for various forms of disability and death compensation to exservice men and those dependent upon them; \$582,931,845.08 for allotments and allowances; \$486,936,049.78 for medical and hospital care; \$644,943,719.72 for vocational training; \$1,003,406,857.64 for insurance; and \$656,398,614.42 for miscellaneous expenditures, including administration.

including administration.

During the war and until July 2, 1927, the American service man was entitled to low-cost war-risk insurance, up to \$10,000, against death or total permanent disability. On July 2, 1927, he could convert his policy to any one of a number of forms handled by the Government on a nonprofit basis. A \$60 cash bonus was his on demobilization. Free hospital and dental service have been at his disposal, the Veterans' Administration having 54 hospitals with 26,307 beds and the use of 9,732 beds in other Government hospitals. If the veteran is not in the income-tax paying class, he is entitled to an allowance if he suffers a 25 per cent or greater permanent disability, from whatever cause, provided this is not the result of willful misconduct. the result of willful misconduct.

All this applies to the veteran who was in the best of health when the war ended. For those partly disabled during the war years there have been, in addition, allowances based on disability, and, until 1928, free vocational training.

and, until 1928, free vocational training.

Besides these privileges, which have cost the Federal Government the huge sum referred to, there have been bonuses and tax remissions from many of the States, and in 1924 Congress provided that all World War veterans receive adjusted-service or bonus certificates. These certificates entitle them to collect, at the end of 20 years, adjusted-service compensation averaging more than \$1 a day for their terms of service. In case of death before the maturity date, the sum is paid at once to the veteran's beneficiary. The certificates have a loan value, which last year was increased to 50 per cent of the face value. Loans amounting to \$1.248,000,000 are now outstanding, against a total face value of \$1,248,000,000 are now outstanding, against a total face value of \$3,638,000,000. These loans would be canceled and the difference of \$2,390,000,000 would be paid the certificate holders if Washington acceded to demands for immediate bonus payment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, returned to the Senate, in compliance with its request, the bill (S. 2458) for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917.

REVENUE AND TAXATION-CONFERENCE REPORT

The Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

Mr. HOWELL. Mr. President, I crave the close attention of the Senate, as I have risen to make a point of order against the report of the conference committee upon the tax bill.

I make my point of order upon the ground that the conferees exceeded their powers in connection with Senate amendment 180, appearing as section 616 of the pending bill. Section 616 deals with the consumption of electric energy and its taxation.

I make my point of order upon this ground: First, that the conferees exceeded their authority by including in the provision a sales tax not authorized by either House on the domestic and commercial consumption of electric energy supplied by publicly owned power plants.

Mr. President, the amendment adopted by the Senate reads as follows:

There is hereby imposed upon energy sold by privately owned operating electrical power companies a tax equivalent to 3 per cent of the price for which so sold.

It will be noted that the amendment applied to the energy supplied by privately owned power plants only.

The conferees added new matter to this amendment by providing in effect a 3 per cent tax on domestic and commercial consumption of energy supplied by privately owned power plants and then included in effect a tax also upon the consumption of energy supplied by publicly owned power plants. It must be evident to everyone that this is absolutely new matter, and because it is new matter it is subject to a point of order, which should be sustained.

The Senate specifically excluded from taxation energy supplied by publicly owned power plants. The provision

adopted by the conferees provides for the taxation of the consumption of publicly owned power plants. Nothing of the kind was contemplated by the Senate. It was not contemplated by either House. This class of consumption has been included in the provision by the conferees. It is legislation by the conferees and nothing else. That must be evident, and under the rule that no new matter can be inserted by conferees in an amendment or in a bill, the conferees have exceeded their authority, and as a consequence their action is subject to a point of order, which should be sustained.

Mr. President, I call attention in this connection to a case which arose in the House of Representatives:

Mr. James R. Mann, of Illinois, made the point of order that the managers of the conference had exceeded their authority in relation to a certain paragraph of the bill which, with the Senate amendment, appeared as follows in the printed copy:

No part of any money appropriated by this or any other act shall be available for paying expenses of horses and carriages or drivers for the personal use of any officer provided for [herein] by this or any other act other than the President of the United States, the heads of executive departments, and the secretary to the President.

The managers had inserted between the words "personal" and "use" the words "or officials." In other words, they excluded the right of any other officials to use horses and carriages provided for in this appropriation bill not only for personal use but for official use.

The point of order was ruled upon by Speaker Cannon, who concluded his ruling by saying:

As to the wisdom of such a provision the Chair is not called upon to intimate any opinion.

And that is right in point here-

As to the wisdom of such a provision the Chair is not called upon to intimate any opinion. It is for the House and the Sen-ate to determine upon the wisdom of it, and, as the House and the Senate never have considered that proposition, the Chair is of opinion that the conferees exceeded their power, and therefore sustains the point of order.

Mr. President, neither the House nor the Senate considered at any time the taxation of the consumption of electrical energy supplied by publicly owned power plants. However, the conference committee inserted bodily a provision to tax the consumption supplied by publicly owned power plants. Upon that ground alone, Mr. President, a point of order is properly made against the act of the conferees and, in my opinion, should be sustained.

But, Mr. President, that is not all. I wish to call the attention of the Senate to the fact that the language substituted for the Senate amendment, which appears as section 616, is practically identical with the language of the amendment offered by the Senator from Utah [Mr. Smoot] as a substitute for my amendment, in which he proposed to levy a 5 per cent tax on the consumption of electrical energy, to be paid for by the consumer. That substitute was voted down in the Senate, and, mark you, it is practically identical in language with section 616 as substituted in the tax bill by the conferees for section 616 as placed there by the Senate.

Again, the Senator from Pennsylvania [Mr. Reed] submitted another amendment, in which he proposed a 4 per cent tax upon domestic consumption plus commercial consumption in the same language as that of the amendment offered by the Senator from Utah, which, as I have before stated, is practically identical with the language that has been inserted by the conferees. That amendment was voted down. Why? Because the Senate had determined, in order to supply the Treasury with funds, to impose a tax upon the great profits of the power companies of the country, and it was for that reason that there were introduced into the amendment that was adopted words which in effect excluded publicly owned power plants.

Mr. ROBINSON of Indiana. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. HOWELL. I yield.

Mr. ROBINSON of Indiana. Am I to understand the Senator to say that a substitute proposal for his amendment in the Senate was voted down by the Senate and that then, notwithstanding the fact that it had been voted down by a majority of this body, the conferees took it upon themselves deliberately to insert that substitute in the place of the Senator's amendment?

Mr. HOWELL. It is a fact.

Mr. ROBINSON of Indiana. And in the same language?
Mr. HOWELL. In the same language, with the exception
that at the end of paragraph (b) there is inserted the
following:

The provisions of sections 771 to 774, inclusive, shall, in lieu of the provisions of sections 619 to 629, inclusive, be applicable in respect of the tax imposed by this section.

That is the only new matter inserted; the language otherwise is identical except that gas is not coupled with electrical energy.

Mr. REED. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. Does the Senator have any idea what would prompt five Members of this body to substitute their will for that of a majority of the Senate?

Mr. REED. Mr. President, will the Senator from Nebraska yield to me?

Mr. ROBINSON of Indiana. I should like an answer to my question if the Senator can answer it.

Mr. HOWELL. There is just one reason, and that is they did not want to levy this tax upon the power companies. The Senate determined to levy it upon the power companies, and the conferees wanted to put it upon the 24,000,000 consumers; such is the personnel which the conferees' change in the Senate's amendment affects throughout the country.

Mr. ROBINSON of Indiana. And that is where it is now.

Mr. HOWELL. And that is where it is now.

Mr. REED. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Pennsylvania?

Mr. HOWELL. I yield.

Mr. REED. I think the Senator has unintentionally misstated the facts when he says the amendments are identical. The substitutes offered were first for a tax at 5 per cent; that was rejected. Then I offered a substitute providing for a tax of 4 per cent, and that was rejected; and then the amendment of the Senator from Nebraska for 3 per cent tax prevailed. The tax approved by the conferees is 3 per cent.

Mr. HOWELL. Mr. President, I should make a correction in so far as the figures "5," "4," and "3" are concerned there is that difference, together with the exclusion of coupling gas with electricity; but otherwise the language is

practically identical.

Mr. ROBINSON of Indiana. That being true, I should like to ask the Senator whether it is his judgment that the Power Trust has more influence in this body than a majority of the Senate?

Mr. HOWELL. Mr. President, I simply say this: The question that was squarely before the Senate was whether we would tax the highly profitable electric companies or whether we should put the tax on the people; and the conference committee decided that we should put it on the people; that we should eliminate the companies. The companies are not to pay a dollar; and I desire again to call attention of the Senate to some of the facts respecting the great profits of these companies.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. HOWELL. I do.

Mr. BORAH. Before the Senator goes into that subject, referring to the language found in the conference report, to wit—

To be paid by the person paying for such electrical energy and to be collected by the vendor—

Is not that the same language that was incorporated in the amendment offered by the Senator from Utah [Mr. Smoot] and the Senator from Pennsylvania [Mr. Reed]?

Mr. HOWELL. The identical language.

Mr. President, the profits of these power companies throughout the country are tremendous. Consider the situation here in Washington. Last year, notwithstanding a reduction in the rate to 4.2 cents per kilowatt-hour as the maximum, the Potomac Electric Power Co. had net earnings, after paying all costs of operation, maintenance, depreciation, taxes, and sufficient to pay 7½ per cent return on their rate base, and, in addition, had some \$882,000 left. If a tax had been levied last year upon the Potomac Electric Power Co. as provided in the Senate amendment, it would not have had \$882,000 left, but would have had about \$550,000 left. Surely no hardship with such a surplus.

That is the situation largely over this country. Consider the results in my city of Omaha. In that city the American Power & Light Co. controls the Nebraska Power Co., which supplies Omaha and Council Bluffs and small communities around about. The 1,000,000 shares of common stock of Nebraska Power which the American Power & Light Co. own cost them \$766,000, and that \$766,000 went as a fee to the Electric Bond & Share Co.-a fee for putting American Power & Light in control of Nebraska Power. As a matter of fact, that 1,000,000 shares of stock is pure water; but out there in the agricultural regions, where this depression is most acute, what has been the result? Dividends on this \$766,000 in 1924 were 48 per cent; in 1925, 48 per cent; in 1926, 66 per cent; in 1927, 97 per cent; in 1928, 96 per cent; and that power plant has been more profitable during the last three years than ever before. Right in the midst of the depression the \$766,000 invested in 1,000,000 shares of Nebraska Power Co.'s stock earned 191 per cent in 1929. You would think that that was enough, but no; it earned 226 per cent in 1930, and last year it earned 250 per cent.

It is these power companies that it was aimed to tax. It was the intent of the Senate that they should be taxed. The Senate voted down the language that is to be found now in this conference report; but the conferees took that very language and put it back. The Senate never intended to tax the consumers of electricity. The language shows plainly that they intended to tax these great power companies; but the conferees, to save the power companies, placed this tax directly and unavoidably on the 24,000,000 consumers in the United States. That is the number of consumers, domestic and commercial.

Why did they do it? What was their purpose? To relieve the power companies. They not only did that but the Senate had included industrial power use subject to this tax. Why? Because under the terms of the amendment adopted by the Senate it would only increase the cost per kilowatthour forty-six one-thousandths of a cent on an average. These large power users get their energy at the lowest possible price, below the average cost of production. The 20,000,000 domestic consumers pay for more than the average cost of production. The commercial consumers pay a little more than the average cost, but the power users pay much less than the average cost of production. Yes; and although they are the beneficiaries of such low rates the conferees would exclude from tax the power users, who consume 65 per cent of all the electric energy produced, and place the tax where? Upon the home owner, upon the grocery store, and other commercial users. That is where they propose to place it.

Mr. President, what influence could have changed them? Had they nothing in their hearts for the people of this country who are the real sufferers from this depression? Here was an industry that was more prosperous in 1930 than it was in 1929. It was more prosperous in 1931, last year, than it was in 1929. Here was one industry that had not felt the depression, and for that reason the Senate put a tax upon these power companies; but the conferees have no regard for that fact. They put the tax back on the little-home owner, on the homes of the 8,000,000 people who have not employment at this time. They put it back upon the man with a family who is struggling with adversity. But the power companies, with great profits in their coffers, are not willing to pay this tax, notwithstanding the edict of the Senate to apply a tax to them, so they appealed to the conferees in question and triumphed.

Mr. President, when this tax bill went to the conferees the Senate had increased the income-tax rate on the incomes of corporations from 12 to 14 per cent, and the conferees reduced it one-quarter of 1 per cent. They had already relieved the power companies in this manner, and then they relieved them of this just tax by shifting it very largely to the common people.

Mr. President, it is an outrage. This is a tax upon a necessity. You know that light and power in the home to-day is nearly as much of a necessity as is food; and from the time we began with this tax bill, from the time it was conceived in the House, there has been one principle governing—that we would not tax a necessity. But in this case, although the Senate would not tax a necessity, the conferees, without any regard for these home owners, without any regard for the people out of employment, have taxed them rather than the opulent power companies; in fact, deliberately relieved the power companies.

What influence has been at work?

Mr. President, the Senate made it very clear that it proposed to tax power companies not only by the language in the amendment adopted but by its action upon the two substitutes offered, the first one by the Senator from Utah [Mr. Smoot], and the second by the Senator from Pennsylvania [Mr. Reed]. The votes recorded made it very plain what was intended to be done; but the conferees have changed this proposed tax from one interest, the power companies, to another interest, the consumer, the home owner. This action by the conferees also constituted the insertion of matter in this measure that was not considered by either House of Congress; and upon that ground alone a point of order properly lies against this report. But when we take this last proposition, as I have stated it, and add to that the fact that the conferees have taken a class of electrical consumption and taxed it when such taxation was not considered by the Senate and was never considered by the House, of course such action is properly subject to a point of order. There is no question that they did this: They said, in effect. whereas the Senate authorized the taxation of consumption supplied by privately owned power plants, we hereby add the consumption supplied by publicly owned power plants. That, Mr. President, is an undoubted insertion of new matter in this bill by the conferees, and without power to do so. The point of order should be sustained.

Mr. WALSH of Montana. Mr. President, I trust that the Chair will indulge me while I submit a few observations upon the point of order which is now raised. It depends upon the provisions of the second paragraph of Rule XXVII, which reads as follows:

. Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses. If new matter is inserted in the report, or if matter which was agreed to by both Houses is stricken from the bill, a point of order may be made against the report, and if the point of order is sustained the report shall be recommitted to the committee of conference.

The question is as to whether there is new matter included in this particular part of the report of the conference committee.

The Senator from Nebraska [Mr. Howell] has called attention to two features in respect to which new matter has been introduced, namely, that by the conference report the tax is imposed upon municipally owned corporations, while the bill confined the tax to privately owned corporations; next, he insists that the Senate laid the tax upon the corporation and refused to provide that it should be laid upon the consumer.

The conference committee reports a tax to be imposed, not upon the producer of the electrical energy but upon the consumer of the electrical energy, a proposition which was entirely rejected by the Senate.

Mr. President, I submit a third ground upon which this is objectionable. Let me read the Senate provision and the conference report provision. The Senate provision is as follows:

There is hereby imposed upon energy sold by privately owned, operating electrical-power companies a tax equivalent to 3 per cent of the price for which so sold.

The conference report states:

There is hereby imposed a tax equivalent to 3 per cent of the amount paid on or after the 15th day after the enactment of this act for electrical energy for domestic or commercial consumption furnished after such date and before July 1, 1934, to be paid by the person paying for such electrical energy, and to be collected by the vendor.

"And to be collected by the vendor." That language is entirely new. In other words, it imposes upon the vendor of the electrical energy an obligation to discharge a duty to the Government of the United States, namely, to collect a tax for the Government of the United States. That, it seems to me, must be agreed upon all hands to be entirely new.

Moreover, not only is it new, but it is unconstitutional and unenforceable, for this reason, that in the case of a municipally owned plant by this provision the committee undertakes to force the municipality to collect this tax of the consumer, a thing which the Congress of the United States can not possibly do. The Congress of the United States can not impose such a duty upon municipalities, a subdivision of a State government, any more than it could impose a duty of that character upon the State government.

Mr. President, it therefore occurs to me that in these three particulars the conference report is violative of the rule, and subject to the point of order which has been raised against it.

When the matter was before the Senate, the Senator from Utah [Mr. Smoot] proposed the following amendment to the amendment tendered by the Senator from Nebraska:

There is hereby imposed a tax equivalent to 5 per cent of the amount paid on or after the 15th day after the date of the enactment of this act for electric energy for domestic consumption or gas for domestic consumption furnished after such date and before July 1, 1933, to be paid by the person paying for such electric energy or gas and to be collected by the vendor.

"And to be collected by the vendor." The Senators will observe that the language is the same. It is easy to see that this was the progenitor of the language in the conference report, except that it includes gas, and makes the rate 5 per cent, instead of 3. That amendment was rejected by the Senate by a vote of 40 years to 45 nays.

Thereupon the senior Senator from Pennsylvania [Mr. Reed] offered an amendment. Bear in mind, the Senator from Utah and the Senator from Pennsylvania were two of the three majority members of the committee on conference. The Senator from Pennsylvania then proposed the following amendment to the amendment offered by the Senator from Nebraska:

There is hereby imposed a tax equivalent to 5 per cent of the amount paid on or after the 15th day after the date of the enactment of this act for electric energy for commercial or domestic consumption or gas for commercial or domestic consumption furnished after such date and before July 1, 1933, to be paid by the person paying for such electric energy or gas and to be collected by the vendor.

That, it will be seen, is quite the same, except that it introduces energy sold for commercial use as well as that sold for domestic use. That amendment was likewise rejected by the Senate by an even more decisive vote, as my recollection now serves me, by 47 nays to 35 yeas.

In other words, the Senate refused to put that tax upon the consumers of electrical energy. The question was squarely debated here as to whether we should put this tax upon the consumer or put it upon the producer and vendor of the electrical energy.

When that matter went to conference they had the power to change the provision as adopted in any way they saw fit, but obviously it was entirely new matter to endeavor to impose the tax upon the consumer and not upon the producer. That matter was very carefully considered here, and the question was debated as to whether, under the amendment offered by the Senator from Nebraska, the tax could not be passed on to the consumer, and varying views were entertained with respect to that.

The next day after the bill was passed I had inserted in the Record an article from the Journal of Commerce of June 2, 1932, entitled "Electrical Industry Not to Shift 3 Per Cent Tax." I read from the article: ELECTRIC INDUSTRY NOT TO SHIFT 3 PER CENT TAX—UTILITY MEN SAY COMPANIES WILL ABSORB NEW \$55,000,000 LEVY ON GROSS INCOME

The electric power and light industry is not expected to be able to pass on immediately to consumers any important part of the 3 per cent excise tax adopted by the Senate and included in the new revenue bill, it was indicated yesterday by local utility men.

So that we had the matter as it passed the Senate in such shape that the tax was to be imposed, not upon the consumer of electricity but on the producers and vendors of it.

Mr. SHORTRIDGE. Mr. President, what was the language of the House?

Mr. WALSH of Montana. The bill as it passed the House contained no provision on the subject at all.

There were abundant reasons for that course, which were elaborated in the debate. The Senator from Nebraska this morning called attention again to the fact that among all the various industries of this country, of almost any character one can think of at all, this is the one industry that has not only maintained the standard of prosperity which it enjoyed in 1929 but which has shown even better returns since that time.

Mr. President, on this point I desire to call attention to an interesting observation on page 85 of the New Republic of June 8, 1932, the last number of that magazine, reading as follows:

What's all this nonsense about a depression? The Worcester Electric Light Co., of Worcester, Mass., hasn't heard of any such thing. It paid a 32 per cent dividend last year.

I trust that Senators present at least may learn of this splendid success of the Worcester Electric Light Co., of Worcester, Mass.

The VICE PRESIDENT. The Senate will be in order. Mr. WALSH of Montana. The article reads:

What's all this nonsense about a depression? The Worcester Electric Light Co., of Worcester, Mass., hasn't heard of any such thing. It paid a 32 per cent dividend last year, amounting to three-quarters of a million dollars, and a 64 per cent dividend, or a million and a half, the year before, making a neat total of 96 per cent in two years, during which most business men were out in the garden eating worms. All this money went to the New England Power Association, which some time ago bought the Worcester company and is now proceeding to get back the purchase price as rapidly as possible. The New England Power Association also bought local electric companies in other New England cities, and has been squeezing profits out of them at a similar fantastically high rate. In Quincy, the rate was 48 per cent in 1931; in Attleboro, 40 per cent; in Lowell, 14.4 per cent, etc.

Large sums are also taken by the parent company for "manage-

Attleboro, 40 per cent; in Lowell, 14.4 per cent, etc.

Large sums are also taken by the parent company for "management fees." These charges increased from \$66,000 in 1927 to \$1,500,000 in 1929, and there is no evidence that they have been much decreased, if at all, since then. Another scheme by which the local companies are bled white is the withdrawal of money for taxes. It is stated by the Federal Trade Commission that each subsidiary company is forced to pay an amount equal to its full Federal taxes, although the New England Power Association makes a consolidated tax return. While these vast sums are rolling into the pockets of the Power Trust, the cities which are thus being mulcted are struggling desperately to feed and clothe their unemployed. In Worcester, for example, the public treasury with difficulty found \$1,200,000 for the poor last year, while the power company took away two-thirds of that sum in profits. As we don't need to say, these profits are made possible by unfairly high rates permitted by the State regulatory authority. * * *

Mr. President, I submit that it is a circumstance which ought to be taken note of by every Member of this body, that the Senator from Utah having been defeated upon the floor of the Senate in the amendment he proposed, and the Senator from Pennsylvania having been defeated in the Senate upon the amendment he proposed, both becoming members of the committee on conference, then insert in the conference report practically the same propositions which met with the disapproval of the Senate upon a yea-and-nay vote.

Of course that is aside from the question as to whether they have introduced new matter; and I submit, sir, that in three particulars the matter is new in these particulars: The imposition of this tax upon the consumers of energy, the imposition of the tax upon all companies municipally owned or privately owned, and third, the attempt to transform the municipalities of the country owning their own electric-light plants into agencies and instrumentalities of the Federal Government for the collection of that tax.

Mr. ROBINSON of Indiana. Mr. President, this is a most amazing thing to me. After the Senate of the United States, by a majority, adopts an amendment to a revenue bill or to a bill of any kind, and instructs its conferees, in this case five Senators, to insist on the Senate amendment, I am wondering why the conferees should deliberately go into conference with a like committee from the House and then and there undertake to substitute their will for the will of a majority of the Senate.

Mr. SMOOT. Mr. President-

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Utah?

Mr. ROBINSON of Indiana. I yield.

Mr. SMOOT. The amendment that is now in the conference report was submitted by Mr. Crisp, chairman of the conferees on the part of the House.

Mr. GLASS. Mr. President, we can not hear the Senator from Utah. This is an important question, and I would like to know what he is saying.

Mr. SMOOT. I said that the amendment which is in the conference report was submitted by Mr. Crisp, chairman of the conferees on the part of the House. The Senator from Indiana said that the conferees on the part of the Senate insisted upon having their way in the matter.

Mr. GLASS. But the Senate conferees yielded to the proposition as submitted by Mr. CRISP.

Mr. SMOOT. We did.

Mr. MOSES. Mr. President-

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from New Hampshire?

Mr. ROBINSON of Indiana. I yield.

Mr. MOSES. I want to say, with reference to what the Senator has presented as to him an astounding thing, that it seems to me to be entirely something that has taken place in the natural course of conferences. The discussion has gone far from the point of order. The prosperity of the electric companies or their bankruptcy has nothing to do with the point of order. The catalogue of offenses recited by the Senator from Nebraska [Mr. Howell], even an indictment for alleged crimes by the electric companies, has nothing to do with the point of order.

The amendment, thoroughly debated as it was, agreed to by the Senate by a large majority, went into the conference room under the formal vote of the Senate that its conferees were to insist upon the Senate amendments.

Under those circumstances the situation in which the amendment was found in the conference room was that the House conferees had three courses which they could pursue: They could agree, they could refuse to agree, or they could agree with an amendment. The third course is the one which the House conferees adopted. Since it has become the fashion in this session of Congress to make public things which happen in the conference room, the chairman of the conferees on the part of the Senate has now said that this proposal to agree with an amendment came from the House conferees, as, indeed, it had to come. There was no other way in which it could come.

The House conferees having pursued their constitutional duty with the three alternatives presented to them, and this amendment having gone to the conferees in such fashion that the entire subject was open for discussion and for amendment through an agreement with an amendment, the conferees acted perfectly in line with the precedents, perfectly in line with their constitutional functions, and, in my opinion, the point of order can not be sustained.

Mr. ROBINSON of Indiana. Mr. President, I have been very glad to yield to the Senator from New Hampshire, though I do not agree with all he has said in this connection. I may say that I am not so much interested in the outcome of the point of order, whether it lies against the action taken or not. I think a point of order does lie and find myself in substantial agreement with the eminent Senator from Montana [Mr. Walsh] in the position he has taken with reference to that matter and against the position of the Senator from New Hampshire.

But regardless of the point of order, the bill is still in control of this body, and something can be done and, in my judgment, ought to be done. We have undertaken with this amendment to raise approximately \$50,000,000. With one measure before the United States Senate and before the Congress known as the economy measure we reduced by 10 per cent the pay of all employees of the Government. even, as has been mentioned, the charwomen and the janitors, and those who receive very low pay. In the next moment we tax these same people for a necessity, electric current and gas and all the various products of the utilities of the Power Trust, which has a monopoly on these very necessities of life, so that the consumer gets hit both ways. We reduce his pay regardless of how little and inadequate it may be, and in the very next moment we heap this additional burden of taxes upon him, 3 per cent for the electric energy, the power used or the current used, and then with a sort of ironic gesture authorize the power company itself to collect that money from the consumer.

Power companies, if any in this land, should be successful and prosperous to-day. They have a complete monopoly of the product. The American people must use that product. Power companies have insisted on keeping their rates at the highest point throughout all the depression. But for some cause or other they have an enormous influence in this body, and apparently in the body at the other end of the Capitol, from all I have learned in the last few minutes.

But it makes no difference whether the proposition came from the House conferees or from the Senate conferees, it is unquestionably wrong. The Senate has decided on two successive votes that it was wrong, and finally on the third vote decided definitely that the vendor, the power company itself, must pay this tax. Then why not let the power company pay the tax? Why should the five Members of this body undertake to substitute their will for the will of a majority of the Senate? Has the Senate become defunct? Is it impossible for this body to make up its own mind any further, but must we have 3 or 4 or 5 Members of the body decide for us what we are to do and set aside with impunity the action taken by a majority of the Senate?

Mr. President, regardless of the point of order, whether it lies or not—though I think it lies—the bill should be sent back again for further action and this tax should be assessed and placed right where it belongs and where the Senate decided it should be placed, and that is on the vendors themselves. In the name of God, let us have some consideration for the consumers of the land, for those who are being taxed out of their homes, out of almost everything that life holds dear. Let us give the consumer, the man farthest down, a chance. I think the whole thing should go back to conference.

Mr. President, I am not certain about the parliamentary situation, but I do know the bill is still in control of the Senate, and we should see that justice prevails before we release that control. I think the whole thing is an outrage that ought to be corrected.

The VICE PRESIDENT. The Chair is ready to rule.

Mr. ROBINSON of Indiana. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator want to have the roll called before the Chair rules?

Mr. ROBINSON of Indiana. Let the roll be called.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following

Senators answered to their names:

Connally Hale Ashurst McKellar Harrison Hastings Coolidge Costigan McNary Metcalf Bailey Bankhead Couzens Hatfield Moses Neely Hebert Cutting Barbour Dale Davis Dickinson Norbeck Norris Nye Barkley Blaine Howell Johnson Borah Bratton Dill Kean Oddie Bulkley Kendrick Patterson Fess Fletcher Reed Robinson, Ark, Robinson, Ind. Bulow Keyes Frazier George Glass King La Follette Lewis Capper Caraway Schall Carey Glenn Sheppard Goldsborough Shipstead

Shortridge Thomas, Idaho Tydings Walsh, Mass.
Smith Thomas, Okla.
Smoot Townsend Wagner Watson
Stelwer Trammell Walcott White

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present. If there be no further debate, the Chair is ready to rule.

The Senate amendment is as follows:

There is hereby imposed upon energy sold by privately owned, operating electric power companies a tax equivalent to 3 per cent of the price for which so sold.

There is no provision in the Senate amendment relative to the payment of the tax by either the vendor or the purchaser, although it was doubtless the intent of the Senate that the tax should be paid by the power companies themselves. However, in a parliamentary sense the conferees, in the absence of specific instructions by the Senate, undoubtedly have the right, in the interest of adjusting differences between the two Houses, to take the action they did in providing for payment by the purchaser.

There is no provision in the House bill on the subject of power sold by electrical companies. Therefore, there are no restrictions upon the power of the conferees, subject, of course, to the limitations of the rule itself in dealing with this matter. They have broader latitude and authority than would otherwise be the case. They are empowered to make any change or modification that is germane or relevant.

The term "new matter" contained in the rules embraces, as the Chair thinks, matter that is entirely irrelevant to the subject matter.

The point of order is overruled.

The question now is on agreeing to the conference report.

Mr. HOWELL. Mr. President, I appeal from the ruling of the Chair.

The VICE PRESIDENT. The Senator from Nebraska appeals from the ruling of the Chair. The question is, Shall the ruling of the Chair stand as the judgment of the Senate?

Mr. HOWELL. Mr. President, as I listened to the reading of the ruling by the President of the Senate, I did not particularly note that he ruled upon the point that the conferees had provided for the taxing of the consumption of electricity produced by publicly owned power plants. That was not included in the Senate amendment; that had not been passed upon by either House; and that was unquestionably new matter introduced into this provision.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. AUSTIN. Mr. President, I did not understand the question which was submitted to the Senate.

Mr. ROBINSON of Arkansas. Mr. President, I think the parliamentary question ought to be stated.

The VICE PRESIDENT. The Senator from Nebraska having appealed from the decision of the Chair, the question is, Shall the decision of the Chair stand as the judgment of the Senate?

The Chief Clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the Senator from Connecticut [Mr. Bingham], who is necessarily absent. I find, however, that I can transfer that pair to the Senator from Illinois [Mr. Lewis]. I make that transfer and will vote. I vote "nay."

Mr. GLENN (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. Long], who is necessarily absent, and therefore withhold my vote.

Mr. HATFIELD (when his name was called). I have a general pair with the Senator from North Carolina [Mr. Morrison]. I transfer that pair to the senior Senator from Colorado [Mr. Waterman] and vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson], who is necessarily absent. Not knowing how he would

vote, I withhold my vote.

Mr. ROBINSON of Indiana (when his name was called).

I have a general pair with the Senator from Mississippi [Mr. Stephens]. In his absence I withhold my vote. If permitted to vote, I should vote "nay."

Mr. SCHALL (when his name was called). I have a general pair with the Senator from Alabama [Mr. Black], and therefore withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. WAGNER. My colleague [Mr. Copeland] is absent because of illness. If he were present, he would vote "yea."

Mr. THOMAS of Idaho (after having voted in the affirmative). I inquire if the junior Senator from Montana [Mr. WHEELER] has voted.

The VICE PRESIDENT. That Senator has not voted. Mr. THOMAS of Idaho. I have a general pair with the junior Senator from Montana and therefore withdraw my vote.

Mr. WALSH of Montana. My colleague [Mr. Wheeler] is unavoidably absent. He is paired, as has just been announced, with the Senator from Idaho [Mr. Thomas]. If my colleague were present, he would vote "nay."

Mr. FESS. I wish to announce the pair of the Senator from New York [Mr. COPELAND] with the Senator from Iowa [Mr. Brookhart]. If the Senator from New York were present, he would vote "yea," and the Senator from Iowa [Mr. Brookhart] would vote "nay."

I also wish to announce the necessary absence of the Senator from Connecticut [Mr. BINGHAM]. If present, he would vote "yea."

The result was announced—yeas 42, nays 33, as follows:

YEAS-42

Ashurst Austin Bailey Barbour Bratton Carey Coolidge Dale Davis Dickinson Fess	Goldsborough Gore Hale Harrison Hastings Hatfield Hayden Hebert Kean Keyes King	Logan McNary Metcalf Moses Oddie Patterson Reed Robinson, Ark. Shortridge Smoot Steiwer	Thomas, Okla. Townsend Tydings Vandenberg Wagner Walcott Walsh, Mass. Watson White
	NA	YS-33	
Barkley Blaine Borah Bulkley Bulow Byrnes Capper Caraway Cohen	Connally Costigan Couzens Cutting Dill Fletcher Frazier George Glass	Howell Hull Johnson La Follette McGill McKellar Neely Norbeck Norris	Nye Sheppard Shipstead Smith Trammell - Walsh, Mont.
	NOT V	OTING—21	
Bankhead Bingham	Glenn Hawes	Morrison Pittman Robinson Ind	Thomas, Idaho Waterman Wheeler

Copeland Mr. BLACK subsequently said: Mr. President, I wish to have the RECORD show that had I been present when the vote was taken on sustaining the decision of the Vice President pending the consideration of the conference report on the revenue bill I would have voted "nay."

Schall Stephens

So the decision of the Chair was sustained.

Kendrick

The VICE PRESIDENT. The question now is on agree-

ing to the conference report.

Brookhart

Mr. DILL. Mr. President, I want to explain briefly why I shall vote against the conference report. I do so as a protest against the action of the conferees in relation to the tax on electricity. I think it is the most indefensible thing that has been done by conferees for the Senate in many years. It is clearly a move in the interest of the great power corporations of this country and against the consumers of electricity. I will not be a party to any such action. The Senate voted against this exact provision twice, as it is now

For that reason I shall vote against the conference report. Mr. SHORTRIDGE. Mr. President, I shall detain the Senate for a moment only.

I very much regret that the conferees of the Senate, as I

apply in respect of admissions to the games of the Tenth Olympiad, to be held at Los Angeles, Calif., from July 30, 1932, to August 14,

As will be seen, that was a section exempting from admission tax tickets to the Tenth Olympiad, which is to be celebrated in the United States, in Los Angeles, Calif., beginning July 30 and continuing until August 14.

I will not trouble the Senate, for I assume that it has learning, with any words touching this great international meeting-a great honor, a great distinction to our country. A proposition to exempt admissions to it from this tax was submitted in the House when the revenue bill was pending in that body. That proposition did not meet with the approval of the House. With great respect for the membership of the House, I am persuaded that many of its Members were not advised as to the international character of this great meeting.

I had the honor to propose a like proposition to the Senate Finance Committee, which committee unanimously approved The Senate, in like fashion, unanimously approved the action of the Finance Committee; and the matter went into conference.

When the matter was before the Finance Committee I submitted a statement of reasons for its adoption. For the purpose of the record, and to the end that Members of the Senate, and particularly Members of the House may know the reasons which prompted the Finance Committee and the Senate to approve section 712, I ask permission that the remarks I made in the Committee on Finance be incorporated in our Record here to-day as a part of my remarks.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

STATEMENT BY HON. SAMUEL M. SHORTRIDGE, UNITED STATES SENATOR FROM CALIFORNIA

Senator Shorraidge. Mr. Chairman, I have a matter which I have been waiting to present to the committee.

The Chairman, Senator Shortridge.
Senator Shortridge. Mr. Chairman, to H. R. 10236, the bill now

Senator Shortenges. Mr. Chairman, to H. R. 10236, the bill now under consideration by our committee, to provide revenue, equalize taxation, and for other purposes, I offer the following amendment:

On page 251, after line 14, insert the following new section:

"Sec. 712. Admission to Olympic Games.—The tax imposed by section 500(a) (1) of the revenue act of 1926, as amended, shall not apply in respect of admissions to the games of the Tenth Olympiad, to be held at Los Angeles, Calif., from July 30, 1932, to August 14, 1932, inclusive."

The great honor of celebrating the Tenth Olympiad has come to

The great honor of celebrating the Tenth Olympiad has come to our country, and it will be celebrated in the city of Los Angeles, Calif., from July 30, 1932, to August 14, 1932, inclusive.

When we speak of the Tenth Olympiad our minds are carried back many centuries before Christ when the Olympic Games and

others were celebrated in ancient and classic Greece. There were indeed four kinds of Grecian games:

(1) The Olympian, (2) the Pythian, (3) the Nemean, and (4) the Isthmian. All were of a religious character and all were treated with the greatest solemnity and observed with the most

It was considered to be a mark of exceptional fitness, morally, It was considered to be a mark of exceptional fitness, morally, mentally, and bodily, to be allowed to compete in these games at all; while for the winner the very highest honors his nation and parent city could lavish upon him were in store. It has been said that as a proof of this one has only to instance that the ordinary entrance to the city was not considered good enough for the hero, but a breach was made in the city wall for his triumphal entry to his native home. Although the official reward of the victor was only a simple wreath upon the brow and palm branches placed in the hands, yet the greatest distinction awaited him among his countrymen. countrymen.

countrymen.

The principal and by far the best known of the four great festivals of the Greeks were the Olympic Games. Many centuries have passed since they flourished at Olympia in Elis. Kings have come and gone, dynasties risen and waned, but the memory of these glorious gatherings of all that was best and purest among the ancient peoples is as fresh in the mind of the world to-day as it was before the coming of Christ. Indeed, they were alleged to have been under the direct supervision of the Olympian deity Zeus, before whose statue, made by Phidias and erected in the temple at Olympia, the athletes made their prayers for victory. The festive rites were made up of processions invocations and The festive rites were made up of processions, invocations, and public banquets, together with the singing and recitation of odes

I very much regret that the conferees of the Senate, as I am advised, were forced to recede from the action of the Senate in having incorporated in the bill what is known as section 712, which reads as follows:

SEC. 712. Admission to Olympic games: The tax imposed by section 500 (a) (1) of the revenue act of 1926, as amended, shall not

In a word, the first Olympiad, participated in by competitors from many nations, was celebrated in Athens, Greece, in 1896, and since then, at intervals of four years, these games have been celebrated in different countries so that, as I remarked, the Tenth Olympiad is to be held and celebrated in Los Angeles.

In recognition of the great honor and distinction coming to our

country and in aid of the successful carrying out of the program the Congress passed House Joint Resolution 72, which reads as

"To permit the temporary entry into the United States under certain conditions of alien participants and officials of the Third Olympic Winter Games and of the games of the Tenth Olympiade to be held in the United States in 1932.

"Resolved, etc., That alien participants, officials, and other accredited members of delegations to the Third Olympic Winter Games and to the games of the Tenth Olympiade to be held in the Games and to the games of the Tenth Olympiade to be held in the United States in 1932, and members of the immediate families and servants of the foregoing, all the foregoing who are nonimmigrants, if otherwise admissible into the United States under the immigration laws, shall be exempted from the payment of the tax of \$8 prescribed by section 2 of the immigration act of 1917, and exempted from the fees prescribed under the law to be collected in connection with executing an application for a visa and visaing the passport or other travel document of an alien for the purpose of entering the United States as a nonimmigrant, and such aliens shall not be required to present official passports issued by the governments to which they owe allegiance: Provided, That such aliens shall be in possession of official Olympic Games identity cards duly visaed without charge by American consular officers abroad: And provided further, That such aliens shall comply with regulations not inconsistent with the foregoing provisions which shall be prescribed by the Secretary of Labor and the Secretary of State: Provided, however, That nothing herein shall relieve an alien from being required to obtain a gratis nonimmigrant visa if coming to the United States as a nonimmigrant, or an immigration visa if coming to the United States as an immigrant: Be it further the passport or other travel document of an alien for the purpos

"Resolved, That such aliens shall be permitted the free entry of their personal effects and their equipment to be used in connec-

their personal effects and their equipment to be used in connection with the games, under such regulations as may be prescribed by the Secretary of the Treasury."

Approved, December 19, 1931.

In further aid of those charged with the responsibility of financing the Tenth Olympiad I have introduced and there is pending before our committee Senate Joint Resolution 143, which reads are follows: reads as follows:

"Joint resolution for the admission, free of duty, of equipment for the games of the Tenth Olympiad

"Resolved, etc., That the Secretary of the Treasury is authorized and directed to admit free of duty any article of equipment which it may be necessary for the 'Tenth Olympiade Committee of the Games of Los Angeles, United States of America, 1932 (Ltd.),' a corporation organized under the laws of the State of California, in charge of the games of the Tenth Olympiad, to be held at Los Angeles, Calif., from July 30, 1932, to August 14, 1932, inclusive, to import for the proper staging and performance of such games."

As will be seen by the amendment, I propose that the tax imposed by section 500 (a) (1) of the revenue act of 1926, as amended, shall not apply in respect of admissions to the games of the Tenth Olympiad.

of the Tenth Olympiad.

In support of this amendment I offer and request the sympathetic consideration of a statement of reasons why it is hoped that the games of the Tenth Olympiad will be exempted from the proposed amusement tax on tickets of admission. This statement furnished by the Tenth Olympiade Committee of the Games of Los Angeles, United States of America, 1932 (Ltd.), by Mr. William May Garland, president, and Mr. Zack J. Farmer, secretary-manager, reads as follows:

"STATEMENT OF REASONS WHY IT IS HOPED THAT THE GAMES OF THE TENTH OLYMPIAD, TO BE CELEBRATED IN LOS ANGELES, CALIF., JULY 30 TO AUGUST 14, 1932, INCLUSIVE, WILL BE EXEMPTED FROM THE PROPOSED AMUSEMENT TAX ON TICKETS OF ADMISSION

"It seems obvious that the proposed tax is intended to apply to

established or regular amusement or entertainment business, which business can readily adjust itself to meet the tax obligation.

"The Olympic Games, however, have necessarily been budgeted and in course of preparation for the past two years, tickets have all been printed and many are in circulation, and we therefore

all been printed and many are in circulation, and we therefore find ourselves in the unhappy position of not having been able to anticipate this possible burden on our budget, and it is impossible to protect ourselves on our tickets by adding the tax.

"As our budget has always presented the possibility of a deficit, it being our sole aim at all times merely to achieve a balanced budget at the conclusion of the games, it is evident that if the games of the Tenth Olympiad are not exempted from the proposed tax a very serious, and it seems to us, a very unfair, financial result will ensure.

tax a very serious, and it seems to us, a very unfair, financial result will ensue.

"By 'we' is meant the Tenth Olympiade Committee of the Games of Los Angeles, United States of America, 1932 (Ltd.), a California corporation, organized as a nonprofit, cooperative corporation, without capital stock.

"This corporation is known, under the Olympic protocol—rules and regulations—as the Organizing Committee of the Games of the Tenth Olympiad, carrying the sole responsibility for the creation of all necessary stadia and other extensive facilities, assisting in many ways the participation of the athletes from the

many nations, making all other preparations for the games and of administering the same.

"The corporation is provided for under an act of the Legislature of the State of California known as the California Tenth Olympiad bond act of 1927, which act was made fully effective by the adoption by the voters of a constitutional amendment and the act referred to fully established the responsibility of the corporation to make the necessary preparations for, and to hold the celebration of the games of the Tenth Olympiad.

"It must be remembered that the International Olympic Committee first awarded the games of the Tenth Olympiad to the United States of America, thereafter designating the city of Los Angeles as the precise location for the games.

"In all respects the corporation has, from the inception of its activities four years ago, felt its responsibility to perform its task in a manner creditable to the United States of America as well as to city and State.

"The National Government has heretofore evidenced its interest in, and recognition of, this great international event through passage by the Congress, in December, 1931, of a joint resolution providing important measures of assistance to the nations participating in the games, in the entry of their teams and equipment into the United States of America, and enunciating a message of valence. welcome.

"The Internal Revenue Department has heretofore exempted the corporation from payment of income tax, and more than a year ago informed the corporation that there would be no tax upon its individual tickets of admission to the games if same were soid at a price not exceeding \$3. The corporation has acted accordingly in respect to its ticket prices, and in fact, due to the nonprofit and civic character of the games, the prices for admission have been made the lowest in the history of the games.

"All expenditures of the corporation are being defrayed at the present time by public moneys of the State of California, and the city and county of Los Angeles, and the balance of its expenditures, it is contemplated by the budget, will have to be met from receipts of sales of admission, and a desperate effort is being made to have the sum of these funds equal the expenditures in the hope of preventing this nonprofit enterprise from suffering a deficit in "The Internal Revenue Department has heretofore exempted

of preventing this nonprofit enterprise from suffering a deficit in addition to the obligation already existing in the form of the referred-to advancement of funds by the State of California and the city and county of Los Angeles.

"The officers, members, and directors of the corporation are stellars."

as follows:

as follows:

"William May Garland, president; Maynard McFie, vice president; LeRoy Sanders, vice president; William F. Humphrey, vice president; Harry J. Bauer, treasurer; Zack J. Farmer, secretarymanager; A. M. Chaffey; Dr. Frank F. Barham; G. G. Young; Edward A. Dickson; E. Manchester Boddy; H. B. R. Briggs; Henry S. McKee; Henry M. Robinson; Walter K. Tuller; D. A. Hamburger; Russell H. Ballard; Arthur S. Bent; Dr. Robert A. Millikan; R. B. Hale; Herbert Fleischacker; Paul Shoup; Fred W. Kiesel; C. C. Teague; Frank J. Belcher, jr.; William A. Bowen; Henry S. MacKay, jr.

MacKay, jr.

"In conclusion we again respectfully petition special consideration of the thought that the proposed tax legislation could hardly have been conceived with a view to being retroactive against a national and international nonprofit event such as the Olympic Games, for which the herein referred-to corporation is liable, which event has been in course of preparation for several years, and which event likewise could not be expected to have contemplated in its civic financing plan the exigencies of such a situation as is presented by the proposed legislation, and, in fact, has been helpless at all times to protect itself from such unexpected

burden.

"We therefore most earnestly and respectfully ask that the games of the Tenth Olympiad and/or the undersigned corporation be exempted from paying any tax on tickets of admission, or otherwise, under the referred-to legislation now pending in the Congress.

"TENTH OLYMPIADE COMMITTEE OF THE GAMES OF LOS ANGELES, U. S. A., 1932 (LTD.). "By WILLIAM MAY GARLAND, President. "By ZACK J. FARMER, Secretary-Manager."

Senator Shortrings. Supplementing this statement, I receipt of the following telegram from President Garland:

Los Angeles, Calif., March 31, 1932.

Hon. SAMUEL M. SHORTRIDGE

Senate Office Building:

Please emphasize in Senate committee on tax bill that Olympic Games and managing corporation are entirely nonprofit, and that entire underwriting financing is funds from State of California and city and county of Los Angeles, and that tax on tickets to games will be a direct tax on Los Angeles City and County and

games will be a direct tax on Los Angeles City and County and State of California.

Also emphasize that Olympic rules governing limit of ticket prices make it certain that tax will not fall on rich, as stated in House, but will fall on the games, organization, and the municipal and State financing which have been helpless to protect themselves because our preparations have necessarily been under way for several years before present bill anticipated, and it is impossible for any protective measures to be taken before bill is effective. We plead that Olympic Games, already recognized by joint resolution of both Houses last December, be not made helpless victim of tax law, which can hardly be considered as having been fundamentally designed to tax such unusual and unprecedented event like the Olympic Games. Please stress these points in addition to

the full statement we have previously sent. We will greatly appreciate your utmost effort, because this tax threatens financial success of most important event in California since the exposition and in which taxpayers through State bond issue already have invested \$1,000,000.

Sincerely,

WILLIAM MAY GARLAND, President.

Senator Shortrings. Further supplementing the statement quoted and in earnest support of the amendment I have proposed, I am in receipt of the following telegram from Mr. Frederick J. Koster, president of the California State Chamber of Commerce:

Los Angeles, Calif., April 16, 1932.

Los Angeles, Calif., April 16, 1932.

Hon. Samuel M. Shoetelge,

Senator from California, Washington:

California State Chamber of Commerce in session Los Angeles to-day unanimously urges adoption of amendment to general tax bill exempting Olympic Games tickets of admission from tax. Proposed tax would be levy on State, city, and county, which are financing Olympic Games with public funds. California resents references by opposition quoted in press comparing Olympic Games to prize fights and similar affairs. Games are great international noncommercialized, nonprofit event, and United States is host nation. Games tickets of necessity already printed and audited, many sold and in distribution. Impossible for games management to have anticipated this tax burden on budget or to collect save from public without serious injury and confusion. Preparations for games have been under way for several years. This and many other sound reasons differentiate games from amusement business in general, for which tax is obviously intended. Tax application to games would be retroactive and confiscatory. We strongly urge Senate to amend in favor of exempting Olympic Games and urge adoption of such amendment in the House.

Respectfully, Respectfully,

CALIFORNIA STATE CHAMBER OF COMMERCE, By FREDERICK J. KOSTER, President.

Senator Shortedge. Contestants in the game will come from many foreign nations. And it is hoped and believed that the President of the United States will be able to be in Los Angeles during great festival occasion.

this great festival occasion.

I repeat that I sincerely hope the committee will approve the amendment I have offered. Los Angeles and California have gladly assumed the financial responsibility of making a success of the Tenth Olympiad; no profit is anticipated or expected; my amendment seeks to prevent any deficit.

Perhaps I have said enough to impress members of the committee and others with the honor and distinction coming to our country, and the merit of the amendment I have offered to the bill under consideration.

Mr. WHITE. Mr. President, before the vote is taken, I should like to ask the Senator from Pennsylvania [Mr. REED] or the chairman of the committee for his interpretation of language appearing on page 284, relating to the tax on telegraph dispatches and messages and on cable and radio dispatches.

Subparagraph (B) provides for a 5 per cent tax on telegraph dispatches and messages. Subparagraph (C) provides for a 10-cent charge on cable and radio dispatches.

I have the impression that subparagraph (B) relates to messages of a domestic character within the continental United States, while subparagraph (C) applies to messages going without the continental United States. The use of the word "cable" would suggest this interpretation. Is that the Senator's construction?

Mr. REED. I do not know, Mr. President, that my impression has any value in the construction of the act.

Mr. WHITE. I value it.

Mr. REED. But the construction that I put upon it myself was that paragraph (B) referred to all forms of telegraphic communication, whether aerial wire or conduit or cable or radio was used within the boundaries of continental United States and that paragraph (C) related to similar messages by whatever means of telegraphy to our outlying possessions, such as Alaska and the islands of the Pacific, including, of course, Hawaii, and to foreign countries.

Mr. HOWELL. Mr. President, there has been introduced in this bill, as a result of the action of the conferees, a tax upon a necessity-a necessity required by 24,000,000 consumers in this country. That means that there are 100,-000,000 people affected by this tax.

From the outset, it seemed to be determined, and properly, that taxes should not be levied upon the necessities of life. However, the conferees have seen fit to place on the backs of 24,000,000 home-owner and commercial consumers of this country this sales tax, excluding, however, the power users, who consume about 65 per cent of all the electric energy produced.

It is largely the little fellow who is to be taxed. It is the big fellow who has the lowest rates, who gets his energy at about one-fourth of what is paid by the rest; yet he is to be excluded from the tax. The home owners must pay. The responsibility for this ought to be placed right where it belongs. The Senate voted, initially, against it. Yet it has been done. It is the old, old tale of the big interests ruling.

As a consequence, I shall vote against the conference

report.

Mr. JONES. Mr. President, just a word.

I do not like the conference report on the power matter. I am decidedly against it. There are so many propositions involved in this report, however, and its acceptance is so urgent, that I do not feel justified in voting against this conference report on that ground alone. I do, however, want to express my dissent just as strongly as possible against the action taken by the conferees with reference to power.

Mr. NORRIS. Mr. President, I have heard the statement of the Senator from Washington [Mr. Jones]. I have heard it a hundred times since I have been in the Senate from various Members of the Senate, and I have heard it several times from the Senator from Washington.

We have no recourse here except one that on the face of it may seem harsh, and that is to vote down the conference report. As long as we continue to apologize for the violation of our rules by conference committees and the bringing in of such reports as this, just so long will we continue to be trampled under foot by conferees. It does no good to apologize and say we are going to vote for the conference report anyway. I realize that a majority of the Senate are going to vote against some of the most important things that they favor, and for things that they do not favor.

After a full debate, after full consideration, after several roll calls, the Senate put into the bill as it passed the Senate its judgment on the question of taxing power and where the tax should be levied. The amendment first offered by my colleague [Mr. Howell] providing for a tax upon power, so worded as to prevent its being passed on, was the subject of full discussion. The Senator from Utah [Mr. Smoot] offered an amendment containing his view, which he had a right to do. It was fully discussed. It was fully debated; and the Senate, by a very decisive vote on a roll call, voted down the amendment of the Senator from Utah.

Then came the Senator from Pennsylvania [Mr. REED] with the same amendment offered by the Senator from Utah, as I remember, excepting to change the rate and to put in commercial lighting as well as domestic lighting; and that was debated. The debate went on, one following the other, and the matter was fully discussed, and more and more of the Members of the Senate became convinced that the position taken by the Senator from Utah and the Senator from Pennsylvania was wrong. The same fundamental proposition was involved in each amendment. Then we had a roll call again, practically the same question over; and by a much more decisive vote we voted down the Senator from Utah and the Senator from Pennsylvania.

If there ever was a deliberate expression of the will of the Senate it was expressed upon the amendment we adopted to the bill providing for the taxation of power companies.

It so happens that the Senator from Utah [Mr. Smoot] and the Senator from Pennsylvania [Mr. REED] and our great leader here, the Senator from Indiana [Mr. Warson], constitute in effect the conference committee of the Senate. They constitute the majority. With those votes staring them in the face, they go into the conference and back down completely. While they do not offer the amendment in the conference committee, the amendment is offered in the conference committee that was probably copied out of the RECORD from the amendment of the Senator from Utah or the amendment of the Senator from Pennsylvania, and they get what they want. They can snap their fingers at the Senate. They care nothing about what a majority of the Senate says upon this important proposition, but lie down and surrender. because in surrendering they get what they want; and, incidentally, that is what the power companies want. It is just a coincidence, of course, but it happens to be the same.

Mr. President, it does seem to me that we have before us a case where we are justified in voting against the conference report rather than to see the will of the Senate stricken down and killed by the wish of 2 or 3 or 4 or 5 Members of the Senate. After they had had their day in court, after they had been heard, after the Senate had patiently and courteously listened to them and then deliberately voted them down, then in the dark rooms of the conference committee, where the sunlight of publicity can not penetrate, where no record is kept of the proceedings, secretly, silently, they take out what we put in, and put in what they tried to get in and failed.

More than that, Mr. President, as the amendment passed the Senate it levied a tax upon all the great private power companies which are getting returns that are exorbitant in these days and times of distress. They deal in a necessity of life. They have, in the main, a monopoly of the production and sale of their product. They have made exorbitant profits; they made more in 1930 and 1931 than in the prosperous years, while everybody else has been stricken, every business on earth nearly suffering distress. While millions are tramping the streets hunting for employment, while children are scantily clothed and unfed, when widows are starving, in need of bread, the Power Trust goes marching on, levying its unholy tribute upon God's poor, upon every home, as well as every business, under our flag, making more money than they used to make.

The senior Senator from Montana [Mr. Walsh] called our attention earlier in the day to a profit made by the Power Trust of 96 per cent in two years in these years of depression. Yet we are afraid to tax that monster. We hesitate. At least our conferees, who seem to be our masters, hesitate; no; they do not hesitate; they just go over to the other side without hesitation. They take the tax off this great giant, this monopoly, this trust, which is making more money than anybody else, reverently lift the burden of taxation which the Senate wanted to put upon this trust; and where did they put it? Upon the homes and the little stores all over the United States.

The washerwoman who is working by electric light and operating her washing machine by electricity must pay a tax, but the millionaire who uses a hundred thousand horse-power pays no tax. The boy and the girl going to school who study their lessons by the light of electricity at night at the fireside must pay a tax on every kilowatt, but the mighty giant which uses enough electric power to turn the mighty wheels of commerce, worth millions and millions of dollars, is tax free, as far as this item is concerned.

Oh, no, we are not going to tax the rich fellow, we are not going to tax the monopoly which is making more money than anybody else on earth, but we are going to put the burden upon the poor. The poor can not contribute to campaign funds, and the big fellow can. Perhaps that explains it. Maybe it is only a partial explanation. At least, our conferees, disregarding our direct instructions, have said that that is what we are going to do, and the question now is, are we going to be so submissive as to say, "Yes, that is what we are going to do"?

Are we going to listen now to the siren voice that has been yelling at us ever since last December, "Do this, and do it now, or you will not balance the Budget?" Are we going longer to heed the command of big business, of millionaires, of men who can make great contributions to political campaigns, and obey their will, and shift the burden of taxation from the rich to the poor? That is the question here.

Mr. President, I want to discuss another item in this conference report, amendment No. 42, which I can not explain, unless I say that the committee must even have been moved by malice in this case to add a burden to those who are now toiling, to raise the food that feeds the world.

There is a law on the statute books which was intended to relieve from the operation of the income tax law farmers' cooperative organizations. We enacted that law on the theory that those organizations really make no profit as such. I think it is a fundamentally sound theory. No one, so far as I know, has ever disputed it. No voice has been raised against that kind of a law.

It was found, however, by cooperative organizations of farmers in the Middle West that they were not getting the benefit of the law, that the agents who went out from the Bureau of Internal Revenue were in the habit of gathering together the farmers where they owned cooperative elevators and cooperative institutions, and scaring them and frightening them into the belief that they had not kept their books properly, that they had made returns which were false, that technically they were guilty of perjury and were liable to go to jail, were liable to go to Leavenworth, as some of the letters here in evidence show, unless they back tracked. Then these specialists, these scientific bookkeepers and auditors, would pull prepared affidavits out of their pockets and have these farmers in their fright sign them, in order, as the farmers in many instances believed, to escape the penitentiary, where they were led to believe, in their mistaken fright, they were about to go.

When it was all over, those organizations got no exemption. Out of more than 12,000 of such organizations in the United States, less than 700 were granted the exemption intended by the law.

Mr. President, when the tax bill was pending, and when the amendment to which I am speaking was before us, representatives of the Bureau of Internal Revenue were invited to be present at a hearing before a subcommittee of the Committee on Agriculture and Forestry. The Senator from South Dakota [Mr. Bulow] and the Senator from West Virginia [Mr. Hatfield] were with me members of that subcommittee. We had a full hearing and adjourned with the understanding that an effort would be made to reach an agreement so that the farmers would get the exemption which the law was intended to give them.

Within a day or two I received a letter from the bureau calling my attention to a statute which made it impossible for them to let us see the records in any of these cases. When I read the letter and consulted the law, I came to the conclusion that the bureau was right, that they could not show those records to us, that they were secret. So the farmers were barred by the closed door of the bureau from seeing their affidavits, seeing the written statements which they had sent in, and which they had been trying to see in order to find out what they had said.

They were told, "You can not come in. You can not see what the record shows in your case. Your attorney can not see them; the members of the Committee on Agriculture and Forestry can not see them. The members of the subcommittee, specially deputized to investigate the subject, can not see them. They are secret. Nobody from the Senate can see the records, unless he is a member of the almighty Committee on Finance," coming right back to the Senater from Utah, who, I think, either drew or had to do with the drawing of the law when it was made

Mr. President, I am wondering whether the members of the Finance Committee, given rights and privileges denied to other Senators, did not have the big head when they come into the conference committee and say, "Under the law we take a special privilege of seeing what is behind these closed doors, or seeing what is locked up which these farmers have reported, these affidavits which have scared them to death, and because we have a special privilege there we have one here. We will write into this bill whatever we please, and the Senate will take it, because the cry will go forth that we must have this bill at once, we must pass it now, or the Budget will remain unbalanced a few hours longer."

I can not help remembering when the President of the United States came here the other day and deferred our action on the tax bill. He deferred the balancing of the Budget by the very length of time it took him to deliver his address. If he had not come here, we would have gotten through just that much more quickly. Nobody has said anything about that, and I presume I will be decried all over the United States because I have dared to raise my voice against precipitous action and the approval of this report instanter, because it is necessary to pass it in order to balance the Budget.

Let me pause here to say that if it is money we are after, the members of the committee who represented the Senate on the conference have thrown away a great amount of income. Under the bill as it passed the Senate we would have gotten a tax from all the big power companies of the United States. Under the bill now reported by the conference committee we have lost all the revenue which would have been received from them, except that from commercial and domestic lighting, from the homes and the stores. Big business is entirely free, and we have lost that revenue. I wonder how much that unbalances the Budget. If some one like myself had succeeded in having that done, he or I would have been denounced throughout the land as a traitor, because it would have been said, "You unbalanced the Budget, the sacred Budget." The Finance Committee can do it and it is all right.

Mr. FRAZIER. Mr. President-

The PRESIDING OFFICER (Mr. Jones in the chair). Does the Senator from Nebraska yield to the Senator from North Dakota?

Mr. NORRIS. I yield.

Mr. FRAZIER. I want to suggest to the Senator from Nebraska that undoubtedly the amount saved to the big interests will go into the campaign fund; so it will be well spent, at least.

Mr. NORRIS. It will not all go into that fund. They will put in a portion, likely, but they will take their interest in advance when they do put it into that fund, because the possibility of getting returns afterwards is a little more uncertain at this time than ever in years past.

But I was talking about amendment No. 42. The subcommittee adjourned. They agreed upon the amendment to the bill. I brought it into the Senate. I offered it. It was debated. I read into the Record parts of the evidence that had been produced before the committee.

Mr. HATFIELD. Mr. President-

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from West Virginia?

Mr. NORRIS. Certainly.

Mr. HATFIELD. The gentlemen who represented the Internal Revenue Bureau seemed to be friendly toward the amendment as they expressed themselves to the subcommittee. Especially was that so with respect to the chief counsel of the bureau. Does the Senator agree?

Mr. NORRIS. Yes. There was no objection raised anywhere along the line. The amendment went into conference and was kicked out of the window. Why? I understand that in the secret conference room the Senator from Utah had some kind of communication from the Treasury Department. If I am wrong, I would like to have him correct me now.

Mr. SMOOT. Mr. President, I have been out of the Chamber, and I do not know what the Senator is talking about.

Mr. NORRIS. I mean what information, if any, did the Senator have in regard to amendment 42? That is the amendment trying to make the law plainer which gives cooperative organizations an exemption from taxation.

Mr. SMOOT. I do not remember having any communication from the department. I will look it up and let the Senator know.

Mr. NORRIS. I am not caring whether the Senator had any or not. If he did not have any, it is a good deal worse than if he had a communication.

Mr. SMOOT. If I had any, I would not hesitate to tell the Senator.

Mr. NORRIS. Then if there was none, why in the world did the amendment go out? Nobody was objecting to it. Everybody was for it. But in that secret meeting with closed doors it went out for some reason and nobody knows why. I was told that the Treasury Department had sent some kind of communication to the Senator from Utah. If that be true—and I have to argue it both ways, because the Senator from Utah does not know—if he did get a communication, then in the name of courtesy, in the name of ordinary honest dealing between men, in the name of common ordinary courteous treatment between Senators and that courtesy one

Senator should give to another, why should we throw this amendment out without giving some one an opportunity to refute the argument that was heard in secret?

Why did not those same men, if there are any who are opposed to this matter, show up before the committee or in the Senate? I was careful when the committee meeting took place to notify the bureau, and there appeared at that meeting David Burnet, Commissioner of the Bureau of Internal Revenue; Mr. Clarence M. Charest, general counsel; Mr. L. K. Sunderlin, head of rules and regulations; Mr. P. R. Baldridge, special deputy commissioner: Mr. L. P. Watson, member of the general counsel's office; and Mr. Benjamin H. Bartholow, special assistant to the Secretary of the Treasury. They were all there and heard every word. If the bureau or the department had any objection, why did they not say so then? Were these men there for the purpose of learning what the farmers were claiming in order that they might go back and tell their masters so they could send a command to the conference committee when they met in secret and throw out the amendment? Yet without a word the amendment is thrown out.

Mr. President, I think it is an insult, particularly to myself and to the other members of the subcommittee who had been backing the amendment and who had fathered it and followed it through from the beginning. Why were not we entitled to a hearing? We gave them an opportunity to be heard. If this provision was going out in secret conference, why should not the Senator from Utah have said, "These men in good faith have presented this amendment. Nobody has offered a single objection to it. Before we throw it out we will see what they have to say in answer to this argument, whatever it may be, that is being made in secret "? Common courtesy would have demanded that. But now the conference committee, endowed almost with the powers of the Deity, said, "We do not care what our fellow Senators are trying to do. We do not like the looks of this thing, and so we will throw it out."

Now, when the conference report is up before the Senate, the Senator from Utah says he has no recollection of having received word from anybody. That makes it worse yet. The members of the conference committee of the Senate, with the record full of evidence, had knowledge of the fact that it was shown here in the Senate that nobody had objected, and that because of the lack of this kind of law thousands and thousands of farmers were being denied their rights which the law gives them because somebody in the Bureau of Internal Revenue singles out these farmers to wreak upon them the vengeance of their wrath, as it seems to me. If nobody objected then, how in the world did this thing get thrown out of the bill?

Mr. President, in all my experience it seems to me I have never known an instance so flagrant as this. I know it is unimportant as compared with great national questions. I realize that. Perhaps the other one is not so nationally important. I realize that. Members may say, "Oh, this is wrong, of course, but it only affects about 11,000 or 12,000 farmer associations and takes away something that the law undertakes to give them; but in order to balance the Budget we will not have to send this thing back to conference. We will have to get through with this and let the Budget be balanced." I realize that; but how are we ever going to correct such things unless some time, somehow, somewhere we lay down the rule that a conference committee of the Senate is not greater than the Senate itself. Here is an opportunity to do it. The country will go on, probably, if we send this matter back to conference. Some of those in the Government who are so anxious to balance the Budget will begin to realize that if we insist upon taxing the Power Trust under the amendment we put into the bill as it passed the Senate it will raise millions of revenue that we are not going to get under the conference report.

Mr. President, it seems to me like a cruel, hard-hearted thing. Here are a lot of farmers to whom the law undertakes to give, with the consent of everybody, a certain right, a certain privilege. Then because of the methods pursued by an executive department of the Government, which they use in enforcing the law, when we all realize and know they

are not going to get it, then we put an amendment into a bill that will rectify the error or correct the mistake, if mistake it may be called. Nobody objects. Everybody said, "Yes; that is fair. We should do that."

We sent it to conference and all we know about it is that when the bill comes out of that secret chamber the amendment relating to these farmers is not in it. The conferees were too busy thinking about how to serve the Power Trust. Everything everywhere points to this one fundamental principle: Relieve the rich and sock the poor! Release the Power Trust and put the burden upon the washerwoman, the student, the home, and the fireside. Relieve the great trust and withdraw from the farmers of America the protection which the law is intended to give them in taxing matters. Help the rich and sock the poor! That is the slogan all through this taxing matter. Every fight that we had was fundamentally along that line.

After a desperate struggle, a life and death struggle, we were compelled to go back in the tax bill and adopt the Connally income-tax rates and put them into effect, the rates against which great wealth had protested in the beginning and which the Senate had rejected in the beginning. That far we had to go because we were beginning to realize that the burdens which were being placed upon the poor were too great to be borne. We tax the checks of every one of these cooperative organizations. We have made them pay millions and millions of dollars upon the checks that the great cooperative organizations will issue, and yet in the next breath we take away their right under the taxing law which the law intended to give them.

Oh, that is consistency. Every time we do it we relieve somebody who could pay millions and millions of taxes without being hurt. There is not an institution, there is not a corporation, there is not an outfit under God's shining sun that could so well pay the tax that was levied by the bill as the Power Trust could pay what was levied against it; but, hoggish in their monopoly and with their influence over the Senate and the House and the White House and all the legislatures and all the officials of the Government, with their mighty power reaching into every community, they said, "No; we are sacred. You must not tax the millions that we filch from the student and the washerwoman and the farmer and the merchant. We will not pay it." And the conferees on the part of the Senate say, "Amen. God bless you."

How much will that be worth in the campaign, Mr. President? Yet that is what we were up against during the earlier consideration of this bill and that is what we are up against now in the last hour of its consideration. They will say, "It is not right," of course; they will apologize, of course; they will say, "We do not like it; it is wrong, but we are going to do it just the same, though we will not do it again"; but the next time the same apology will be made, and it will be done again.

Here is the law, Mr. President—it has been on the statute books for years—which provides that cooperative organizations of farmers and fruit growers shall be exempt from the payment of income taxes; and here are the administrators of the law sending their men out making it impossible for the small, or comparatively small, organizations of farmers to get this exemption. The big institutions get it, but the little fellows do not get it because, as the evidence before the subcommittee, a copy of which I have in my hand, shows, they were so bothered, they were so frustrated, and found it so difficult to meet the requirements of these technical experts who came there from the Bureau of Internal Revenue that they gave up and said in despair, "We will pay the tax and say no more about it." That is the kind of enforcement we have.

I want now to go back to a matter which I had almost forgotten. The Senator from Utah did not know anything about it; this action was taken without his remembering how or why these people were cut out. I am informed that one of the same specialists or experts who appeared before the subcommittee of the Committee on Agriculture and Forestry, who listened to the hearings and knew what we were going to do was the same expert who sat right there by

the side of the Senator from Utah [Mr. Smoot], between the Senator from Utah and the Senator from Pennsylvania [Mr. Reed], during the long deliberations on this bill. All those fellows knew about it. There was not anybody in the bureau who did not know about it. The amendment itself was printed for weeks. Six or seven of the experts appeared before the committee. I had conferences with some of them in my office. Besides that, one of them appeared here as an expert and sat by the side of the Senator from Utah and by the side of the Senator from Pennsylvania and was there when I argued this amendment. Why did he not speak? If there was any objection, why did he not say so? Why did he not whisper into the ear of the Senator from Utah what the objection was and let the Senator state it to the Senate and give those of us who favored the amendment an opportunity at least to answer the objection?

Are you going to try these men without giving an opportunity to see the witnesses who testify against them? Are you going to condemn these men when the evidence against them is secret, and nobody, not even God, knows, what it is? Still, you are proposing to throw the amendment out. Are we going to do such a thing? Are we going to do so unjust, so cruel, so unfair a thing as to slap the farmers of the West in the face with that kind of a proposition? That is what we will be doing, it seems to me, if we shall agree to this conference report.

PROPOSED REPUBLICAN PROHIBITION PLANK

Mr. TYDINGS. Mr. President, it looks as if with the coming of the month of June the season for political bunk has opened in full bloom. I read in the New York Times of this morning that a number of prominent Republicans met yesterday and devised a plank dealing with prohibition. The purported draft of the plank agreed upon is contained in this morning's New York Times, and I shall read it at this time:

The Republican Party is the party of the Constitution, and we stand for its complete observance and also for the faithful enforcement of all laws.

My, my, my, how wonderful! Think of it, Senators, the Republican Party stands for the Constitution and for the laws of the United States! Wonderful! I wish this party and all the other parties could have such noble, such patriotic, such fine principles as are enunciated in paragraph 1 of this proposed prohibition plank. That language is put in there, as Senators know, to get the dry vote. Now, let me go a little farther. There may be a few drys who will wiggle out on that pronouncement, so they add another paragraph:

We abhor the saloon and are unutterably opposed to its return.

That ought to satisfy any dry in the world. "Elect us and no saloon will come back; we are against that institution." Wonderful!

Paragraph 3:

But-

There is no "but" in this proposed plank, but I, myself, am putting in the "but"—

[But] we recognize, however, the honest difference of opinion regarding the eighteenth amendment, and we recognize the right of the people, who ordained the Constitution, to pass upon any portion of that instrument.

Wonderful! Wonderful! Here is the Republican Party that says the people have a right to amend their own Constitution.

Senators, that is commendable; patriotism in this hour of stress rises to heights that words can not describe.

Mr. SHORTRIDGE. Mr. President-

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from California?

Mr. TYDINGS. I will yield, if the Senator will wait until I finish. The mountains of California look like ant hills as compared to the wealth of patriotism piled up in that superb paragraph. But let me go on.

We, therefore, favor the prompt resubmission of the eighteenth amendment to the people of the several States, acting through nonpartisan conventions called for that sole purpose in accordance with the provisions of Article V to determine whether that amendment shall be retained, repealed, or modified.

What could be more complete? "We are in favor of retaining it; we are in favor of repealing it; we are in favor of modifying it; but we want most of all to get the votes of those who think in either one of these three categories."

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. I yield.

Mr. BORAH. I just came into the Chamber. I should like to inquire from what the Senator is reading?

Mr. TYDINGS. I am reading from the proposed draft of the conference of yesterday of the prohibition plank in the Republican platform as contained in the New York Times.

Mr. BORAH. Did that plank come from the conference? Mr. TYDINGS. That is what it says; I can not vouch for its authenticity, but the Times is a very reliable newspaper.

Mr. BORAH. Several of those who participated in the conference are here, and I wonder if any of them would own it?

Mr. TYDINGS. I wish they would.

Mr. BORAH. I would be very happy to find its author. I do not like to fight an abstract proposition nor even to get enthusiastic about an abstract proposition, but I should like to know whether anyone is responsible for that plank? It is the sheerest combination of ambiguity and insincerity that I have seen put out in a good while.

Mr. TYDINGS. I do not think I could add to that description, because that is exactly what it is. I have searched around in my mind in an effort to find out what could actuate men to draw a plank of this kind, but, being somewhat green in the field of politics, I have been unable to discover the reason motivating those who put this plank into being. I am constrained, however, to offer as a suggestion a song I recall, which has been sung more or less with gusto for some decades, the opening line of which I will quote, and by putting the accent on the first word I think this plank will be described—

Nobody knows how dry I am.

[Laughter.]

There is not a genius walking on two legs beneath God's heaven who could read that plank and tell whether the Republican Party, if it should adopt the plank, stands for the retention of the eighteenth amendment, the repeal of the eighteenth amendment, or the modification of the eighteenth amendment. It is the biggest piece of sham, hypocrisy, bunk, and camouflage that I have ever seen assembled in about 150 words of the English language in any book or pamphlet ever printed.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. I yield.

Mr. BORAH. The song would be equally applicable if its words were "Nobody knows how wet I am."

Mr. TYDINGS. That is right.

Mr. BORAH. I understand that that is the plank as to which there is an effort moving through both parties to have both parties adopt it in their respective conventions?

Mr. TYDINGS. I think that is true.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. TYDINGS. I do not want to be discourteous to the Senator, but I should be obliged if he would wait until I express a thought which is in my mind.

Mr. SHORTRIDGE. I merely wish to ask the Senator a question.

Mr. TYDINGS. Very well.

Mr. SHORTRIDGE. I understand that the Senator would favor the repeal of the eighteenth amendment.

Mr. TYDINGS. If the Senator has any doubt about that, he certainly has not been present in the Chamber during the last six years; but may I ask the Senator what he favors?

Mr. SHORTRIDGE. I should like first to get an answer to my question. Assuming that the Senator is in favor of

repealing the eighteenth amendment, am I right in further assuming that he would prefer that the question be submitted to conventions in the several States rather than to the legislatures of the States?

Mr. TYDINGS. Certainly.

Mr. SHORTRIDGE. That is all I wish to ask.

Mr. TYDINGS. Mr. President, I wish to recapitulate. I want to read again paragraph 2 and then paragraph 4. Paragraph 2 says:

We abhor the saloon and are unalterably opposed to its return.

Therefore, it may be assumed that they would not be willing to submit the eighteenth amendment to the States so that the eighteenth amendment could be repealed, and then, if States so desired, permit the saloons to come back, but to prove that they are willing to go that far even in the face of paragraph 2, paragraph 4 says:

We, therefore, favor the prompt resubmission of the eighteenth amendment to the people * * * to determine whether that amendment shall be retained, repealed, or modified.

Mr. President, did you ever see a greater attempt at camouflage, a greater effort to disguise; did you ever see greater hypocrisy and—I use the word measuredly and with no disrespect—more dishonesty? There is not a man in this body who can tell me what that plank stands for.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. Yes; I yield to the Senator from Idaho. Mr. BORAH. I want to ask the Senator in all sincerity does he know of any way to prevent the return of the saloon if nothing but the naked repeal of the eighteenth amendment takes place?

Mr. TYDINGS. I do not.

Mr. BORAH. Has the Senator ever heard of any one proposing a plan which would prohibit the return of the saloon upon the naked repeal of the eighteenth amendment?

Mr. TYDINGS. I have seen plans devised to repeal the eighteenth amendment and to substitute a system in its place which would prevent the return of the saloon as we knew it.

Mr. BORAH. But I am speaking now of the mere naked repeal of the eighteenth amendment without an alternative plan.

Mr. TYDINGS. No.

Mr. BORAH. If this question were turned back to the States and left to the States, might not any State that saw fit adopt the saloon system?

Mr. TYDINGS. That is undoubtedly true.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from California?

Mr. TYDINGS. I will yield in just a moment. Therefore may I say that if they are willing to repeal the eighteenth amendment they are willing for the saloon to come back, although in paragraph 2 they say, "We abhor the return of the saloon."

Mr. SHORTRIDGE and Mr. BORAH addressed the Chair. The VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the Senator from California.

Mr. SHORTRIDGE. The States would have their original power to control the subject matter discussed; and, of course, Congress has the power to control interstate commerce, and that power could be exercised by appropriate law. That is the position of the Senator, as I understand.

Mr. TYDINGS. I do not wish to delay the discussion of the revenue bill, but here is a question about which everybody in the United States has an opinion. I doubt if you could stop any man on the street out of 10,000 you would meet and ask him, "Where do you stand on prohibition?" without his saying that he is for it, or against it, or he believes it ought to be modified. Yet here are the geniuses, the giants of intellect of the majority party, sitting down in a room all night long, and after their labors they have the

sensible men can read it.

Mr. President, it had one purpose only. The purpose of that plank was to make beyond any question a slogan for the next campaign. Referring to the standard-bearer who now sits in the White House, we can all say with truth and in unison, "Nobody knows how dry he is." [Laughter.]

REVENUE AND TAXATION-CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

Mr. FLETCHER. Mr. President, I am not disposed to delay action at all. I do not like some things in this bill, and some things that I should like to see in it are left out of it; but I presume a majority of the Senate are going to adopt the conference report, as they usually do.

I can not understand the action of the conferees in many respects. What has been said here to-day seems to me entirely sound with respect to the amendment regarding the tax on electrical energy.

I can not understand why the conferees gave up amendment numbered 267, which simply provides that when a tax has been paid by two or more taxpayers on the same income, the department shall be authorized to refund the tax so paid in excess of the amount lawfully due.

I can not conceive that the House conferees objected to that amendment. It was not quite satisfactory to the chairman of the committee and the chairman of the conferees. I suppose; but why should the Senate conferees surrender a proposition like that, so absolutely fair? It is inconceivable to me that there should be any objection to it; but the conferees have eliminated it. It goes out of the

It had been my purpose, and has been all along, to vote to sustain the conference report. I am not quite clear in my mind now whether I can do that or not.

Mr. HARRISON. Mr. President, just a moment before we vote on the conference report.

I am influenced to say just a word because of the speeches that have been made by some of my colleagues, who seem to condemn all the Senate conferees and what they have done about this and that, but particularly about the tax on electrical energy.

Of course, it is not proper to say what happened in conference. So far as I am concerned, as one of the Senate conferées I tried to carry out the wishes of the Senate. But while that was one of the moving purposes with me, I felt that I wanted, and the American people wanted, expenditures and receipts to balance, and that the all-important proposition was, within the rules that guide conferees, to get the revenue that the Budget might be balanced.

When the committee reported out this electrical-energy tax last Friday, I voted with the committee on two roll calls. I voted with the committee on every proposition that came up on the floor of the Senate. I did not like to do it, but I knew that the only way to pass this bill was to stand foursquare with the committee. So I went down the road with them. After the Senate had adopted the Howell amendment, however, I thought we should make a fight for it, and should carry out in general terms its purposes.

But be not deceived, Senators, about this electrical-energy proposition. That is not everything in this bill. That is not the worst tax in this bill. There are a lot of bad taxes here. Not only did we tax light and heat on the consumer, but practically everything in this bill is on the consumer. We tax soap in this bill. We tax the consumer in a thousand other ways.

I want to read what the chairman of the House conferees, Mr. CRISP, said on Saturday when this bill was reported with reference to this particular tax about which so many people condemn the conferees of the Senate, and on account of which some would now hold up and defeat this report. And when I read from this gentleman's remarks in the House I want to say that no man in the country has

effrontery to paste up a piece of sophistry like that where acted more patriotically and unselfishly than he in the consideration of this legislation from beginning to end. The country is indebted to him for his fine and unwavering service. I never saw conferees act finer than all the House conferees. They appreciated the emergency of the situation and performed fearlessly and promptly.

Mr. CRISP said:

The House conferees, for the purpose of raising money and for that purpose only, accepted, with a substantial modification, the Senate's amendment to tax electric energy. The Senate provided for a 3 per cent gross tax on public utilities that sold electric energy. The conferees became convinced that that was inequitenergy. The conferees became convinced that that was mediated able; that it would destroy many of the companies; that men, women, and children throughout the United States holding stocks would lose their investment; and and bonds of those companies would lose their investment; and the conferees finally agreed on a 3 per cent sales tax on commercial and domestic consumers of electric energy, to be passed on, the companies to be the collecting agencies for the Government. Statistics before the Ways and Means Committee showed that the average cost to the domestic consumer for electricity was \$3 a month. This tax will place a tax of 9 cents per month upon the average household consumer of domestic electricity.

It has been stated in this debate that this proposition was advanced by the House conferees. Even if they did, it was a compromise. Remember, if you please, that when the Secretary of the Treasury first made his recommendations to the House Ways and Means Committee he recommended that \$95,000,000 in taxes be raised from electrical energy. and the method was to tax the consumer. The Ways and Means Committee, for which Mr. CRISP is speaking, had extended hearings. They heard witnesses. They spent days over there in studying this proposition; and then it was only in a spirit of compromise that Mr. CRISP offered to the conference this proposition that his own committee had discussed, and around which controversy had raged in the Committee on Ways and Means. It must be said that the Ways and Means Committee had studied the matter.

The Finance Committee never did study the proposition. The administration had recommended the proposal that the conferees adopted; and I submit, as bad as it may be, that there are other items here that are just as bad. If we expect to finish the job which the Senate and the House have so patriotically and untiringly worked to finish—that is, to balance the Budget and raise the necessary money—we ought not to hesitate to-day and hold up this matter longer even though this item may be in the report, and even though some will condemn it.

The conference report should be adopted.

Mr. GLASS. Mr. President, that is a favorite plea.

In the first place, this bill does not balance the Budget. Nobody can tell whether it comes within a thousand miles of balancing the Budget until the Congress gets through with the bill now being considered by the Senate, reducing expenditures. Nobody knows what is going to happen to that bill.

Mr. BORAH. Mr. President-

Mr. GLASS. I yield to the Senator from Idaho.

Mr. BORAH. We will have to take into consideration also the fact that we will be collecting on diminishing returns the revenues which are supposed to balance the Budget.

Mr. GLASS. Precisely; but both bills put together will not balance the Budget.

I have no hesitation in voting against this conference report. I voted against the bill itself because I would not be a party to some of the things that have been done to construct the bill. Now, I am going to vote against the conference report with added zest because the conferees have utterly ignored the deliberate and considered action of the Senate.

Mr. BORAH. Mr. President, I appreciate the pressure which was on the conferees to get a report and to dispose of this subject finally. It is something like the pressure as a result of which the bill passed the Senate, regardless of the fact that there are a great many things in it which perhaps almost every Senator in the Senate would oppose. But, Mr. President, before the bill is disposed of I must say that no sufficient explanation and no sufficient defense has been made of this change with reference to taxing electrical

power, and placing the tax upon the consumer instead of upon the company. That was a change of great moment.

It was not necessary to do that in order to balance the Budget. That did not enter into the question of raising more revenue. The amount of revenue which would have been raised under the provision which went from the Senate was the same amount that will be raised under the provision which comes from the conferees. Am I not correct in that, I will ask the Senator from Utah?

Mr. SMOOT. Not quite, Mr. President. Mr. BORAH. But this says, "to be paid by the person paying for such electrical energy and to be collected by the vendor." The amount to be collected is the same. change the party who is to pay it.

I do not see how that had anything whatever to do with the question of balancing the Budget. I realize, of course, that the question of balancing the Budget was uppermost in the minds of the conferees all the time, and undoubtedly they worked with that great objective in mind; but this had nothing to do with the question of balancing the Budget. It would have been balanced just the same had the companies been allowed to pay this amount instead of the consumers. I think it is an injustice to the consumers, and there has been no valid reason assigned for the change.

Mr. BARKLEY. Mr. President-

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. Might there not be some conclusion as to whose budget is to be balanced under this provision?

Mr. BORAH. The Senator's question implies a suggestion which I think is sound. I am now speaking of the proposition that has been used as a plea for these changes which were made. The changes were not made for the purpose of balancing the Budget. They were made for another reason; and thereby a great injustice, in my opinion, was worked upon the people of this country.

If there is any organization or any corporation which could afford to pay this tax, laid where it was laid, it was the corporations producing electrical power in this country. According to the figures which have been presented, they were receiving an amount of money equal to the amount which they were receiving in the days of prosperity. Their income has not been reduced. Their profits have not been reduced. They were able above all other corporations and companies in the United States to pay this amount. No source could more justly be drawn upon for taxes.

Mr. GLASS. Mr. President, may I suggest to the Senator from Idaho that it does not appeal to me, at least, to have one of the House conferees undertake to hide this thing behind the skirts of widows and orphans.

Mr. BORAH. Are the widows and orphans in this matter, also? How many crimes are committeed in their names!

Mr. President, if the Senate conferees had stood by the bill as passed by the Senate, there was at least one Member of the House conferees who was always in favor of receding from the House position. Assuming that the Senate conferees would carry out the instructions of the Senate as evidenced by votes repeatedly taken, there were at least six members of that conference committee who were in favor of the proposition as passed by the Senate.

Mr. RAINEY, speaking in the House, says:

The bill as it passed the Senate with reference to electrical energy contained this clause:

"There is hereby imposed upon energy sold by privately owned operating electric-power plants a tax equivalent to 3 per cent of the price for which so sold."

The tariff conferees kindly adjusted this tax so that there would be no doubt at all about who was to pay it. Under this clause in the Senate bill, to which, of course, the great power companies objected, they would have been compelled to absorb this tax and could not have increased their price to consumers. could not have increased their price to consumers.

That was from one of the conferees upon the part of the House. Therefore there was no necessity, it seems to me, for the Senate conferees yielding upon the proposition when they had a clear majority of the conference. There was another and more potent reason.

Mr. President, I am at a loss to know why this change was made, if I am to judge by anything which has been said in the Senate in defense of it. I assumed, when I read the amendment in the conference report last Saturday, that there would be given to the Senate some reasons for making this radical change. The committee has changed the entire policy of the bill upon a most fundamental proposition in the bill, and I assumed that there would be given to the Senate at least an attempted argument based upon some facts, real or manufactured, which were brought out in the conference, justifying this change.

Mr. SMOOT. Mr. President, will the Senator yield?
Mr. BORAH. I yield.
Mr. SMOOT. I have just secured the estimate of the Treasury Department as to the return under the House provision and under the Senate provision.

Electric energy under the 3 per cent tax on sales for domestic and commercial purposes, as the conferees finally agreed, will return about \$39,000,000 in revenue, and as the bill passed the Senate the revenue estimate was \$50,000,000, or there will be \$11,000,000 less revenue collected under the conference report, according to the estimate.

Mr. BORAH. Mr. President, the Senator has misunderstood, I think, my contention. I am asking why it was necessary to transfer from the corporations, who would pay the tax under the bill as it passed the Senate, to the consumers of the country, who the Senate voted should not pay the tax. That would not change the amount collected. It does not change the amount to say that the consumers shall pay the tax instead of the corporations.

Mr. SMOOT. One estimate is based on what the consumer would pay for his current and the other is upon the cost to the producer, and it is estimated there would be a difference in revenue of \$11,000,000.

Mr. BORAH. Do I understand that the Senate conferees, by reason of the fact that we would collect \$11,000,000 more, were willing to transfer the incidence of this tax from the corporations to the consumers? Was that why the transfer was made?

Mr. SMOOT. I did not say that. The Senator asked me the difference and I have stated the difference. I have already stated that the House conferees proposed the change, and we discussed it, as the Senator from Mississippi has already said, and came to an agreement on it, as reported here to the Senate.

Mr. BORAH. May I ask what reason was assigned by the House conferees for insisting upon this change? Is it permissible to tell that?

Mr. SMOOT. I do not think I ought to say just what the House conferees had to say in relation to it.

Mr. COUZENS. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. COUZENS. I do not know whether the Senator was in the Chamber or not, but the Senator from Mississippi pointed out that it was because of the effect upon the investments of widows and orphans in these power companies that they transferred the cost from the power companies to the consumers. I think the Senator from Mississippi read that as a part of a statement made by Mr. CRISP.

Mr. HARRISON. I was merely reading from the remarks of the gentleman from Georgia on the floor of the House.

Mr. GLASS. Mr. President, that was not the argument made in the committee of conference. That is the excuse, the explanation that is being made at the other end of the Capitol.

Mr. ROBINSON of Indiana. Mr. President-

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BORAH. I yield.

Mr. ROBINSON of Indiana. In that event, the widows and orphans would have to pay for the current just the same. so that it seems to me it is a poor excuse.

Mr. SMOOT. It is not only the widows and orphans, it is everybody who uses the electricity.

Mr. ROBINSON of Indiana. Precisely.

Mr. SMOOT. So when the Senator says the widows and orphans will have to pay it, he does not mean that, of course.

Mr. ROBINSON of Indiana. I understood that was what

the Senator from Mississippi was alleged to have said.

Mr. HARRISON. The Senator from Mississippi did not say that. The Senator was quoting what Mr. Crisp, of Georgia, said upon the floor of the House. I read from the Record. I did not use that argument.

Mr. BORAH. The Senator from Mississippi does not accept that argument, I am sure.

Mr. HARRISON. No; in the conference I tried to carry out the Senate's wishes in this matter. I think that the consumers will pay the bill whether we put it on gross receipts or profits or what not.

Mr. BORAH. How interesting it would be to know who it was in the conference committee who did not try to carry out the Senate's instructions and why.

Mr. SMOOT. The Senator from Idaho has been on conferences enough to know that neither House can have its own way. The same may be said of the Senator from Nebraska. I have known of conferences of which he was a member when there have been compromises. No tax bill, no revenue bill of any kind, no tariff bill has ever been passed when there have not been compromises between the two Houses in conference, and that will be true as long as the two Houses act upon legislation.

Mr. BORAH. Mr. President, I do not complain of that practice or that principle. I am trying to find, however, why it was that the Senate conferees felt under the necessity of yielding on this proposition, what the argument was, in view of the fact that one of the members of the House conference committee was in favor of the Senate proposal.

Mr. GLASS. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. GLASS. I have been on many conferences, and I say now that I have never known the House conferees to agree to a proposition which had been adversely voted on in the House without taking it back to the House for instructions.

Mr. BORAH. Of course, Mr. President, if it were not for the exigency which confronts us, and the situation with which we have to deal, this matter would undoubtedly go back to the conferees. It is glaringly unjust; it is indefensible. But as it is, we recognize the fact that we are not really getting an opportunity to pass upon the merits of the report. We are influenced by the necessity of getting the bill out of the way and supposedly balancing the Budget.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. ROBINSON of Indiana. The Senator from Idaho asked what seemed to me to be a perfectly reasonable question a moment ago, seeking the reasons advanced in the conference for transferring this burden from the power companies to the backs of the consumers; and I understood the Senator from Utah to say that he could not very well divulge anything which took place in the conference.

Certainly the Senate, which overwhelmingly adopted the view which the amendment expressed and which was overturned so lightly, has the right to know why it was overturned, and some one on this floor ought to be able to give that explanation without violating any particular confidence. It seems to me it is not only the business of the Senate to know but that it is the business of the American people to know.

Mr. BORAH. Mr. President, I think it all comes down to the proposition and is an illustration of the well-known rule that when an able gentleman knows what he wants he usually controls the body of men with whom he is associated.

Mr. JOHNSON. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. JOHNSON. I think the Senator was absent from the Chamber when the Senator from Mississippi read Mr. Crisp's remarks upon the floor. There is no privilege con-

cerning them, of course, because they were made upon the floor of the House, and they apparently state the reason for the action that was taken in reference to electrical energy. May I recall it to the Senator?

Mr. BORAH. I shall be very glad to have the Senator do so.

Mr. JOHNSON. He said:

The House conferees, for the purpose of raising money and for that purpose only, accepted, with a substantial modification, the Senate's amendment to tax electric energy. The Senate provided for a 3 per cent gross tax on public utilities that sold electric energy. The conferees became convinced that that was inequitable; that it would destroy many of the companies; that men, women, and children throughout the United States holding stocks and bonds of those companies would lose their investment; and the conferees finally agreed on a 3 per cent sales tax on commercial and domestic consumers of electric energy, to be passed on, the companies to be the collecting agencies for the Government.

If that is not a statement of the reason for the action of the conferees, I am unable to read the language with any degree of intelligence.

Mr. BORAH. Mr. President, that is a very clear statement upon the part of the able Representative from Georgia, and I am wondering whether that is the argument which finally brought the conferees to an agreement upon this matter.

For myself, I do not think that was the controlling proposition. The able senior Senator from Pennsylvania [Mr. Reed], undoubtedly convinced of the correctness of his position, has been from the beginning in favor of passing the tax on to the consumer. He had his reasons and, undoubtedly, in the conference committee he advanced them with the same zealousness and the same ability that he displayed here.

I think that another reason for passing the tax on to the consumer than that of taking care of the situation as indicated by Mr. Crisp, was present and controlling.

Mr. President, I do not care so much about the breach in parliamentary law, although that is important. But I do care about the signal injustice of this change. It is another illustration of how this body protects the strong and burdens the weak. These companies, some of which are gathering wealth in the midst of a national depression, are excepted from carrying a just portion of the national burden, while the poorest person who would have a light in his shop or his home is made to pay. Such a proposition could only get a hearing in the secret sessions of the conferees.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. GLASS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COSTIGAN. Mr. President, before the roll is called, may I direct a question or two to the chairman of the committee?

The VICE PRESIDENT. Will the Senator from Utah give his attention?

Mr. SMOOT. Certainly.

Mr. COSTIGAN. Doubtless the dominant phrase throughout the discussion of the revenue bill has been "balance the Budget." Will the chairman of the committee on Finance be good enough to advise how much money the pending bill is supposed to raise in order to balance the Budget?

Mr. SMOOT. In round numbers it is supposed that the bill will raise \$1,118,500,000.

Mr. COSTIGAN. It is my understanding that the amount specified by the Senator from Utah is the increased amount above ordinary revenue which is expected to be raised. My question is now directed to the total amount which must be raised to balance the Budget.

Mr. SMOOT. It would be \$2,370,000,000 in round numbers from internal-revenue taxes alone after adding to the present yield the expected yield from the new taxes and from the changes made.

Mr. COSTIGAN. What is the total amount which must be raised in order to equalize Government expenditures?

Mr. SMOOT. No human being can tell that. The only thing we can do is to estimate what business is going to be in the future.

Title I. Income tax:

Mr. COSTIGAN. In other words, the question whether | the Budget is to be balanced is undetermined?

Mr. SMOOT. Undetermined, for nobody can say definitely the exact amount that will balance the Budget, but all the estimates made by the Treasury Department, on which we have to rely, with the action taken with this and other legislation, this will balance the Budget, in the estimation of the Secretary of the Treasury.

Mr. COSTIGAN. For the information of the country, may I ask that there be incorporated in the RECORD first the total yield of revenues to be expected under the conference report?

Mr. SMOOT. Does the Senator want a summary of the

Mr. COSTIGAN. May I ask first the estimated yield of revenue under the conference report?

Mr. SMOOT. That is \$1,118,500,000.

Mr. COSTIGAN. As before stated, it is my understanding that the specified sum is the estimated increase, not the total amount to be raised.

Mr. SMOOT. That is correct, if I understand your

Mr. COSTIGAN. Is not a total of approximately \$2,630, 000,000 now estimated as the amount to be raised in the coming fiscal year?

Mr. SMOOT. I do not quite understand the Senator. Does the Senator mean that there is going to be a deficit of \$2,630,000,000?

Mr. COSTIGAN. Not at all. My understanding is that the figure the chairman of the committee has given merely represents the estimated increased amount of taxes now expected over and above this year's revenues.

Mr. SMOOT. Yes, Senator. The amount I have quoted here, \$1,118,500,000, is to be raised by the pending bill in addition to what we would receive under existing law if no changes were made.

Mr. COSTIGAN. In what fashion are the additional revenues to be raised?

Mr. SMOOT. The total revenue which would be raised under existing law by internal-revenue taxes is approximately \$1,250,000,000; the changes made by the pending bill will result in \$1,118,500,000 additional, making a grand total of some \$2,368,000,000.

Mr. COSTIGAN. In other words, certain revenues are accruing to the Government under the existing revenue law?

Mr. COSTIGAN. What amount accrues to the Government under existing law?

Mr. SMOOT. About \$1,250,000,000.

Mr. COSTIGAN. To that how much is being added by the present bill?

Mr. SMOOT. The amount is \$1,118,500,000.

Mr. COSTIGAN. How much is to be raised by the income tax according to the estimates of the Treasury?

Mr. SMOOT. With the increases-I suppose the Senator wants that as well as what is carried in the bill-it would be approximately \$1,035,000,000, including back-tax collec-

Mr. COSTIGAN. Approximately \$1,035,000,000?

Mr. SMOOT. Approximately.

Mr. COSTIGAN. The tobacco tax is approximately how much?

Mr. SMOOT. Say \$400,000,000. Mr. COSTIGAN. Included in the figures given by the Senator from Utah will not be found the customs and miscellaneous revenues of Government?

Mr. SMOOT. No.

Mr. COSTIGAN. Has the Senator the figures for those so they may be incorporated in the RECORD?

Mr. SMOOT. The estimate that was made last February, I am informed by the representative of the joint committee, is \$430,000,000.

Mr. COSTIGAN. Mr. President, approving to-day's criticisms of the conference committee in regard to the tax on electricity, I wish merely to add that the extraordinary

burden of taxes just mentioned is being placed upon the taxpayers of the country in the darkest period of our economic history.

Mr. SMOOT. I agree with the Senator.

Mr. COSTIGAN. It should be remembered by the people of the country that it would have been possible and far more reasonable, instead of following literally the recently invented slogan about "balancing the Budget," to have undertaken to balance the Budget, let us say, in two years or some other moderately extended period rather than in one

Mr. SMOOT. Of course, it is just as well to provide it in one year because we do not know what will happen in the second year. No human being can tell. Conditions may be a great deal better and may be a lot worse.

Mr. President, I ask that the items agreed on in conference may be inserted in the RECORD at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Summary of revenue bill as agreed upon in conference (Estimated additional revenue for fiscal year 1933, in millions of dollars)

Individual Normal tax rates, 4 per cent and 8 per cent; ex-emptions \$2,500 and \$1,000_____ Surtax rates, 1 per cent on net income in excess of \$6,000 to 55 per cent on net income in excess of No earned-income credit ___. 27 178 Corporation-Rate, increased from 12 to 13% per cent_____Exemption, eliminated_____ Consolidated return, additional rate of three-fourths 3 of 1 per cent_ Total___ Limitation of security losses and other changes, largely administrative_____ Title II. Estate tax. Title III. Gift tax, rates of three-fourths of 1 to 33½ per Lubricating oil, 4 cents per gallon... Brewer's wort, 15 cents per gallon

Mait sirup, 3 cents per pound.

Grape concentrates, 20 cents per gallon

Imported gasoline, crude oils, etc.; coal, lumber, and 82 6.5 copper . 33 etc., 5 per cent.

Furs, 10 per cent

Jewelry, 10 per cent on amounts over \$3; plated silver-12 9 Passenger automobiles, 3 per cent; tires and tubes ex-Radio and phonograph equipment and accessories, 5 per cent_____ Mechanical refrigerators, 5 per cent_ 9 Electrical energy, 3 per cent on sales for domestic and commercial purposes______Gasoline, 1 cent per gallon_____ 457.0 Total, Title IV Title V. Miscellaneous taxes:

Assuming collections beginning after June 30, 1933.
 Assuming tax effective July 1, 1932.

I. Telephone, telegraph messages, etc.

22.5

42

Title V. Miscellaneous taxes—Continued. Part III. Stamp taxes:	
Issues of bonds or capital stock, 10 cents per \$100. Transfers of stock, etc., 4 cents per \$100 par value, or 4 cents per share no par, 5 per cent for shares selling over \$20 (rates to apply to loans of stock)	6. 5
Transfers of bonds, etc., 4 cents per \$100 par value	5
Conveyances, 50 cents on \$100-\$500; 50 cents per \$500 in excess	8
Sales of produce for future delivery, 5 cents per \$100	6
Part IV. Oil transported by pipe line, 4 per cent of charge	8
Part V. Leases of safe-deposit boxes, 10 per cent of rental	1
Part VI. Checks, 2 cents each Part VII. Boats, various rates	78 0. 5
Total, Title V	197.5
Total additional taxes Title VIII. Increased postage rates and other postal provisions, increase 1 cent in first-class postage; increase	958. 5
on second-class matter, etc	160
Total additional taxes and postal revenue	1, 118. 5

Mr. JOHNSON. Mr. President, whether or not the conference report should be denied and the bill be sent back to conference rests, of course, with each individual upon the floor and with his conscientious belief as to what should be done with particular items that he deems of supreme importance.

I read a little while ago the remarks of Mr. Crisp which had been read by the Senator from Mississippi [Mr. Harrison] merely that they might be reimpressed, if it were possible, upon the Senate. I read them because, purporting to state the reasons for the action of the conferees upon the particular item relating to electric energy, they presented—and I say this not in a spirit of criticism of Mr. Crisp or anybody else—the threadbare statement that ever is made when the Government comes to deal with a great public utility. I read them because it seemed to me a sort of acme of irony to state that a tax could not be levied upon these great public utilities because of the harm that would be done the men, the women, the children, the widows, the orphans, and the like who hold public-utility securities.

Ever since I have been in public life I have heard that argument advanced whenever an endeavor was made to have a public utility do justice unto its people. When one speaks of the harm that may be done to men and women and children and widows and orphans and penniless individuals generally throughout the land who hold the securities of the great public utilities by putting a tax upon the public utilities and then it is put upon these individuals themselves, I confess to a bit of peculiar mental strabismus that seldom comes to me in this life or in this particular activity.

So we may take it, I think, as to the alteration made in what was passed by the Senate in relation to electric energy and the tax upon it, that the reasons for rejecting what the Senate did are adequately expressed and of course honestly expressed, that the change was made by the conferees because of the harm and the injury and the wrong that would be done to the poor who held the securities in great value of the big public-utility corporations of the land. So in order that we may not do that awful incalculable injustice to men and women and children and widows and orphans and the poor who held these securities of the mighty public utilities, we are going to say by our action, after we voted otherwise upon it in the Senate, that we will now put the tax upon those very people.

It is rather a difficult thing for me to understand, I confess. But I rose merely because I feared there might be some misunderstanding of why I read the reason that had been given upon the floor of the House for this particular matter, and in order that my fellows as well as myself might understand that if we do not put this tax upon the consumers, if we take it away from the great public-utility corporations and relieve them of its payments, the widows and

orphans throughout the land will weep their tears over the enormous amount of securities which they hold in the great public utilities, and I want my brethren to know the awful incalculable harm that will be done to the poor who hold in such large amounts the great public-utility securities.

Mr. FRAZIER. Mr. President, I want to state briefly why I shall vote against the conference report. I voted for several items in the tax measure that I did not like because of the necessity that we were told existed for balancing the Budget. I did not agree with some of the arguments for that necessity, but I voted for the bill. It seems to me on the particular item of electric energy the action of our conferees was unfair, unjust, undemocratic, so much so that any Member of the Senate who believes in majority rule, who believes a majority of the Senate should dictate to the conferees, instruct the conferees, might well feel justified in voting against the conference report. It seems to me it is so unfair that we can not logically support it.

If the conference report is rejected, there is no question that the House vote by which the report was adopted will be reconsidered. The House is as anxious to pass this measure as is the Senate; so that argument, it seems to me, falls flat entirely.

I wanted to make this short statement as to why I shall vote against the adoption of the conference report.

The VICE PRESIDENT. The question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GLENN (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. Long], who is necessarily absent. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson]. I transfer that pair to the senior Senator from Colorado [Mr. Waterman], and vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. In his absence I withhold my vote. If permitted to vote, I would vote "nay."

Mr. SCHALL (when his name was called). I have a general pair with the Senator from Alabama [Mr. Black] and therefore withhold my vote. If permitted to vote, I should vote "nay."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the Senator from Montana [Mr. Wheeler]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. GLENN. I find that I can transfer my pair with the Senator from Louisiana [Mr. Long] to the Senator from Ohio [Mr. Fess]. I make that transfer and will vote. I vote "yea." The Senator from Ohio, if present, would also vote "yea."

Mr. NORBECK. I have a general pair with the senior Senator from Louisiana [Mr. Broussard]. If he were present, he would vote for the adoption of the conference report; and, if permitted to vote, I should vote against its adoption.

Mr. WAGNER. My colleague [Mr. Copeland] is absent on account of illness. He is paired with the Senator from Iowa [Mr. Brookhart]. If my colleague were present, he would vote "yea," and the Senator from Iowa would vote "nay."

Mr. GLASS. I desire to announce that my colleague [Mr. Swanson] is necessarily detained in attendance upon the disarmament conference at Geneva.

Mr. SHEPPARD. I desire to announce the necessary absence from the city of the Senator from Alabama [Mr. Black], the senior Senator from Louisiana [Mr. Broussard], the Senator from Montana [Mr. Wheeler], the Senator

from Mississippi [Mr. Stephens], and the junior Senator | from Louisiana [Mr. Long].

The result was announced—yeas 46, nays 35, as follows:

YEAS-46

Ashurst	Dickinson	Kendrick	Smoot
Austin	George	Keyes	Steiwer
Bailey	Glenn	King	Townsend
Barbour	Goldsborough	Lewis	Vandenberg
Barkley	Hale	McNary	Wagner
Bingham	Harrison	Metcalf	Walcott
Bratton	Hastings	Moses	Walsh, Mass.
Carey	Hatfield	Oddie	Walsh, Mont.
Connally	Hayden	Patterson	Watson
Coolidge	Hebert	Reed	White
Dale	Jones	Robinson, Ark.	
Davis	Kean	Shortridge	

NAYS-35

Bankhead	Costigan	Howell	Nye
Blaine	Couzens	Hull	Pittman
Borah	Cutting	Johnson	Sheppard
Bulkley	Dill	La Follette	Shipstead
Bulow	Fletcher	Logan	Smith
Byrnes	Frazier	McGill	Thomas, Okla.
Capper	Glass	McKellar	Trammell
Caraway	Gore	Neely	Tydings
Cohen	Hawes	Norris	

NOT VOTING-15

Black	Fess	Robinson, Ind.	Thomas, Idaho
Brookhart	Long	Schall	Waterman
Broussard	Morrison	Stephens	Wheeler
Copeland	Norbeck	Swanson	

Mr. BLACK subsequently said: Mr. President, I wish to have the RECORD show that had I been present when the vote was taken on the adoption of the conference report upon the revenue bill I would have voted "nay."

So the report was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Conference of State and Provincial Health Authorities of North America, in session at Washington, D. C., favoring the making of an appropriation to aid in rural sanitation, which was referred to the Committee on Appropriations.

He also laid before the Senate the petition of the Tri-Cities Central Labor Union, Sheffield, Ala., praying for relief of agriculture and the unemployed, the passage of legislation for the completion and full operation of the Muscle Shoals plant, and also legislation which will tend to stabilize prices, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the directors of the Waukegan-North Chicago Chamber of Commerce, Waukegan, Ill., favoring the passage of legislation providing a bond issue up to \$5,000,000,000, the proceeds thereof to be used to finance construction projects, so as to furnish employment and aid industry, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a paper bearing the printed name of Bruce L. Keenan, Tahlequah, Okla., relative to a plan for the inauguration of a State dispensary system and at the same time inhibiting the return of the old-time saloon, etc., which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the board of commissioners of Cook County, Ill., favoring the reduction of taxes and retrenchment in governmental expenditures, which were ordered to lie on the table.

He also laid before the Senate a resolution adopted by the annual convention of the Maryland State and District of Columbia Federation of Labor, at Cumberland, Md., approving the theory of limiting navies by international agreement and also favoring the maintenance of the strength of the United States Navy for national defense to the full treaty limits, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the council of administration of the Department of the District of Columbia, United Spanish War Veterans, Washington, D. C., favoring the elimination from pending legislation of provisions affecting veterans with the exception of the pro- ufacturing Co., of Forestville, all in the State of Connecticut,

vision creating a joint congressional committee to formulate a veterans' policy, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by General Nelson A. Miles Camp, No. 1, department of the District of Columbia, United Spanish War Veterans, protesting against any radical change of policy affecting veterans' legislation in the legislative appropriation bill, and known as the economy bill, which was ordered to lie on the table.

He also laid before the Senate a letter of transmittal from the secretary to Mr. George Wood Bacon, of New York City, N. Y., inclosing copy of a letter addressed by him to Hon. ROBERT L. BACON, House of Representatives, relative to pending tax and retrenchment legislation, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the councils of the cities of Effingham and Hazel Crest, Ill., favoring the passage of legislation authorizing a substantial bond issue, the proceeds thereof to be used to aid municipalities in financing public improvement projects so as to furnish employment and aid industry, which were ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Senate of the State of New Jersey, protesting against inclusion in House bill 10236, the revenue bill of a tax on gasoline, which was ordered to lie on the table. (See resolution printed in full when presented to-day by Mr. KEAN.)

Mr. BLAINE presented a resolution adopted by the county board of supervisors, of Milwaukee, Wis., favoring the passage of legislation authorizing a \$5,000,000,000-bond issue to finance a nation-wide public-works program, so as to provide employment, which was referred to the Committee on Banking and Currency.

Mr. WALCOTT presented a resolution adopted by the Protestant Ministers' Association, of Meriden, Conn., favoring the retention and enforcement of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented papers, in the nature of petitions, from the Mothers' Club and the Philathea Class of the South Park Methodist Episcopal Church, of Hartford, Conn., praying for the passage of legislation providing for the regulation of the motion-picture industry, which were referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a petition from William McKinley Auxiliary, No. 9, U. S. W. V., of Norwalk, Conn., praying for the passage of the so-called Gasque-Robinson bill, providing relief for veterans' widows and dependents, which was referred to the Committee on Pensions.

He also presented letters in the nature of memorials from Electa Chapter, No. 12, Order of the Eastern Star, of Thomaston; the Connecticut Paint Salesmen's Club, New Haven; Eureka Lodge, No. 75, I. O. O. F., of Plantsville; and the board of directors of the Family Welfare Society, of Stamford, all in the State of Connecticut, remonstrating against the passage of the so-called Oddie bill, being the bill (S. 4080) to regulate the manufacture and sale of stamped envelopes, which were referred to the Committee on Post Offices and Post Roads.

He also presented the memorial of Local No. 38, Bakery and Confectionery Workers International Union of America, of Bridgeport, Conn., remonstrating against reduction in the pay or changes in the hours of labor of postal employees, which was ordered to lie on the table.

He also presented memorials of the Ladies' Auxiliary to H. F. Emmett Post, No. 994, and the Ladies' Auxiliary to the Hartford District Council, both of the Veterans of Foreign Wars of the United States, in the State of Connecticut. remonstrating against the passage of legislation reducing the compensation or pensions of widows and orphans of all wars, which were ordered to lie on the table.

He also presented letters in the nature of petitions from the Chambers of Commerce of Meriden and Middletown, the Riverside Association, and employees of the Humason Manthe balancing of the Budget, which were ordered to lie on the table.

Mr. ASHURST presented a memorial of sundry citizens of Kingman and vicinity, in the State of Arizona, remonstrating against the passage of legislation to relieve the owners of unpatented mining claims from performing their annual assessment work on such claims, which was ordered to lie on the table.

He also presented a telegram, in the nature of a memorial, from Agnes Mae Bedwell, secretary and treasurer executive board Chin Lee Federal Employees, dated at Gallup, N. Mex., remonstrating against the reduction in compensation of Federal employees, which was ordered to lie on the table.

He also presented a telegram, in the nature of a memorial, from Mrs. Robert Wankowski, of Venice, Calif., remonstrating against inclusion of veterans' provisions in the legislative appropriation bill, which was ordered to lie on the

He also presented a telegram from Leonard C. Brown, deputy commissioner, etc., dated Chicago, Ill., June 5, 1932, relative to certain consolidation of bureaus in connection with the pending legislative appropriation bill, which was ordered to lie on the table.

He also presented a telegram, in the nature of a petition, signed by Major McLane, Phoenix, Ariz., stating, "Reserve officers strongly urge retention 2,000 Army officers," which was ordered to lie on the table.

He also presented telegrams, in the nature of memorials, from H. W. Fowzer, Orval Jordan, Mary Ebniger, and Margaret Wiget, all of Los Angeles, Calif., remonstrating against inclusion in the pending legislative appropriation bill of the so-called pauper clause relating to veterans, which were ordered to lie on the table.

GASOLINE TAXES

Mr. KEAN presented a resolution adopted by the Senate of New Jersey, which was ordered to lie on the table and to be printed in the RECORD, as follows:

SENATE OF NEW JERSEY, State House, Trenton, N. J.

Resolution adopted by the senate on June 1, 1932

Whereas news has just reached the Senate of New Jersey that the Senate of the United States has passed a revenue bill which, among other things, imposes a tax of 1 cent per gallon upon gasoline; and

Whereas a tax upon gasoline has heretofore been reserved to the

Whereas a sa source of revenue; and
Whereas the State of New Jersey has heretofore imposed a tax
of 3 cents per gallon upon gasoline and other motor fuels and
devoted the proceeds thereof either directly or indirectly to the
construction and maintenance of its public road system; and

Whereas the action of the Senate of the United States, if concurred in by the House of Representatives and approved by the President, will result in depriving the State of New Jersey of this source of revenue or diminishing the return therefrom: Now, therefore, be it

therefore, be it

Resolved by the Senate of New Jersey, That it protest to the Congress of the United States against depriving the State of New Jersey in whole or in part of the revenue from the gasoline tax, and that it further protest against the Congress invading this heretofore exclusive field of State taxation; and be it further Resolved, That copies of this resolution be sent to the Senate of the United States and the House of Representatives and the President of the United States, by the secretary of the senate, and also to the Senators and Representatives from New Jersey.

We hereby certify that the above resolution is a true and official copy of the resolution adopted by the senate, on June 1, 1932.

A. C. Reeves,

A. C. REEVES, President of the Senate.

Attest:

O. F. VAN CAMP. Secretary of the Senate.

THE WORLD COURT

Mr. SHORTRIDGE presented a resolution adopted by the Northern California Branch of the League of Nations Association, signed by Mrs. John Wesley Hamilton, also a letter signed by Rev. F. M. Larkin, executive secretary of the California State Church Federation, of Los Angeles, urging the Senate to ratify the protocols providing for adherence by the United States to the Permanent Court of International Justice, which were referred to the Committee on Foreign

praying for retrenchment in governmental expenditures and | Relations and ordered to be printed in the RECORD, as follows:

> THE LEAGUE OF NATIONS ASSOCIATION, NORTHERN CALIFORNIA BRANCH, San Francisco, Calif., March 28, 1932.

Hon. SAMUEL M. SHORTRIDGE,

Senate Office Building, Washington, D. C.
DEAR SENATOR SHORTRIDGE: The Northern California Branch of
the League of Nations Association has on several occasions in-

the League of Nations Association has on several occasions informed you of its unqualified approval of the World Court protocols which provide for American adherence to the World Court.

Will you kindly insert in the Congressional Record the following resolution which has been unanimously approved by the members of the northern California branch of the association:

"The Northern California Branch of the League of Nations Association respectfully urges the Senate of the United States to ratify the protocols providing for the adherence by the United States to the Permanent Court of International Justice."

Very sincerely.

Very sincerely,

CAMILLE LOYALL HAMILTON, Secretary.

CALIFORNIA STATE CHURCH FEDERATION, Los Angeles, Calif., March 31, 1932.

Senator Samuel M. Shortridge,

Senate of the United States, Washington, D. C.

Dear Sir: The California State Church Federation, representing 80 per cent of the Protestant church members in the State, has again and again taken strong action in reference to world peace, and recommends that all churches cooperate in the promotion of the World Court. We trust that you will put, therefore, every effort to pass this during this session of Congress and to insert this in the Congressional Record.

Very cordially yours,

F. M. LARKIN.

REPORT OF THE JUDICIARY COMMITTEE

Mr. AUSTIN, from the Committee on the Judiciary, to which was referred the bill (H. R. 7238) to amend section 5 of the suits in admiralty act, approved March 9, 1920, reported it without amendment and submitted a report (No. 771) thereon.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, June 6, 1932, that committee presented to the President of the United States the following enrolled bills:

S. 6. An act for the relief of the Union Ferry Co., owners of the ferryboat Montauk:

S. 326. An act for the relief of Abram G. O'Bleness; and S. 2436. An act for the relief of Alfred G. Simmons, jr.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. METCALF, from the Committee on Education and Labor, reported favorably the nomination of Perry W. Reeves to be a member of the Federal Board for Vocational Education (representative of labor).

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. SCHALL, from the Committee on the Judiciary, reported favorably the nomination of Sterling D. Bennett, of Texas, to be United States attorney, eastern district of Texas.

Mr. HASTINGS, from the Committee on the Judiciary, reported favorably the following nominations:

Henry C. W. Lauberheimer, of Illinois, to be United States marshal, northern district of Illinois;

Carlos A. Imperial, of the Philippine Islands, vice Norberto Romualdez, resigned, to be associate justice of the Supreme Court of the Philippine Islands; and

George C. Butte, of Texas, vice E. Finley Johnson, resigned, to be associate justice of the Supreme Court of the Philippine Islands.

The VICE PRESIDENT. The nominations will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER (by request):

A bill (S. 4825) to enroll on the citizenship rolls certain persons of the Choctaw and Chickasaw Nations or Tribes; to the Committee on Indian Affairs.

By Mr. SHORTRIDGE:

A bill (S. 4826) for the relief of A. M. Dickey; to the Committee on Claims.

A bill (S. 4827) for the relief of Patrick Reilly; and

A bill (S. 4828) to grant allowances for quarters and subsistence to retired enlisted men of the Army, Navy, and Marine Corps while in Army or Navy hospitals; to the Committee on Military Affairs.

By Mr. WAGNER:

A bill (S. 4829) to authorize the presentation of a distinguished-service cross to Ralph Ellsworth Ladue; to the Committee on Military Affairs.

A bill (S. 4830) granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.; to the Committee on Commerce.

A bill (S. 4831) directing that copies of certain patent specifications and drawings be supplied to the New York Public Library, Astor, Lenox, and Tilden Foundations, of New York City, at the regular annual rate; to the Committee on Patents.

A bill (S. 4832) granting a pension to Mrs. Henry William Daly; to the Committee on Pensions.

By Mr. ODDIE:

A bill (S. 4833) to reduce construction charges on certain lands within the Newlands reclamation project, Nevada; to the Committee on Irrigation and Reclamation.

By Mr. THOMAS of Oklahoma:

A bill (S. 4834) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. JOHNSON:

A bill (S. 4835) to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes; to the Committee on Commerce

By Mr. WATSON:

A bill (S. 4836) granting an increase of pension to Nancy J. Bowman (with accompanying papers); and

A bill (S. 4837) granting an increase of pension to Matilda Johnson (with accompanying papers); to the Committee on Pensions.

LOANS TO STATES AND MUNICIPALITIES

Mr. DAVIS submitted an amendment intended to be proposed by him to the bill (S. 4632) to authorize the Reconstruction Finance Corporation to make loans to States and municipalities, which was referred to the Committee on Banking and Currency and ordered to be printed.

UNEMPLOYMENT RELIEF-ORDER OF BUSINESS

Mr. ROBINSON of Arkansas. Mr. President, it is my purpose to make a brief statement and to submit a request for unanimous consent. The attention of all Senators is invited

A number of bills intended for the relief of unemployment is pending in both Houses. There is somewhat general consensus of opinion that an emergency relief measure having regard to the relief of destitution should be promptly acted upon. Since it seems likely that differences of opinion may arise with respect to any construction program that may be taken up by the Senate, and since it also appears that there is both desirability and need for setting at rest as soon as practicable the question as to whether the Congress at this session will adopt a measure of emergency relief, I desire to point out the fact that since the 29th day of February last there has been pending on the calendar Senate bill 3696, introduced by the Senator from New York [Mr. WAGNER], a bill to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for

If this bill should be taken up under the arrangement I am about to propose, the author of the bill, the Senator from New York, will himself propose amendments that will

limit the subject matter to emergency relief or provision for destitution, reduce the amount of the appropriation carried in the bill from \$375,000,000 to \$300,000,000, and propose the incorporation of those features of a more general relief measure under consideration by the Committee on Banking and Currency having relation to the subject of emergency relief.

I therefore ask unanimous consent that after the bill now under consideration, the so-called economy bill, shall have been disposed of, the unfinished business, the Glass bill, may be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 3696, having in mind the amendments and purposes already stated.

The PRESIDING OFFICER (Mr. Couzens in the chair). Is there objection?

Mr. WATSON. Mr. President, I should like to hear the request of the Senator from Arkansas. My attention was distracted by a number of Senators. Will the Senator from Arkansas again kindly state his request?

Mr. MOSES. Will the Senator please state the calendar number of the bill to which he refers?

Mr. ROBINSON of Arkansas. The calendar number is 366, and the number of the bill is S. 3696, introduced by the Senator from New York [Mr. Wagner]. Reference to the bill will be found at the bottom of the first page of the calendar.

Mr. MOSES. I thank the Senator.

Mr. ROBINSON of Arkansas. Mr. President, my primary reason for suggesting that the Senate proceed with the consideration of the bill referred to is that it is on the calendar, and that the action proposed will not require the discharge of any committee of the Senate in order to bring the subject matter of the bill before the Senate.

I have already stated, and will repeat for the benefit of the Senator from Indiana, that, if consent is given as requested, it is expected that the author of the bill himself, the Senator from New York, will propose amendments limiting the provisions of the bill to the one subject matter, namely, relief of destitution, and reducing the amount carried in the bill for that purpose from \$375,000,000 to \$300,000,000. The object manifestly of the proposal is to secure prompt action on this phase of legislation about which there seems to be a somewhat general consensus of opinion as to the necessity.

Mr. WATSON. Do I understand the Senator to ask unanimous consent to take up now the bill to which he

Mr. ROBINSON of Arkansas. No. My request is that after the pending bill, the so-called economy bill, shall have been disposed of, the unfinished business, which is the Glass bill, may be temporarily laid aside, and that the Senate then proceed to the consideration of the measure to which I have referred.

Mr. WATSON. Mr. President, I think there has been general consensus of opinion that legislation of the character referred to by the Senator from Arkansas must be enacted before the Senate adjourns. I think, perhaps, we are approaching an agreement, so that there is not now the difference that once existed between advocates of different ideas of relief. I know that the other day, when the Secretary of the Treasury came before the Banking and Currency Committee, his first statement was, "I accept three-fourths of the propositions proposed by the Senator from New York." The debate then proceeded upon the other fourth or fifth, as we might fractionize it.

Under the existing conditions, and because a number of Senators have requested me to do so, I think I shall object to unanimous consent now, trusting that we may be able to make some sort of a compromise agreement before we finally come to the consideration of the bill.

Mr. ROBINSON of Arkansas. Mr. President, may I say to the Senator that the proposal which I have made, the one to which he has objected, eliminates in large part the controverted questions arising out of the bill introduced by a special committee of five, including the Senator from New York [Mr. Wagner], and that the object of my motion is to make certain that the matter of emergency relief may be acted upon promptly.

It is not conceivable to me that any agreement would be | reached that would eliminate the possibility of amendments in the Senate, and I believe that if the proposal is confined for the present to \$300,000,000 for destitution, with the amendments to which I have already referred and such other amendments as the Senate may find it desirable to propose or incorporate, the bill can be disposed of within a very few hours.

Mr. MOSES. Mr. President, will the Senator permit me to make an observation?

Mr. WATSON. I yield to the Senator for an observation; but I want to conclude.

Mr. MOSES. I desire to observe to the Senator from Arkansas that in preferring his request for unanimous consent he spoke of certain amendments which were to be offered by the Senator from New York [Mr. WAGNER], who is the author of the measure. The only amendment which the Senator from Arkansas specified was the amendment reducing the total appropriation from \$375,000,000 to \$300,-000,000, but he said that there were other amendments.

Mr. ROBINSON of Arkansas. No; the Senator is entirely mistaken. If he had done me the honor to comply with the request I made in the beginning of my statement, he would know that I said that the amendments referred to which it is expected will be proposed by the Senator from New York will limit the bill to emergency relief, and that other amendments will be designed to make the bill conform to the provisions of the measure introduced by the committee of five, which includes the Senator from New York, the Senator from Montana, the Senator from Nevada, the Senator from Ohio, and myself.

Mr. MOSES. If the Senator from Indiana will permit me further, I probably expressed myself badly. I understood the Senator from Arkansas to have said exactly what he now states. Therefore I wanted to observe that probably, in view of the attitude taken by the Senator from Indiana, the best way of proceeding would be for the Senator from New York now to offer his amendments and have them printed, so that we might know what is involved in granting the unanimous-consent request preferred by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. There is no objection, of course, to that course.

Mr. GLASS. Mr. President-

Mr. WATSON. Which I was about to suggest.

Let me say this to the Senator: I had understood that there was an effort to make some sort of an arrangement by which \$300,000,000, the sum proposed by the Senator from New York, might be segregated to be lent to the States, the States to deal with it as they deemed best-

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. WATSON. Just a moment, if the Senator will pardon me-because there have been very strenuous objections raised to lending money directly to municipalities and cities. and the \$300,000,000 might be set aside to be lent to States. Now, the Senator from Arkansas did not state what the Senator from New York will state for the information of the Senate and what the Senator from Arkansas would have stated had he been interrogated. Does this involve the issuance of five hundred or three hundred million dollars of bonds, or any other hundreds of millions of bonds, for the construction of public works?

Mr. ROBINSON of Arkansas. No; none whatever.

Mr. WAGNER. May I answer the Senator?

Mr. ROBINSON of Arkansas. May I answer the Senator? I thought I made it plain; and if I have not found language that will reach the understanding of the Senator from Indiana. I will try to do so.

Mr. WATSON. I beg the Senator's pardon. The Senator will have to make it very plain.

Mr. ROBINSON of Arkansas. The amendments which it is expected will be proposed will authorize \$300,000,000 through an expansion of credit on the part of the Reconstruction Finance Corporation; and my request for unanimous consent eliminates all controversial matters relating to programs of construction which many of us realize can

not be quickly worked out and which might very well be separated from this question of immediate relief.

Mr. WATSON. I thank the Senator. That does clarify the situation.

Mr. PITTMAN. Mr. President, will the Senator yield

Mr. WATSON. I yield to the Senator from Nevada. Mr. PITTMAN. I think we should not confuse two bills. One bill is pending before the Banking and Currency Committee which deals with relief in various forms. As the Senator has said, the Secretary of the Treasury does the authors of the bill the honor to approve three-fourths of it.

Mr. GLASS. Mr. President-

Mr. PITTMAN. Just a second, please.

The bill that we are now considering under the unanimous-consent request is an entirely different bill which was reported by the Manufactures Committee favorably about three months ago. It evolved from a contest that took place on the floor of the Senate. It was the outcome of the Costigan-La Follette bill and a substitute that was offered on this side of the Chamber.

While a majority of the Senate favored the purpose, they were divided. Eventually, the Wagner bill, which we are talking about, a compromise measure, was reported favorably. It embraces just two things. One of them is \$375,-000,000 to be loaned to the States where they ask for it in a proper way, in proportion to population, on certification of the Government; and the other is the proposition of \$375,000,000 for Federal aid in road construction.

It is proposed to strike out that portion of the bill dealing with road construction, which leaves nothing on earth in the bill except \$375,000,000 available to be loaned through the Reconstruction Finance Corporation to States on proper certification. The further amendment will be to reduce the amount of \$375,000,000 to \$300,000,000; and then it would seem to come within the accord not only of the administration but of everyone else who has spoken on this subject. Therefore, I should appeal to the Senator from Indiana, the leader on the other side, to withhold his objection at least until he understands the question. I think possibly now that he does understand it.

The President this morning has appealed to the country and appealed to the conscience and sentiment of the people of the country to make available \$300,000,000. Here is a bill that has been reported by a committee after due consideration, after a vote in this body, after the sentiment was tested, when we know that a majority is in favor of the bill as it was. Here is a proposal of the Democratic leader to limit this proposition purely and simply to \$300,000,000, to be loaned through the Reconstruction Finance Corporation, and leave all the other questions out of it. If you want that you can get it, and you can get it now.

Mr. WATSON. Oh, not right now. Mr. PITTMAN. You can get it immediately after this bill passes, unless you object.

Mr. WALCOTT, Mr. GLASS, and Mr. WAGNER addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Indiana yield?

Mr. WATSON. I yield to the Senator from Connecticut [Mr. WALCOTT], who tells me that he desires to ask the Senator from New York a question, if the Chair will permit

The PRESIDING OFFICER. The Chair thinks the Senator had better yield the floor until the other Senators get through discussing the matter.

Mr. WATSON. I will yield the floor, then.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WALCOTT. Mr. President, I should like to ask the Senator from New York or the Senator from Arkansas if, in speaking of the amendments to this bill, they include an amendment to clarify the language that was under discussion last week with reference to the relation between the Federal Government and the State governments. I understand clearly what the Senator from Arkansas said, that the portion of the bill referring to loans to States for charitable purposes is taken.

Mr. WAGNER. Destitution.

Mr. WALCOTT. Destitution. In our discussions, as the Senator recalls, there was an element of discussion as to the language, whether it created a partnership relation between the Federal Government and the State governments.

Mr. WAGNER. I think the Senator's recollection is a little inaccurate as to that. That discussion took place in discussing the bill introduced by the Senator from New Jersey which had to do with self-liquidating projects, which I contended, as the bill had been drawn, created a partner-ship between the Federal Government and the State governments or some subdivision thereof.

That discussion did not relate to the matter which we now have under consideration. I want to appeal, if I may, to the distinguished leader on the other side to grant this unanimous consent, because, as I understand, in all quarters there is practical unanimity that we must make this provision to take care of the needy cases in States which are unable, or soon will be unable, to cope further with the situation; and, as the Senator from Arkansas and the Senator from Nevada have so clearly explained, this has no relation whatever to the construction program about which there is some controversy now. We are separating the matters upon which there is practical unanimity from the controversial matters.

Mr. President, what I intended to do was now to ask that I may send to the desk the amendment which I propose to offer to the bill now upon the calendar, which can be printed over night, so that all the Senators will have an opportunity to examine its provisions. It is very simple in wording and application.

Mr. WALCOTT. Mr. President, I have talked this matter over at considerable length with the Senator from New York. I feel that what he is doing now is something that would meet with the unanimous approval of this side of the Chamber so far as I can see, and exactly what the Secretary of the Treasury wants; but, inasmuch as it is a little technical, and as it requires exact language, I suggest to the Senator from New York that he let this request for unanimous consent go over until we have seen the amendment, because the wording is important.

Mr. ROBINSON of Arkansas. Will the Senator yield to ne?

Mr. WALCOTT. Yes.

Mr. ROBINSON of Arkansas. If the Senator will pardon me, as I said in my statement preceding the request for unanimous consent, it does not seem to me either practicable or necessary for a few of us to undertake to agree on the exact language to go in this bill; and if we did so, the Senate probably would exercise its right to revise the language, and we would have accomplished nothing by undertaking to work out the details which the Senator has in mind.

My thought is that if we can agree upon the general proposition that we are going to abate controversies about disputed matters and proceed promptly to legislate upon the one phase of the subject about which there are only minor disputes, we should do so at once, and that we ought to do it without great difficulty.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Virginia?

Mr. WALCOTT. I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WAGNER. Mr. President, I just wanted to say to the Senator that I do not know what technical language the Senator has in mind; but as the Senator from Arkansas has so clearly stated as to language, or even as to policy, we can easily enough consider it when the matter is before the Senate. Perhaps some amendment may be made. Perhaps there may be differences of opinion as to how the money is to be apportioned, but those matters will not be up for consideration until the bill is before us, and those

of us who are interested—and I hope the Senators on the other side are as much interested as we are—think this consent ought to be given, so that we might bring this bill up for consideration at the earliest possible day. Any action to the contrary I should think might be misinterpreted by the country as being for the purpose of delaying consideration of this very important piece of legislation.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. GLASS. Mr. President, the Senator from Arkansas and the Senator from New York very properly assumed that I would not interpose any objection to a unanimous-consent agreement which would involve obstruction to the emergency legislation for the relief of the destitute, although neither of them conferred with me about the proposition to lay aside the bank bill.

I rise now only to say that I am not willing by my silence to have it implied that I have at all abated my conviction that unless the bank bill is passed at the present session of the Congress we are going to have in this country another era of bank failures which the Reconstruction Finance Corporation will not be able to avert or even to arrest.

I shall interpose no objection to the unanimous-consent request.

Mr. NORBECK. Mr. President, I want the Senate to know that the bill introduced by the five Senators, the Senator from New York and the Senator from Arkansas among them, is before the Committee on Banking and Currency, and has been for several days. Several sessions have been held on the bill, the committee wrestling with it, some hearings have been held, and I agreed with the Senator from New York an hour or two ago to call a meeting for tomorrow morning to proceed with that measure, which includes, among other items, the one just under discussion.

That is not the question now, however. I do not care how that matter is taken care of. The committee can be relieved of further consideration of the bill without any objection on my part. But my attention is called to the fact that the conference report on the agricultural appropriation bill, which bill passed the Senate a couple of months ago, and on which the conferees agreed some six or seven weeks ago, is on the table. That report occupies a privileged status, and there is great need of adopting it soon, as there are emergency measures in the bill. I just want to ask the Senator from Arkansas whether in asking unanimous consent, he will not change the request so as to take up the conference report on the agricultural bill first, and then the relief measure? It is a privileged matter, anyway.

Mr. McKellar. Mr. President, we can not do that, for the reason that it will be necessary to apply the same cuts to the agricultural appropriation bill that have been applied to the other bills. The Senator from Oregon [Mr. McNary] has held that bill up for the purpose of seeing what is done with the economy bill. Of course, I will be very happy to have the bill taken up as soon as the economy bill is passed, and we know what we are going to do.

Mr. NORBECK. It is proposed to take up the relief bill after the economy bill is disposed of.

Mr. ROBINSON of Arkansas. Mr. President, may I say to the Senator from South Dakota that the conference report on the agricultural appropriation bill will have a privileged status, and I should think he could call that up at almost any time he desired and was ready to do so.

I would not like to modify the request so as to require the emergency relief bill to come behind the conference report on the agricultural appropriation bill, for the reason that we do not know when that report will be ready. My whole thought is that we ought to get this emergency proposition disposed of, and that we can do it in a very few hours.

The Senator from Connecticut has indicated some possible controversy which may arise with respect to the language in the bill, and with the exception of one or two features I do not think there will be very much controversy over the bill. So that if we can take it up we can dispose

of it, then when the conference report on the agricultural appropriation bill is ready we can act upon that.

Mr. COUZENS. Mr. President, will the Senator from South Dakota yield?

Mr. NORBECK. I yield. Mr. COUZENS. I have had very great interest in the problem, as the Senator from New York has, and it has been before the Committee on Banking and Currency a number of times. I have had no opportunity to study the bill, and I am waiting for some information, so for the time being I will have to object. Perhaps later in the day, or to-morrow morning, I may not object; but for the time being I am going to have to object to any agreement to take up the bill referred to by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Mr. President, I recognize that if the Senator from Michigan makes the objection he has intimated he is going to make, that will prevent an arrangement being entered into. I will renew the request in the morning if the opportunity shall arise.

Mr. JONES obtained the floor.

Mr. WAGNER. Mr. President, will the Senator yield to me?

Mr. JONES. I just wanted to make a suggestion. We have been spending all this time on the conference report on the tax bill, and the Senator from Arkansas has asked unanimous consent regarding the emergency relief bill. I trust we may go ahead without further delay with the legislative appropriation bill, and I have no doubt that when that is out of the way unanimous consent will be given to take up the other measure.

Mr. ROBINSON of Arkansas. Mr. President, the economy bill has been before the Senate for several days. The Senate has consumed whole days in discussing a single amendment. The proposal I have made has consumed perhaps 5 or 10 minutes, and it is in the interest of dispatching legislation and of making possible an adjournment of the Congress in the early future.

I do not think the Senator from Washington is justified in making the remarks he has made about the delay which this proposal for unanimous consent has caused with respect to the economy bill. What assurance has the Senator from Washington that the Senate will not continue to do what it has been doing for several days?

Mr. JONES. Mr. President, I can not assure the Senator of what the Senate will do.

Mr. ROBINSON of Arkansas. The Senator can, of course, object to a unanimous consent which has for its purpose the prompt passage of an emergency relief measure.

Mr. JONES. The Senator knows I did not object.

Mr. ROBINSON of Arkansas. No; but the Senator has rather resented the idea that the proposal is made.

Mr. JONES. Not at all.

Mr. ROBINSON of Arkansas. He has seemed to think that it has caused some delay in the business of the Senate.

Go on and pass the economy bill. The quicker it is done the greater will be my satisfaction and the greater will be the relief of the entire country.

Mr. JONES. Mr. President, I will not take more time in discussing that

Mr. BARBOUR. Mr. President, will the Senator from Washington yield to me?

Mr. JONES. I yield.

Mr. BARBOUR. As the author of one of the unemployment relief bills, I would like to say, without intending to interfere in any way with the discussion, that in principle I am whole-heartedly in accord with the Senator from Arkansas and approve what he said. I shall myself be very glad to see the request for unanimous consent renewed, if that is possible, for I know exactly what the Senator means, and I am sure I know exactly what the Senator from New York means. As one on this side of the aisle perhaps more interested than any other Senator, I want to make it clear that I would like to see accomplished exactly what the Senator from Arkansas is striving to bring about.

Mr. LEWIS. Mr. President, will the Senator from Washington yield?

Mr. JONES. I was about to submit a unanimous-consent request.

Mr. LEWIS. I enter here a thought which I think I ought to put into expression.

I am one of those with whom the President of the United States conferred touching the matter of these bills for relief to the States. I am one of the five Senators, I assume. to whom the Senator from South Dakota [Mr. Norbeck] has alluded.

Mr. President, it is due to be said that when the President had that conference, particularly with me-and I am sure it was the same with my colleagues, at some other time, either later, or possibly preceding me-there was something of an understanding, which honor can, I think, add its color to, that there should be no other feature of these relief bills esteemed to have been consented to by the President other than the single one of the power to be conferred upon the board of relief, privileging them to extend loans to the States, and it is upon the theory that the States then would distribute this benefaction to such localities or associations or aggregations of the States as the necessity justified.

I was authorized to communicate these views to the leader of the Democracy on this side, the Senator from Arkansas [Mr. Robinson], and opportunity had not been given me to do so. It is apparent to me that he had the advice directly and it now seems it would have been unnecessary for me to speak of the matter to him. But I can not permit those who are interested in the bill to go farther on the theory that the unanimous consent may be granted in the morning, and that unanimous consent to take up all the features, when something of an honor agreement had been made that the President gave his adherence to the single feature of this \$300,000,000 as a loan to be granted through this corporation of relief to the States.

In this connection I beg the indulgence of the Senate a second; no longer time will I presume to take, nor is it necessary to take. I refer to the very pathetic and threatening condition of the State of Illinois, with its great mass of unemployed, its countless thousands of hungry, the distress of those without habitation—that condition, sir, which has been caused by the vast mass of people, who are not altogether of Illinois, but having come from the East toward the center, from the Pacific coast toward the center, happen to find themselves in the great city of Chicago, but for whom care must quickly be had lest, in their great and dire distress, a more serious condition arise out of the confusion which may take on the form of lawlessness and danger.

Therefore, Mr. President, the interest I have will be clearly seen to be very serious, and I am anxious that in this time of reflection there shall arise no objection to the unanimous consent upon the theory that all the provisions in all of these relief bills will be entered upon merely after and immediately after the consent is granted.

I must say that I have an understanding, so far as that for which I speak is concerned, that at the present time I keep my contract with the President to limit the situation, the contention, and the debate to the issue solely to give the right to the corporation to make a loan to the States in the sum of \$300,000,000, now pending.

Having made the matter clear, showing that there is no purpose on my part or consent on my part that there shall be any possible violation, inadvertently or otherwise, of the agreement, I have expressed the purpose for which the Senate has been kind enough to indulge me.

Mr. HARRISON. Mr. President, I was somewhat surprised that any objection should have been raised to the proposal of the Senator from Arkansas [Mr. Robinson], especially in view of the fact that we were trying to expedite the public business and get some of the relief to which the President has finally given his assent. The only reason I can attribute for the objection is that perhaps some of these distinguished gentlemen want to give to the moving pictures an opportunity for the President to get on the screen and repeat that memorable Senate speech that he made here on last Tuesday. It will be recalled-and the Senate

is familiar with that historic journey here—that he came up on Tuesday on that sensational trip after the work of the Senate was finished and after the program had been all but concluded; but if any Senator would travel down to the movie pictures here in Washington, he would see the picture of the President making that speech to the movie audience. Of course, it is supposed to be the same speech he delivered here and gives the impression he was speaking to the Senate. He said:

Time is of the essence. Every day's delay makes new wounds and extends them. I come before you in sympathy with the difficulties which the problem presents and in a sincere spirit of helpfulness.

No doubt the same picture is being sent to all the movingpicture houses of the country, showing the President of the United States speaking to the Senate, driving them into action on a tax bill that had already been framed and was ready to be shot through its final stages just as soon as he could carry himself away from the Capitol.

I dislike to shatter the dreams of the youth of the country who in the movies will sit and view the President driving the Senate into action, but the truth ought to be told, the facts ought to be given to the people, even though these movie audiences by the thousands will be disillusioned. There is a rule of the Senate that no picture can be taken in the Senate Chamber. It is an old regulation of this body that camera men may not come here and photograph Senators in action, or even the President of the United States making an historic address. So this pretended picture that will be flashed upon the screen from one end of the country to the other does not present the true facts at all. There was no picture taken of the President last Tuesday during that memorable speech. No picture is ever taken of this body while the Senate is in session.

I would tell the folks back home, so the truth could be known. Whether he rehearsed that speech in the Vice President's room just before he came into the Senate Chamber or after he had expressed himself to the Senate I do not know. I do not know-I wish I did know so I could give the truth to history—whether the President made the speech for the movies the day before he came down here. whether he made it in the Gold Room or the Red Room or the Blue Room at the White House, or whether he waited until the day after he spoke to the Senate. But one thing the people of the country must know, and that is that the speech which they may see him making upon the screen "driving the Senate" to consideration of the tax bill was not made in the Senate Chamber. It is merely a pose. It is a piece of gross hypocrisy, mere sham and pretense, and the President is a party to it when he permits it to go out over the country that he was making the speech to the Senate of the United States. What a spectacle! How beneath the dignity of a President of the United States!

Mr. BARKLEY. Mr. President, I had risen a moment ago to ask the Senator a question, but he has already answered it. I wanted to inquire whether the Senator had seen the picture.

Mr. HARRISON. No, I have not; but I am going to see it, because I like to keep up with Republican shams as the campaign proceeds.

Mr. BARKLEY. Does the picture show the Senate in session?

Mr. HARRISON. Oh, no; it shows just the President. I understand that it discloses the President speaking in a louder tone of voice than he used in the Senate Chamber [laughter], because, close as I was to the place from which he spoke here in the Senate Chamber, I could hardly hear him. I understand that in the movie speech, however, he can be heard to the uttermost parts of the great moving-picture theaters. He is pictured as a fighting man.

Mr. BARKLEY. If the picture upon the screen does not show the audience, it may be the distance of the audience from the President at the time required him to speak louder.

Mr. HARRISON. Yes; and after the next election he will be still farther from the audience and the audience will be still farther away from him. [Laughter.]

UNEMPLOYMENT RELIEF

Mr. WAGNER submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 3696) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, which was ordered to lie on the table, to be printed, and to be printed in the Record, as follows:

Amendment in the nature of a substitute intended to be proposed by Mr. Wagner to the bill (S. 3696) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

"That (a) to aid in furnishing relief and work relief to the needy and distressed people residing in the several States and in relieving the hardship resulting from unemployment, the Reconstruction Finance Corporation is authorized and empowered to make grants to the several States for such purposes out of the funds made available by the Reconstruction Finance Corporation act, under the terms and conditions hereinafter set forth, and in an aggregate amount of not to exceed \$300,000,000. Such amount shall be apportioned among the several States in the proportion which their population bears to the total population of the States of the United States according to the Fifteenth Decennial Census. Such apportionment shall be made by the corporation within 10 days after the date of enactment of this act, and the corporation shall immediately certify to the governors of the several States the amount apportioned to each State. The amounts so apportioned to any State shall be available for payment to such State for the purposes of this section until the expiration of two years after the date of enactment of this act.

date of enactment of this act.

"(b) The aggregate amount of the grants made to any State under this section shall not be in excess of the amount apportioned to such State. The amount of the grant or grants to each State shall be reimbursed to the Reconstruction Finance Corporation by making annual deductions, beginning with the fiscal year 1937, from moneys payable under regular apportionments made from future Federal grants in aid of the States for the construction of highways and rural post roads, of an amount equal to one-fifth of the share which such State would be entitled to receive under such apportionment, except for the provisions of this section, or of an amount equal to one-fifth of the grant or grants made pursuant to this section, whichever is the lesser, until the sum of such deductions shall equal the total amount of such grant or grants. Whenever any such deduction is made, the Secretary of the Treasury shall immediately pay to the Reconstruction Finance Corporation the amount so deducted: Provided, That such deduction shall not be made with respect to any State which shall enter into an agreement with the Reconstruction Finance Corporation for the repayment of the amount of the grant within 10 years of the making thereof in such installments and upon such terms as may be agreed upon between such State and the Reconstruction Finance Corporation and so long as such State shall not be in default in the performance of the terms of such agreement.

"(c) Any State making application for funds under this section shall, through its governor, (1) certify the necessity for such funds, and that its own resources, including moneys made available and which can be made available by the State, the civil subdivisions and private contributions are inadequate to meet its relief needs; and (2) submit its plan for the administration of such funds within such State. In any State having a State department of welfare or charities, such department shall administer the funds granted to the State pursuant to this section, except that in any State in which, in accordance with the laws of the State, there has been set up a special emergency organization for the administration of relief, such special organization may administer the funds so granted to such State: Provided, That in any State where no state-wide board of charities exists, or no special emergency organization has been set up, the amount allotted to such State shall be distributed by the joint action of the governor and the State board constituted for controlling the financial affairs of such State, if such board exists, or by the governor, if such board does not exist.

governor, if such board does not exist.

"(d) The amount of any grant authorized under this section shall be paid to the State upon delivery by the State to the Reconstruction Finance Corporation of a receipt for such amount, which receipt shall state that the grant is accepted subject to the terms of this section."

Amend the title so as to read: "An act to provide for advances to States for the relief of distress arising from unemployment, and for other purposes."

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. JONES. Mr. President, I assume I shall probably not be able to get the bill through to-day. I ask unanimous consent that when the Senate closes its session to-day it recess until 10 o'clock to-morrow morning.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. JONES. I desire to say in this connection that I shall expect the Senate to remain in session until not later than 10 o'clock to-morrow night unless the bill should be disposed of before that time.

I now ask that the next amendment may be stated.

The next amendment of the Committee on Appropriations was, on page 49, after line 14, to insert:

SEC. 107. Beginning July 1, 1932, the salaries of the commissioners of the United States Shipping Board, the members of the Federal Farm Board (except the Secretary of Agriculture), the members of the Board of Mediation, the commissioners of the Interstate Commerce Commission, the Administrator of Veterans' Affairs, the commissioners of the United States Tariff Commission, the American commissioner of the General Claims Commission, United States and Mexico, and the umpire and American commissioner of the Mixed Claims Commission, United States and Germany, shall be at the rate of \$10,000 per annum; and after June 30, 1932, no officer or employee of the Federal Farm Board, the United States Shipping Board Merchant Fleet Corporation, or of any governmental function named in this section shall receive a salary at a rate in excess of \$10,000 per annum. The provisions of section 102 shall apply to the compensation of offices and positions provided for in this section.

The PRESIDING OFFICER (Mr. Couzens in the chair). The question is on agreeing to the amendment on page 49, line 15.

The amendment was agreed to.

Mr. JONES. Mr. President, on page 46, in one of the exceptions to paragraph (e) the active enlisted personnel of the Army, Navy, and Marine Corps, I desire to say that the Commandant of the Coast Guard saw me to-day and assured me that the Coast Guard are under military regulations just the same as the Marine Corps; that a man is enlisted for a certain definite length of time; that if he leaves without permission he can be arrested and put in jail, and so on. I think under those conditions I should offer an amendment so that we can take the matter to conference and look into it carefully. Therefore I move to insert on page 46, line 16, after the word "Navy," the words "Coast Guard."

Mr. BRATTON. Mr. President, in view of the explanation made by the chairman of the committee I think the amendment should be adopted and let it go to conference.

The PRESIDING OFFICER. May the present occupant of the chair draw attention to the fact that the amendment heretofore adopted will have to be reconsidered.

Mr. JONES. Yes; that is true.

The PRESIDING OFFICER. Without objection, the vote by which the amendment heretofore agreed to is reconsidered. The question is on agreeing to the amendment offered by the Senator from Washington to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to, as follows:

(e) The active enlisted personnel of the Army, Navy, Coast Guard, and Marine Corps, or.

Mr. BYRNES. Mr. President, I desire to offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 46, line 15, between the words "adjustment" and "or," insert the following:

Provided, That any reduction in the compensation of such employees shall not in any case exceed 10 per cent of existing rates.

So as to read:

(d) Any office, position, employment, or enlistment the compensation for which is adjustable to conform to the prevailing local rate for similar work, but the wage board or other body charged with the duty of making such adjustment shall immediately take such action as may be necessary to effect such adjustment: Provided, That any reduction in the compensation of such employees shall not in any case exceed 10 per cent of existing rates; or.

The PRESIDING OFFICER. May the present occupant of the Chair draw the Senator's attention to the fact that there is a unanimous-consent agreement to consider committee amendments first.

Mr. BYRNES. This is offered as a committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina in behalf of the committee.

The amendment was agreed to.

Mr. BLAINE. Mr. President, I want to inquire, for the purpose of obtaining some information, how much the exemption given the Coast Guard will reduce the alleged economies in the bill?

Mr. JONES. Mr. President, I must say to the Senator that I can not tell him, because the matter just came to my attention a couple of hours ago. I take it that it will not be very large, but, as I said, I can not tell the Senator. That is one matter I want to look up in conference.

Mr. BLAINE. It is very important in considering the balancing of the Budget. As I understand it, the appropriation to the Coast Guard for the enforcement of prohibition runs a little over \$16,000,000 a year. Substantially all of that is for personnel, including enlisted men. In view of that one item, though this is probably only a guess, on the basis of 10 per cent it would affect it to the extent of from \$1,000,000 to \$1,250,000, would it not?

Mr. JONES. It might.

Mr. BLAINE. Then the regular appropriation for the Coast Guard in addition to that would amount to an additional sum, so that if we reduce the amount saved by the economy bill it will be reduced between \$1,000,000 and \$2.000,000?

Mr. JONES. This would not add to the appropriation for the Coast Guard, but of course it would increase the reduction made in the possible saving in the bill.

Mr. BLAINE. It would not add to the appropriation for the Coast Guard, of course.

Mr. JONES. This would not affect the appropriation for the Coast Guard one way or the other. If these men should be excepted from the reduction, that would reduce the amount we would save by this bill without affecting the appropriation for the Coast Guard.

Mr. BLAINE. That might run over \$1,000,000?

Mr. JONES. Yes; it might.

Mr. President, it was the understanding, or at least it was my understanding, that the Senator from New Hampshire [Mr. Moses] would at this point offer a substitute for this title. I think, if consent is given for that, we should perfect the text. If in addition to the committee amendments there are any other amendments that any Senator desires to propose to the text of this part of the bill, I would have no objection to such amendments being considered. I do not know whether there are any more amendments to be offered or not.

The PRESIDING OFFICER. There is one additional amendment, which will be stated.

The CHIEF CLERK. On page 50, line 12, it is proposed to strike out the words "other purposes" and to insert "purpose other than the payment of salaries," so as to read:

SEC. 108. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose other than the payment of salaries, but shall be impounded and returned to the Treasury.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FLETCHER. I have an amendment to offer on page 58.

The PRESIDING OFFICER. That is beyond this point.
Mr. MOSES. We have not yet reached that point in
the bill.

Mr. JONES. The amendment just agreed to completes Title I, so far as the committee amendments are concerned.

Mr. MOSES. Mr. President, I now ask unanimous consent that I may offer my amendment, which is in the nature of a complete substitute for Title I.

Mr. JONES. I desire to say that I shall have no objection to the substitute being offered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire? The Chair hears none.

Mr. MOSES. Mr. President, the substitute has been printed, but under my right as the author of the amendment to perfect the amendment I wish, on page 3, line 22, after the Arabic number "(6)," to strike out the words "insolvent bank receivers and bank examiners" and insert "public officials and employees," so that it will read:

* * public officials and employees whose compensation is not paid from the Federal Treasury.

This amendment is for the purpose of taking care of the personnel of the Federal Reserve Board, who are paid, not from the Public Treasury but from funds provided by the member banks.

I also, on page 6, in lines 2 and 3, wish to strike out the words "the Administrator of Veterans' Affairs," this being done in order to make the amendment which I am perfecting conform to the changes heretofore made in the text of the title as affected by individual and committee amendments offered and already agreed to.

I wish further, Mr. President, to perfect my amendment on page 3, at the end of the paragraph, by making the language to conform to the language which is in the bill as already agreed to. Therefore I wish to strike out, after the word "Treasury," the period and to insert the word "or," and then the words found on page 46 of the bill, beginning in line 16, "the active enlisted personnel of the Army, Navy, and Marine Corps."

Mr. JONES. I suggest to the Senator that he insert the words "and the Coast Guard," which we just added.

Mr. MOSES. I will add the words "and the Coast Guard," those words having just been incorporated in the bill

Mr. COSTIGAN. Mr. President, I ask the Senator again to state what his second perfecting amendment is.

Mr. MOSES. The second perfecting amendment was to strike out the words "the Administrator of Veterans' Affairs." That amendment is proposed in order to make the amendment conform to the bill as already acted upon by the Senate.

Mr. FLETCHER. Mr. President, will the Senator from New Hampshire yield to me?

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Florida?

Mr. MOSES. I yield.

Mr. FLETCHER. As the Senator from New Hampshire proceeds to explain his amendment, I should like to inquire what effect the adoption of the amendment would have on employees who are not under the civil service, as well as the employees of the Senate and the House, unless the Senator proposes to exempt them?

Mr. MOSES. The Senator will find, as he goes through my amendment, beginning at line 13, on page 4, all legislative salaries taken care of, including the salary of the Vice President, the Speaker of the House, and so forth. He will find that matter entirely covered.

Mr. LA FOLLETTE. Mr. President-

Mr. MOSES. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Before the Senator from New Hampshire begins his explanation of the amendment, will he yield to me for the purpose of suggesting the absence of a cuorum?

Mr. MOSES. I yield for that purpose.

Mr. LA FOLLETTE. I suggest the absence of a quorum, Mr. President.

The VICE PRESIDENT. The Secretary will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Bulkley	Costigan	Harrison
Bailey	Bulow	Couzens	Hatfield
Bankhead	Byrnes	Davis	Hawes
Barbour	Capper	Dickinson	Hebert
Barkley	Caraway	Fletcher	Howell
Bingham	Carey	George	Hull
Blaine	Cohen	Glass	Johnson
Borah	Connally	Goldsborough	Jones
Bratton	Coolidge	Hale	Kean

Kendrick Keyes La Follette Logan McGill McKellar McNary Metcalf Moses Neely Norbeck Norris Nye Oddie Patterson Reed Robinson, Ark. Robinson, Ind.

Schall
Sheppard
Shortridge
Smith
Smoot
Steiwer
Thomas, Idaho
Thomas, Okla.
Townsend

Trammell Tydings Vandenberg Wagner Walcott Walsh, Mont. Watson White

The VICE PRESIDENT. Seventy-one Senators having answered to their names, a quorum is present.

Mr. MOSES. Mr. President, the amendment which I have offered, and which is printed both in the RECORD of Saturday and in the usual form of printed amendments, presents merely the question of policy, which has not as yet been taken up and determined by the Senate in connection with the matter of dealing with civil-service employees. The Senate already, in approving of the action taken by the special subcommittee on economy, which action has been embodied in the legislative appropriation bill now before us, has passed upon the question of a horizontal uniform reduction in salaries of all who are in the Federal employment. That, Mr. President, is a form of economy which seems to me to be open to grave objection and to be unjustifiable in that it penalizes many who are in the lower brackets of Federal employment. It is open to the further objection that upon the termination of the period within which these horizontal slashes of salaries will take place both the Congress and the employees affected by the legislation will be subjected to the necessity of a complete revision of the salary schedule, and it may be that at such time the temper of Congress will be such that the employees will suffer very greatly by the outcome of such an attempt; whereas the furlough plan which I have presented—and I make no secret of the fact, Mr. President, that it embodies the views of those who will have to administer whatever form of economy is applied to the Federal service-compels no employee to lose his place; it compels no employee to lose his salary; but merely lays upon each employee the burden of absenting himself for a given period from the public service without pay.

Mr. BARKLEY. Mr. President-

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Kentucky?

Mr. MOSES. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator may have already afforded the Senate the information I am about to seek, but I should like to ask whether the so-called furlough plan which has been offered by the Senator is the administration's program for the reduction of Government expenses?

Mr. MOSES. Mr. President, I take full responsibility as a Senator from New Hampshire for having offered this plan, and I have already stated that it embodies the views of those administrative officers who will have to put into effect whatever kind of economy measures shall be agreed upon.

Mr. BARKLEY. Does that include the President?

Mr. MOSES. I have never consulted the President about it, nor has the President informed me of his views.

Mr. BARKLEY. The Senator, then, does not know whether in introducing this amendment he represents the wishes of the President of the United States, or whether the President prefers the plan which has been adopted by the subcommittee?

Mr. MOSES. The Senator from Kentucky, in anticipation of the duties which he possibly will have to take on in a few weeks, is undoubtedly very familiar with current events; and, of course, he therefore is not in ignorance of the fact that the President hitherto has urged a furlough plan upon the attention of Congress.

Mr. BARKLEY. I understand that; but I do not know that that necessarily has anything to do with the performance of any duty that may be incumbent upon me in the future.

Mr. MOSES. Nor upon me.

Mr. BARKLEY. As a Member of this body, I thought it probably would not be out of place to inquire whether the Senator's amendment is an administration proposal for economy.

Mr. MOSES. Mr. President, my friendship for the Chief Executive is so well known that I need not dilate upon that; and I merely beg my distinguished friend from Kentucky to accept my statement that I am offering this amendment on my own responsibility.

Mr. BARKLEY. Of course I realize that. We all do that here. We introduce amendments on our own responsibility. because we have to; but we sometimes have suggestions from the outside as to the propriety of introducing amendments. I, of course, would not intimate that the Senator from New Hampshire has to be prompted by anybody in the matter of amendments or any other course he may see fit to pursue here.

Mr. MOSES. No. Mr. President; I am a self-starter. [Laughter.]

Mr. BARKLEY. We all recognize that.

Mr. MOSES. And I hope that the Senator from Kentucky would not be deterred from voting for my amendment even if it were favored by the President of the United

Mr. BARKLEY. Oh, I would not be deterred on that account, although I might be more cautious in looking into its merits than I otherwise would.

Mr. MOSES. Mr. President, to resume at the period where the pleasant interlude with the Senator from Kentucky took place, I want to say that when we come to decide the important question of policy which is represented first of all by a choice between what the committee has recommended and what I am now proposing to the Senate, and which in all of its implications means much more to those who are affected by it than any discussion which might take place here, we must not lose sight of the fact that those who are most immediately affected by this type of legislation have some right to be heard.

I do not assume to speak with authority for them. We all know, however, that at the outset they were rigidly opposed to any policy of Federal economy which involved them and their relation to the Federal pay roll. We know, however, that the inexorable logic of events brought them to a point where they recognized generously that every citizen, whether a public employee or not, must take on some share of the burden necessitated by the task of bringing the country out of its present fiscal situation, whether by the payment of additional taxes or by suffering a reduction in his Federal income. I think, however, from information which has come to me within the last few days, that I am quite within the bounds of accuracy in saying that the great mass of people who will be affected by this legislation infinitely prefer the furlough plan to the horizontal drastic cuts in Fed-

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Idaho?

Mr. MOSES. I yield. Mr. BORAH. I am rather surprised at that statement. I suppose the Senator has some reason for making it. Every letter I have had, and every personal contact I have had with the employees, has been to the contrary.

I was stopped to-day on my way out by a committee-apparently a committee-very much opposed to it. Of course, they were not desirous of the salary reduction; but they said that they preferred the salary reduction to this, for certain reasons which at this time I perhaps will not state. But has there been any expression upon the part of their organizations either way?

Mr. MOSES. Mr. President, I think I am safe in saying that those whom I have been accustomed to regard as the spokesmen for very large groups of Federal employees have made known to me that they infinitely prefer the furlough system to the pay-cut system.

Mr. BORAH. There must be a division among them. Mr. MOSES. Oh, there is a division of opinion in any body of men. There is a division of opinion in the Senate on a great many things. The Senator from Idaho and I. though seeing eye to eye on many, many questions, find ourselves in radical disagreement on some other matters of public policy.

Mr. BORAH. After a time, however, we come to express ourselves here, and the majority determines the matter. I have wondered if there has been any action upon the part of these organizations one way or the other upon this question. It is a matter about which I should like to know.

Mr. MOSES. If the Senator means a plebiscite, a questionnaire among all the membership of these organizations, I do not know that any such thing has taken place. I only know that those whom I have been accustomed to regard as the mouthpieces of great organizations have expressed to me their opinion as I now express it to the Senate.

Since the matter involves merely a question of policy, far-

reaching in its effect-

Mr. McKELLAR. Mr. President-

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Tennessee?

Mr. MOSES. I yield to the Senator.

Mr. McKELLAR. I should like to ask the Senator what will be the amount of the reductions under his proposed sub-

Mr. MOSES. Upon the theory of the best computation which I have been able to make—and I do not claim to be an actuary-I would set the saving to be made under the furlough plan at approximately \$90,000,000. It might run a little above that. I have not been able, under any set of computations which I could make, to bring it more than \$2,000,000 below.

I recognize that there is a difference of a considerable sum of money between this amount and the estimated economies to be had under the measure provided by the committee; but when we have before us the general question of taking action of this sort, so widely effective upon so many people, it does not seem to me that we are warranted in making mere arithmetical computations to determine whether one set of proposals or another shall produce the greater saving.

My desire is to bring about action along the lines of my earnest belief, namely, that every Federal employee should make some contribution in this crisis. My chief desire is to have that contribution made in such wise that it will bear with least difficulty upon those who have to take on the burden, will leave them in the best situation at the end of the period for the economy which we are now instituting, and will free the Congress from those widespread and complicated endeavors which we certainly will have to take up if we are forced, a year from now, to undertake a general revision of the Federal pay roll.

Mr. BYRNES. Mr. President, I desire to explain as briefly as I can the differences between the two plans now presented to the Senate.

The plan represented by the Senator from New Hampshire [Mr. Moses], according to his statement, would save approximately \$90,000,000. That is a higher estimate than has ever been made by any advocate of the plan. The highest estimate heretofore made by any advocate of the plan has been \$83,000,000. It is divided in this way:

It is claimed that in the Post Office Department, after allowing for substitutes, there would be a saving of \$24,000,-000. It is claimed further that there would be a saving in the allowance to rural carriers of \$10,312,000.

Manifestly the rural carriers can not be furloughed; and when it was found by those advocating the plan that the rural carriers could not be furloughed they provided that the rural carriers should be taken care of by providing that they should receive only three-eighths of the amount now allowed to them on account of equipment allowance. That means that by reason of the provisions of this furlough amendment the rural carrier will sustain a reduction of the amount allowed to him equal to a fraction between 13 and 14 per cent. Under the committee plan the rural carrier, like all other employees of the Government, is asked to sustain a reduction of 10 per cent. By the provisions of this furlough plan he is made to suffer a greater reduction than any other employee of the Government of the United States. The average equipment allowance is \$383. Under this amendment they would be allowed three-eighths, or \$144,

making a loss to the carrier of \$239, when the average pay of the carrier is only \$2,017.

In addition to that it is said that on account of the employees outside of the Post Office Department there will be a saving of \$46,000,000. While it is claimed that the furlough plan would save \$46,000,000, we are told that it would offer an opportunity to employ substitutes. If substitutes are employed, it will never save any \$46,000,000, and the advocates of the plan have never deducted a single dollar from the \$46,000,000 to account for the money that is to be paid to substitutes. But if we take every dollar that is claimed, the saving under the furlough plan would amount to \$81,713,000.

The saving provided for in the committee bill is approximately \$120,000,000. The Senator from New Hampshire has spoken of his great friendship for the President, which he says is well known to the Members of this body, and I really am surprised at his offering this amendment. I am also surprised that the Senator from Indiana [Mr. Watson], the Republican leader, should be in favor of it. In fact, I was surprised on Saturday afternoon, when after we had perfected this amendment both the Senator from Indiana and the Senator from New Hampshire voted against the adoption of this amendment, which meant a saving of \$120,000,000, because the President of the United States on Tuesday last made this statement to the Senate:

I do know that the committee has made honest and earnest effort to reach a just reduction in expenditures, and I trust, therefore, that despite any of our individual views or the sacrifice of any group that we can unite in support and expeditious adoption of the committee's conclusions.

That was an appeal to the Senator from New Hampshire and an appeal to the Senator from Indiana that notwith-standing any personal view held by them they might sacrifice that individual view in order to promote a reduction in expenditures. Had the Senate followed the course of these two leaders, there would be no saving in the bill to-day on account of salaries.

The Senator from Washington [Mr. Jones], the Senator from Connecticut [Mr. BINGHAM], the Senator from Iowa [Mr. Dickinson], the Senator from New Mexico [Mr. Brat-TON], the Senator from Tennessee [Mr. McKellar], and myself entered upon the consideration of these measures. never once having the question of partisanship raised, solely in the hope of accomplishing a reduction of expenditures. We each made sacrifices daily of our views. I do not hesitate to say that before I entered into an investigation of it I thought well of the furlough plan. I know that the Senator from Washington [Mr. Jones] sacrificed his view time and again, and during the last few days has cast votes not in accordance with his view as originally entertained-votes that might affect him politically—but because of his courage he hesitated not, knowing it was in the interest of an agreement by the Members of this body. I do not think that the Senator from Indiana [Mr. Watson], occupying the position he does, and the Senator from New Hampshire [Mr. Moses] should fail to accord to their President the support that he plead for last Monday when he begged that they sacrifice their personal views and expeditiously adopt the recommendations of this committee.

Mr. President, after carefully considering the furlough plan I deemed it impracticable and unfair; and I submit that no matter what the Senator from New Hampshire may say as to his plan being in accord with the views of those who will be charged with administering it, I think it would be exceedingly unwise. What is the difference? In the amendment of the bill sponsored by the Senator from Washington it is provided that there shall be a 10 per cent cut. The plan sponsored by the Senator from New Hampshire provides for an 8½ per cent cut.

Under the amendment of the Senator from Maryland to the committee bill no person receiving compensation of less than a thousand dollars would suffer any reduction. Under the plan of the Senator from New Hampshire it is \$1,200 instead of \$1,000. The difference in percentage is $8\frac{1}{2}$ on the man with a salary of \$1,200 under the plan of the Sena-

tor from New Hampshire, and 10 per cent under the committee plan.

Under the plan of the Senator from New Hampshire it is $8\frac{1}{2}$ per cent on the man receiving seven or eight thousand dollars. It is a horizontal cut, but there is this fundamental difference, that in the plan of the Senator from New Hampshire it is provided that the President shall have power to exempt an employee from the provisions of the furlough plan.

The committee knew that that power would have to be exercised by the heads of the various departments, and that inevitably it would result in favoritism being shown to certain employees. When the head of a department would say, "Mr. Jones, you are indispensable; therefore I recommend that you be exempted from the provisions of the furlough plan." Mr. Smith, in the same office, would say, "Because Jones stands in with the boss of this department, he is exempted; he gets no deduction. I have to suffer a furlough and be sent out for 30 days without any pay at all."

I believe it would result throughout the service of the Government in the exercise of discretion on the part of bureau chiefs and of heads of departments which would cause more dissatisfaction throughout the service than any one thing I know of. It would give to the heads of the departments the right to say that one man should suffer a loss of a month's pay but that another should not suffer the loss of a dollar's pay. The committee took that into consideration. The Senator from New Hampshire just said that District policemen and District firemen ought to be exempted. Under the committee plan they are not exempted. What are we going to do about the men on guard on the border in the Immigration Service and similar employees in other services throughout the country? Who is going to take their places? Can they be furloughed for 30 days? If they are turned loose for 30 days, will it not be necessary to put on substitutes; and if we employ substitutes, will there be any saving? The more carefully we analyzed it the more certain we became that no man could figure what it would cost without knowing what the number of exemptions would be.

Then we came back to the recommendation made to the committee of the cut of 10 per cent. That applies, as I said the other day, from President to porter, and from judge to janitor, with the exception of the enlisted men of the Army and Navy and Coast Guard. A man in the service will say, "However much I dislike it, all are treated alike. I am satisfied, since every man is to be made to make the same sacrifice at this time. I will be dissatisfied only if favoritism is shown."

This furlough plan would open the door for favoritism.

The President, speaking to the Senator from New Hampshire and the Senator from Indiana, in this Senate a week ago said:

In addition to the economies which may be brought about through the economy bill, the direct reductions of the appropriations committee should increase this figure to at least \$400,-900,000, not including certain postponements to later deficiency bills.

That includes \$250,000,000 savings proposed by the committee in this bill, and an anticipated \$150,000,000 additional savings from appropriation bills.

The President said further:

As this sum forms the basis of calculations as to increased taxes necessary, it is essential that, no matter what the details may be, that amount of reduction must be obtained or taxes must be increased to compensate.

This bipartisan committee and nonpartisan committee has brought in a bill which provides a reduction of approximately \$250,000,000, including a reduction in salaries of \$120,000,000. The plan of the Senator from New Hampshire, according to its most enthusiastic advocates, would save \$83,000,000, a difference of \$40,000,000.

The Senator from New Hampshire says the saving would be \$90,000,000, and I accept the amendment. I referred to the most enthusiastic advocate, and I meant the most enthusiastic advocate up to the time the eminent Senator from New Hampshire adopted it as his plan. Heretofore it has been claimed that it would save \$83,000,000. Now the Senator from New Hampshire says \$90,000,000, which would mean a loss of \$30,000,000 in savings. It could mean there would be favoritism shown to some employees, discrimination in favor of some employees, while under the other plan there would be an equal deduction of 10 per cent to all employees of the Government whose compensation is in excess of a thousand dollars.

I hope the proposed plan will not be adopted by the Senate.

Mr. VANDENBERG. Mr. President, with the greatest respect and deference for my able friend the Senator from South Carolina [Mr. Byrnes]. I rise to differ from him in his viewpoint respecting the furlough amendment offered by the Senator from New Hampshire. The Senator from South Carolina is entitled to more consideration so far as the Senate is concerned, in view of his long study of the subject and his unselfish and courageous service on the Economy Committee. But I am moved to wonder whether the Senator is not constrained to support the committee program because it is the committee program. I wonder whether he is now able to consider open-mindedly the present merit of the alternative furlough proposition, and particularly the alternative furlough proposition as I shall ask the Senate to amend it.

It seems to me that the furlough plan, for one year only, has credentials which entitle it to emphatic preference over the straight horizontal pay cut which was voted on Saturday by the Senate. In the first place, it avoids any disturbance of actual wage rates. We have heard a great deal about psychology, and its effect upon our economic situation in the present unhappy condition in which the country finds itself. I know of no more useful contribution to helpful psychology than not to disturb existing wage rates, if we can accomplish our unavoidable economy purpose by another method, and I think the distinction is a difference which is something more than a mere distinction.

Furthermore, if we are thinking in terms of this popular psychology which we are asked so often to consult, it seems to me that it is particularly useful to embrace the furlough plan. The furlough plan is a trend in the direction of experiment with the 5-day week. The 5-day week and the shorter work day in the 5-day week are calculated, in my judgment, to be the ultimate, inevitable economic reliance of the country in finally liquidating our economic difficulties in this mechanical age with its heavy and permanent technological unemployment. Here, in a sense, is a laboratory test in the shorter work week and the shorter work day. Thus, the trends involved in the furlough plan, it seems to me, have infinitely much to commend them in preference to the horizontal wage reduction which now stands in the committee bill. The latter trend is reactionary. The former is progressive. If we can save the public money sufficiently by either method, I am persuaded that it is highly preferable to do it in a forward-looking way.

Moreover, of course, it is less burdensome on the Federal personnel. It contemplates an average reduction of 8.3 per cent in compensation instead of an average of 10 per cent in the committee bill. I mean that this is the mathematical equivalent of the furlough plan as compared with the horizontal pay cut. Therefore it would seem to me quite obvious, as the Senator from New Hampshire has indicated, that the furlough plan would be preferred by the Federal

personnel itself.

Now, the objections to the plan: It is urged, in the first instance, by my able friend from South Carolina that the furlough plan would be subject to favoritism in its administration. It seems to me this is shadow boxing. It seems to me that is fighting ghosts. I can not believe that for a period of one year, during this next emergency 12 months for which we are providing in this legislation, that there is any serious threat of favoritism either through the application for or the issuance of an Executive order by the President of the United States, which is the necessary routine in order to create any exemption under the mandatory rule as laid down in the legislation itself. Executive | lent of a reduction of 8.3 per cent.

exemption orders, if and when necessary, are not likely to be issued except for sound cause, and I do not believe any Senator seriously thinks otherwise.

The second objection is that there is administrative difficulty in respect to the operation of the plan. Yet surely the Senator from New Hampshire is justified in stating that the administrators of the Government, including the President, have asked for the furlough plan in preference to the straight wage-cut plan as an expression of their belief for the best method of proceeding. If the administrators, those upon whom the responsibility for the administration will fall, take such an attitude, I think the legislative branch of the Government is entitled to dismiss the question of administrative difficulty in deciding the alternative choice between these two plans.

The third objection is that the furlough substitute would not raise the same total sum as would the original committee bill. That is certainly true; it can not be gainsaid. But the differential is not serious in view of our alternative economy opportunities. Indeed, it may develop that the differential is of no major consequence at all.

The committee bill as finally amended by the Senate's action in respect to the amendment submitted on Saturday by the Senator from Maryland probably puts the salary reduction at a total of \$114,000,000. I would say that the saving is in the neighborhood of \$114,000,000 as represented by the bill as now pending.

If the Senator from New Hampshire is correct in his estimate respecting the furlough plan, there is a saving of \$95,000,000 involved in its operation, and I may say to him that my own inconclusive calculations on that subject bring the saving to between ninety and ninety-five million dollars, although it is exceedingly difficult to calculate. I propose by amendment to increase this sum.

Mr. MOSES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. MOSES. I have just seen a telegram from the head of one of the largest and most important of the federated Federal services, which indicates that the total saving to be made under the furlough bill will be approximately \$110,000,000.

Mr. TYDINGS. Mr. President, will the Senator from Michigan yield?

Mr. VANDENBERG. I yield to the Senator from Mary-

Mr. TYDINGS. Mr. President, I am not out of sympathy with the furlough plan, but I want to express this thought. Assuming, first, that the furlough plan would save \$90,-000,000 in lieu of \$115,000,000, that would mean a difference of \$25,000,000, which the 10 per cent cut would save over the furlough plan. If that \$25,000,0000 were used in the lower wage brackets in the way of exemptions, it would be possible to exempt all salaries of \$1,800 and less from any cut whatsoever, and get the same amount of savings. I know there has been a great deal of sentiment to exempt the salaries in the lower brackets, so that if we are going to adopt the furlough plan, which means a saving of twentyfive or thirty million dollars less than under the 10 per cent cut, by adopting the cut plan and saving only \$90,000,000 we could exempt every salary of \$1,800 or less from any cut whatsoever for the same amount of money.

Mr. VANDENBERG. Mr. President, I believe there will be no such differential between the furlough plan and the straight cut as previously ordered. Now, let me come to the last and final objection, which I think is the one valid objection against the furlough plan. I have felt-and many others in this Chamber have the same feeling—that there is no equity and no justification in a universal horizontal reduction in all wage brackets at the same rate, applying the same economy ratio to high and low alike. The Senator from New Hampshire reminds me that he said precisely the same thing.

That criticism can still apply to the furlough plan, because in effect mathematically it applies a common rule to the entire list, representative in dollars and cents of the equivaMr. President, it is at that point that I want to submit an amendment, an amendment for the purpose, first, of restoring the idea of a sliding scale of reduction in the upper brackets; an amendment, second, which obviously will, therefore, increase the total revenue to be secured and thus in turn will further meet the objection raised to the furlough plan upon this latter score.

I am going to propose an amendment to section 101, on page 2, after line 23, inserting a new subsection to read in part as follows:

Upon the compensation in excess of \$3,000 per annum the furlough provision heretofore defined shall apply after and in addition to the following reductions in rates of compensation for the fiscal year ending June 30, 1933.

to the following reductions in rivear ending June 30, 1933.
\$3,000 to \$4,000, 1 per cent.
\$4,000 to \$5,000, 2 per cent.
\$5,000 to \$6,000, 3 per cent.
\$6,000 to \$7,000, 4 per cent.
\$7,000 to \$8,000, 5 per cent.
\$8,000 to \$9,000, 6 per cent.
\$9,000 to \$10,000, 7 per cent.
Over \$10,000, 8 per cent.

Then follows the necessary clause to eliminate the hump between brackets.

Mr. BRATTON. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from New Mexico?

Mr. VANDENBERG. Certainly.

Mr. BRATTON. If that amendment should be adopted, what would be the saving?

Mr. VANDENBERG. The additional saving as the result of this amendment would probably be between \$4,000,000 and \$5,000,000. Therefore the total saving, even under the figures as originally submitted by the Senator from New Hampshire, would be in the neighborhood of \$100,000,000 and on the basis of the estimate which he most recently gave the Senate would almost approximate the net saving available under the committee bill as it now stands.

Let me indicate precisely how this amendment would work. The net result of the amendment would be to create a set-up as follows: No salary under \$1,200 would be touched at all. The furlough plan, representing the equivalent of an ultimate mathematical deduction of 8.3 per cent in annual pay, would apply up to \$3,000 on the furlough basis. Above \$3,000 the furlough and the new percentage reduction would apply. Bear in mind the fact that the furlough reduction represents 8.3 per cent. Then we can reach the total reduction of pay in the higher brackets by adding the proposed specific reduction in each bracket to 8.3 per cent, which is the rate represented by the furlough. This, then, is the final net result. Let me recall that on \$1,200 to \$3,000 the reduction is 8.3 per cent.

From \$3,000 to \$4,000 the reduction is a total of 9.3 per cent.

From \$4,000 to \$5,000 a total of 10.3 per cent. From \$5,000 to \$6,000 a total of 11.3 per cent. From \$6,000 to \$7,000 a total of 12.3 per cent. From \$7,000 to \$8,000 a total of 13.3 per cent. From \$8,000 to \$9,000 a total of 14.3 per cent. From \$9,000 to \$10,000 a total of 15.3 per cent. Over \$10,000 a total of 16.3 per cent.

Manifestly if the amendment were adopted a subsequent amendment would have to be offered at the point where the compensation of the Speaker, the Vice President, the Members of the House and Senate are covered, by increasing that figure from 10 per cent in the pending amendment to 16.3 per cent, which is the total reduction in the top brackets under the sliding scale.

Mr. President, it seems to me that if the value of the sliding-scale reduction in the upper brackets—which I may say parenthetically is a simple application of the standard income-tax theory and plan of American operation—be included in the furlough plan, the only substantial objection to the furlough plan is eliminated and there is left all of these utterly sound and persuasive reasons for taking this alternative method instead of the horizontal proposal which has come from the committee and which thus far has been approved by the Senate.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. VANDENBERG. I yield.

Mr. NORRIS. There is another thing that troubles me, which the Senator has not mentioned, and that is the question of substitutes. It is quite apparent that a good many places where it would be impractical to reduce salaries by a month's vacation without pay could not be taken care of without putting in the place of the furloughed employee a substitute whom we would have to pay.

Mr. VANDENBERG. What happens to-day under similar circumstances? I assume the Federal employee to-day has his 30 days' vacation with pay, and if he is indispensable and a substitute were necessary, the substitute also is paid and there is that additional burden upon the pay roll. Under the furlough plan he takes the 30 days' without pay, and if a substitute is hired as heretofore, the Government would still have the advantage of that month's pay, which otherwise has been given to the employee.

Mr. NORRIS. Are there no provisions where the month's pay under existing salaries is not allowed?

Mr. VANDENBERG. I can not answer the Senator's question.

Mr. NORRIS. I was impressed with what the Senator from South Carolina said when he referred to the Immigration Service.

Mr. VANDENBERG. I am not able to answer the Senator's question. I assume, from the fact that I have been told all along that the administrative officers and departments of the Government preferred this method of operation, that so far as its practical effects are concerned it must be sound.

Mr. NORRIS. I am not sure that it would be objectionable. I was wondering how it could be done without putting some one in the place of some of the furloughed employees.

Mr. VANDENBERG. Some one may be put in their place precisely as has happened heretofore.

Mr. NORRIS. Does the substitute specifically take away the vacation allowance?

Mr. VANDENBERG. That is my understanding.

Mr. NORRIS. That would be absolutely necessary so they would not have any vacation without pay.

Mr. VANDENBERG. That is the net fact.

Mr. NORRIS. So the Government employee would take a month's vacation without pay?

Mr. VANDENBERG. That is correct as I understand the

Mr. NORRIS. Who would say when the furlough should be taken under the proposed amendment?

Mr. VANDENBERG. I assume that it is at the primary discretion of the administrator in each department, but may I anticipate the Senator from Wisconsin [Mr. La Follette] to the extent of saying that I cordially agree with the proposal which he intends to submit that brings that matter back somewhat within the control of the employee himself.

Mr. NORRIS. Who, for instance, would designate when the Senator's month shall be when he must be taken off the pay roll? Who would tell him when that should be?

Mr. VANDENBERG. If anybody can find a furlough for me for even a few minutes, he will be doing better than I have been able to do for the last 12 uninterrupted months. Senators, under my amendment, will take the highest reduction, which will be 16.3 per cent, instead of 8.3 per cent in the committee bill.

Mr. LA FOLLETTE. Mr. President, it is my understanding that it is contemplated under this plan that the great majority of employees would take their furloughs distributed over a long period of time by having a virtual reduction of the working time in each week or in each month, but that the draft provides in the alternative that they may require the furlough to be taken in consecutive days not to exceed 24 working days, which the amendment declares to be one calendar month. I intend at the proper time to offer an amendment to the pending amendment on page 2, line 19,

after the word "subsection," to insert a colon and the fol-

Provided further, That no officer or employee shall without his consent be furloughed under this subsection for more than four days in any one calendar month.

That would permit the employee in his discretion to insist that his furlough should be distributed over a long period of time, thus preventing him from being thrown out of work without any pay for practically a month. On the other hand, if he preferred that plan and the administrative officer felt that it was better for the service that he should take it, he could take it in 24 consecutive working days.

Mr. SHORTRIDGE. Mr. President-

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from California?

Mr. VANDENBERG. Certainly.

Mr. SHORTRIDGE. Do I understand that those receiving salaries of \$1,200 or less are exempted from the provisions of the Senator's amendment?

Mr. VANDENBERG. The Senator is correct.
Mr. SHORTRIDGE. Further, do I understand that the police and firemen of the District of Columbia are

Mr. VANDENBERG. They are exempted by the language of the amendment submitted by the Senator from New Hampshire.

Mr. SHORTRIDGE. It does exempt them from the operations of the reduction?

Mr. VANDENBERG. Yes; that is correct.

Mr. COSTIGAN. Mr. President-

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Colorado?

Mr. VANDENBERG. I yield.

Mr. COSTIGAN. Neither the Senator from Michigan nor the Senator from New Hampshire has discussed an amendment of the committee found on page 59, section 214, with respect to furloughs of Government employees. Will it interrupt the Senator if he is asked at this time to explain the relation of his amendment to that amendment?

Mr. MOSES. Mr. President, may I answer the Senator's question?

Mr. VANDENBERG. I shall be very glad if the Senator will do so.

Mr. MOSES. May I say to the Senator from Colorado that there are three further amendments which I intend to offer in the event my pending amendment is accepted. On page 59 the further amendment provides for striking out all of section 213.

Mr. VANDENBERG. Mr. President, the amendment I have suggested raises the general question of whether or not we shall superimpose upon the furlough plan in the higher brackets the graduated-scale theory of reduction. It will suffice to take the judgment of the Senate upon this one amendment. If it should be carried, subsequent amendments will be necessary to bring the balance of the furlough proposal into line. I offer the following amendment.

The VICE PRESIDENT. The amendment of the Senator from Michigan will be read for the information of the Senate

The LEGISLATIVE CLERK. Amend section 101 by adding a new subsection reading as follows:

(d) Upon all compensations in excess of \$3,000 per annum the furlough provisions heretofore defined shall apply after and in addition to the following reductions in rates of compensation for the fiscal year ending June 30, 1933:

Per ce	nt
\$3,000 to \$4,000	1
84,000 to \$5,000	2
\$5,000 to \$6,000	3
\$6,000 to \$7,000	4
\$7,000 to \$8,000	5
\$8,000 to \$9,000	6
\$9,000 to \$10,000	7
Over \$10,000	8

Provided, That the application of these reductions shall not operate to reduce the rate of compensation below that of the next lower rate in the same service to which a lower percentage of reduction applies.

Mr. MOSES. Mr. President, as the author of the amendment, I am inclined to accept the amendment proposed by the Senator from Michigan for a perfectly practical reason. If anyone would take the trouble to study the text of the bill, it will be noted that the text perfected by the House is changed very little, whereas the amendment which I have offered covers not only the entire text of the title, which involves only 8 sections, but involves 12 sections and covers the entire subject.

If my amendment shall be agreed to, the whole question as proposed by the House of Representatives and every question involved in the discussion here will go to conference, and, under the action already taken by the Senate to-day, we know the full powers of conferees with reference to matters of this sort, and because of the practical question thus involved, I will accept the amendment proposed by the

Senator from Michigan [Mr. Vandenberg] to my amendment. The VICE PRESIDENT. The Senator from New Hampshire modifies his amendment.

Mr. MOSES. I will modify my amendment to that extent. I do that without concurring in the entire argument advanced by the Senator from Michigan, much of which, I recognize, has force, but I accept it in order that I may get a vote upon the entire subject, for, as I have said, if my amendment shall be agreed to, the whole proposition will be then in the hands of the conference.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Hampshire as

Mr. VANDENBERG. Mr. President, then there are three points where the text will have to be subsequently brought in line purely in relationship to the suggestions already accepted.

Mr. MOSES. Yes; Mr. President, I find upon studying these proposals that they affect the section numbering as proposed in my amendment, and also I modify my amendment to that extent.

The amendments of Mr. VANDENBERG to the amendment of Mr. Moses are as follows:

Amend section 105, subsection (a): Change 10 per cent to 16.3 per cent.

Also amend sestion 105, subsection (b): Change 8.3 per cent to

10 per cent.
Also amend section 105, subsection (c): After the words "8.3 per cent" add the following: "Provided, That subsection (d) in ection 101 shall also apply in this category.'

The VICE PRESIDENT. The question is on the amendment of the Senator from New Hampshire as modified.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk to the amendment of the Senator from New Hampshire.

The VICE PRESIDENT. Let the amendment to the amendment be stated.

The LEGISLATIVE CLERK. On page 2 of the amendment, in line 19, after the word "subsection," it is proposed to insert a colon and the following:

Provided further, That no officer or employee shall, without his consent, be furloughed under this subsection for more than four days in any one calendar month.

Mr. MOSES. Mr. President, if the Senator from Wisconsin would change the numeral "4" to the numeral "5." I should be very glad to modify my amendment accordingly; but I make that suggestion because it is the principle of the 5-day week, which is set up in my amendment, and I think it would be much more reasonable to make the limitation five days instead of four days.

Mr. LA FOLLETTE. Mr. President, what I seek to accomplish by this amendment is to prevent employees, without their consent, being required to take their furloughs all in one month's time. Senators are no doubt aware that many Government employees find it impossible to set aside any savings, and that therefore they are dependent upon the payments which come either monthly or bimonthly in order to meet their current expenses. Therefore it seems to me that one serious criticism of this furlough plan would be the hardship which would be occasioned by employees being required without their consent to go for a whole month

without any income whatsoever. Under the terms of this amendment, however, it will be possible for those who prefer to take their furlough all in one month, and who receive the consent of the administrative officer to do so, to make such an arrangement.

I may say further to the Senator from New Hampshire that my theory in suggesting four days was that in the average month a 4-day furlough, taken weekly during a given month, would result in the reduction of the average working time by four or four and one-half days.

However, I am willing to accept the suggestion made by the Senator from New Hampshire and I modify the amendment by striking out "4" and inserting "5."

The VICE PRESIDENT. Without objection, the amendment proposed by the Senator from Wisconsin is so modified.

Mr. MOSES. To that extent I modify my amendment.

The VICE PRESIDENT. The Senator from New Hampshire further modifies his amendment. The question now is on the adoption of the amendment of the Senator from New Hampshire as modified.

Mr. HALE. Mr. President, I send to the desk an amendment to the amendment.

The VICE PRESIDENT. The clerk will state the amendment to the amendment.

The LEGISLATIVE CLERK. In the amendment of the Senator from New Hampshire it is proposed to insert in the proper place the following proviso:

Provided further, That the rate of compensation of any employee furloughed under the provisions of this bill shall not be reduced by reason of the action of any wage board during the fiscal year 1933.

Mr. HALE. Mr. President, on page 2 of the amendment of the Senator from New Hampshire the following proviso

Provided, That nothing herein contained shall be construed as modifying the method of fixing the daily rate of compensation of per diem officers or employees as now authorized by law:

Mr. President, in the Navy and also in the Army the wages of many of the civilian employees are determined by wage boards. Those wage boards sit from time to time and determine what the proper scale of wages should be. I understand, however, that the wage boards have not been in session for a considerable time. Should those wage boards meet and decide upon a reduction in wages the cut might be 10 per cent or 15 per cent or 20 per cent. Obviously it would not be fair that these employees should be subject not only to that cut but also to the furlough provisions of the bill. They would be doubly penalized were that done. I ask the Senator from New Hampshire if he will not accept the amendment?

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Maine to the amendment offered by the Senator from New Hampshire.

Mr. WATSON. Mr. President, I have in my hand a telegram that I think should be read from the desk, and I ask unanimous consent to have it read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The legislative clerk read as follows:

INDIANAPOLIS, IND., June 6, 1932.

Hon. James E. Watson, United States Senate:

This organization, composed of 78,000 members, with sub-ordinate unions in 750 cities and towns in United States, strongly ordinate unions in 750 cities and towns in United States, strongly commends your position in opposition to direct salary cuts of employees of Federal Government as against the furlough plan. We sincerely hope proposal for 5-day week for all per diem employees will be adopted by Senate in lieu of wage reductions. Employers in private industry strongly inclined to follow lead of Government. Wage cutting will not provide way out of present deplorable condition, but will accentuate rather than relieve crisis confronting our country. Five-day week will spread employment among larger number workers, thus providing relief for many now suffering from enforced idleness. By thus diverting larger portion aggregates pay roll of Nation's industries into channels which provide substantial necessities of life, purchasing power will be increased and business turned to upward trend. Industries operating six days by staggering employment upon 5-day

basis is constructive step to cure depression and return prosperity. Saving of four hours' pay on each employee each week will reduce Government pay roll 9 1/11 per cent without reducing wage rate. Increased efficiency and flexibility of forces to meet variable requirements in governmental activities operated upon per diem basis through establishment of 5-day week will provide greater saving than 10 per cent reduction in wage rates. Those who have strongly supported best traditions of our country have right to expect our Government will take lead in providing only effective solutions, for aggravated condition of unemployment is our greatest and most dangerous problem. If 5-day week with compensation at ten-elevenths of present weekly wage is adopted, many private industries will follow lead of Government and release from unemployment will be quick and certain. Favorable action upon this alternative in preference to wage reductions most important to millions of workers in private employment as well as those in Government service. Government service.

CHAS. P. HOWARD, President International Typographical Union.

Mr. MOSES. Mr. President, the percentage stated in the telegram which has just been read means, as anyone can determine by a slight computation, something like \$110,-000,000 of savings under the proposal now before the Senate.

Mr. President, inasmuch as my single purpose is to establish a statement of policy on the part of the Senate and to get into conference the conflicting views with reference to the question of policy, I want to modify my amendment in every feasible way without destroying its integrity, and I am glad to modify it to the effect proposed by the Senator from Maine.

The VICE PRESIDENT. Without objection, the amendment of the Senator from New Hampshire will be further modified.

Mr. BORAH. Mr. President, the Senator must be certain as to who the conferees are going to be.

Mr. MOSES. No, Mr. President; but the Senator from Idaho has been here longer than I and is more practical than I, in spite of his well-advertised idealism, and he knows what happens when a Senator in charge of a measure accepts an amendment.

Mr. BORAH. I do.

Mr. WALSH of Massachusetts. I present an amendment which I ask to have printed in the usual form, printed in the RECORD, and lie on the table.

The VICE PRESIDENT. The amendment will be received, printed in the usual form, printed in the RECORD, and lie on the table.

The amendment intended to be proposed by Mr. Walsh of Massachusetts is as follows:

Insert at the proper place in the bill the following:

"Provided, That any law, rule, or statute that requires a reduc-tion of salary additional to the reduction herein provided shall be inoperative during the fiscal year 1933."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Hampshire as modified.

Mr. BRATTON obtained the floor.

Mr. BORAH. Mr. President, may I ask if it is the purpose of those in charge of the bill to have a vote on this subject to-night? The Senator from New Mexico is just about to start a discussion of it.

Mr. WATSON. Mr. President, I was wondering in that connection if we could not have a recess and let the amendments be printed which have been proposed.

Mr. JONES. I was going to suggest that, although most of the amendments have been accepted.

Mr. MOSES. May I ask, if that is going to be done, that my amendment may be reprinted, with the amendments which I have accepted printed in italics, so that the difference between my original amendment and the amendment

as modified may be readily seen?

Mr. JONES. That is what I was going to suggest, so that we may see just exactly what the proposal is.

Mr. BORAH. And what the conferees will have to settle. The VICE PRESIDENT. Is there objection?

Mr. BRATTON. Mr. President, I suggest to the Senator in charge of the bill that the Senate take a recess now until to-morrow morning and resume the consideration of the pending question at that time.

Mr. MOSES. In the meantime the Senator from New Mexico holds the floor.

Mr. BRATTON. I hope so.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Hampshire to print his amendment as modified in the form suggested by him? The Chair hears none, and it is so ordered.

RECOGNITION OF RUSSIA

Mr. JONES. Mr. President-

Mr. McKELLAR. Mr. President, will the Senator yield to me to put two letters in the RECORD?

Mr. JONES. I expect to make a motion in accordance with the unanimous-consent agreement, but I yield to the Senator from Tennessee.

Mr. McKELLAR. I have in my hand a letter from Mr. C. G. Bond, of Jackson, Tenn., to which I invite the particular attention of the Senator from Idaho. It is a splendid letter in reference to the recognition of Russia and gives reasons why there should be such recognition accorded. I ask unanimous consent that the letter may be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, the letter

will be printed in the RECORD.

The letter referred to is as follows:

JACKSON, TENN., June 1, 1932.

Hon. K. D. McKellar,

Senator from Tennessee, Washington, D. C.
MY DEAR SENATOR: You perhaps may recall a conversation you had some time ago with some of us in our court house here when had some time ago with some of us in our court house here when I asked why had not the United States resumed diplomatic and friendly relations with Russia. You replied that the State Department gave as an excuse that Russia owed us and would not pay. We both remarked that that was a poor way to settle debts, by one party having nothing to do with the other, and especially while other nations, notably England and France, were virtually repudiating their obligations to us.

virtually repudiating their obligations to us.

I am not a diplomat or politician and not up on statecraft, but in view of the growing attitude of Japan, encouraged by Great Britain and France, it seems to behoove us to, as soon as possible, resume friendly relations with Russia. Russia has been traditionally friendly to the United States and if our attitude of unfriendliness continues, then in case of war with Japan our Alaskan possessions would be in very great danger. The attitude of France and England reminds me of school-boy days when a number of boys would egg on two other boys to fight, by putting chips on their shoulders and daring the other to knock them off. England and France, in all of their transactions, seem to try to put the United States forward. They flatter our diplomats and make them believe we are the greatest and richest people in the world and should, therefore, take the lead while they sit back and make us draw the chestnuts out of the fire for them.

I hope that somebody will take the initiative and compel our State Department to recognize Russia, at least for our own safety in the future.

in the future

I hope you have entirely recovered from your illness. With very best wishes, I am,
Sincerely yours,

C. G. BOND.

FORECLOSURE OF MORTGAGES BY INSURANCE COMPANIES

Mr. McKELLAR. I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a letter from Dr. H. H. Shoulders, of Nashville, Tenn., in reference to the foreclosure of mortgages by insurance companies.

There being no objection, the letter was ordered printed in the RECORD, as follows:

NASHVILLE, TENN., June 3, 1932.

Senator K. D. McKellar,

Washington, D. C.

Dear Senator McKellar: I hesitate to encroach upon the time of a man as busy as you. I do so because I believe an opportunity

crists for real service for a large number of your constituents. The thing that has happened is this:

Insurance companies, particularly the New York Life, are pursuing a policy toward some of their debtors which, to my way of thinking, is very destructive and entirely out of line with the

thinking, is very destructive and entirely out of line with the generous attitude taken by life-insurance commissioners and the Federal Government toward the companies.

As you probably know, land values have sunk so low that they ofttimes do not bring the amount of the mortgage held by these insurance companies, and these mortgages were conservative mortgages as recently as five years ago, after land values had been shrunk from war-time prices.

The New York Life is proceeding to foreclose notwithstanding the fact that the Federal Government has taken steps to aid railroads in such a way as to enhance the value of the railroad bonds these insurance companies hold.

Not only is this true but my information is that the insurance commissioners of the various States appraised the collateral of the insurance companies held in the various States as of the date of July last year. But for this action their reserves would not have July last year. But for this action their reserves would not have been sufficient to enable them to continue in business in a number

of States.

For the life of me I can not see how it is to the public interest or to the interest of landowners or to the interest of the insurance companies to foreclose and further depress values and throw families out of house and home, especially when this is being done in face of the fact that these insurance companies have enjoyed the indirect and direct benefits of Federal and State aids.

There are many business concerns which if valued on the basis of their dividend production for the calendar year would not be worth a single dollar.

I write this in belief that this subject is big enough to warrant an investigation on the part of the Senate as to the conduct of these beneficiaries of public favor.

If these insurance companies can buy large lands at values of to-day and at the same time enjoy normal dividends on their railroad bonds, which dividends are made possible by Federal ioans, then we had all better live off of Federal subsidy.

I believe that a committee of the Senate sitting in the interim after adjournment might look into these matters with great benefit to a majority of landowners and without injury to the companies or policyholders.

to a majority of landowners and without injury to the companies or policyholders.

Most respectfully yours,

H. H. SHOULDERS, M. D.

MESSAGE FROM THE HOUSE-ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 6. An act for the relief of the Union Ferry Co., owners of the ferryboat Montauk;

S. 326. An act for the relief of Abram G. O'Bleness;

S. 2436. An act for the relief of Alfred G. Simmons, jr.;

H.R. 10236. An act to provide revenue, equalize taxation, and for other purposes.

HAROLD I. JUNE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 432) granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy, which was, on page 2, line 3, after the word "years," to insert "and one day."

Mr. BINGHAM. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

INTERNATIONAL BRIDGE, PORT HURON, MICH., TO SARNIA, ONTARIO

Mr. VANDENBERG. Mr. President

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. BRATTON. I yield.

Mr. VANDENBERG. A brief time ago the House and Senate both passed a bridge bill permitting the construction of an international bridge from Port Huron, Mich., to Sarnia, Ontario. Since then it has become desirable that the approaches to this bridge—it being a bridge owned, built, and operated by an instrumentality of the State-should become eligible within the Federal-aid road system. The Bureau of Roads in the Department of Agriculture entirely concurs in the suggestion. If the thing is to be completed at the present session of Congress, and the assent of the House also is to be secured, I must ask the Senate for present consideration of the measure.

I am wondering if there would be any objection to the. present consideration of Order of Business No. 742, Senate bill 4667, which I am sure will involve no discussion whatever.

Mr. McKELLAR. Was there any objection in the committee?

Mr. VANDENBERG. None whatever.

The VICE PRESIDENT. The clerk will read the bill.

The bill (S. 4667) to amend the act approved March 3. 1927, entitled "An act to permit the granting of Federal aid in respect of certain roads and bridges," was read, as follows:

Be it enacted, etc., That an act approved March 3, 1927, entitled "An act to permit the granting of Federal aid in respect of certain roads and bridges," be, and the same is hereby, amended to read as follows:

"That notwithstanding any provision of the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved July 11, 1916, or of the Federal highway act, as amended or supplemented by the act of May 21, 1928 (45 Stat. L. 683), or by any other act amendatory thereof or supplementary thereto, the Secretary of Agriculture may extend Federal aid under such acts in the construction by any State or States, or by any commission, subdivision or agency thereof, including a commission acts in the construction by any State or States, or by any commission, subdivision, or agency thereof, including a commission created by the Congress, each thereof being herein sometimes termed a public authority, of any toll bridge and approaches thereto, or in the construction of highways leading to any such bridge, within such State or across a boundary thereof into any other State, nation, municipality, or subdivision, upon the condition that such bridge is owned and operated by such State or States, or by such public authority or authorities, and that all tolls received from the operation thereof, less the actual cost of operation and maintenance, are applied to the repayment to such State or States, or to such public authority or authorities, of its or their part of the cost of construction or acquisition of such bridge, or to the amortization of such cost, with reasonable interest and financing costs, and upon the further condition that when the amount contributed by such State or States, or by such public authority or authorities, with reasonable interest and financing costs, in the construction or acquisition of such bridge shall have been repaid from the tolls, the collection of tolls for the use of such bridge shall thereafter cease and the same shall be maintained and operated as a free bridge."

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. VANDENBERG. I thank the Senator from New

SPEECH OF MEXICAN AMBASSADOR AT MARSHALL COLLEGE.

Mr. HATFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Dr. Jose M. Puig Casaurane, ambassador of Mexico, to the student body of Marshall College, at Huntington, W. Va., a few days ago.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want to believe that I have been called upon to speak at these commencement exercises when you will be officially dubbed in the "knighthood of culture" and from which many of you who to-day won your diplomas will start to-morrow to begin the struggle for life, not because you wanted an ambassador to speak here but because you wished to have among you a Mexican university graduate who had in his own country an official contact with the students, both children and young men and grant a contact.

uate who had in his own country an official contact with the students, both children and young men, and even a certain responsibility in the orientation of the Mexican youth.

Maybe it is the most interesting thing in the commencement exercises to ponder about the real life that begins upon leaving the school, college, or university, and to analyze something of what we lose and what we gain at the end of our studies, when school life is over, that school life which perhaps is the only stage of our personal existences that all of us would like to live again, even in the extraordinary case that we may have only found suceven in the extraordinary case that all of us would like to live again, even in the extraordinary case that we may have only found success and happiness thereafter, and even in the assumption that during our school life we may have only known toil, fatigue, and poverty.

Even then the reminiscence of our life in school, college, and university continues to be our refuge in the time of discouragement and trial; the eyes of our spirit turn to it when we wish to ment and trial; the eyes of our spirit turn to it when we wish to see ourselves once more purer and more sincere. He who found treachery where he expected friendship envisions that life with regret, and he who was fortunate enough to find brothers among his friends feels happy to see that outside school he found also types and characters similar to those of yesterday. Success in our careers and accounts in our banks, when we achieve the one and accumulate the others, are hardly as satisfying as the popularity and success attained in school, and the most beautiful eyes of women that we may see afterwards seldom glitter with the sincerity or the mute eloquence of those eyes—blue, brown, or gray—for whom we were heroes, champions, or guides in our school days.

days.

Life in its infinite panorama will show us outside of school men that are masters in all fields of endeavor, men who are full of wisdom and inspiration in every branch of science and art; but even the most respectable among them will seem to us as lacking that generosity and disinterestedness of those teachers whose hair grew white while they molded our spirits.

Out of school, in which we generally were, at best, second-rate making around a center, we become automatically a center,

Out of school, in which we generally were, at best, second-rate units moving around a center, we become automatically a center, brilliant or modest, but nevertheless the center of a small world, the world of the professional or artistic sphere in which we are called to exert our influence through our families, our clients, our pupils, or our employees; but the moment we leave school we become as well, automatically, complex units, with a certain social value and a certain definite responsibility and subject to the most dissimilar forces of attraction and direction.

Industry, commerce, science, politics, public service, will reach for the young man who until yesterday had nothing but a charming irresponsibility, and influences of all kinds will, nearly always, try to make out of the human product fresh from school an instrument of concurrent and a light in a charment. ment of conquest and a link in a chain.

Somebody may have been a leader in school. Out of school all of us must, almost fatally, be at first the tools of many leaders.

Flags of all shapes and colors will wave before the astonished eyes of youth emerging from school, and all kinds of formulas, hindrances, protocols, attitudes, and preestablished standards of behavior will tend to moderate its generous impulses; defeats, dis-illusionments, and falls will try to cool youthful warmth; and platitudes and coined phrases will strive to limit its freedom of

platitudes and coined phrases will strive to limit its freedom of thought and expression.

Confronted by so many and different stimuli, being the converging point of conflicting influences, deceived by the mirage of non-existing cases, lost in the tangle of the thousands of theories and painful realities of the present moment, intellectual youth is subject to the phenomenon, common to the point of fatality, of "mental confusion"; a period of confusion preceding the finding of the sense of true proportion and useful behavior, a period in which youth floats like a log in the sea before it finds in success or disaster or in scientific conviction or in a selfish adjustment to social conventions the anchor that may provide a certain calm to social conventions the anchor that may provide a certain calm

o social conventions the anchor that may provide a certain caim and a durable position.

When this stage has been attained it is very difficult to change, in any fundamental way, the trend of thought and the attitude toward the problems of life. This is why this period of fierce trouble, of transition, uneasiness, and mental confusion between leaving school and the final fixing of the trail in life is particularly dangerous. This is the period which many of you will begin to-morrow, in which your love and reverential service will be demanded for all that is noble and also for all that is low in life; a period in which everything that was learned in school will seem falling when tested in life; when the lawyer sees that it is not his science that wins 90 out of 100 cases; when the young technician in anatomy and surgery lacks the opportunity to apply his knowledge for want of clients, the clients that may flow to another fellow on account, perhaps, of an outward appearance of religiousness or an advantageous marriage; when the architect finds that it may not be necessary to make accurate calculations of the resistance of materials if he has good political connections; when the school-teacher realizes that pedagogy and the noble vocation to teach are not enough to achieve success. This is the time when in a conscious or an unconscious way, and even being physitates. period in which everything that was learned in school will seem tion to teach are not enough to achieve success. This is the time when in a conscious or an unconscious way, and even being physically very young, the men who come out of school lose sometimes the true characteristics of youth—vigor, tenacity in effort, faith in themselves, and the assurance of triumph in the straight road. It is then also that youth just out of school is in danger of falling under the influence of the false leaders—those who proffer then their protection to make available an easy victory.

This is why, if I dared to offer you my advice, I would tell you that in the period of life that will begin for you to-morrow, or when you reach that period, in order to be true knights and crusaders of culture, you ought to respect nothing more than culture and talent; that you should only bow before beauty, either physical beauty or that which is expressed through any artistic or spiritual manifestation; that your reverence ought to be given only to sacrifice; that being young and therefore the

artistic or spiritual manifestation; that your reverence ought to be given only to sacrifice; that being young and therefore the masters of a great power, there is only one thing that ought to be envied by you and that is virtue; and finally bear in mind that, although tolerance is the most exquisite flower of culture, tolerance becomes criminal complicity when, through culture and a tolerant spirit, youth accepts or backs up social injustice. And I would tell you also that if you must have or accept leaders, see that they are young, with the full physical and mental youth which is yours, or with the spiritual youth that characterizes and distinguishes the true masters—those who through their uninterrupted contact with youth and in spite of their daily exand distinguishes the true masters—those who through their uninterrupted contact with youth and in spite of their daily experience with the miseries of life have been able to preserve their love and admiration for youth, their respect for its might, their hope in its strength, and humbly, notwithstanding their learning, confide in the real learning that is the intuition of youth when it is not lost or concealed under the sediments of distillusion and weary struggle.

Do not forget that youth is and will always be the favorite target of all mediocrities and all ambitions; that the selfish spirit of society turns always to it to transform its myths in truths and dogmas and to inject a semblance of new life in the oldest forms of the social, political, economic, scientific, and artistic statics or dynamics.

statics or dynamics.

Remember that in those cases, when young blood is needed and young, sound muscles are required to move the millstones of the oldest ideas, youth becomes again and again the center of attraction and the object of the lures, flatterings, and promises of the old.

This is the song of the sirens, the eternal deception to turn one's weakness into strength through another's youthful power, the ever-repeating story of false generosity, counterfeited altruthe ever-repeating story of false generosity, counterfeited altruism, and feigned humanitarian sense, when selfish captains of all industries—material as well as spiritual—knock at the doors of those who look weak but are really strong. This is the case, often repeated, when "women are preferred," not by equalitarian ideas but only because the work of women is less expensive; this is the case when in tropical lands, in colonies and frontiers, some men talk of "helping the native" only because they find the native's work cheaper; this is the case, finally, when the love for youth is

displayed as a banner for any material or spiritual enterprise only because it is known that youth has generally less ambitions of money and less exigencies and more candor in its spirit, free as yet of the fetters of family, position or great responsibility.

Take, therefore, your true place; be young, strong, masters of yourselves in the field of life. Strive to keep a clear conscience that may lead you to a brotherly attitude toward your elders and your younger brothers, without arrogance on account of your youth but without any inferiority sense or complex derived from it. Know that it is true or that it may be true that you know less than we who have lived longer, but that fundamentally you know less only because you have not suffered so much. Keep in your minds that in the field of experience and real knowledge learning

less only because you have not suffered so much. Keep in your minds that in the field of experience and real knowledge learning many times does not compensate nor balance the treasure possessed by him who is brave, sincere, self-sacrificing, and flexible in spirit like youth is.

And resolve, finally, in order to be loyal to your school, that in the task that life may have reserved for you, the best spur to action and the best guide for thought will be the remembrance of what you left here, the pure and generous school life, rather than all the experience and the vain science, the false respectability, and the deceiving preachments that many of you will begin to learn, to feel, and to hear to-morrow.

MISSOURI RIVER BRIDGE, FLORENCE, NEBR.

Mr. HOWELL. Mr. President-

Mr. BRATTON. I yield to the Senator from Nebraska. Mr. HOWELL. I ask unanimous consent, out of order, to report back favorably from the Committee on Commerce Senate bill 4759, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr.; and I submit a report (No. 772) thereon.

I also request unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection? Let the bill be read.

The legislative clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr., authorized to be built by the Omaha-Council Bluffs Missouri River Bridge Board of Trustees by act of Congress approved June 10, 1930, are hereby extended one and three years, respectively, from June 10, 1932.

SEC. 2. The right to alter, amend, or repeal this act is hereby

expressly reserved.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third · reading, read the third time, and passed.

RECESS

Mr. JONES. Mr. President-

Mr. BRATTON. I yield to the Senator from Washington. Mr. JONES. Pursuant to the unanimous-consent agreement, I move that the Senate take a recess until 10 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 32 minutes p. m.) the Senate, under the unanimous-consent agreement previously entered into, took a recess until to-morrow. Tuesday, June 7, 1932, at 10 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 6 (legislative day of June 1), 1932

APPOINTMENTS IN THE REGULAR ARMY

To be second lieutenants with rank from June 10, 1932

CORPS OF ENGINEERS

Rush Blodget Lincoln, jr. Stanley Tanner Wray. Ellsworth Ingalls Davis. George Kumpe. William Ruthven Smith, jr. Frank Schaffer Besson, jr. Richard Roberts Arnold.

Herrol James Skidmore. Francis Ray Hoehl. Julian David Abell. Allen Fraser Clark, fr. Thore Fritjof Bengtson. William Francis Powers. James McCormack, jr.

SIGNAL CORPS

Kenneth Frederick Zitzman. Charles Michael Baer.

CAVALRY

William Burns Fraser. George Robinson Mather. Frank Hamilton Britton. John Reynolds Sutherland. Richard Tide Coiner, jr. Karl Laurance Scherer. Charles Hardin Anderson.

John Ramsey Pugh. Bogardus Snowden Cairns. Byram Arnold Bunch. Gerard Charles Cowan. William Whitfield Culp. Charles Marvin Iselev. Sam Houston Wiseman.

FIELD ARTILLERY

Andrew Hero, 3d. John Henry Weber. Roger Derby Black, jr. John Campbell Street. Alexander Graham. William Menoher. George Wilson Power. James Aloysius Cain, jr. Stanley Sawicki. Frank Lester Howard. Samuel Watson Horner, 2d. Robert Augur Hewitt. Edwin Simpson Hartshorn.

James Forsyth Thompson. jr.

Roland Francis Bower. Joseph Edward Gill. Frederick William Ellery. Loren Boyd Hillsinger. Horace King Whalen. John Paul McConnell. Walter Parks Goodwin. John Abner Meeks. John Clifford McCawley. Edward Gibbons Shinkle. Harry Cecil Porter. Dwight Edward Beach. Arthur Walter Blair.

Theodore George Burton. Dale Eugene Means. Hugh Willard Riley. Ray James Stecker. Curtis Alan Schrader. Floyd Allan Hansen. James Edward Godwin. John Brinton Heyburn. Harald Simpson Sundt. Horace Freeman Bigelow. Charles Albert Clark, jr. James Bates Rankin. David Emory Jones. Harvey Porter Huglin. Bernard Thielen. George Dowery Campbell,

Todd Humbert Slade. Charles Ratcliffe Murray. Francis Garrison Hall. Charles Louis Williams, jr. William Russell Huber. Gordon Whitney Seaward. Walter Marquis Tisdale. Charles Albert Piddock. Nelson Landon Head. Walker Raitt Goodrich. David Hamilton Kennedy. Edwin Guldlin Simenson.

Frederick Raleigh Young. John Chandler Steele. Christian Frederick Dreyer. Russell Manly Nelson. Stanley Ronald Stewart. Arnold Sommer. Charles Kissam Allen. Sam Carroll Russell. James Hutchings Cunning-

ham, jr. Archibald William Lyon. Edward Ellis Farnsworth, ir. ir. Daniel Stickley Spengler. Norman Robert Ford. Milton Leonard Ogden. John Earl Metzler. Harrison Alan Gerhardt. Leo Peter Dahl.

Howard Raymond Martindell.

Edgar Northrop Chace. Byron Leslie Paige. Torgils Grimkel Wold. John Bevier Ackerman. Charles Ray Longanecker. Irving Donald Roth. Lauri Jacob Hillberg. Philip Vibert Doyle.

Benjamin Jepson Webster. William Alden Call. Dwight Benjamin Johnson. Preston Steele. Robert Douglass Glassburn. Walter Allen Rude. Erven Charles Somerville. Clifford McCoy Snyder. Gilbert Nevius Adams. Aaron Meyer Lazar. Robert Lockwood Williams,

John Joseph Hutchison. Robert Earl Schukraft. Carl Morton Sciple. William Massello, jr. Stephen Michael Mellnik. William Sammis Coit. William Fletcher Spurgin. Donald Linwood Hardy. Francis Arkadjusz Liwski. Robert Folkes Moore. Dwight Drenth Edison. Wallace Hawn Brucker. Charles Edward Wheatley. jr.

Henry Graham McFeely. Thomas Henry Harvey.

INFANTRY

Ralph Hemmings Davey, jr. James Karrick Woolnough. Earl Gilmore Wheeler. Roger Barton Derby. Everett Wayne Barlow. Joe William Kelly.

John Morgan Price. William Little. Daniel Stone Campbell. Richard Johnson Hunt. Louis Watson Truman. Charles Leonard Hassmann.

Kenneth Burton Hobson. Harold Walmsley. Gerald George Epley. Bernard William McQuade. Ashton Herbert Manhart. Jefferson Davis Childs. John Aloysius Gavin. Joseph Edward Stearns. William Barnes Moore. Delbert Abraham Pryor. Willard Sterling Garrison. Meyer Abraham Braude. Chester Hammond. John George Ondrick. Isaac Sewell Morris. Hunter Harris, ir. Ira Webster Porter. William Harvie Freeland, jr. William Halford Maguire. Merle Robbins Williams. Kenneth Edward Tiffany. Nicholas Earnest Powel. Norman Herbert Lankenau. William Bing Kunzig. Robert Bruce McLane. Andrew Meulenberg. William Gordon Beard. Harvey Herman Fischer. Robert Haynes Terrill. Avery Madison Cochran. Samuel Arthur Daniel. Franklin Vines Johnston, jr. Albert Edward Reif Howarth James Lee Massey. Albert Edward Stoltz. Thomas Connell Darcy. Edmond Michael Rowan. Edward Green Winston. Milton Skerrett Glatterer. William Henry Mikkelsen, Hugh Thomas Cary. Sewell Marion Brumby. Clifford Harcourt Rees. Arnold Leon Schroeder. Graves Collins Teller. Richard Henry Smith. Roscoe Constantine Hug-

Francis Deisher.
Eugene Porter Mussett.
Lon Harley Smith.
Edward Willis Suarez.
Paul Delmont Bunker, jr.
Edward Joseph Burke.
Walden Bernald Coffey.
George Reynolds Grunert.
James Ellison Glattly.

David Peter Schorr, jr. William George Davidson, jr. John Clinton Welborn. Edwin Charles Momm. Herbert Bishop Thatcher. Charles Salvatore Dorsa. Frederick Milton Hinshaw. Robert Broussard Landry. Luigi Giulio Guiducci. William Hyatt Bache. William Anderson McNulty. Joe Edwin Golden. Eldon Frederick Ziegler. Frank Greenleaf Jamison. James Winfield Coutts. Dan Gilmer. Wilfred Joseph Lavigne. George Thigpen Duncan. Harry Celistine Quartier. Roy Edwin Moore. Harley Niles Trice. James Ernest Beery. Arville Ward Gillette. Harold Edward Shaw. Charles Gates Herman. Charles Alexander Carrell. Lawrence Bartlett Babcock. William Roy Thomas. Loris Ray Cochran. Robert Lynn Carver. Henry Chesnutt Britt. Thomas Randall McDonald. Orville Wright Mullikin. Romulus Wright Puryear. David Harrison Armstrong. Earl Sipple Eckhart. John William Keating. John Garnett Coughlin. Thomas Robertson Hannah. William Madison Garland. William Elwood Means. George Louis Descheneaux, jr.

Thomas Charles Morgan, John William Bowen. Frank Ward Ebey. James Walter Gurr. James Madison Churchill,

jr.
Robert Lee Scott, jr.
Lewis Ray Briggs.
Harold Randall Everman.
Keith Allen Thompson.
Thomas Benjamin Spratt,

Erskine Clark.

The Journal of the proceedings of Saturday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendments of the House to bills of the Senate of the following titles:

S. 6. An act for the relief of the Union Ferry Co., owners of the ferryboat Montauk; and

S. 2436. An act for the relief of Alfred G. Simmons, jr.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2437) entitled "An act for the relief of the estate of Annie Lee Edgecumbe, deceased," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Howell, Mr. Capper, and Mr. Trammell to be the conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I desire to address an inquiry to the Chair.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. There has been inquiry on both sides as to what suspensions the Speaker would recognize this afternoon.

The SPEAKER. The Chair will state that he expects to recognize three suspensions.

In the first place the Chair would like to recognize the gentleman from South Carolina [Mr. Gasque], who will not take more than five minutes to pass a pension bill.

The Chair understands there are about 100 bills on the Unanimous Consent Calendar, and the Chair would like to dispose of as many of them as possible.

The three suspensions the Chair will recognize will be the Dies bill, providing for the deportation of criminal aliens; the bill known as the Hill bill, reported by the Committee on Military Affairs; and the third is a bill known as the Swing bill, which provides for the granting of certain lands in California to the Metropolitan Water District of Southern California, which is important and which must be completed before work can be proceeded with on a public improvement project.

The Chair consulted the minority leader, and his information is that the minority leader is not opposed to the Hill bill, the Dies bill, or the Swing bill.

Mr. SNELL. Mr. Speaker, has the Chair in mind the fact we should like to use the Chamber at 4 o'clock this afternoon if possible?

The SPEAKER. The Chair had not forgotten that. The Chair would like to accommodate the gentleman, of course.

Mr. SNELL. I would like to have the Chair start the suspensions early in the day so that we may have the room at 4 o'clock.

The SPEAKER. The Chair promised to recognize the gentleman from Maryland [Mr. Goldsborough].

Mr. GOLDSBOROUGH. Mr. Speaker, I have been very anxious to discuss at some time the Glass substitute for the Goldsborough bill. I have just taken up the matter with the Speaker who calls my attention to the fact that to-day we will be very busy. I would like to be recognized to-morrow morning for 30 minutes to discuss the Glass substitute for the Goldsborough stabilization bill, and I hope there will be no objection.

PENSIONS

Mr. GASQUE. Mr. Speaker, I call up the bill (H. R. 12124) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

Mr. SNELL. Mr. Speaker, reserving the right to object, is this the general pension bill?

Mr. GASQUE. This is the omnibus pension bill.

Mr. SNELL, .Is this the one that was vetoed by the President?

HOUSE OF REPRESENTATIVES

jr.

MONDAY, JUNE 6, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, we thank Thee, we praise Thee that the sweetest word that ever sprang out of heaven is love. When the old earth is moved and the heavens tremble; when the sun and the moon are darkened and the stars withdraw their radiance, love shall live, for Thou art love. Behind every floating cloud it abides. We are grateful that there is no dislocation in Thy sovereignty and no interruption in the divine order. Inspire us this day with enlarged opportunities, with expanding powers that we may understand completely our whole duty to our country. Bless us with the fullness of that life that gets its inspiration from a living, loving, saving, and infinitely holy Father. Amen.

Mr. GASQUE. It is part of it and an additional one. In | other words, we have the same bill with amendments in addition to the omnibus pension bill; and I would say to the gentleman from New York that every item in the bill has been gone over and is approved by the Commissioner of Pensions.

Mr. SNELL. As I understand, there will be more or less discussion of the bill, and we want to get along with the Consent Calendar, inasmuch as there are to be three sus-

The SPEAKER. The Chair understood it was to be passed as pension bills usually are passed. If there is objection, let it be stated now.

Mr. STAFFORD. I object, because I am going to insist on these bills being considered in the Committee of the Whole.

MANUFACTURE AND SALE OF STAMPED ENVELOPES

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

The Clerk called the first bill, H. R. 8576, to regulate the manufacture and sale of stamped envelopes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAMNECK, Mr. FIESINGER, and Mr. WEST objected.

FARMERS' IRRIGATION DISTRICT, NEBRASKA

The Clerk called the next bill, H. R. 10748, for liquidating bonded and other outstanding indebtedness of the Farmers' Irrigation District, Nebraska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON, Mr. JENKINS, and Mr. LAMNECK ob-

TRANSPORTATION OF CERTAIN JUVENILE OFFENDERS TO STATES

The Clerk called the next bill, H. R. 10598, to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object, I would like to make a statement. It was upon my objection that this bill was passed over on May 16 (see p. 10351). Subsequent thereto the Attorney General and the Director of Prisons discussed the matter with me; it appears that their intention is that this bill shall be made to apply to juvenile offenders only; that it is not intended that this bill should be made to apply to that class of prisoners which might otherwise be sent to reformatories. That being the understanding, I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of cooperating with States (and for the purposes of this act the words "State" and "States" shall include the District of Columbia) in the care and "States" shall include the District of Columbia) in the care and treatment of juvenile offenders, whenever any person under 21 years of age shall have been arrested, charged with the commission of any crime punishable in any court of the United States or of the District of Columbia, and, after investigation by the Department of Justice, it shall appear that such person has committed a criminal offense or is a delinquent under the laws of any State that can and will assume jurisdiction over such juvenile and will take him into custody and deal with him according to the laws of such States, and that it will be to the best interest of the United States and of the juvenile offender to surrender the offender to the authorities of such State, the United States attorney of the district in which such person has been arrested is authorized to forego the prosecution of such person and surrender him as herein provided.

It shall be the duty of the United States marshal of such dis-

herein provided.

It shall be the duty of the United States marshal of such district upon written order of the United States attorney to convey such person to such State or, if already therein, to any other part thereof and deliver him into the custody of the proper authority or authorities thereof: Provided, That before any person is conveyed from one State to another under the authority herein given, such person to such State or, if already therein, to any other part there shall be presented to the United States attorney a demand from the executive authority of the State to which the prisoner is to be returned, supported by indictment or affidavit as prescribed by section 5278, Revised Statutes (U. S. C., title 18, sec. 662), in cases of demand on State authorities. The expense incident to

the transportation, as herein authorized, of any such person shall be paid from the appropriation "Salaries, fees, and expenses, United States marshals."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

GENERAL RELIEF BILL

Mr. BANKHEAD, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered to be printed:

House Resolution 251

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the considera-tion of H. R. 12445, a bill to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, and any points of order against said bill are hereby walved. That after general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the rule may be read for the information of the House. I understand this is a liberal rule, and I would like to have it read for the information of the House.

The SPEAKER. The Chair objects. [Applause.]

AMENDMENT OF THE CRIMINAL CODE OF THE UNITED STATES

The Clerk called the next bill, H. R. 11084, to amend section 35 of the Criminal Code of the United States.

There being no objection, the Clerk read the bill, as

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 35 of the Criminal Code of the United States, as amended (U.S. C., title 18, secs. 80, 82, 83, 84, 85, and 86), be, and the same hereby is, amended to read as follows:

"Sec. 35. Whoever shall make or cause to be made, or present or cause to be presented, for payment or approval, to or by any person or officer in the civil, military, or naval service of the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, any claim upon or against the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, knowing such claim to be false, fictitious, or fraudulent; or whoever, for the purpose of obtaining or aiding to obtain the payment or approval of such claim, or for the purpose and with the intent of cheating and swindling or defrauding the Government of the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used any false bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition, knowing the same to contain any fraudulent or fictitious statement or entry; or whoever shall take and carry away, or take for his own use or for the use of another, with intent to steal or purloin, or shall willfully injure or commit any depredation against, any property of the United States, or any branch or department thereof, or any corporation in which the United States of America is a stockholder, or any property which has been or is being made, manufactured, or constructed under contract for the United States, or any branch or department thereof, or any corporation in which thereof, or any corporation in which the United States of America is a stockholder; or whoever shall enter into any agreement, combination, or conspiracy to defraud the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, by obtaining or aiding to obtain the payment or allowance of any false or fraudulent claim; and whoever, having charge, possession, custody, or control of any money or other public property used or to be used in the military or naval service, with intent to defraud the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, or willfully to conceal such money or other property, shall deliver or cause to be delivered to any person having authority to receive the same any amount of such money or other property less than that for

which he received a certificate or took a receipt; or whoever, being authorized to make or deliver any certificate, voucher, receipt, or other paper certifying the receipt of arms, ammunition, provisions, clothing, or other property so used or to be used, shall make or deliver the same to any other person without a full knowledge of the truth of the facts stated therein and with intent to defraud the United States or any descriptory thereof or convergence of the co the truth of the facts stated therein and with intent to defraud the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, shall be fined not more than \$10,000 or imprisoned not more than 10 years, or both. And whoever shall purchase, or receive in pledge, from any person any arms, equipment, ammunition, clothing, military stores, or other property furnished by the United States, under a clothing allowance or otherwise, to any soldier, sailor, officer, cadet, or midshipman in the military or naval service of the United States or of the National Guard or Naval Militia, or to any person accompanying, serving, or retained with the land or naval forces and subject to military or naval law, having knowledge or reason to believe that the property has been taken from the possession of the United States or furnished by the United States under such allowance, shall be fined not more than \$500 or imprisoned not more than two years, or both."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

AMENDMENT OF SECTION 1025 OF THE REVISED STATUTES OF THE UNITED STATES

The Clerk called the next bill, H. R. 10593, to amend section 1025 of the Revised Statutes of the United States. The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA, Mr. JENKINS, and Mr. STAFFORD objected.

INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS

The Clerk called House Joint Resolution 193, providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. BLANTON, Mr. DYER, and Mr. JENKINS objected.

•Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to take up a similar Senate bill, strike out the appropriation, and pass the bill.

Mr. BLANTON. The bill has already been killed.

Mr. LINTHICUM. This is a Senate bill.

Mr. BLANTON. The Senate bill is worse than the House

The SPEAKER. Is there objection? Mr. BLANTON. Mr. Speaker, I object.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to proceed for two minutes in order to explain the resolution. This is an important matter. We will strike out the appropriation and pass the bill without it.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. BLANTON. Mr. Speaker, I hate to do it; but in the interest of the House, I object.

SERVICE ON AMERICAN VESSELS

The Clerk called the next bill, H. R. 6710, to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I object.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object. I want to point out that unless we pass this bill, it will be possible for every shipping company receiving subsidies from the Government to employ aliens instead of citizens.

Mr. STAFFORD. Oh, no; it will allow those who are declarants for citizenship to be employed and bar those who can qualify as American citizens.

Mr. LaGUARDIA. No; it is just the other way round. Mr. JENKINS. Mr. Speaker, reserving the right to object. I think while the gentleman from Wisconsin [Mr. STAFFORD] is usually right in his interpretation of these bills, he is entirely wrong with respect to this bill. The bill will work entirely opposite the way the gentleman thinks it

Mr. BLANTON. Mr. Speaker, for one I shall object.

Mr. LAGUARDIA. I hope the gentleman from Texas will not do that.

Mr. JOHNSON of Washington. Reserving the right to object, will not the gentleman allow me to tell just what this bill provides?

Mr. BLANTON. If they will give us a chance to let the chairman of the committee state the object of the bill, I shall reserve my objection.

Mr. DICKSTEIN. Mr. Speaker, I think this is a good bill. This will simply give the American citizen the proper ratio on these ships with respect to positions that have been held by foreigners. It will give the American ships 66% per

Mr. BLANTON. Mr. Speaker, I withdraw my objection.

Mr. DICKSTEIN. It is an important bill, and I think it ought to pass.

Mr. JOHNSON of Washington. How many people know that if we employ as a sailor a man from any other country who has his first papers and he goes broke in England, we put up the money to repatriate him to the United States on his first papers?

Mr. LAGUARDIA. And will the gentleman also point out the fact that at this very time when we are spending millions of dollars to build up a merchant marine we ought to give the American citizens the preference?

Mr. STAFFORD. And will the gentleman point out that many of his own nationality will not be able to qualify as American citizens under this bill?

Mr. DICKSTEIN. The bill will build up a strong merchant marine and give employment to citizens of the United

Mr. DYER. Mr. Speaker, I ask for the regular order. The SPEAKER. The regular order is, Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, I object.
The SPEAKER. The Chair hears no further objection and the Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That subdivision 8 of section 4 of the act of June 29, 1906, entitled "An act to establish a Bureau of Immigration and Naturalization and to provide a uniform rule for the naturalization of aliens throughout the United States," as amended by section 1 of the act entitled "An act to amend the naturalization laws and to repeal certain sections of the Revised Statutes of the United States and other laws relating to naturalization, and for other purposes," approved May 9, 1918 (U. S. C., title 8, sec. 376), is hereby repealed. SEC. 2. This act shall take effect 60 days after its enactment.

With the following committee amendment: Page 2, line 3, strike out "60" and insert "90."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

INTERNATIONAL CONGRESS OF ARCHITECTS

The Clerk called the next bill, H. R. 9892, to provide that the United States extend to foreign governments invitations to participate in the International Congress of Architects to be held in the United States during the calendar year 1933, and to authorize an appropriation to assist in meeting the expenses of the session.

Mr. LAMNECK, Mr. PETTENGILL, Mr. BLANTON, and Mr. DYER objected.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. The Chair thinks the Consent Calendar should be first called.

Mr. LINTHICUM. Then, Mr. Speaker, I ask unanimous consent that the bill may be amended by striking out the appropriation and passing it without any appropriation.

Mr. BLANTON. That will not help, and I object.

FLATHEAD, KOOTENAI, AND UPPER PEND D'OREILLE TRIBES OF INDIANS

The Clerk called the next bill, S. 2986, to amend the act of March 13, 1924 (43 Stat. L. 21), so as to permit the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians to file suit thereunder.

Mr. UNDERHILL, Mr. JENKINS, and Mr. STAFFORD objected.

CONSERVATION OF WILD LIFE

The Clerk called the next bill, S. 263, to promote the conservation of wild life, fish, and game, and for other purposes.

Mr. LaGUARDIA. Mr. Speaker, this bill involves an entirely new policy, that of cooperation between the Federal Government and the States on game conservation. It is very important. I am not ready to pass upon it. I do not want to object to the consideration of the bill, and may we have it go over without prejudice?

Mr. JONES. If the gentleman insists, we shall have to

Mr. LAGUARDIA. I make that request, Mr. Speaker. The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

BOWDOIN WELL, MONTANA

The Clerk called the next bill, H. R. 9369, to set aside certain lands around the abandoned Bowdoin well, Montana.

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, unless the bill is amended we certainly can not allow anything like this to go through. The gentleman has suggested an amendment striking out everything after the enacting clause and inserting certain new matter. May we hear the amendment read and have it explained?

Mr. LEAVITT. This amendment is in accordance with the favorable report by the Senate committee, to issue a quit-claim deed of all interest of the United States.

Mr. STAFFORD. Reserving the right to object, I have given this bill considerable thought, and I have prepared an amendment that I would like to read to the gentleman from Montana, and ask him if he will approve of it. It is to strike out sections 2, 3, and 4, and substitute the following:

That the Secretary of the Interior is authorized to lease said tract of land to the Phillips County Post, No. 57, of the American Legion, department of Montana, for a term of 25 years, subject to the express condition that said post shall use said premises as may be prescribed by the Secretary of the Interior, and that all rates for the use of said premises shall be fair and reasonable and approved by him.

Mr. LaGUARDIA. Will the gentleman yield? Mr. STAFFORD. Yes. Mr. LaGUARDIA. The whole purpose of this bill is to permit a lease to a private individual, and the American Legion is simply a cover for it.

Mr. STAFFORD. I am not willing to lease any property of the United States for a nominal amount, and have the lessee mulct the public.

Mr. LaGUARDIA. Is the gentleman willing to give an outright title to the American Legion post?

Mr. STAFFORD. The Committee on Military Affairs has adopted the policy of leasing for 25 years, and I am in favor of that policy here, subject to regulation by the Secretary of the Interior.

Mr. LEAVITT. The form I have here is preferred by the department, and was introduced in the Senate by the Senator from Montana [Mr. Walsh]. It is a quit-claim deed, with the reservation of the oil.

Mr. DYER. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. DYER. Is not this a new policy? Have we ever done anything of this kind before?

Mr. LEAVITT. Yes; we have done this sort of thing several times before on different occasions. This American Legion post has a permit now that will continue, but what they want now is to so protect and develop it that they can permit the public its best use for recreation.

Mr. LaGUARDIA. Is the gentleman from Wisconsin willing that they should sublease it?

Mr. STAFFORD. No; my proposed amendment provides that it shall be under such regulations as are prescribed by the Secretary of the Interior.

Mr. LaGUARDIA. Will not the gentleman add after the word "use" "not subject to lease"?

Mr. STAFFORD. The gentleman would suggest "without the privilege of underleasing or subleasing "?

Mr. LAGUARDIA. Yes.

Mr. STAFFORD. If that is acceptable to the gentleman from Montana, I will withdraw my reservation of objection.

Mr. LEAVITT. I will not object.

Mr. STAFFORD. Then I withdraw the reservation, Mr.

Mr. BLANTON. It is understood that the proposal for the lease retains the hold of the Government on the property, and that that is going to be accepted by the gentleman from Montana?

Mr. STAFFORD. That is the understanding. The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the southwest quarter southeast quarter and east half southeast quarter southwest quarter of section 35, township 32 north, range 32 east, Montana principal meridian, comprising 60 acres, are hereby withdrawn from all forms of entry and dedicated to the purpose of securing the proper use of the warm waters flowing from the abandoned Bowdoin well, and to other properly related recreational uses.

SEC. 2. The Secretary of the Interior is hereby authorized and directed to issue to Phillips County Post, No. 57, of the American Legion, Department of Montana, a permit to occupy and use this area for any and all purposes consistent with the general purpose of this act. Such permit shall be terminable only if the area is

of this act. Such permit shall be terminable only if the area is used for purposes contrary to the intention of this act or if the said Legion post ceases to occupy and use it.

SEC. 3. Within the purposes of this act the said Legion post may erect within this tract any buildings, structures, or improvements and may allow their erection under such conditions as may be approved by the Secretary of the Interior.

SEC. 4. The said Legion post may charge and collect such fees and rentals as are approved by the Secretary of the Interior for the enjoyment of the privileges of this area. Of such fees collected 5 per cent shall be paid to the United States as reimbursement for the expense incurred in controlling the Bowdoin well.

Mr. STAFFORD. Mr. Speaker, I move to strike out section 2, and offer the following as a substitute.

The Clerk read as follows:

SEC. 2. The Secretary of the Interior is hereby authorized to lease said tract of land to the Phillips County Post, No. 57, American Legion, Department of Montana, for a term of 25 years, subsequent to the express condition that said post shall use without the privilege of subleasing or underleasing such premises under such terms as may be prescribed by the Secretary of the Interior, and all rates for use of said premises shall be fair and reasonable and approved by him.

The amendment was agreed to.

Mr. STAFFORD. Now, Mr. Speaker, I move to strike out sections 3 and 4.

The amendment was agreed to.

The Clerk read section 5, as follows:

SEC. 5. The Secretary of the Interior is hereby authorized to make such rules and regulations as are necessary to carry out the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended.

A motion to reconsider was laid on the table.

NAMING OF SUBCONTRACTORS

The next bill on the Consent Calendar was the bill (H. R. 9921) to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes.

The SPEAKER. Is there objection?

Mr. BLANTON. I object.

Mr. TABER. I object.

Mr. UNDERHILL. I object.

PENALTY FOR CERTAIN ALIENS ENTERING UNITED STATES

The next bill on the Consent Calendar was the bill (H. R. 10521) to amend an act entitled "An act making it a felony with penalty for certain aliens to enter the United States of America under certain conditions in violation of law," approved March 4, 1929.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on Immigration and Naturalization.

Mr. JOHNSON of Washington. Mr. Speaker, it should be laid on the table, the purport of the bill now having been enacted into law.

The SPEAKER. Without objection, the bill will lie on the table.

There was no objection.

IMMIGRATION AND NATURALIZATION OF CERTAIN NATIVES OF VIRGIN ISLANDS

The next bill on the Consent Calendar was the bill (H. R. 11363) relating to the immigration and naturalization of certain natives of the Virgin Islands.

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection? Mr. GREEN. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS. Mr. Speaker, I object.

CERTIFICATES OF ARRIVAL AND RECORDS OF REGISTRY

The next bill on the Consent Calendar was the bill (H. R. 10274) to amend the act approved March 2, 1929, entitled "An act to supplement the naturalization laws, and for other purposes."

The SPEAKER. Is there objection? Mr. JENKINS. Mr. Speaker, I object.

BRIDGE ACROSS ST. CLAIR RIVER, PORT HURON, MICH.

The next bill on the Consent Calendar was the bill (H. R. 10795) to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. Without objection, a similar Senate bill (S. 4581) will be substituted.

There was no objection; and the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge across the St. Clair River at or near Port Huron, Mich., authorized to be built by the Great Lakes Bridge Commission by the act of Congress approved June 25, 1930, heretofore extended by an act of Congress approved February 28, 1931, are hereby further extended one and three years, respectively, from June 25, 1932.

SEC. 2. The right to alter, amend, or repeal this act is hereby

expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

The similar House bill was laid on the table.

BRIDGE ACROSS OHIO RIVER, OWENSBORO, KY.

The next bill on the Consent Calendar was the bill (H. R. 10982) authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance, and operation of said bridge.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Without objection, a similar Senate bill (S. 4635) will be substituted.

There was no objection; and the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and more adequately provide for military and other purposes the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, be, and it hereby is, authorized to construct, maintain, and operate a bridge across the Ohio River at or near Owensboro, Ky., and the approaches thereto, at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of

bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Commonwealth of Kentucky and the State Highway Commission of Kentucky, or the successors of said commission, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, and/or operation of such bridge and the approaches as are possessed by railroad corporations for railroad purposes or by tion, and/or operation of such bridge and the approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same in condemnation or expropriation of property for public purposes in such State.

poses in such State.

SEC. 3. The Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, hereby is authorized to fix and charge toils for transit over such bridge, and the rates of toil so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. If toils are charged for the use of the bridge, the rates of toil to be charged shall be so adjusted as to provide a fund not to exceed an amount sufficient to pay the reasonable costs of maintaining, repairing, and operating the bridge and its approaches under economical management, and not to exceed an amount, in addition to the foregoing, to provide a sinking fund sufficient to amortize the aggregate cost of the bridge and its approaches, including reasonable interests and financing costs, as soon as possible under reasonable charges, but within a period not exceeding 25 years from the date of approval of this act. In any event toils shall be charged on the basis aforesaid for transit over the bridge if revenue bonds of the Commonwealth of Kentral Parks of the commonwealth of the commonwe any event tolls shall be charged on the basis aforesaid for transit over the bridge if revenue bonds of the Commonwealth of Kentucky are issued to provide money to pay all or any part of the cost thereof, and such tolls shall be continued and adjusted at such rates as may be necessary to pay such bonds with interest thereon and any lawful premium for the retirement thereof before maturity, subject only to the power of the Secretary of War or other authorized Federal authority to regulate such rates.

After a sinking fund sufficient to amortize the cost of the bridge and approaches shall have been provided to the extent herein.

After a sinking fund sufficient to amortize the cost of the bridge and approaches shall have been provided to the extent hereinabove required, the bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, repair, maintenance, and operation of the bridge and its approaches. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested. Tolls shall be uniform as between individuals and as between vehicles of the same class using the bridge. bridge.

SEC. 5. Nothing in this act shall be construed as requiring tolls

Sec. 5. Nothing in this act shall be construed as requiring tolls to be charged for the use of such bridge, except as hereinabove provided, and nothing herein shall be construed to prohibit the Commonwealth of Kentucky, acting by and through the State Highway Commission of Kentucky, or its successors, from paying all or any part of the cost of such bridge and its approaches from the State road fund, or from paying all or any part of the cost of maintenance, repair, or operation of such bridge from the State road fund of the Commonwealth of Kentucky.

Sec. 6. At any time before or after the completion of such bridge the Commonwealth of Kentucky acting by and through the State Highway Commission of Kentucky, and the State of Indiana, acting by and through the Indiana State Highway Commission, may enter into such cooperative agreement as may be agreed upon between said States, relating to the construction, financing, maintenance, and/or operation of such bridge, and the State of Indiana may acquire such interest in the bridge as may be agreed upon between said States, and upon such terms as may be agreed upon—all, however, subject to the limitations in this act expressly provided or necessarily implied.

Sec. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

BRIDGE ACROSS PEARL RIVER, PEARLINGTON, MISS.

The next bill on the Consent Calendar was the bill (H. R. 11020) authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington, Miss.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve postal service, and provide for military and other purposes, the Louisiana Highway Commission be, and is hereby, authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the Pearl River, at a point suitable to the interests of navigation, at or near Pearlington, Miss., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. There is hereby conferred upon the Louisiana Highway Commission all such rights and powers to enter upon lands and Commission all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

BRIDGE ACROSS SABINE RIVER NEAR LOUISIANA HIGHWAY NO. 21

The next bill on the Consent Calendar was the bill (H. R. 11081) to extend the time for construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45, authorized to be built by the State of Louisiana and the State of Texas by the act of Congress approved January 29, 1929, heretofore extended by act of Congress approved February 18, 1931, are hereby further extended one and three years, respectively, from the date

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 1, line 8, strike out the figures "29" and insert "19."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill to extend the times for commencing and completing the construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45."

BRIDGE ACROSS SABINE RIVER

The next business on the Consent Calendar was the bill (H. R. 11085) to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21, authorized to be built by the State of Louisiana and the State of Texas by an act of Congress approved February 18, 1931, are hereby extended one and three years, respectively, from date of approval hereof.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved. Be it enacted, etc.. That the times for commencing and complet-

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

RRIDGE ACROSS THE SARINE RIVER, LA.

The next business on the Consent Calendar was the bill (H. R. 11153) to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87.

There being no objection, the Clerk read the bill, as fol-

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Sabine River, between Calcasieu Parish, La., and Newton County, Tex., where Louisiana Highway No. 7 meets Texas Highway No. 87, authorized to be built by the State of Louisiana and the State of Texas, by an act of Congress approved February 24, 1931, are hereby extended one and three years, respectively, from date of approval hereof.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly researed.

expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS OHIO RIVER NEAR CAIRO, ILL.

The next business on the Consent Calendar was the bill (H. R. 11417) authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Cairo, Ill., and permitting the Commonwealth of Kentucky to act jointly with the State of Illinois in the construction, maintenance, and operation of said bridge.

The SPEAKER. Without objection, a similar Senate bill (S. 4636) will be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and more adequately provide for military and other purposes, the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, be, and it hereby is, authorized to construct, maintain, and operate a bridge across the Ohio River at or near Cairo, Ill., and the approaches thereto, at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Commonwealth of Kentucky and the State Highway Commission of Kentucky, or the successors of said commission, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, and/or operation of such bridge and the approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in condemnation or expropriation of property for public purposes in such State.

SEC. 3. The Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, hereby is authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. If tolls are charged for the use of the bridge, the rates of toll to be charged shall be so adjusted as to provide a fund not to exceed an amount sufficient to pay the reasonable costs of maintaining, repairing, and operating the bridge and its approaches under economical management, and not to exceed an amount, in addition to the foregoing, to provide a sinking fund sufficient to amortize the aggregate cost of the bridge and its approaches, including reasonable interests and financing costs, as soon as possible under reasonable charges, but within a period not exceeding 20 years from the date of approval of this act. In not exceeding 20 years from the date of approval of this act. In any event, tolls shall be charged on the basis aforesaid for transit over the bridge if revenue bonds of the Commonwealth of Kentucky are issued, to provide money to pay all or any part of the cost thereof, and such tolls shall be continued and adjusted at such rates as may be necessary to pay such bonds with interest thereon and any lawful premium for the retirement thereof before maturity, subject only to the power of the Secretary of War or other authorized Federal authority to regulate such rates.

other authorized Federal authority to regulate such rates.

After a sinking fund sufficient to amortize the cost of the bridge and approaches shall have been provided to the extent hereinabove required, the bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, repair, maintenance, and operation of the bridge and its approaches. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested. Tolls shall be uniform as between individuals and as between vehicles of the same class using the bridge.

SEC. 5. Nothing in this act shall be construed as requiring tolls

SEC. 5. Nothing in this act shall be construed as requiring tolls to be charged for the use of such bridge, except as hereinabove provided, and nothing herein shall be construed to prohibit the Commonwealth of Kentucky, acting by and through the State Highway Commission of Kentucky, or its successors, from paying all or any part of the cost of such bridge and its approaches from the State read fund or from paying all or any part of the cost of the State road fund, or from paying all or any part of the cost of maintenance, repair, or operation of such bridge from the State road fund of the Commonwealth of Kentucky.

sec. 6. At any time before or after the completion of such bridge the Commonwealth of Kentucky, acting by and through the State Highway Commission of Kentucky, and the State of Illinois, acting by and through the Illinois State Highway Commission, may enter into such cooperative agreement as may be agreed upon between said States relating to the construction, financing, maintenance, and/or operation of such bridge, and the State of Illinois may acquire such interest in the bridge as may be agreed upon between said States and upon such terms as may be agreed upon between said States, and upon such terms as may be agreed upon. All, however, subject to the limitations in this act expressly provided

or necessarily implied.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

BRIDGE ACROSS MISSOURI RIVER NEAR FARNAM STREET, OMAHA, NEBR. The next business on the Consent Calendar was the bill

(S. 4401) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and com-pleting the construction of a bridge across the Missouri River at pleting the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr., authorized to be built by the Omaha-Council Bluffs Missouri River Bridge Board of Trustees by act of Congress approved June 10, 1930, heretofore extended by an act of Congress approved February 20, 1931, are hereby further extended one and three years, respectively, from June 10, 1932.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

AMENDING AN ACT AUTHORIZING COOS BAY INDIANS TO PRESENT CLAIMS TO COURT OF CLAIMS

The next business on the Consent Calendar was the bill (H. R. 11120) to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256).

There being no objection, the Clerk read the bill, as

Be it enacted, etc., That the act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Sluslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256), be, and the same hereby is, amended by omitting, in line 20, the words "township 26 south, range 7 west" and inserting in lieu thereof the words "township 15 south, range 6 west"

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

OSAGE INDIANS OF OKLAHOMA

The next business on the Consent Calendar was the bill (S. 3085) relating to the tribal and individual affairs of the Osage Indians of Oklahoma.

Mr. BLANTON. Mr. Speaker, I make the point of order that the report does not comply with the Ramseyer rule under the rules of the House.

Mr. PETTENGILL. Mr. Speaker, I object.

The SPEAKER. The gentleman from Indiana objects. Mr. BLANTON. I would ask the Chair to rule upon my point of order, because if we are going to require bills to comply with the Ramseyer rule we ought to make them all comply.

The SPEAKER. Will the gentleman give the Chair an opportunity to look up the report?

PURCHASE OF DOMESTIC SUPPLIES FOR PUBLIC USE, ETC.

The next business on the Consent Calendar was the bill (H. R. 10743) to require the purchase of domestic supplies for public use and the use of domestic materials in public buildings and works.

Mr. EATON of Colorado. Mr. Speaker, reserving the right to object. I suggest that the author of the bill consent to an amendment upon page 2, in line 12, striking out all of the line after the word "States." The words stricken are "or to be used for experimental or scientific purposes."

By striking these words from the second sentence of section 2, that section would read as follows:

Sec. 2. Notwithstanding any other provision of law, and unless inconsistent with the public interest, or unless the cost is unreasonable, only such unmanufactured articles, materials, and sup-

plies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States wholly of articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use. This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used are not mined, produced, or manufactured, as the case may be, in the United States.

Mr. GRANFIELD, Mr. KENNEDY, and Mr. BEAM objected. MANUFACTURE AND SALE OF INDUSTRIAL AND BEVERAGE ALCOHOL IN OSAGE COUNTY, OKLA.

The next business on the Consent Calendar was the bill (H. R. 7123) to provide for the manufacture and sale of industrial and beverage alcohol for lawful purposes in Osage County, Okla.

Mr. BLANTON. Mr. Speaker, I object.

OSAGE INDIANS, OKLAHOMA

The SPEAKER. The Chair will state to the gentleman from Texas [Mr. Blanton] that the parliamentary clerk has examined the report and advises the Chair that the point of order is well taken.

The Chair makes this statement at this time so that when the point of order is made-

Mr. BLANTON. Mr. Speaker, I insist on the point of

The SPEAKER. The Chair sustains the point of order. The bill is recommitted to the Committee on Indian Affairs.

COOPERATION OF STATES IN PREVENTION OF CRIME

The Clerk called the next bill, H. R. 10243, granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other pur-

The SPEAKER. Is there objection?

Mr. DYER. Mr. Speaker, I would like to ask the gentleman what the difference is between this bill and the one we passed some time ago?

Mr. SUMNERS of Texas. Mr. Speaker, the difference between this bill and the bill which the House has approved is this: The other bill gave permission to States to enter into compacts with reference to service on witnesses beyond the State where their testimony is desired. This bill has the same plan as that bill. This bill goes farther. Its purpose is to relieve the States of the restraint imposed by Article I, section 10, of the Constitution. This article pro-

No State shall, without the consent of Congress . . enter into an agreement or compact with another State.

Mr. Speaker, this bill has been evolved by the Committee on the Judiciary with the hope that it may relieve the pressure upon the Federal Government to extend its criminal jurisdiction. The bill carries the recognition that the general use of automobiles and airplanes and other means of rapid transportation has made the difficulty of each State enforcing its criminal laws and policies very great indeed. It is hoped that with this consent, and it is merely a provision of consent-it does not at all modify any law except it removes a restraint imposed by the Constitution upon States entering into mutual compacts and agreements-it is hoped that Congress will give its consent so that States may enter into agreements with each other, if they want to do it, under which they will permit officers with process to cross State lines in pursuing the criminal into another consenting State. It makes it possible for States to make agreements as their circumstances may require and as they may see fit to join forces in suppressing crime.

Mr. LaGUARDIA. Will the gentleman yield? Mr. SUMNERS of Texas. I yield to my colleague the gentleman from New York, a member of the committee.

Mr. LAGUARDIA. As I understand the bill will permit abutting and neighboring States to agree among themselves to handle the criminal situation which has developed through new means of communication and transportation instead of calling upon the Federal Government to intervene where there is this crossing of State lines in the commission of crime.

Mr. SUMNERS of Texas. Exactly. My colleague the gentleman from New York has stated the purpose exactlyto permit States to enter into agreements among themselves for that purpose. It is the judgment, I think, of every member of the Committee on the Judiciary that unless we do give this permission and the States avail themselves of it and let down bars at State lines that are only thrown up in the case of pursuit of criminals and States work out as they see fit some policy under which they can cooperate more effectively in the suppression of crime, we are going to have a tremendous increase in Federal cases.

Mr. EATON of Colorado. Will the gentleman yield? Mr. SUMNERS of Texas. I yield.

Mr. EATON of Colorado. May I ask the gentleman if under the terms of the bill the sheriff from A State could be called upon by B State to transport the prisoner to B State? Would that be permissible?

Mr. SUMNERS of Texas. Only if the States agree. This is purely permissive. This provision in the Constitution, as is well known to those familiar with the history of the proceedings of the Constitutional Convention, was intended as a safeguard to the Union against dangerous alliances. It was never intended to hamper the States in working out their own domestic problems.

Mr. EATON of Colorado. Let me ask the question in this way: Would this permit the sheriffs of State A and State B to cooperate with each other and act interchangeably with

Mr. SUMNERS of Texas. Yes. Mr. DYER. Mr. Speaker, I reserve the right to object purely for the purpose of giving the gentleman from Texas, the chairman of the Judiciary Committee, an opportunity to explain this bill, because some weeks ago we passed a similar bill and I wanted him to explain the necessity for this legislation. It is a good bill and should be passed. There is no doubt about that.

Mr. SUMNERS of Texas. I am very much obliged to my colleague. The other bill merely deals with service of witnesses and procuring their attendance. This bill deals with the whole problem of criminal procedure.

Mr. DICKSTEIN. Will the gentleman yield? Mr. SUMNERS of Texas. Yes.

Mr. DICKSTEIN. Does not the bill delegate the power of Congress to two States?

Mr. LAGUARDIA. No.

Mr. SUMNERS of Texas. It takes the bridle off and lets them do as they please in working out their problems with regard to crime.

Mr. TILSON. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. TILSON. If this bill is passed will it not do away with the necessity of such bills as our good friend from Missouri had passed some time ago?

Mr. SUMNERS of Texas. I think I betray no confidence when I say that my good friend from Missouri thinks it will do that thing.

Mr. TILSON. The bill known as the Dyer bill certainly was a mistake, and this, it seems to me, would remove the necessity of passing such bills.

Mr. BLANTON. I do not think so. I think the particular Dyer bill referred to by the gentleman was a good bill and is doing good work.

Mr. DYER. I thank the gentleman.

The SPEAKER. Is there objection?
Mr. JENKINS. Mr. Speaker, reserving the right to object. I want to ask a question about something that has bothered me, and I am sure it has come up in the committee's discussion of this bill. The Constitution provides that no State shall, without the consent of Congress, enter into any agreement or compact with another State. Does not the gentleman think that language so broad as to hold that Congress can not pass a general law for the States, but would have to pass a law for each individual State or two States when they want to enter into a compact or agree-

Mr. SUMNERS of Texas. May I say to my friend that there are a number of grants of power on the part of Congress to States to do various things prior to their specific agreement as to what they are going to do, and I think we can delegate this power prior to their agreement.

Mr. LaGUARDIA. And it has been so held.

The SPEAKER. Is there objection?

There was no objection.

sider laid on the table.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Consent of Congress is hereby given to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcement of their respective criminal laws and policies, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements

and compacts.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to recon-

MANUFACTURE AND SALE OF INDUSTRIAL AND BEVERAGE ALCOHOL FOR LAWFUL PURPOSES IN OSAGE COUNTY, OKLA.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to return to H. R. 7123, a bill to provide for the manufacture and sale of industrial and beverage alcohol for lawful purposes in Osage County, Okla. The gentleman from Texas objected to the consideration of this bill, but he now advises me that he will withdraw his objection if the title is amended.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to return to H. R. 7123. Is there ob-

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, what bill is this?

Mr. BLANTON. This is the bill to which I objected, but the gentleman has promised to amend it properly.

Mr. STAFFORD. The bill provides for the manufacture and sale of industrial and beverage alcohol for lawful purposes on the Osage Indian Reservation.

Mr. BLANTON. No; it merely puts this county in Oklahoma under the same law that prevails everywhere else.

Mr. DYER. Will the gentleman accept an amendment to permit the manufacture and sale of 2.75 per cent beer?

Mr. BLANTON. Not at all.

Mr. STAFFORD. This is for an intoxicating beverage, while 2.75 per cent beer is not intoxicating.

Mr. BLANTON. No; this bill will not permit any violation of the prohibition laws of the United States.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, this bill refers only to industrial alcohol, does it not? Mr. DISNEY. In one county.

Mr. LaGUARDIA. Why should one county have this privilege and not all other counties?

Mr. DISNEY. Because of the restriction that exists with reference to this particular county. The Indian law prevents it.

Mr. LaGUARDIA. The Indian law alone prevents it?

Mr. DISNEY. Yes.

The SPEAKER. Is there objection?

Mr. DYER. Mr. Speaker, until we can have the whole system changed and rights restored to the American people. I do not think we should give this consent. Therefore I

Mr. HASTINGS. Will the gentleman reserve his objection?

Mr. DYER. Certainly I will.

Mr. HASTINGS. Let me supplement what my colleague has already said. They have some big oil refineries in this Osage country, and because of the peculiar Indian law that applies to this Osage country they can not use industrial alcohol while other refineries throughout the country are permitted to do so. This bill is for the purpose of giving

that right in this county, and that is all the bill intends to | do. It is to put them all on a par.

Mr. DYER If the gentleman will permit, the bill provides for beverage alcohol as well as for industrial alcohol. If the gentleman will strike out beverage alcohol, I will withdraw my objection

Mr. BLANTON. That language is in the title by mistake. The gentleman has promised to properly amend the title, and it was on his promise to properly amend the title that I withdrew my objection to the bill.

The SPEAKER. Is there objection?

Mr. DYER. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of March 2, 1917, declaring all of Osage County, Okla., to be Indian country within the meaning of the acts of Congress making it unlawful to introduce intoxicating liquors in the Indian country, shall be, and the same is hereby, amended by adding the following thereto: "Except that the manufacture and sale of industrial and beverage alcohol for lawful purposes shall be permitted in said Osage County, in accordance with the laws of the United States pertaining to the regulation of such industry."

With the following committee amendment:

On page 1, in line 3, after the figures "1917," insert "(39 Stat. 983; U. S. C., title 25, sec. 242).'

The committee amendment was agreed to.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to amend the title.

Mr. STAFFORD. Mr. Speaker, I object to that.

Mr. BLANTON. That was the "gentlemen's agreement" we had-that if I withdrew my objection the title would be amended. Mr. Speaker, I offer the amendment which it was understood would be accepted by the author and by the House before I withdrew my objection. Strike out the present title and insert in lieu thereof "A bill to amend the act of March 2, 1917 (39 Stat. 983; U. S. C., title 25, sec. 242).

The SPEAKER. That amendment should be offered after the passage of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Blanton to the title: Strike out the title and insert in lieu thereof the following:
"A bill to amend the act of March 2, 1917 (39 Stat. 983; U. S. C., title 25, sec. 242)."

The amendment was agreed to.

A motion to reconsider the vote by which the bill was passed was laid on the table.

DEPORTATION OF ALIEN COMMUNISTS

Mr. DICKSTEIN. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists.

The SPEAKER. The gentleman from New York moves to suspend the rules and pass the bill H. R. 12044, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That subdivision (a) of section 1 of the act of October 16, 1918, as amended by the act of June 5, 1920 (U. S. C., tttle 8, sec. 137), is amended to read as follows:

"(a) Aliens who are anarchists or communists."

SEC. 2. Section 1 of such act, as amended, is amended by adding at the end thereof as a new paragraph the following definitions

at the end thereof as a new paragraph the following definitions and clarifications, to wit:

"A 'communist' within the meaning of this act shall mean any alien who is a member of or affiliated with any organization which, or any alien who, believes in, advises, advocates, or teaches (1) the overthrow by force or violence of the Government of the United States, or (2) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or officers generally) of the Government of the United States or of any other organized government, because of his or their official character, or (3) the unlawful damage, injury, or destruction of property, or (4) sabotage, or (5) a doctrine which advocates the overthrow by force or violence of governments, constituted authority, or social order, existing in countries not under the control of communists and the establishment in place thereof of (a) a régime termed 'proletarian dictatorships' and/or (b) a system based upon common ownership of

property and abolition of private property, provided that the platform, program, and/or objectives of the third international or communist international shall be held to embrace the said doctrine. No alien shall be held to be a communist under the provisions of this act if he shall prove that he became a member of such organization on account of fear, duress, compulsion, misrepresentation, or fraud."

The SPEAKER. Is a second dcmanded?

Mr. JOHNSON of Washington and Mr. LAGUARDIA demanded a second.

The SPEAKER. Is the gentleman from Washington [Mr. Johnson | opposed to the bill?

Mr. JOHNSON of Washington. I would like to see a stronger bill considered.

Mr. LaGUARDIA. Mr. Speaker, I am opposed to the bill, and I am going to vote against the bill.

The SPEAKER. The gentleman from New York is recognized to demand a second.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I yield five minutes to the gentleman from West Virginia [Mr. BACHMANN].

Mr. BACHMANN. Mr. Speaker, I am in favor of this bill. In effect it follows the recommendation made by the committee appointed to investigate communist activities in the United States, of which I was a member and Mr. Fish, of New York, was chairman.

I introduced a similar bill in the last Congress and again in this Congress. The only difference between this bill and my bill is that the bill under consideration seeks to define the word "communist."

The purpose of the bill is to put the communist on the same basis as an anarchist. Under our present immigration law a communist may be deported, but it must be proven in each individual case that he is a member of or affiliated with an organization which has for its purpose the overthrow of the Government of the United States by force and violence. In other words, it is necessary for the Government to prove in each case the purpose and manifesto of the communist organization.

Should the bill under consideration become law, a communist may be deported on his admission or on proof that he is a communist or affiliated with the communist organization. Therefore it will materially aid in the speedy deportation of all alien communists.

There is no question but that legislation of this kind is urgently needed. The very fact that an alien is an anarchist subjects him to deportation. There is no reason why the same should not apply to communists. The communist is a thousand times worse than an anarchist. He has an organization behind him which is world-wide in its scope, while an anarchist usually functions as an individual. An anarchist believes in no form of organized government, while a communist believes only in the soviet form of government as it exists in Russia.

The communist movement in this country is controlled by aliens. It was estimated before our communist investigating committee that 90 per cent of those connected with the communist movement in this country are aliens and naturalized citizens. Very few native Americans are connected with the movement. If this bill is passed it will assist the Immigration Bureau in deporting these alien communists to the country whence they came.

I have always maintained, and maintain now, that if these aliens whom we permit to come to this country and to live here under the protection of the American flag, can not obey our laws and live in accordance with our form of government, let them go back to the country of their birth. [Applause.] They must understand that if they advocate the overthrow of the Government of the United States by force and violence they will be deported. We are not seeking to control the form of government they have in Russia, and therefore we should not permit these aliens to adopt and plan to bring into existence a soviet form of government in the United States.

Communism is an organized effort to overthrow organized governments. Its objectives are the abolition of government, ownership of private property, religion, and family relations. The Communist Party in this country is an organization whose avowed belief and aim is the overthrow by force and violence of the Government of the United States.

Those aliens who believe in communism or who are affiliated with the Communist Party must sooner or later learn that while they are living here the Government of the United States will not permit or tolerate their insidious activities. No alien or naturalized citizen can be a communist and at the same time be loyal to the Government of the United States and its flag.

We have in Washington to-day a number of ex-service men who have come here for the purpose of advocating the payment of their adjusted-service certificates. I want to give them this warning. Be careful of this radical group who have injected themselves into your ranks; most of whom are aliens and many of whom never served a day in the United States Army. This communist group is here for the purpose of instigating trouble.

[Here the gavel fell.]

Mr. LaGUARDIA. Mr. Speaker, I hope that the proponents of this bill will be fair enough to point out what there is in this bill that is not in existing law.

You now provide in existing law that any alien who believes in the overthrow of government by force or violence is not admissible and, if admitted, is deportable. So this bill does not add anything.

You also provide in existing law that anyone who seeks to assassinate officials is deportable, and that therefore is fully covered by law.

The only change I can find is the expansion of the word "sabotage," and this, no doubt, has been suggested by the open-shop people of the country who would use this as a means of preventing workers from asserting their rights, and the right to deport a man for mere thinking. This bill is not intended to cover the dangerous radical using bombs and advocating violence; it is intended to give any bigot, or any employer, or any minor official the power to brand anyone a communist, make his own definition and hookup, and then deport the victim.

Mr. JOHNSON of Washington. This bill does two things; first, it adds to the act of 1918, as amended, the word "communist," and then ties subdivision (c) of the same act in with the definition, the definition being almost in the same words as section (c); so there is one definition altogether for the purpose of making sure that the communist is included in the act of 1918, for the purposes of exclusion and for expulsion.

Mr. LaGUARDIA. The definition in the old law, the existing law, is that any person who is a member or affiliated with any organization who believes in, advises, advocates, or teaches the overthrow by force or violence of the Government of the United States or all forms of law, and so forth, is not admissible.

Mr. JOHNSON of Washington. Now, this describes the same thing and adds the clause which I read:

(b) A system based upon common ownership of property and the abolition of private property, provided that the platform, program, and all objectives of the Third Internationale, or Communist Internationale, shall be held to embrace the said doctrine.

Mr. LaGUARDIA. How can that in any way be put into a written law, how can you put an interpretation of any school of economics, how can you tie in belief of public ownership with a class of people who believe in the assassination or the overthrow of government by force?

There are many on the floor of this House who have advoerated public ownership of water power, Members who have advocated the public ownership of means of transportation. The gentleman from Washington is always fair, but he is now defending a bill which makes the definition so broad as to make it possible to take anyone you do not like, anyone whose color of hair you do not like, and bring him in for deportation as a communist.

Mr. JOHNSON of Washington. We have written it so that we think there is an exemption for free speech—

Mr. LaGUARDIA. Where is there such an exemption?

Mr. JOHNSON of Washington. By not touching it. This applies only to those aliens here who will not interfere with the conduct of the United States Government by its own citizens.

Mr. LaGUARDIA. That indeed is a new theory of law, protecting free speech by not touching it. Is the gentleman from Washington familiar with the decisions of the Supreme Court as to what the term "communist" means?

Mr. JOHNSON of Washington. Yes; and another one has been handed down but recently.

Mr. Laguardia. I feel that this bill is not necessary, that existing law is sufficiently broad, and this is only a justification to give the gentleman from New York [Mr. Fish], who has lectured all over the country on communism, the opportunity to say that he got some bill through for the thousands of dollars of public money spent on his silly investigation.

Mr. BLANTON. I am relying on the gentleman from New York to give me some time.

Mr. LaGUARDIA. Mr. Speaker, I reserve the balance of my time.

Mr. DICKSTEIN. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, ladies, and gentlemen of the House, under the privilege accorded to me to revise and extend my remarks, I shall discuss this subject at length, because I believe that the importance of the matter and the necessity for information on the subject justify me in doing so.

I do not agree with the statements made by Congressman LaGuardia in opposition to this bill. As the author of the bill, I can say it does not seek to accomplish the purpose which the gentleman believes it does. Under the present law alien communists are not excludable or deportable as such. They may be excluded or deported upon some other ground but not simply because they are communists. The present law reads, in effect: "That the following aliens shall be excluded from the United States: (a) Aliens who are anarchists." This bill adds after the word "anarchists" the words: "or communists."

WHAT SECTION 2 ADDS TO LAW

Section 2 of this bill adds an entirely new subdivision at the end of section 1 of existing law and this new matter is added to define and clarify what classes of aliens may be considered as communists, and, as such, subject to exclusion and expulsion. Section 2 of this bill also defines a communist as—

any alien who is a member of or affiliated with any organization which, or any alien who, believes in, advocates, or teaches (1) the overthrow by force or violence of the Government of the United States, or (2) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or officers generally) of the Government of the United States or of any other organized government, because of his or their official character, or (3) the unlawful damage, injury, or destruction of property, or (4) sabotage, or (5) a doctrine which advocates the overthrow by force or violence of governments, constituted authority, or social order, existing in countries not under the control of communists and the establishment in place thereof of (a) a régime termed "proletarian dictatorship" and/or (b) a system based upon common ownership of property and abolition of private property, provided that the platform, program, and/or objectives of the Third International or Communist International shall be held to embrace the said doctrine.

BILL WILL NOT AFFECT VICTIMS OF FORCE OR FRAUD

It is plain that the proposed bill will not affect any alien who merely subscribes to a doctrine which advocates a system based upon common ownership of property and such abolition of private property, or the common ownership of the means of production, unless such alien believes in, advises, or advocates the establishment of this system by force or violence. This definition will there fore exempt any organization or alien who, although subscribing to the doctrine of a system of common ownership of property and the abolition of private property, or the common ownership of the means of production, does not believe in, advise, or advocate the establishment of this system by force or violence.

NECESSITY FOR DEFINITION OF "COMMUNISTS"

Many of the bills before our committee, such as the Bachmann bill, simply propose to accomplish what section 1 of this bill does. They fail to contain any definition of "a communist." Our committee was convinced, after extended hearings, that some adequate definition of a communist should be placed in a bill of this character, and the definition incorporated in this bill is a correct and accurate definition of the revolutionary and radical type of communists that we are seeking to exclude and expel from this country.

BILL DOES NOT APPLY TO SOCIALISM

Mr. Speaker, this bill does not apply to socialism, which advocates common ownership of property to be achieved through lawful and peaceable means. Socialism and communism are derived from the same source—Karl Marx. They differ only in the means by which they endeavor to destroy property and individualism. The communist advocates violence and revolution, whereas the socialist advocates change through election. One advocates the bullet, the other the ballot. The foundation stone of modern communism, the communistic manifesto of Marx and Engles declares:

The theory of the communist may be summed up in the single sentence: Abolition of private property.

The writings of communism—especially of its founders—advocate scientific communism, a communism based on the materialistic conception of history. The principle of historic materialism in which Marxian or scientific communism is founded is opposed to religion because it denies the existence of a Supreme Being. Karl Marx, the founder of modern socialism, states:

Religion is a fantastic degradation of human nature.

All the great leaders of communism have uttered similar declarations and characterize and denounce Christianity and any belief in or hope of a hereafter as an opiate and an illusion.

BILL APPROVED BY DEPARTMENTS OF STATE AND LABOR

Mr. Speaker, this bill has the approval and endorsement of the Department of State and the Department of Labor. The fact that the law does not now make an alien communist, as such, subject to exclusion and expulsion, renders it very difficult for the Government to reach that type of alien communist that it is highly important to exclude or deport.

WHAT THIS BILL WILL DO

The enactment of this proposed bill into law will not only render the direct actionist and violence-advocating alien communist, as such, subject to exclusion and expulsion, but it will relieve the Government of much difficult proof that it is now required to make. When this proposed bill becomes a law, it is believed that the courts will take cognizance of the fact, and relieve the Government of proof, that the communist party, and its affiliated or subsidiary organizations, and others of a similar nature, in their various programs or platforms, believe in, advise, advocate or teach the various things specified in section 2 of this act, and as a matter of administration, the Secretary of Labor could hold that certain organizations were communist organizations within the meaning of this act, with the necessary conclusion that members of such organizations come within the meaning of this act, and as such, are excludable or

In reference to other organizations teaching, advising, or advocating the same thing, and yet whose programs or platforms are not generally known or published, it is believed that the Government will only have to make proof that such organization or organizations come within the meaning of this act, and that thereafter such organization or organizations will be included within the number of communist organizations within the meaning of this act, concerning whose teachings or advocacy the courts will take judicial cognizance, and it is apparent that this will greatly simplify the administration of the law and facilitate the exclusion and deportation of such alien communists as come within the meaning of this act.

DEFINITION OF "A COMMUNIST"

This proposed legislation for the first time specifies and defines clearly "a communist." There is nothing in the law at the present time that specifies and defines a communist, and it is believed that this definition is not only highly important in the administration of this proposed law, but will be of far-reaching consequences in future legislation dealing with communists. It is manifest that in the absence of such a definition, the administration of the law would be so uncertain, difficult, and expensive, and would involve such hardship, as to make it practically of no value. In the absence of such a definition, the courts might define "communist" in the classical or dictionary manner to mean one who subscribes to a doctrine that advocates a system of common ownership of property and the abolition of private property, or common ownership of the means of production.

Such a judicial interpretation of the word "communist," would omit the all-important elements of force and violence in the establishment of such a system, and would do great violence to the eternal principles of American liberty. But with the definition in this bill it can be clearly ascertained by the Secretary of Labor, or by any court having jurisdiction thereof, that an alien or organization either does or does not come within the meaning of this act.

SAFEGUARDS FOR FRAUD VICTIMS

Section 2 of this bill safeguards any alien who shall prove that he became a member of such organization on account of fear, duress, compulsion, misrepresentation, or fraud. There was evidence submitted to our committee which held protracted hearings day after day that communist organizations in some sections of the country had compelled or coerced the employees of certain factories to become members of their organization. Therefore, the committee deemed it advisable and just to permit the alien to prove as a defense (the burden of proof being upon him) that he became a member of such organization on account of fear, duress, compulsion, misrepresentation, or fraud. In the absence of this provision, such alien would probably have the right to make such proof, but the committee considered it advisable to affirmatively give such alien such right in order that no injustice might be done in the enforcement of this

Mr. Speaker, some of the statements that I have made in reference to communism, and some that I am about to make, are not original with me, but have been gleaned from various authentic writings from time to time and jotted down for future use.

MOSCOW CONTROLS AMERICAN COMMUNISTS

From my investigation and the investigation conducted by others, I am convinced that the American communist movement is directed and controlled by Moscow. The communists in this country are organized in what is known as the Communist Party of the United States of America, section of the Communist International, which is subordinate to the Communist International, whose headquarters are in Moscow. Evidence is convincing that the leaders of the American Communist Party proceed to Russia from time to time for instructions and orders and to report upon conditions relating to the communist movement in this country. A representative of the American Communist Party is usually stationed in Moscow for the purpose of advising the executive committee of the Communist International or Third International with regard to conditions in the United States and in the American Communist Party. American communists are sent from time to time to Moscow to undergo training for subsequent work in this country.

Delegates are sent by the American Communist Party to Moscow to attend the world congresses of the Communist International and the meetings of the enlarged executive committee of the Communist International, as well as congresses and meetings of the various international revolutionary organizations controlled by the Communist International. From time to time delegates are sent by Moscow to the United States to enforce decisions reached at Moscow with regard to policies to be carried out in this country.

Moscow enunciates the program to be followed here, at times against the advice of American communist leaders. For years a constant stream of instructions and orders, giving in the greatest detail the activities to be engaged in here, has been sent from Moscow to American communists. Even the dates on which important meetings of the central committee or conventions of the American party are to be held are set by Moscow

EXTENT OF MOSCOW'S CONTROL

The extent of Moscow's direction and control of the activities of the American communist leaders is further indicated by the fact that, on two different occasions, the leaders of the American Communist Party, elected by the party, have been thrown out of office and other leaders put in office on Moscow's orders.

The American communist movement has for years been characterized by factionalism among its leaders, and several groups, including usually a so-called majority and so-called minority, have been fighting for control of the party organization. In the two instances cited, one of which occurred in 1925, the other in 1929, it was the majority group which was displaced and the minority group which was placed in power. Many of the important Moscow leaders have actively participated in the direction of the American movement. They include Lenin, Trotsky, Zinoviev, Lozovsky, and Stalin. None of them, in fact, has been more active than Stalin, for it was he who was the leading member of the American commission of the executive committee of the Communist International which sat in Moscow in May, 1929, and directed the action of the commission which resulted in the replacement of the majority leadership in the American party by the minority group.

REASON FOR MOSCOW'S INTEREST

A reason for Moscow's great interest in the communist movement in this country is given by Stalin as follows:

The American Communist Party is one of those few communist parties in the world upon which history has conferred tasks of a decisive character from the viewpoint of the world revolutionary movement.

It is of interest in this connection to note that American communists who have declined to obey instructions issued by Moscow have been expelled from the Communist International and from the American Communist Party. Many of them now form the so-called opposition groups referred to above.

COMMUNISTS IN EVERY COUNTRY UNDER MOSCOW'S CONTROL

There is, of course, nothing peculiar in the relationship existing between the American leaders of the American communist movement and the Russian directors of that movement. Communists in other countries occupy a similar position of subservience to the Moscow will. In France, in Germany, and in other countries, members of the communist parties who have refused to obey Moscow's direction have been expelled from the Communist International and from the communist parties to which they belonged.

ULTIMATE OBJECTIVE

The ultimate objective of the communist movement in this country (as also of the international communist movement elsewhere, directed from Moscow) is the seizure of governmental power by an armed uprising led by the Communist Party and the establishment, under a régime termed "the dictatorship of the proletariat," of a soviet republic which shall be a member of a world union of soviet republics.

Communist efforts at the present time are directed toward the creation in this country of a highly disciplined, organized group—the Communist Party—capable of leading such an uprising and toward the development of a situation favorable to the ultimate attempt to seize power. The communists do not expect to be able to create such a group or bring about the development of such a situation within a stated period of time.

They realize that a long time is likely to be required to create a party membership sufficiently trained, experienced, enthusiastic, self-sacrificing, and determined to be able to lead an uprising to seize power.

"CLASS CONSCIOUSNESS"-FIRST STEP

Also they recognize that before a situation propitious for such a venture can exist, it will be necessary for them to develop what they term "class consciousness" in the laboring classes of this country. This "class conscious" element, it is anticipated, will support the communist movement and from it will be recruited a larger communist party and "red" trade union membership. This "class conscious" element, led by the communists, will constitute a "mass movement" against the present form of government, against the present economic and social order and against the "capitalist oppressors" of the working class.

MEANS OF CREATING "CLASS CONSCIOUSNESS"

The means by which it is sought to create this "class consciousness" are, at the present time, in part as follows:

First. Promotion of general discontent and hatred for the existing order in the United States, and of a corresponding admiration of the present régime in Russia and all of its policies and activities.

Second. Promotion of strikes and of unrest among the unemployed, and the organization of communist labor unions.

Third. Promotion of unrest and disloyalty in the armed forces of the United States.

Fourth. Promotion of discontent among the negroes.

Fifth. Promotion of discontent among alien elements in the United States.

Sixth. Promotion of discontent and disregard for authority among the children.

Seventh. Promotion among the intelligentsia of discontent with the existing order in the United States.

Eighth. Promotion of discontent among the farmers.

Ninth. Promotion of contempt for religion, especially among the children.

Tenth. Opposition to the deportation of aliens.

Eleventh. Opposition to the restriction of immigration.

Twelfth. Demonstrations and resolutions protesting against governmental action, Federal and State, against individuals. (The so-called Scottsboro case is the best current instance of this. The Sacco-Vanzetti case is the most celebrated one that has been so used in the past.)

Thirteenth. Opposition to American "imperialistic domination" of China and Latin America.

Fourteenth. Opposition to and ridicule of the policies of the United States Government toward the present régime in Russia.

PUBLICITY SOUGHT BY ELECTIONS

As a means for bringing to the attention of a large number of our people the various aims of the party the party has had recourse to extensive publicity in the course of election campaigns. Communists are nominated for public office, local, State, and Federal, not with any expectation that they will be elected but merely with a view to propagating communist principles. It should be borne in mind in this connection that the party does not contemplate that it will come into power by constitutional methods through the election of communists to executive or legislative positions. On the contrary, as pointed out above, it advocates the seizure of power by an armed uprising when a favorable situation shall have been created.

DIFFERENCE BETWEEN STRIKES CONDUCTED BY FEDERATION OF LABOR AND COMMUNISTS

It is to be noted that communist-conducted strikes differ fundamentally in character from strikes brought about by the American Federation of Labor and similar organizations in what they conceive to be the material interests of the workers whom they represent. Communist-conducted strikes are only incidentally concerned with the material interests of the workers involved; their principal aim is avowedly the promotion of revolution and the overthrow of the capitalist system. To a communist labor leader, victory in a strike does not mean its settlement on a basis of higher wages, shorter hours, and so forth, but its prolongation until the strikers are desperate and ready for political revolution; settlement is defeat.

OBJECT OF COMMUNIST STRIKES

Every more or less important strike-

according to the Theses of the Sixth World Congress of the Communist International (1928)—

drives the workers into a clash with the trustified capitalistic giants which have amalgamated with the imperialistic authority of the State. Consequently every strike acquires a political, i. e., general class, character. The development of every such strike should, consequently, result in its acquiring an anti-State character.

A. Lozovsky, head of the Red International of Labor Unions, speaking at the final session of the fifth congress of that organization in September, 1930, thus summarized the attitude taken by the congress with reference to strikes:

* * All the essence of the line of policy of the Red International of Labor Unions is to stand at the head of the growing discontent * * * in the masses, to rally the huge masses * * * to raise every strike to a higher level, to direct every strike in such a way that it be turned against the entire capitalist system, to organize the masses on the basis of their every-day struggle in such a way as to prepare them for the overthrow of capitalism and for the establishment of the dictatorship of the proletariat.

Mr. William F. Dunne, an organizer for the Communist National Miners' Union of the Trade Union Unity League, writes in Moscow in 1930:

The fundamental task of the American section of the Red International of Labor Unions is to crystallize the discontent, the embitterment, and the hatred of the proletariat for capitalism and for the bourgeois state into mass strikes and manifestations, and to manage these latter.

COMMUNIST PARTY OF UNITED STATES OF AMERICA

The Communist Party of the United States of America is the only organization in this country all of whose members are communists. There are two closely allied organizations whose members are being trained for party membership, namely, the Young Communist League of America and the Young Pioneers of America. The two junior communist organizations, the Young Communist League of America and the Young Pioneers of America, are, respectively, the American branches of the Communist International of Youth and the children's movement under its control.

SUBSIDIARY COMMUNIST ORGANIZATIONS

In addition to these organizations, there have been created under communist inspiration a large number of so-called "united front" organizations, the purpose of which is to carry on, under the direction of the party leaders, various activities to further the communist movement in this country. "United front" organizations may be defined as bodies organized, controlled, and directed by communists along communistic lines, but to which noncommunists may and do belong. The purpose of communist parties in forming such organizations is to cause other liberal or radical groups or individuals to unite with communists in the pursuit of limited objectives upon which noncommunists are, even though temporarily, agreed.

Many of these communist subsidiaries, "frontal" or "united-front" organizations are, in turn, branches of world organizations formed and controlled by the Communist International at Moscow. For example, the Trade Union Unity League, which is the communist labor organization in this country, is the American section of the Red International of Labor Unions; the International Labor Defense is the American section of the International Red Aid, whose Russian title, "International Organization for Aid to Fighters of the Revolution," is perhaps more descriptiove of its real purpose; the Workers International Relief is the American section of the International Workers Relief.

STRENGTH OF COMMUNISM IN THE UNITED STATES OF AMERICA

The strength of the communist movement in this country is not definitely known. Statements made by leaders of the Communist Party and statements appearing in communist publications indicate that, up to 1931, the total membership of the party did not exceed 10,000. Mr. William F. Dunne, a leading member of the central committee of the partly, recently testified before the House Committee on Im-

migration and Naturalization that the membership was then (on March 15, 1932) between 25,000 and 30,000. That was probably a somewhat exaggerated claim, but doubtless indicates that there has been some increase during the past year. Membership figures do not, however, represent the voting strength of the communist movement.

In the 1924 presidential election, the communist candidate for the Presidency, William Z. Foster, polled 36,386 votes in 15 States; in the 1928 presidential election, he polled 48,511 votes in 34 States. In the 1930 elections, 82,651 communist votes were cast in 16 States. The Special Committee to Investigate Communist Activities in the United States, headed by the Hon. Hamilton Fish, estimated the voting strength of the communists at 100,000 in January, 1931, and the total number of communists or active communist sympathizers at between 500,000 and 600,000 at that time. The latter figure was reached on the basis of an estimate that about 70 per cent of the communists in this country are aliens and therefore not entitled to vote.

Ninety-five per cent of the members of the Communist Party are said to be workers. The party policy is very liberal in the matter of accepting new members from the working class, and any worker may join who is in sympathy with communist principles. Persons who are not members of the working class must first convince the party of their loyalty to that class and are admitted under somewhat more stringent regulations. New members are accepted by units (so-called "cells") of the party, are taken in personal charge by individual leading members of the unit, and are formally and publicly accepted in open meetings. The party is very strict, however, in the matter of party discipline, and there are many expulsions from the party, which quickly takes such action for disloyalty to the party or for refusal to obey the orders of party leaders.

STALIN IS DICTATOR OF WORLD COMMUNISTS

The fact that Stalin is to-day supreme dictator of the Soviet State is too well established to require proof. There is agreement on this point on the part of both proponents and opponents of the Soviet Government. For a considerable period after his accession to power, Stalin did not occupy any important governmental position in Russia, but since 1930 he has been a member of the Soviet of Labor and Defense, one of the most important governmental bodies. Actually, of course, his power is derived from the fact of his supremacy in the position of "general secretary of the central committee of the All-Union Communist Party (of Bolsheviks)," over the party organization. From this position he is able to direct the party machinery and, through it, the governmental apparatus and the international revolutionary movement centering around the Communist International and its subsidiary organizations. In this connection, the statement of a prominent Russian communist in December, 1929, on the occasion of Stalin's fiftieth birthday, is of interest. He said that-

None of the more important documents of great historical significance has left the Communist International without Stalin's taking the most active part in its drafting.

MOSCOW DIRECTS WORLD COMMUNIST MOVEMENT

It is an essential part of Moscow policy that the Communist Party in Russia must supply direction and motive power for the operation of both the Soviet Government and the Communist International. With respect to the operation of the Soviet Government, the party relies on the services of party members who are soviet citizens; with respect to the operation of the Communist International, the services of foreign communists, acting under orders, inspiration, and support from Russian communists, are utilized.

The situation described is not new. It has existed since the communists seized power in Russia in 1917. Originally the apparatus of the Soviet Government was itself used to carry on the international revolutionary activities directed from Russia. One of the earliest acts of the Soviet Government was to place 2,000,000 rubles at the disposal of the foreign representatives of the Commissariat for Foreign

movement." Later, in 1919, the Communist International was formed as the organization through which such activities were to be conducted, in order that it might be said that the Soviet Government did not participate in such work

While the Soviet Government no longer openly participates in the international communist revolutionary movement, it still remains in fact, as once described by Radek, "a detachment of the international"; and that its official agencies abroad are used as a channel for the communication of information, instructions, and funds, in the furthering of the international communist movement, has come to the knowledge of many foreign governments which have established relations with the Soviet Government.

Finally, it is to be remembered that not only Stalin, but Lenin, Trotsky, Rykov, Molotov, and other leading members of the Communist Party in Russia have held simultaneously important positions in the Communist International and in the Soviet Government.

CONSTITUTION AND BULES OF COMMUNIST INTERNATIONAL

By the terms of the constitution and rules of the Communist International, adopted in 1928, the central committee of each national section is required to send to the executive committee of the Communist International the minutes of its meetings and reports concerning its work. The leading posts in each party are considered to belong to the Communist International as a whole, not to the occupant of the post.

Elected members of the leading party organizations may resign before their term of office expires only with the consent of the executive committee of the Communist International. Each section of the Communist International must regularly pay affiliation dues to the executive committee of the Communist International, the amount of which is determined by the executive committee of the Communist International. Congresses of the national sections may be convened only with the consent of the executive committee of the Communist International. Communists changing their domicile must join the communist party in the country of their new domicile. The leading body of the Communist International in the period between the world congresses of the Communist International is the executive committee of the Communist International, which gives instructions to all the sections of the Communist International and controls their activity. The decisions of the executive committee of the Communist International are obligatory for all sections of the Communist International and must be promptly carried out. 'The executive committee of the Communist International and its presidium have the right to send their representatives to the various sections of the Communist International, such representatives receiving their instructions from and being responsible for their activities to the executive committee of the Communist International or its presidium.

Such representatives have the right to participate in meetings of the central party bodies, as well as the local organizations, of the sections to which they are sent. They are authorized to speak in opposition to the central committee of the section to which they are sent, if the line of the central committee in question diverges from the instructions of the executive committee of the Communist International. Such representatives are especially obliged to supervise the carrying out of the decisions of the world congresses and of the executive committee.

According to the constitution and rules, the supreme body of the Communist International is the world congresses of representatives of all member parties and organizations. Such congresses are required to be held every two years, the date thereof and the number of representatives attending

Affairs, "for the needs of the revolutionary internationalist | from capitalism to socialism and the dictatorship of the proletariat." from which the following extracts are quoted:

> Between the capitalist society and communist society a period Between the capitalist society and communist society a period of revolutionary transformation intervenes, during which the one changes into the other. Correspondingly, there is also an intervening period of political transition, in which the essential State form is the revolutionary dictatorship of the proletariat. The transition from the world dictatorship of imperialism to the world dictatorship of the proletariat extends over a long period of proletarian struggles with defeats as well as victories; a period of continuous general crises in capitalist relationships and growths of social revolutions is a forestarian civil wars against the continuous general crises in capitalist relationships and growths of social revolutions, i. e., of proletarian civil wars against the bourgeoisle; a period of national wars and colonial rebellions which, although not in themselves revolutionary proletarian socialist movements, are nevertheless objectively, in so far as they undermine the domination of imperialism, constituent parts of the world proletarian revolution; a period in which capitalist and socialist economic and social systems exist side by side in peaceful relationships as well as in armed conflict; a period of formation of a union of soviet republics; a period of wars of imperialist States against soviet States; a period in which the ties between the soviet States and colonial peoples become more and more closely soviet States and colonial peoples become more and more closely established, etc.

> Uneven economic and political development is an absolute law of capitalism. This unevenness is still more pronounced and acute in the epoch of imperialism. Hence, it follows that the international proletarian revolution can not be conceived as a single event occurring simultaneously all over the world; at first socialism may be victorious in a few, or even in one single capitalist country. Every such proletarian victory, however, broadens the basis of the world revolution and, consequently, still further intensifies the general crisis of capitalism. Thus the capitalist system as a whole reaches the point of its final collapse; the dictatorship of finance capital perishes and gives place to the dictatorship of the pro-

> Bourgeois revolutions brought about the political liberation of system of productive relationships that had already established a system of productive relationships that had already established itself and become economically dominant and transferred political power from the hands of one class of exploiters to the hands of another. Proletarian revolution, however, signifies the forcible invasion of the proletariat into the domain of property relationships of bourgeois society, the expropriation of the expropriating classes, and the transference of power to a class that aims at the radical reconstruction of the economic foundations of society and the shelltion of all exploitations of society and radical reconstruction of the economic foundations of society and the abolition of all exploitation of man by man. The political domination of the feudal barons all over the world was broken in a series of separate bourgeois revolutions that extended over a period of centuries. The international proletarian revolution, however, although it will not be a single simultaneous act but one extending over a whole epoch, nevertheless, thanks to the closer ties that now exist between the countries of the world, will accomplish its mission in a much shorter period of time. Only after the proletariat has achieved victory and consolidated its power all over the world will a prolonged period of intensive construction over the world will a prolonged period of intensive construction of world socialist economy set in.

> The conquest of power by the proletariat is a necessary condi-tion precedent to the growth of socialist forms of economy and to the cultural growth of the proletariat, which changes its own nature, perfects itself for the leadership of society in all spheres of life, draws into this process of transformation all other classes and thus prepares the ground for the abolition of classes alto-

In the struggle for the dictatorship of the proletariat, and later for the transformation of the social system, as against the alliance of capitalists and landlords an alliance of workers and peasants is formed, under the intellectual and political hegemony of the former, an alliance which serves as the basis for the dictatorship of the proletariat.

the proletariat.

The characteristic feature of the transition period as a whole is the ruthless suppression of the resistance of the exploiters, the organization of socialist construction, the mass training of men and women in the spirit of socialism and the gradual disappearance of classes. Only to the extent that these great historical tasks are fulfilled will society of the transition period become transformed into communist society.

Thus, the dictatorship of the world proletariat is an essential and vital condition precedent to the transition of world capitalist economy to socialist economy. This world dictatorship can be established only when the victory of socialism has been achieved in certain countries or groups of countries, when the newly established proletarian republics enter into a federal union with the already existing proletarian republics, when the number of such federations has grown and extended also to the colonies which have emancipated themselves from the yoke of imperialism; when these federations of republics have finally grown into a world these federations of republics have finally grown into a world union of soviet socialist republics uniting the whole of mankind under the hegemony of the international proletariat organized as a state.

from each section being determined by the executive committee of the Communist International, which is elected by the world congress.

ULITIMATE AIM OF COMMUNIST INTERNATIONAL, Following the section describing the ultimate aim of the communist is a section devoted to "the period of transition" a state.

The conquest of power by the proletariat does not mean peacefully "capturing" the ready-made bourgeois state machinery by means of a parliamentary majority. The bourgeoisie resorts to every means of violence and terror to safeguard and strengthen its predatory property and its political domination. Like the feudal nobility of the past, the bourgeoisie can not abandon its historical position to the new class without a desperate and frantic struggle. Hence the violence of the bourgeoisie can be suppressed only by

the stern violence of the proletariat. The conquest of power by the proletariat is the violent overthrow of bourgeois power, the destruction of the capitalist state apparatus (bourgeois armies, police, bureaucratic hierarchy, the judiciary, parliaments, etc.), and substituting in its place new organs of proletarian power, to serve primarily as instruments for the suppression of the exploiters. * * *

As has been shown by the experience of the October revolution of 1917 and by the Hungarian revolution, which immeasurably enlarged the experience of the Paris commune of 1871, the most suitable form of proletarian state is the soviet state—a new type of state which differs in principle from the bourgeois state, not only in its class content but also in its internal structure. This is precisely the type of state which, emerging as it does directly out of the broadest possible mass movement of the toilers, secures the maximum of mass activity and is consequently the surest. the maximum of mass activity and is consequently the surest guaranty of final victory.

The soviet form of state, being the highest form of democracy, The soviet form of state, being the highest form of democracy, namely, proletarian democracy, is the very opposite of bourgeois democracy, which is bourgeois dictatorship in a masked form. The soviet state is the dictatorship of the proletariat, the rule of a single class—the proletariat. Unlike bourgeois democracy, proletarian democracy openly admits its class character and aims avowedly at the suppression of the exploiters in the interests of the overwhelming majority of the population. It deprives its class enemies of political rights and, under special historical conditions, may grant the proletariat a number of temporary advantages over the diffused petty-bourgeois peasantry in order to strengthen its rôle of leader. While disarming and suppressing its class enemies, the proletarian state at the same time regards this deprivation of political rights and partial restriction regards this deprivation of political rights and partial restriction of liberty as temporary measures in the struggle against the attempts on the part of the exploiters to defend or restore their privileges. It inscribes on its banner the motto: The proletariat holds power not for the purpose of perpetuating it, not for the purpose of protecting narrow craft and professional interests, but for the purpose of uniting the backward and scattered rural proletariat, the semiproletariat, and the toiling peasants still more closely with the more progressive strata of the workers, for the purpose of gradually and systematically overcoming class divisions altogether. Being an all-embracing form of the unity and organization of the masses under the leadership of the proletariat, the peasants, and all toilers into the struggle for socialism, into the work of building up socialism and into the practical administration of the state; in the whole of their work they rely upon the working-class organizations and practice the principles of broad democracy among the toilers to a far greater extent and immeasurably closer to the masses than any other form of government. regards this deprivation of political rights and partial restriction

ernment.

The right of electing and recalling delegates, the combination of the executive with the legislative power, the electoral system, based on a production and not on a residential qualification (election by workshops, factories, etc.)—all this secures for the working class and for the broad masses of the toilers who march under its hegemony, systematic, continuous, and active participation in all public affairs—economic, social, political, military, and cultural—and marks the sharp difference that exists between the bourgeois-parliamentary republic and the soviet dictatorship of the proletariat.

the proletariat

Bourgeois democracy, with its formal equality of all citizens before the law, is in reality based on a glaring material and eco-nomic inequality of classes. By leaving inviolable, defending and strengthening the monopoly of the capitalist and landlord cla strengthening the monopoly of the capitalist and landlord classes in the vital means of production, bourgeois democracy, as far as the exploited classes and especially the proletariat is concerned, converts this formal equality before the law and these democratic rights and liberties, which in practice are systematically curtailed, into a juridical fiction and, consequently, into a means for deceiving and enslaving the masses. Being the expression of the political domination of the bourgeoisie, so-called democracy is therefore capitalist democracy. By depriving the exploiting classes of the means of production, by placing the monopoly of these means of production in the hands of the proletariat as the dominant class in society, the soviet state, first and foremost. dominant class in society, the soviet state, first and foremost, guarantees to the working class and to the toilers generally the material conditions for the exercise of their rights by providing them with premises, public buildings, printing plants, traveling

facilities, etc.

In the domain of general political rights the soviet state, while depriving the exploiters and the enemies of the people of political rights, completely abolishes for the first time all inequality of citizenship, which under systems of exploitation is based on distinctions of sex, religion, and nationality; in this sphere it establishes an equality that is not to be found in any bourgeois country. In this respect also, the dictatorship of the proletariat steadily lays down the material basis upon which this equality may be truly exercised by introducing measures for the emancipation of women, the industrialization of former colonies, etc.

Soviet democracy, therefore, is proletarian democracy, democracy

soviet democracy, therefore, is proletarian democracy, democracy of the toiling masses, democracy directed against the exploiters.

The soviet state completely disarms the bourgeoisic and concentrates all arms in the hands of the proletariat; it is the armed proletarian state. The armed forces under the soviet state are organized on a class basis, which corresponds to the general structure of the proletarian dictatorship, and guarantees the rôle of leadership to the industrial proletariat. This organization, while maintaining revolutionary discipline, ensures to the warriors of

the red army and navy close and constant contacts with the masses of the tollers, participation in the administration of the country and in the work of building up socialism. * * *

The victorious proletariat utilizes the conquest of power as a lever of economic revolution, i. e., the revolutionary transformation of the property relations of capitalism into relationships of the socialist mode of production. The starting point of this great economic revolution is the expropriation of the landlords and capitalists, i. e., the conversion of the monopolistic property of the bourgeoisie into the property of the proletarian state. * *

The dictatorship of the proletariat is a continuation of the class struggle under new conditions. The dictatorship of the proletariat is a stubborn fight—bloody and bloodless, violent and peaceful, military and economic, pedagogical and administrative—against the forces and traditions of the old society, against external capitalist enemies, against the remnants of the exploiting classes within the country, against the upshoots of the new bourgeoisie that spring up on the basis of still prevailing commodity production.

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duction.

After the civil war has been brought to an end the stubborn class struggle continues in new forms, primarily in the form of a struggle between the survivals of previous economic systems and fresh upshoots of them on the one hand, and socialist forms of economy on the other. The forms of the struggle undergo a change at various stages of socialist development, and in the first stages the struggle, under certain conditions, may be extremely savers

STRATEGY AND TACTICS OF COMMUNIST INTERNATIONAL

The concluding section of the program entitled "The Strategy and Tactics of the Communist International in the Struggle for the Dictatorship of the Proletariat" ends as follows:

In order that revolutionary work and revolutionary action may be coordinated and in order that these activities may be guided must successfully, the international proletariat must be bound by international class discipline, for which first of all it is most important to have the strictest international discipline in the com-

important to have the strictest international discipline in the communist ranks.

This international communist discipline must find expression in the subordination of the partial and local interests of the movement to its general and lasting interests and in the strict fulfillment, by all members, of the decisions passed by the leading bodies of the Communist International.

Unlike the Social Democratic, Second International, each section of which submits to the discipline of "its own" national bourgeoise and of its own "fatherland," the sections of the Communist International submit to only one discipline, viz, international proletarian discipline, which guarantees victory in the struggle of the world's workers for world proletarian dictatorship. Unlike the Second International, which splits the trade-unions, fights against colonial peoples, and practices unity with the bourgeoise, the Communist International is an organization that guards proletarian unity in all countries and the unity of the toilers of all races and all peoples in their struggle against the yoke of imperialism.

yoke of imperialism.

Despite the bloody terror of the bourgeoisie, the communists fight with courage and devotion on all sectors of the international class front, in the firm conviction that the victory of the proletariat is inevitable and can not be averted.

The communists disdain to conceal their views and aims. They openly declare that their aims can be attained only by the forcible overthrow of all the existing social conditions. Let the ruling class tremble at a communistic revolution. The proletarians have nothing to lose but their chains. They have a world to win.

Workers of all countries, unite.

LAWS OF OTHER COUNTRIES IN REFERENCE TO COMMUNISM

In some countries laws forbid the existence of communist parties. In them, as a rule, illegal communist parties are organized with aims similar to those held by the legal parties. At times the illegal communist organization directs, controls, and inspires the actions of a so-called workers' or labor party which is legally permitted. In each country the communist party, whether underground or legal, comprises the "Section of the Communist International" of that country. In any given country there can be only one communist party affiliated with the Communist International and contributing its "Section" in that country.

NO DISCONTINUATION OF COMMUNIST PROPAGANDA FROM MOSCOW

The statement is frequently seen that communist propaganda in foreign countries, directed from Moscow, has been or is about to be discontinued. Such a statement is not in accord with the facts. While it is probably true that in connection with the efforts to reconstruct the national economic life of Russia under the ægis of the 5-year plan, there has been a shift in emphasis to the Russian internal, from the international, arena, there is no evidence that Moscow has abandoned, or intends to abandon, its policy of interference in the internal affairs of foreign countries, including the United States. This interference does not

consist of merely circulating propaganda literature but of | forming, subsidizing, and directing the activities in foreign countries of organizations whose ultimate object is the overthrow of the governments of such countries. The national sections of the Communist International are no bit less under Moscow's control to-day than they were five years ago. In fact, the numerous expulsions on Moscow's orders of dissenting communists from the parties of which they were members would indicate a tightening, rather than a lessening, of Moscow's control. No one who has studied the international communist movement and become aware of the conviction among the Bolshevik leaders of the necessity for an international communist revolution will believe that the present world situation will not be utilized by them, in so far as possible, for the furtherance of the movement which they direct.

SIMILARITY BETWEEN ECONOMIC FEUDALISM, COMMUNISM, AND SOCIALISM

Mr. Speaker, industrial and financial feudalism produced by the concentration of wealth and power in the hands of a few is similar to communism or socialism only in the matter of ownership. In an economic feudalism the ownership would be concentrated in the hands of a few individuals or groups, whereas in the case of communism the ownership would vest in the hands of a proletariat, consisting, as in the case of Russia, of several million trained communists at whose head would be a despot like Stalin. An economic feudalism might be more efficient than government ownership and control, but in common with socialism and communism, it would completely stifle the private initiative and the individualism of our citizenship, and just as completely unleash poternalism. Those who advocate the concentration of wealth and power in the hands of a few may not perceive it, but they are advocating the same thing in effect as do the socialists or communists, namely, the destruction of individualism.

SIMILARITY BETWEEN ECONOMIC FEUDALISM AND FASCISM

Not only do industrial and financial feudalism and socialism destroy private initiative and individualism, but fascism as preached by Mussolini and now practiced by Italy also has the same effect. Mussolini's formula is, "Everything for the state, nothing outside the state, and nothing against the state." Under socialism, communism, or fascism the individual exists for the state. Under our theory of government the state exists for the individual. Fascism, communism, and socialism have this in common: They destroy freedom of speech, freedom of thought, and the right to worship God according to the dictates of one's conscience. None of these systems rest on the active growth and moral value of the individuals, without whom the state is a fiction or a monster.

TITANIC STRUGGLE BETWEEN INDIVIDUALISM AND COLLECTIVISM

And so the titantic struggle, not only in the United States but in the world at large, is between individualism on the one hand and collectivism on the other. The question is, Shall a few, whether that few be feudal lords under a system of concentrated ownership and control, or a dictatorship under systems such as prevail in Russia and Italy, govern the masses or shall individual and political freedom be preserved? Shall individualism, as proclaimed by Thomas Jefferson, applied by Andrew Jackson, and interpreted by Woodrow Wilson, be retained as the basis of our political, religious, and economic life, or shall we relapse into the tyranny of an enthroned and governing minority, whether that minority be the communist of Russia, the Fascist of Italy, or the great industrial and financial lords who would seek the control of the wealth, the natural resources, and the industrial power of the country?

THE REMEDY

Fortunately, under our system of government, there is no need to resort to any of these alternatives. Extreme measures of all kinds are equally bad. The only wise and happy course to pursue is the one that lies in the middle of all these extremes. Let us keep constantly in mind that our sacred duty to our Nation and our children's children yet unborn is to preserve individualism in our economic and

political life. We can shape our economic and political policies and laws to achieve this end. We can do so without destroying or impairing the efficiency of legitimate industry and business. In some fields of human activity large-scale operations are necessary, but even in these classes of industry individualism can be preserved by distributing a fair share of the economies of large-scale operations to the laborers who are employed and by voluntary effort on the part of capital to give to labor some protection during periods of unemployment.

BEST WAY TO COMBAT COMMUNISM

I think this bill will enable us to protect our shores from an undesirable class of aliens. The most effective way to combat communism and to preserve individualism is to evolve and put in practice humane policies in industrial enterprises, give remunerative employment to the largest possible number of people under working conditions which give full opportunity to ability and likewise satisfy the requirements of human dignity and self-respect, eliminate or reduce to a minimum that insecurity of employment which is the haunting spectre in the workingman's vision of the future, offset the displacing power of the machine by shortening the hours and days of work so as to give to labor the benefit of improved technique and machinery, and emancipating agriculture from the octopus of taxation and tariff which is sucking its life blood and bringing about wholesale bankruptcy and ruin. By concentrating the genius of American inventive mind and capacity to the accomplishment of these noble ends, we can erect the surest bulwark against the waves of collectivism that is sweeping down upon the civilized world. But in the meantime, Mr. Speaker, we are certainly justified and obligated to protect American ideals, traditions, and institutions by providing, as this bill does, for some effective machinery whereby those aliens who come to our shores as guests shall not be allowed to bite the hand that is feeding them.

The communist organizations are bitterly opposing this measure because they know that it will enable the Government to deal effectively and speedily with a group of alien enemies who are actively engaged in America in carrying out the directions of Moscow to produce discord, disruptional and revolution. There can be no true liberty without order, and it is the paramount duty of Congress to preserve order.

BILL INDORSED BY PATRIOTIC ORGANIZATIONS

Although this bill is opposed by the communist organizations, which are sending telegrams in opposition to it, I am glad to say that it has the support of hundreds of patriotic, civic, and fraternal organizations throughout the United States. I wish that I had the space to incorporate these indorsements in this extension of my remarks, but I wish briefly to refer to the splendid resolution adopted by the executive board representing the State Council (Inc.), Junior Order United American Mechanics of New Jersey, New York, Virginia, and in other States, which on the 21st day of May, 1932, adopted resolutions "that we enthusiastically indorse H. R. 12044, introduced in Congress by Hon. Martin Dies, and recently reported by the House Committee on Immigration and Naturalization, and we most respectfully petition Congress its enactment into law." Many patriotic organizations, such as Better American Federation, Legion posts, Lions Clubs, Kiwanis, and the Commondery General of the Patriotic Order of Sons of America, are supporting this bill, and I feel confident that it has the indorsement of the great majority of American citizens, and it ought to be passed as speedily as possible.

Mr. LaGUARDIA. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. Blanton].

Mr. HUDDLESTON. Mr. Speaker, I wonder if the gentleman from Texas [Mr. Blanton] can explain this matter to us.

Mr. BLANTON. Yes; I shall explain it. Affiliating with communists means when they meet with communists, when they encourage communists, when they speak communistic language to communists from their communists' platforms at communists' meetings. They are affiliated with them when they do that. Now, I can not yield farther.

I am in favor of keeping communists out of the United States; and I want to say to the soldier boys now congregating in Washington that I am one of their loyal friends. I am one of those who have fought to pay them their adjusted-compensation certificates. I was in favor of paying them in cash at the time the certificates were issued. I believe that this is an honest debt that is due them by the United States. It is a debt of honor. We have been making an uncompromising fight for them. We forced the Government in the last Congress to loan them half of these certificates. I am in favor of forcing the Government to pay them the balance in cash at this Congress.

I was the third man who signed the petition to discharge the committee and to bring that matter to a vote before this Congress on next Monday; but I want to say, as coming from one of the best friends to the ex-service men, if they ever attempt, here in Washington or anywhere else, to browbeat Congress with any threats of violence, then I am done with their bill. [Applause.] I am not for their bill when they demand it with threats of violence. [Applause.] The right sort of ex-service men who wore the uniform and upheld that flag in France are not going to make any threats or any attempt to sandbag the Congress of their Nation, and we need not fear from them any threats of violence. If there are such threats coming from these organizations it is not from the soldiery but it is from communists, who are trying to pervade every meeting of every kind in the United States. [Applause.]

I say to-day that I commend their organization here in Washington, and I commend their members now attending their meeting here for discarding the communistic element from their camps and for not allowing any affiliation with them whatever.

I happen to know that during the past few years, when he was the chairman of this committee, the distinguished gentleman from Washington [Mr. Johnson] was heartily in favor of just such a bill as we now have before us. He did what he could to get such a measure favorably reported. He has been in favor of restricting immigration and stopping the army of foreigners from invading our country each year. And I desire to commend him for the hard work he has done along that line. He has rendered some valuable service to the country. And the country owes him a debt of gratitude.

I want to commend my colleague from Texas [Mr. Dies] for introducing this bill and getting it favorably reported by the committee. He is doing some valuable work, and I want to hand him a bouquet of flowers for it.

I am sorry that the committee could not see its way clear to reporting out my bill to suspend all immigration for five years. We should stop it all for at least five years. Then we would have an opportunity to assimilate the ones we have here and for Americans to find employment again, for positions now are gobbled up by many foreigners who have come here.

Now the time has come when we ought to stop putting on our ballots any communist ticket in decent American elections. It is an outrage on common decency for a communist ticket to appear on an American ballot. Why do not our parties stop it? Why do not the powers that be rise up in their might, in the interest of the good people of the United States, and take the communist ticket off of the ballot? I hope that the election authorities in my State will never put another communist ticket on any ballot in the State of Texas. [Applause.]

When a man comes to ask the electorate to elect him to office, he knows that when he takes that office he must take an oath to uphold and support the Constitution of the United States. He has not any right to have in his mind a secret thought and intention that if he is put into office he will perform every effort he can to tear down the Government of the United States by force and violence. I hope it will stop. I want to commend the committee for bringing in this bill, and I want to commend the distinguished gentleman from West Virginia [Mr. Bachmann], who has done much on the Fish committee in bringing this about.

Mr. BACHMANN. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BACHMANN. Will the gentleman insert as a part of his remarks the fact that the communist candidate for President, Mr. Foster, in the last election received over 48,000 votes on the communist ticket?

Mr. BLANTON. Well, in a Nation of 120,000,000 people, when annually foreigners have been unloaded by law, and in spite of the law, on all the various coasts of our country by hundreds of thousands, is it any wonder that we have 48,000 people voting the communist ticket for President? We ought to stop the horde that is coming in here continually from Europe; and if this committee had done what I would have liked to have it do, they would have brought in my bill that would have stopped all foreigners from coming into the United States for the next five years. [Applause.]

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. DICKSTEIN. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. Fish].

Mr. FISH. Mr. Speaker, I congratulate the gentleman from Texas [Mr. Dies] and his committee for bringing in legislation of this kind. If these alien communists, who come here of their own free will and accord, do not like our laws, our country, our free institutions, and our republican form of government, all they have to do is to go back home; but if those alien communists insist on remaining here and spreading their doctrine of poison and hatred against our ideals, our traditions, and our principles of government and the American flag, then it is manifestly the duty of the Congress of the United States to enact legislation to deport alien communists. [Applause.] That is exactly what we propose to do now. It should have been done before. These alien communists do not fear our police, our courts, or our jails. The only thing they fear is to be deported back home, where there is no freedom of speech or civil, economic, or political liberty.

I hope the Members of this House will be afforded a chance to go on record in favor of this legislation, so that they can go back home and tell the people in their districts that they took the first opportunity to vote to get rid of the alien communists in the United States.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. FISH. I yield.

Mr. DICKSTEIN. There are a number of aliens who are not really alien communists, in the true sense of the word, except that they mingle with real alien communists who seek to overthrow the Government. I call the gentleman's attention to page 2 of the bill, that we protect persons who innocently are coerced or forced into any communistic organization.

Mr. FISH. I will answer the gentleman by saying that I have given some study to that problem along with the gentleman from West Virginia [Mr. Bachmann] and members of the House committee to investigate communist propaganda and activities in the United States. Our committee recommended legislation along similar lines, and I am convinced that you have worked out a fair and honest bill and have endeavored to protect the interests and welfare of those aliens who are entitled to protection. This legislation is primarily aimed to facilitate the deportation of aliens who are active members of the Communist Party and all alien communists who seek the overthrow of our republican form of government by force and violence, and I hope it will pass by a unanimous vote.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LaGUARDIA. Mr. Speaker, this bill does not do that which the gentleman from New York [Mr. Fish] says it does, and the gentleman should know that it does not. I invite a comparison of existing law with this bill.

The gentleman from New York [Mr. Fish] knows that existing law is sufficient to deport any communist who believes in overthrowing by violence any form of government. I want that made clear. I invite a comparison. I will read

the existing law on this very subject—the act approved! October 16, 1918 (40 Stat. 1012), as amended by an act approved June 5, 1920 (41 Stat. 1008):

EXCLUSION AND EXPULSION OF ANARCHISTS AND SIMILAR CLASSES [Act approved October 16, 1918 (40 Stat. 1012), as amended by the act approved June 5, 1920 (41 Stat. 1008]

Be it enacted, etc., That section 1 of the act entitled "An act to exclude and expel from the United States aliens who are members of the anarchistic and similar classes," approved October 16, 1918, is amended to read as follows:

"That the following aliens shall be excluded from admission

into the United States;

"(a) Aliens who are anarchists;
"(b) Aliens who advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group, that advises, advocates, or teaches opposition to all organized gov-

ernment;

"(c) Aliens who believe in, advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group that believes in, advises, advocates, or teaches: (1) The overthrow by force or violence of the Government of the United States or of all forms of law; or (2) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government because of his or their official character; or (3) the unlawful damage, injury, or destruction of property; or (4) sabotage

"(d) Aliens who write, publish, or cause to be written or published, or who knowingly circulate, distribute, print, or display, or knowingly cause to be circulated, distributed, printed, published, or displayed, or who knowingly have in their possession for the purpose of circulation, distribution, publication, or display, any purpose of circulation, distribution, publication, or display, any written or printed matter advising, advocating, or teaching opposition to all organized government, or advising, advocating, or teaching: (1) The overthrow by force or violence of the Government of the United States or of all forms of law; or (2) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government; or (3) the unlawful damage, injury, or destruction of property; or (4) sabotage.

"(e) Aliens who are members of confficient.

government; or (3) the uniawful damage, injury, or destruction of property; or (4) sabotage.

"(e) Aliens who are members of or affiliated with any organization, association, society, or group that writes, circulates, distributes, prints, publishes, or displays, or causes to be written, circulated, distributed, printed, published, or displayed, or that has in its possession for the purpose of circulation, distribution, publication, issue, or display, any written or printed matter of the character described in subdivision (d).

"For the purpose of this section: (1) The giving, loaning, or promising of money or anything of value to be used for the advising, advocacy, or teaching of any doctrine above enumerated shall constitute the advising, advocacy, or teaching of such doctrine; and (2) the giving, loaning, or promising of money or anything of value to any organization, association, society, or group of the character above described shall constitute affiliation therewith; but nothing in this paragraph shall be taken as an exclusive definition of advising, advocacy, teaching, or affiliation."

SEC. 2. That any alien who, at any time after entering the United States, is found to have been at the time of entry, or to have become thereafter, a member of any one of the classes of aliens enumerated in section 1 of this act, shall, upon the warrant of the Secretary of Labor, be taken into custody and deported in the manner provided in the immigration act of February 5, 1917.

Why, the identical language as in this bill, Mr. Speaker. So all this grand-stand play of saying this is the first bill introduced into Congress to take care of the communists is not in accordance with the facts. What this bill does, Mr. Speaker, is to amplify the definition of the word "sabotage" in order to make it easier to deport some poor unfortunate fellow who may be working under a "yellow-dog" contract and happens to go on strike.

Mr. DIES. Does the gentleman say that is not the law at the present time?

Mr. LaGUARDIA. Yes. Let the gentleman show the

Mr. DIES. Look at the report.

Mr. LaGUARDIA. Among the definitions in the bill is belief in a doctrine which advocates the overthrow by force or violence. That is the existing law, which I have just read. But in addition to that and apart from the belief in or the advocacy of the use of force and violence is the consideration of any system based upon common ownership of property, one can readily see how far that goes in opening a man's mind and looking into it and saying because he believes, because he studies, some scheme of economics

which believes in the common ownership of property he is to be classed as a communist and is to be deported. There are many schools of thought which consider the common ownership of property, who do not advocate the overthrow of government by force or violence.

Mr. DIES. The gentleman is mistaken. The bill specifically provides that only those who advocate the accomplishment of that system by force and violence are included in the bill; and if the gentleman will look at page 5 of the report, he will find the word "sabotage" in the old law, and if he will compare the laws, he will find under the old law it was directed against those who advocated the overthrow of all forms of government.

Mr. LaGUARDIA. That is in the law now, I agree,

Mr. DIES. The communists do not advocate the overthrow of all forms of government.

Mr. LaGUARDIA. The gentleman bears out exactly what am saving.

Mr. GREEN. Will the gentleman yield?

Mr. LaGUARDIA. I can not yield. I am not going to vote in these days, when the whole economic system is undergoing a change and we do not know what change we will be confronted with right here in this Congress before long. to suppress the right of workers to protect themselves in accordance with the law. I say it is going too far. I am going to record myself as being opposed to any such bill as we have before us because existing law is sufficiently broad, and has been so held by the Supreme Court of the United States, to permit the deportation of any communist who advocates the overthrow of the Government by force and violence.

Mr. JOHNSON of Washington. The law does not tie the thing together.

Mr. LaGUARDIA. What the sponsors of this bill seek to tie is the unfortunate worker who may seek to go out on strike or anyone who is even studying a change in our present economic system.

Mr. JOHNSON of Washington. It only affects the alien.

Mr. LAGUARDIA. I suppose the next thing the Fishes, the Bachmanns, and the Johnsons will resort to will be a bill to authorize witch burning.

I ask you to compare existing law with this bill and what has been publicly expressed here. Of course, the gentlemen are on safe grounds when they say that what they are going to do is to provide for the deportation of communists who believe in the use of force and violence for the overthrow of government, but that is in the existing law to-day; this bill permits anyone with a personal grievance to accuse an alien of being a communist, and that is all that is necessary to deport him. He may be the most harmless creature in the

Mr. STAFFORD. Will the gentleman yield? Mr. LaGUARDIA. I yield.

Mr. STAFFORD. I have had some question as to what is purposed in the phrase which would permit the deportation of aliens who believe in the principles of the Third Internationale, or the Communist International?

Mr. LaGUARDIA. I do not know. I repeat, it is not the violent advocate of force and violence that would be deported under this bill, as the sponsors would make it appear. The present law does that. This bill, as the gentleman from Washington and others point out, furnishes the "tie in "sorts of "ties"-so that a mere study or a discussion of an economic problem would be sufficient to "tie" the alien with the definition of a communist. It is simply absurd and surely will never pass the Senate.

Mr. STAFFORD. The Socialist Party, in their national convention held recently in my home city, while not declaring in favor of the principles of the Third Internationale, yet they did in a way subscribe to some of those principles. I should not like to see a law passed that would give the right to immigration officials to deport socialists. They have rights, even if they are aliens, and if they hold different principles of government and do not seek the overthrow of our Government, why should we deport them?

Wisconsin I agree with him; I agree with the doctrine laid socialists protected. down by Voltaire:

I can not agree with everything you say, but I will defend with my life your right to say it.

That is my position to-day in opposing this intolerant bill. No one has more opposition than I have from communists right in my own district. I do not agree with their doctrine. I do not think it is practicable, but in this day and age of 1932 I am not going to resort to witch burning or resort to the suppression of free speech or suppression of the right to study economic principles or new theories of government. This bill is intended for just that purpose.

I repeat, at the risk of being tiresome, that we have everything you need to accomplish the deportation of communists who advocate the overthrow of government by force and violence in the existing law to-day. This is an open-shop bill, by which any exploiter of labor can take any man who is seeking to protect his rights as a worker and brand him a communist and have him deported.

Mr. SCHNEIDER. Will the gentleman yield? Mr. LaGUARDIA. Yes.

Mr. SCHNEIDER. I just want to get the gentleman's opinion, if it is not a fact that there are many working men who are aliens—not communists, but honest aliens—who are by physical force made to join the communist union.

Now, immediately they become victimized, from the fact that if they are charged with being members of that unionand were made to join it by force—they must prove they are not there of their own will, and the only way they can prove that is by the communists themselves. An alien must prove that he is not a communist by the communists themselves, and that alien will become victimized the same as the alien who is a communist. If an employer wants to victimize him or if the communists themselves want to victimize him they can do so, and there is no recourse for him to prove his innocence.

Mr. LAGUARDIA. Let me say to the Committee on Immigration that there is something the Committee on Immigration can do to stop the unlawful importation of criminal aliens, and that is to pass proper laws, with teeth in them, against the steamship companies which bring in these men. Nothing is ever done to the steamship companies. They have powerful influence and powerful lobbies.

Mr. JOHNSON of Washington. We are going to do that to-morrow.

· Mr. LAGUARDIA. I will vote for that, but I doubt that the gentleman can do it. Why, the alien seaman bill has never been brought up for consideration because the steamship companies opposed it.

Mr. JOHNSON of Washington. I am not the chairman, but the committee meets to-morrow on that proposition.

Mr. LaGUARDIA. I am not the chairman, either.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. HUDDLESTON. I want to call the gentleman's attention to an important provision of this bill as found in section 2 (5) (b). It makes an alien deportable when he belongs to or is "affiliated with" an organization which "believes in " or " teaches " the propriety of a system based on the "common ownership of property."

Mr. LAGUARDIA. I pointed that out.

Mr. HUDDLESTON. So that a member of the Shaker religious community or of the Oneida Society or a member of the Brook Farm of Emerson, Thoreau, and Hawthorne, if an alien, would have been subject to deportation?

Mr. LaGUARDIA. That seems to be the very purpose of the bill. Gentlemen, this bill should not be enacted into

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Speaker, I yield two minutes to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Speaker, the gentleman from New York advises us that he is for the Voltaire system of government.

Mr. LaGUARDIA. Let me say to the gentleman from | The gentleman from Wisconsin [Mr. Stafford] wants the

Mr. STAFFORD. Why not?

Mr. GREEN. The one thing which I am interested in protecting is the American form of government, the American citizen, and law and order. I am not interested in protecting communists as such, who are undertaking to destroy the home, who are undertaking to destroy the American flag and who are undertaking to destroy all of the cherished American institutions. He is not the man we are desirous of protecting. Recently I read where members of the American Legion took communists to the border of their city and sent them away because they were making their usual un-American disturbances.

The American Legion members are standing boldly against them and for organized authority and obedience to law. Did you read recently where the ex-service men now in Washington in the interest of bonus payment ran the communist from their midst? Yes; the newspaper said the communists were given 10 licks and sent away. These worthy veterans are standing by their Government in its efforts to put down communism. They protected the flag in time of war and are now protecting it against its present great enemy, communism.

The bill should pass. It has indorsement of the House Immigration Committee, the State Department, and the Department of Labor. These departments feel the need of additional legislation on the subject, and while the bill is not drastic enough to suit me, I am supporting it as the best bill we can get passed at this time. If you are against communists who are trying to overthrow our Government by force, then vote for this bill. [Applause.]

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Speaker, I yield two minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, this bill comes from the Immigration Committee in the regular way. We had before our committee last year a bill introduced by the gentleman from West Virginia [Mr. BACHMANN], who sought to do one thing, which was to add one word-"communists"-to the law. The law as it now reads, in subsection (a), provides that those aliens who are anarchists shall be deported, and the gentleman sought by his bill to add the word "communist," so that it would read, "anarchists and communists." At that time I advanced some of the same arguments that the gentleman from New York [Mr. LAGUARDIA] has made, claiming that the addition of this word would not add anything to the law, because the present law is sufficient if that is the only word we were going to add. I maintained there should be something else added to the law and that the word "communist" should be defined carefully and clearly so that whenever those who sought to enforce the law were called upon to enforce it they would have a definition in the law itself. I maintained that deportation was a quasi criminal proceeding and that in order to prove a case it was almost necessary to prove an overt act. Simply espousing or believing in a doctrine would hardly be sufficient. It would be difficult to fathom correctly one's thoughts. One might be a communist in thought and belief, but that would not be sufficient ground for deportation. I maintained that the word "communist" should have a definite legal meaning. This was difficult to work out.

When the committee met this year we called together the experts from the various departments that must enforce this law, and they advised us that we should put into this law such language as would make it clear.

Whether it is clear or not will be determined, no doubt, by some court decision. These most dangerous communists are militant international communists; many of them are native born and can not be reached by this deportation law, for we can not deport a native-born citizen. I hope the time will come, however, when we can deal effectively with those who openly advocate the overthrow of our Government, whether they be native born or alien. Any man who incites destruction of the Republic is a worse criminal than a man who incites one to rob or to kill. We need not quibble as to the rights of an alien communist. We owe him the duty to protect him and to treat him civilly, but he has no rights that extend beyond a privilege. He must fit into our order of things or depart. Any Member of this House who really wants to restrict the activities of communists should vote for this bill, because this is the last word in the effort of those who are honest in curbing communistic activities.

Mr. BACHMANN. Will the gentleman yield?

Mr. JENKINS. Yes.

Mr. BACHMANN. If this bill passes, admission by a man that he is affiliated with a communistic organization will be sufficient for the department to deport him?

Mr. JENKINS. Yes; if such affiliation is shown.

Mr. BACHMANN. Or if this bill passes, if the Department of Labor can go into court and prove he is a member

of such organization, he can be deported?

Mr. JENKINS. That is right. The bill should pass, for it is demanded by a patriotic public. This is no time to parley with those who would destroy us. Those who, like a Mr. Dunn who testified before the committee, say that they would adhere to Russia rather than to America in case of war, should not complain at our seeking to protect ourselves from their doctrines.

The SPEAKER. The question is on the suspension of the rules and the passage of the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

CONFEDERATE MEMORIAL DAY ADDRESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to have incorporated in the RECORD an address delivered on Sunday by the gentleman from Mississippi [Mr. ELLZEY] at the Confederate memorial exercises in Arlington Cemetery.

The SPEAKER pro tempore (Mr. WOODRUM). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered on last Monday by the gentleman from Mississippi [Mr. ELLZEY] at the Confederate memorial exercises in Arlington Cemetery:

ADDRESS OF HON. L. RUSSELL ELLZEY, OF MISSISSIPPI

Ladies and gentlemen, surely I do not merit this distinct honor of paying tribute to our heroes of the Confederacy, yet I do esteem

Unfold the pages of southern history and in 1860 you will find in the beautiful Southland a contented and happy people. Heirs of a treasured past, they were loyal, brave hearted, and devoted to certain lofty ideals. They were thoroughly in sympathy with that beautiful spirit the psalm of life—so well expressed by Kipling in these lines: these lines:

"When earth's last picture is painted, and the tubes are twisted and dried

When the oldest colors have faded, and the youngest critic has died.

We shall rest, and, faith, we shall need it-lie down for an eon

or two,
Till the Master of all good workmen shall set us to work anew!
And those that were good shall be happy; they shall sit in a

They shall splash at a 10-league canvas with brushes of comet's hair: They shall find real saints to draw from-Magdalene, Peter, and

Paul; They shall work for an age at a sitting, and never grow tired

at all! And only the Master shall praise us, and only the Master shall

blame; And no one shall work for money, and no one shall work for

fame:

But each for the joy of working, and each, in his separate star Shall draw the things as he sees it for the God of things as they are!"

Then came the great conflict between the States. were committed to certain ideals, and rather than sacrifice these principles, they came forth in defense of a worthy cause. Believing whole-heartedly in this great cause, the sons of the Southland donned their uniforms of gray, and with the tune of Dixie ringing in their ears, marched forth to the battlefields. During the dark days that followed, the Southland passed through the most trying ordeal in her history. To-day we have assembled to pay our respects to the gallant heroes of that period. Brevity, will not permit a detailed account of the activities of that memorable struggle—one that not only wrecked many homes of the South-

land, but claimed as a heavy toll the strength and pride of her youth. Yes, property was destroyed, and lives by the thousands were the victims. As a result, the land was left desolate and the spirit of her people discouraged.

We have met in Arlington this beautiful afternoon on Virginia soll—in the silent city of the dead—to pay a loving tribute to that gallant band of southern heroes, who fought and died for a lost cause. In loving memory of their valiant deeds, to-day we are placing wreaths of flowers on their graves—the final resting places of these heroes of Dixle land.

Forever enshrined in the hearts of all Virginians will be the

Forever enshrined in the hearts of all Virginians will be the beautiful memory of Robert E. Lee, the outstanding general of the Civil War. On the pages of history we find these words, "He was superb, stately, magnificent, great-hearted, and a devoted leader. No fatherland ever produced a nobler soldier, gentleman, and Christian." Christian.'

"His life was gentle; and the elements So mixed in him that nature might stand up And say to all the world, This was a man.

Loyal Mississippians will ever cherish fond memories of the gallant and heroic leadership of that distinguished gentleman, Jefferson Davis, the President of the Confederacy. This worthy leader will forever live in the hearts of a grateful people. A critic made the following comment: "He was true to his country, God, and truth—a soldier, statesman, orator, patriot, Christian gentleman, and martyr."

"Our mighty chieftain breathes no more, His noble form now cold and still, Has fallen at last, life's conflict o'er; Obedient to his Maker's will, As die the brave and true, he dies; He rests upon a stainless shield, The great commander of the skies Alone could call him from the field."

Kentucky gave her Albert Sidney Johnston, who blazed his way to glory at the Battle of Shiloh. In memory of him and the other heroes of this great cause all Kentuckians will ever treasure these words:

"All we know is that they gave
A fame to those ohivairous days,
For they were loyal, and they were brave,
And we can now but speak their praise."

Ladies and gentlemen, I might recite the daring deeds of Stone-wall Jackson, whose courage won the warmest admiration of the entire Nation, and other heroes too numerous to mention, but I must pause to pay respect to the private soldier of the Southland. Unlike the Unknown Soldier of the World War, no marble shaft marks his last resting place; but, my friends, his courage was just as great, his purpose just as noble. His name was forgotten, yet his heroic deeds will forever claim a bright spot in the garden of our memories. With an innumerable host of comrades, his spirit has wafted its way back to the God of peace, whence it came. Lest we forget I call to your mind these beautiful words— Ladies and gentlemen, I might recite the daring deeds of Stone-

"Leader of the men in gray! Chieftain—truest of the true— Write our story as you may,
And you did; but even you
With your pen could never write
Half the story of our land,
Yours the heart and yours the hand,
Sentinels of southern right;
Yours the brave strong eloquence Yours the brave, strong eloquence Your true words our last defense; Warrior words—but even they Failed as failed our men in gray; Fail to tell the story grand Of our cause and of our land."

I should be unworthy of the honor bestowed on me should I fail to commemorate the genuine heroism of the South's womanhood during the trying days of this memorable conflict. The mothers suffered untold heartaches as they bade farewell to loved ones entering the conflict. There they stood helpless as they watched the invader devastate the property. Through her tears she saw the sons of Dixie conquered by a foe superior in numbers, Courageously did these mothers bear these ordeals, and then during the reconstruction days these brave souls bowed in humble submission to the victors. Through all these trying years their courage never wavered. So, my friends, I'd love to place a beautiful wreath of white roses on the graves of these mothers, who so modestly gave to the world a splendid example of genuine heroism. heroism.

"The noblest thoughts my soul can claim,
The holiest words my tongue can frame,
Unworthy are to praise the name
More sacred than all other;
An infant when her love first came— A man, I find it just the same; Reverently I breathe her name— The blessed name of mother."

These heroes and heroines of this lost cause are not dead. Long since have their frail bodies been assigned to mother earth—whence they came—but their brave spirits will live on down through the fields of time. The fruitage of their training is harvested in the virtues of the sons and daughters of the Confederacy. The beautiful traits of southern hospitality are well known in every land. Southern chivalry and courtesy can easily be observed throughout this Nation. Long may the ideals of southern womanhood live within the hearts of our fellow countrymen!

The spirit of their patriotism manifested itself during the Spanish-American War, when the sons of Confederate soldiers responded to the Nation's call. Again in 1917, when our Nation sponded to the Nation's call. Again in 1917, when our Nation appealed to the youth of America to defend this country, the boys of the Southland volunteered their services and responded to the call of duty. Investigate the records of the World War and there you will find a distinct service rendered by the sons of Confederate soldiers. None were more daring—none braver than these lads. The Rainbow Division, and others, made history on the battlefields of France. Ladies and gentlemen, in honor of these—the recent dead—may we pay a tribute of respect. These sons of Dixie to-day sleep beneath the sod in Arlington and in the cities of the dead throughout France. In loving memory of these recent heroes, may I recall to your minds the splendid tribute paid these youths by Lieut. Col. John McCrae:

"In Flanders fields the poppies blow Between the crosses, row on row,
That mark our place; and in the sky
The larks, still bravely singing, fly,
Scarce heard amid the guns below.

"We are the dead. Short days ago We lived, felt dawn, saw sunset glow.
Loved and were loved, and now we lie In Flanders fields.

Take up our quarrel with the foe; To you from failing hands we throw The torch; be yours to hold it high.
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders fields."

RETIRED PAY FOR OFFICERS OF THE ARMY, NAVY, AND MARINE CORPS

Mr. McSWAIN. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12448) to amend the laws providing retired pay for certain officers and former officers of the Army, Navy, and Marine Corps of the United States.

The SPEAKER. The gentleman from South Carolina moves to suspend the rules and pass the bill H. R. 12448, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That hereafter in all cases of persons holding a civil office or position, appointive or elective, under the Federal Government or under the municipal government of the District of Columbia, or under any corporation, a majority of the capital stock of which is owned by the Government of the United States, of Columbia, or under any corporation, a majority of the capital stock of which is owned by the Government of the United States, or under any State government or any political subdivision thereof, the retired pay of such person from the United States as a commissioned officer or former commissioned officer in the Army, Navy, or Marine Corps of the United States, for the period of his incumbency in such civil office or position, shall be limited to an amount which, added to the annual compensation from such civil office or position, makes a total amount from both sources of \$3,000 per annum: Provided, That when the annual compensation for such civil office or position equals or exceeds \$3,000 per annum, and such compensation also exceeds the amount of retired pay to which such officer would be otherwise entitled, then for the period of his incumbency in office such person shall receive no retired pay: Provided further, That when the retired pay to which such officer would be otherwise entitled equals or exceeds \$3,000 per annum, and such amount is more than the annual compensation for such civil office or position, then in such case for the period of his incumbency in such office such person shall receive such retired pay only in an amount which equals the difference between the amount of such compensation and the amount of retired pay to which he would be otherwise entitled: Provided further, That the term "retired pay" shall be construed to include credits for all military or naval service as may enter into the computation thereof.

SEC. 2. That in the administration of the act of May 24, 1928.

all military or naval service as may enter into the computation thereof.

Sec. 2. That in the administration of the act of May 24, 1928, entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War," no person shall receive retired pay thereunder unless he served as a member of the Military or Naval Establishment between April 6, 1917, and November 11, 1918, inclusive, and it be affirmatively shown that during such period he actually contracted a disease originating in the line of duty or suffered an injury in the line of duty as the result of and directly attributable to the performance of active military or naval service, or unless he served a period of 90 days or more between April 6, 1917, and November 11, 1918, and it be affirmatively shown that between November 12, 1918, and july 2, 1921, inclusive, he actually contracted a disease originating in the line of duty or suffered an injury in the line of duty as the result of and directly attributable to the performance of active military or naval service, and unless he is found by the Veterans' Administration to be not

less than 30 per cent permanently disabled as a result of such disease or injury at the time of the enactment of this amendatory act under the rating schedule and amendments promulgated pursuant to subdivision (4) of section 202 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 477), in force at the time of the enactment of this amendatory act.

SEC. 3. The Veterans' Administration is hereby authorized and directed, from time to time and at intervals not exceeding five years, to review the case of every emergency officer in receipt of retired pay and, whenever deemed advisable, to reexamine such officer. In the event it is found that such officr is no longer 30 per cent permanently disabled under the provisions of the rating schedule and amendments promulgated pursuant to subdivision

per cent permanently disabled under the provisions of the rating schedule and amendments promulgated pursuant to subdivision (4) of section 202 of the World War veterans' act, 1924, as amended, in effect at date of review, payment of retired pay shall be discontinued as of the first day of the third calendar month following the month during which such determination is made and thereafter such officer shall only receive such compensation as may be payable under the provisions of the World War veterans' act, 1924, as amended.

SEC. 4. (a) The Veterans' Administration is hereby authorized and directed to review all claims heretofore allowed with pay under the emergency officers' retirement act of May 24, 1928, and to remove from the rolls of emergency officers retired with pay the names of such officers as are not found to be entitled to such retirement under the provisions of this amendatory act. Payment of emergency officers' retirement pay in the case of any officer whose name is removed from the rolls by reason of the provisions of this section shall cease on the first day of the third calendar month following the month during which such removal is made. of this section shall cease on the first day of the third calendar month following the month during which such removal is made. The Secretary of War, the Secretary of the Navy, and the Administrator of Veterans' Affairs are also authorized and directed to transfer the name of each officer removed from the rolls of those entitled to emergency officers' retirement pay to the lists of emergency officers retired without pay, and, if such officer is found entitled thereto, to pay, commencing with the first day of the third calendar month following the month during which the name of the officer is removed from the rolls as herein provided, compensation in accordance with the provisions of the World War veterans' act, 1924, as amended, notwithstanding that no previous application for compensation has been made.

(b) The review of claims under the provisions of subdivision (a) of this section shall be final, except that the claimant shall be given a period of 60 days following notice of disallowance under this mandatory act in which to appear and submit additional evidence or file a brief, after which final decision shall be rendered. No further review after such final disallowance shall be made in

No further review after such final disallowance shall be made in

No further review after such final disallowance shall be made in any case.

(c) For the purpose of the review of claims under the provisions of subdivision (a) of this section there is hereby created in the Veterans' Administration a board to be known as the emergency officers' retirement board and to be composed of two medical officers of the Army not below the rank of lieutenant colonel, two medical officers of the Navy not below the rank of commander, two legal members from the Veterans' Administration, and one legal member from the Department of Justice. The Administrator of Veterans' Affairs shall appoint the chairman from among the members. None of said board shall be on the rolls of retired emergency officers. The emergency officers' retirement board shall have sole and exclusive jurisdiction in the review of claims under this section. The Secretary of War, the Secretary of the Navy, the Attorney General, and the Administrator of Veterans' Affairs are hereby authorized and directed to detail, for membership on the emergency officers' retirement board, officers or employees qualified in accordance with the terms of this paragraph. The Administrator of Veterans' Affairs is further authorized to provide space, equipment, and supplies and to detail such additional personnel as the board may determine to be necessary to their proper function, and the appropriations of the Veterans' Administration are hereby made available for such purpose. The board shall issue such regulations as may be necessary governing the procedure in connection with reviews under this section. A majority of the board shall constitute a quorum and decide all cases reviewed under this section, but the board may designate individual members to hold hearings.

Sec. 5. After the date of enactment of this amendatory act no review shall be made of any claim under the emergency officers' retirement act of May 24, 1928, which has heretofore been or shall

SEC. 5. After the date of enactment of this amendatory act no review shall be made of any claim under the emergency officers' retirement act of May 24, 1928, which has heretofore been or shall hereafter be disallowed by the highest appellate agency of the Veterans' Administration at the time of disallowance.

SEC. 6. Every person applying for or in receipt of emergency officers' retirement pay shall, as frequently and at such times and places as may be reasonably required, submit himself to examination by a medical officer or by a duly qualified physician designated or approved by the Administrator of Veterans' Affairs. He may have a duly qualified person designated and paid by him present to participate in such examination. If he shall neglect or refuse to submit to such examination or shall in any way obstruct the same his right to claim emergency officers' retirement pay under the emergency officers' retirement act of May 24, 1928, as amended by this amendatory act, shall be suspended until such neglect, by this amendatory act, shall be suspended until such neglect, refusal, or obstruction ceases. No emergency officers' retirement pay shall be payable while such neglect, refusal, or obstruction continues, and no emergency officers' retirement pay shall be pay-

able for the intervening period.

SEC. 7. All provisions of the emergency officers' retirement act of
May 24, 1928, in conflict with or inconsistent with the provisions

of this act are hereby modified and amended to the extent herein specifically provided and stated as of the date of enactment, May 24, 1928.

The SPEAKER pro tempore (Mr. Woodrum). Is a second demanded?

Mr. KVALE and Mr. BLANTON demanded a second.

The SPEAKER pro tempore. Is the gentleman from Minnesota, a member of the committee, opposed to the bill?

Mr. KVALE. Mr. Speaker, I am opposed to the bill.

The SPEAKER pro tempore. The gentleman is recognized to demand a second.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I yield myself five minutes. and I desire to say that in my humble judgment this bill ought to command the support of 90 per cent of the membership of this House, because it is so manifestly in the interest of justice and, principally, because it will put us as nearly as possible where we thought we were when we passed the emergency officers' retirement act on May 24,

I voted for that act and I am still for it as we thought it would be when the question of retiring the emergency officers first came up. The very first bill introduced in this House in 1919, was introduced by my colleague, the gentleman from South Carolina [Mr. STEVENSON].

When the question was first mooted, the Veterans' Bureau certified that there would be 895 officers to come within the provisions of the law. During the agitation, up until 1928, the number slowly increased, and when the matter came up for action, a printed list was furnished by the Veterans' Bureau containing 3,250 names. I read over that list. Every man from the State of South Carolina that was on that list I knew personally and I knew that each one of them had sustained serious physical injury as a direct result of his

I am satisfied that every Member of the House at that time who looked at the names on the list so understood. But after the act was passed, the question arose as to whether or not emergency officers should be entitled to what was called the benefits of the "presumptive clauses" in the general compensation law. The attorney for the Veterans' Bureau held that they were not so entitled. However, the matter was referred to the Attorney General, and it was there mulled over, until finally the Attorney General held that the emergency officers were entitled to the benefits of the "presumptive clauses." The result was that about 2,000 officers were retired on the presumption of injury in the service, and the most of these presumptive injuries are of a very speculative nature.

Gentlemen, I was amazed and shocked to find that one officer had been retired on the ground of so-called "social

Mr. BLANTON. Commonly speaking, that means that he claimed he could not carry on the kind of a high-brow conversation that some others could.

Mr. McSWAIN. Exactly. Furthermore, they held that, although he was understood to be suffering from "social inaptitude," yet by the exercise of will power he had overcome that disability, but that he ought not to be penalized for exercising his will power, and so they retired him. [Laughter]

Furthermore, let me call attention to this fact: That whenever a person applies for a job in the Veterans' Administration he has to take an oath that he is in sound physical

There are in the Veterans' Administration 329 doctors. Of the 329 doctors, 225 are retired under this law. Every one of them took an oath when he went in that he was in sound physical condition. Some applied for commissions as reserve officers. When you get a commission as a reserve officer you have to show that you are in sound physical condition. Some applied for reinstatement in life insurance, and they had to be in good health.

As soon as this law was passed a sort of an epidemic of disability arose, and when the applications were pending some of them went to the training camps in the summer and drew pay as reserve officers and also drew pay as retired officers for the same period.

Mr. McDUFFIE. Will the gentleman yield? Mr. McSWAIN. I yield.

Mr. McDUFFIE. I am for the bill; but I am wondering whether section 1 of the bill applies to emergency offi-

Mr. McSWAIN. I am so informed, for since the question was asked me, I inquired of the attorneys of the Veterans' Administration, and they informed me that it applies to the emergency officers, and that is my opinion also. We held extensive hearings. This bundle of papers here constitutes exhibits. There is a collection of typewritten hearings which have not yet been printed which is as high as this bundle of exhibits.

Mr. Speaker, my father was a doctor. It is very sad for me to say that the showing made here compels the conclusion that 68 per cent of all of the doctors in the Veterans' Administration have been retired, and convinces my mind that there was a gigantic game of back scratching. [Applause.]

Mr. KVALE. Mr. Speaker, I yield myself three minutes. At this time I pay my respects to the chairman of my committee, with whom I differ. I cordially dislike to be put in the position of differing with him or with members of the committee who have to-day reported this bill and seek to pass it under suspension of the rules.

Had the bill been brought in under a special rule or under the rules of the House, so that we might have discussed some of the unwise provisions it contains and might have amended it in important regards, I perhaps would not to-day be opposing the passage of the bill.

I was absent Saturday morning at the brief session of the committee, consuming but a few minutes, at which the bill was reported to the full committee and reported out by the committee before the House met at 10 o'clock. Had I been there, I might have requested the privilege of filing minority views, yet that would not have helped things, for the reason that until a few moments ago the report was not available to the Members of the House, and I honestly doubt that more than 10 now present have as much as seen it.

I have not demanded a second in order to consume the full 20 minutes, for debate is evidently useless. At this point I am going to yield 10 minutes of my time to one who favors not only this bill but a much broader and more comprehensive measure. I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I thank the gentleman for yielding me the time. I commend every member of the Committee on Military Affairs for the earnest and patient hearing they have given this piece of legislation. It does not go as far as I would have it go; but as far as it does go, it is in the right direction.

For instance, I have in mind now a prominent major general who is retired and who has been retired for several years on a major general's retired pay of \$6,000 a year, which he is drawing for life from the Government, with all the other perquisites that go to a retired major general, who for several years in addition to that has been able to draw \$50,000 a year from a corporation. Why does not this bill stop him from drawing his major general's retired pay? I have in mind two admirals who for several years have been retired as admirals, with all of the perquisites of an admiral, one of them getting \$35,000 a year from a corporation and the other who had been getting up to the time he died a short time ago \$50,000 a year from a corporation. If they were able to draw those tremendous salaries from a corporation, they were able to give their talents and qualifications to the Government that had educated them scientifically through a number of years at great expense.

Mr. SMITH of Idaho. Mr. Speaker, will the gentleman

Mr. BLANTON. Yes.

Mr. SMITH of Idaho. These officers to whom the gentleman makes reference were retired on account of age and not on account of disability.

Mr. BLANTON. Oh, but we ought to put that age up. They have the retirement age down as low as 45 years in certain cases; and if we had stopped my friend from Idaho at that age, we would have deprived the Government of a tremendous amount of good service, and the same concerning my friend from the Northwest here, Doctor Summers; if we had deprived the Government of his services at the age of 45 years, we would have lost much. We need men of experience in charge of affairs, and if they are worth that much to private corporations, the Government ought to get the benefit of their services, because their qualifications are based on the intensive education that this Government has given them at the people's expense.

Mr. SMITH of Idaho. Mr. Speaker, will the gentleman yield again?

Mr. BLANTON. In just a moment. If this bill is properly administered, it will do some good. If General Hines will appoint the proper kind of men on this board to review these cases, men who have not been given big retired pay because of social ineptitude; if he will put the proper kind of men there to review those cases, they will hold, as many boards have held, that many are not entitled to a cent of retired pay, and the bill will do some good; but if he lets men like Watson B. Miller, the great highbrowed chieftain here in charge of affairs in Washington for certain high officers of the American Legion, name that reviewing board, you will find every single man continued on it and you will get some more put on.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I can not.

Mr. PARKER of Georgia. Mr. Speaker, will the gentleman yield to me?

Mr. BLANTON. Mr. Watson B. Miller is not properly representing the American Legion, or the splendid men who belong to it, when he causes parasites like William Wolff Smith to be retired at \$187.50 per month and draw an additional salary of \$9,000.

The SPEAKER pro tempore (Mr. WOODRUM). Does the gentleman from Texas yield to the gentleman from Georgia? Mr. PARKER of Georgia. For a correction.

Mr. BLANTON. Certainly. I always yield to the gentleman from Georgia.

Mr. PARKER of Georgia. The bill provides who shall name the members of this board.

Mr. BLANTON. It does not name the two board members whom General Hines shall appoint. It provides that General Hines will appoint two members of this board. Of course, my friends are depending upon General Hines to appoint the proper kind of men, but I say to General Hines now publicly, that if he does not appoint the proper kind of men, we are going to hold him responsible for it when the time comes.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield for a question.

Mr. CLARKE of New York. Mr. Speaker, a parliamentary inquiry. Should not that naughty little word be stricken out?

Mr. BLANTON. Oh, I will take that out when the time comes.

Mr. STAFFORD. It is offensive to the delicate sensibilities of the gentleman from New York.

Mr. BLANTON. I shall take that out when I come to revise my remarks; but I say that this Watson B. Miller is not representing the American Legion when he puts on the pay roll, for instance, such leeches as this William Wolff Smith that this committee has helped to put off.

Now, I know that there are Members here who will arise and defend Watson B. Miller. None of them can deny that Watson B. Miller entered the service in Florida as a second lieutenant on April 18, 1918, over a year after the war started, that he saw no foreign service whatever, that he is drawing a salary of \$10,000 and traveling expenses

from the American Legion; and, according to his own testimony, he has spent much of his time on the golf links all over the United States with said William Wolff Smith and he knew all about William Wolff Smith, yet he helped William Wolff Smith override the law and draw outrageous salaries and retirement pay he did not deserve. He knew that William Wolff Smith did not enter the service until October 29, 1918, just 13 days before the armistice, and that Smith then was declared to be physically defective in several particulars and was turned down, but he finally succeeded in getting such defects waived, and got himself a swivel-chair job in Washington.

He knew that just before entering such service William Wolff Smith was employed as a clerk at \$125 per month. He knew that Smith had sued Collier and that Collier had proved that he was unreliable and dishonest, and that no reputable publication of any standing would print anything from William Wolff Smith. He knew that when Smith entered the bureau on January 17, 1923, at a salary of \$4,-000, he was appointed there by former Director Charles R. Forbes, who was afterwards sent to the penitentiary, and within 13 days thereafter Forbes raised his salary to \$7,500 and made Smith general counsel of the bureau, when Smith had never conducted a case in court in his whole life. He knew that under the Welch Act Smith got his salary raised to \$10,000 per year. He knew that when the emergency officers' retirement act was passed on May 24, 1928, that Smith immediately, the next day, filed an application to be retired on pay, and that after careful hearing a board composed of Dr. A. B. Cockrell, Dr. J. C. Harris, Judge D. E. Smith, George B. Kolk, and Chairman J. D. Hayes on May 23, 1929, turned Smith down and held that he was not disabled and was not entitled to any retirement pay. He knew that Smith succeeded in getting another board to pass on his case, being section A of the central board of appeals, composed of Chairman Charles O. Shaw, Dr. Garrett V. Johnson, Dr. E. L. Robertson, Dr. J. M. Ladd, Dr. F. Manning, Judge W. L. Piper, and Jesse L. Hall, and this board again turned him down and held that he was not entitled to retirement pay, rendering its decision on April 22, 1930, with Hall only dissenting. Yet, knowing all of the above, Watson B. Miller gave the following testimony for William Wolff Smith and helped him to get \$187.50 per month retired pay,

Said Captain Miller testifying that since 1923 (when Smith became general counsel) he and Smith "have traveled extensively together from one end of the country to another, many times sleeping in the same room in hotels and on trains; scores of times during that period we have played golf together; frequently when playing golf together, I have noticed that he held his hand in this position. I have also seen him walk a long distance over the holes with golf club in one hand and his other hand pressed on his lower left side; * * * Major Smith and I are about the same age and weight; on 25 or 30 occasions, when we have been doing similar things, he has had to quit before I did; on one occasion, when we were playing golf, he got as far as the seventh hole of a certain course we were on and quit, and didn't say why he quit, but he had some reason for doing it; it may have been associated with his service-connected disability."

And Capt. Watson B. Miller thus helped William Wolff Smith to be retired and to draw a back check of \$5,843.75 on December 31, 1930, and \$187.50 every month since then, and also his salary of \$9,000 per annum. I submit this to the members of the American Legion all over the United States, that if he had been doing his duty by them and by the United States, Watson B. Miller would not have let Smith perpetrate this outrage. But we have at last gotten William Wolff Smith off the pay roll of the Government.

It was Watson B. Miller who let him do all this. It was Watson B. Miller who played golf with him all over the country from one side of the United States to the other, and let him draw \$1,000 traveling expenses a year and helped him get \$187.50 a month retired pay and helped him draw \$9,000 more; helped him to appoint 876 high-salaried law-yerettes down there in the bureau who have not been performing their duties but have been violating the law, most of them, every day they have been in office.

Mr. LaGUARDIA. Will the gentleman yield? Mr. BLANTON. I yield.

Mr. LaGUARDIA. William Wolff Smith is out of the service. I want to say if it had not been for the tireless efforts of the gentleman from Texas [Mr. Blanton] and his persistent drive on conditions in the Veterans' Bureau, it would not have been cleaned out. We owe the gentleman from Texas a distinct vote of thanks for his service. [Applause.]

Mr. BLANTON. I thank my friend, but I am not going to take from this committee the credit that is due to them. I take my hat off to the distinguished gentleman from South Carolina [Mr. McSwarn]. Sick though he has been, he has worked tirelessly every day on these tedious hearings. And I want to thank my friend from Alabama [Mr. Hill], who brought this bill before us to correct this evil. I want to thank each and every member of that committee, even including the generals. They put some obstacles in the way at first, but the evidence was so astounding that it even convinced my friend from Connecticut, General Goss, and he finally was with us, and I thank him. It shows that even he can be convinced with enough evidence.

I want to say in conclusion that much will be accomplished by this bill if General Hines does his duty and if these officers from the Army and Navy do their duty when they are appointed, and I want them to know that every step they take they are going to be watched, as I am going to watch them closely, and there will be other Members of this Congress watching them, and we will see that they do their duty or we will run them out of office.

Mr. PETTENGILL. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. PETTENGILL. I want to make it plain that the reviewing board is composed of 7 members, and that General Hines has appointive power of only 2 of the 7. The Secretary of War appoints the others.

Mr. BLANTON. But it all depends on who those two

Mr. PETTENGILL. But provision is made for the purpose of getting a board that is free from too much influence in the Veterans' Administration.

Mr. BLANTON. If he would appoint a board like that brave, honest doctor, Doctor Smith, for instance, brave as a lion, not afraid of the devil, who stood up there, although he was admonished by his superior and lectured, and told us the truth; if they would appoint men like Doctor Barron, brave as he can be, not afraid of anything, who stood there before that committee and gave us the truth when he knew it might ostracize him with that bunch down there in the Veterans' Bureau, if he will appoint men like that, we could get some proper action. I will say to my friend the gentleman from New York [Mr. Fitzpatrick], who, after all, was instrumental in helping to bring this bill out, although we first had to convince him that it was right and proper, that if such men as these are appointed, we will get the right and proper action.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. McSWAIN. Mr. Speaker, I yield three minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, two outstanding abuses are sought to be corrected in the administration of retired officers' pay under this bill. First, the abuse of retirement pay to officers, which has grown to such monumental proportions, where retired officers hold public positions and still cling to the bounty of the Government; and, second, the greater abuse, which has already been called to your attention by the chairman of the committee, of the privileges of the emergency officers' retirement act, receiving full retirement pay in cases of presumptive injury and not directly the result of combat service, which were not intended to be covered by the law at the time of its enactment. This bill, if enacted, will remove from the permanent roll of the emergency officers' retirement act approximately 1,900 persons who are not entitled to that extravagant pay for presumptive disabilities, and they will be placed back on the same plane with enlisted men to receive compensation under the general law.

We protect all in their pay as emergency officers where they incurred disabilities in combat service prior to the armistice, and even after the armistice, up until the treaty of peace, provided they had seen 90 days' prior service in the war. Every legitimate claim of the emergency officers is protected; but where they have received this pay under presumptive proof, they are eliminated.

The claim made by the gentleman from Texas that this administration may be abused by General Hines is unthinkable, because a board of 7, comprised of 2 medical officers from the Navy, 2 from the Army, and 1 from the Department of Justice, and 2 from the Veterans' Administration, shows that there is no possibility of General Hines controlling the administration of this board.

The country is crying aloud for some correction of these abuses in the Veterans' Bureau. The Committee on Military Affairs felt it incumbent upon them to bring in some legislation. This legislation, in a way, was substantially incorporated in the report of the Committee on Economy; but our committee has been more cautious in safeguarding the rights of those who are entitled to retirement pay where their combined pay from the position they occupy and retired pay is greater than \$3,000, and emergency officers' retirement pay who received their injuries in virtually active-combat service, so that those who are legitimately entitled to it can have no complaint whatsoever.

I hope this bill will be passed 100 per cent.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. KVALE. Mr. Speaker, I yield one minute to the gentleman from Nebraska [Mr. Simmons].

Mr. SIMMONS. Mr. Speaker, I fought the emergency officers' bill when it passed the House. Congress ought to have the courage to repeal that bill now instead of admitting its mistakes piecemeal. But that is not why I am speaking. A question has been raised about the service of Watson Miller. There is not a service man in the United States who has given as much necessary, valuable, loyal, effective service to the veterans as has Watson Miller. [Applause.] No one ought to question his service on the floor of Congress.

May I also say that General Hines, who seems to have been brought adversely into this discussion, never has been in sympathy with the emergency officers' bill, and no one ought to assume on the floor of the House or elsewhere that the things that have been done under it, which the House is now in part correcting, are in any part done by connivance on his part. He has done everything a man can do to prevent the things that are sought to be corrected by this bill. The fault lies not with General Hines, nor Watson Miller, nor anyone else in the Veterans' Bureau. The blame for the abuses that have been experienced lies with the Congress that passed this bill, and nowhere else.

Mr. KVALE. Mr. Speaker, I yield one-half minute to the gentleman from South Dakota [Mr. Johnson].

Mr. McSWAIN. Mr. Speaker, I yield one-half minute to the gentleman from South Dakota [Mr. Johnson].

Mr. JOHNSON of South Dakota. Mr. Speaker, in the short time allotted to me I can not thoroughly discuss this legislation, but I want to support the statement of the gentleman from Nebraska [Mr. Simmons]. A very unfair attack was made on a fine soldier and gentleman, Watson B. Miller. As chairman of the Veterans' Committee for seven years, I learned to know and trust him. I know he would not be a party to proceedings of any kind that would in any way cause injury to the United States Government. That being the case, and knowing it to be a fact, I think I should join with the gentleman from Nebraska [Mr. Simmons] in making a public declaration concerning him.

Mr. Speaker, I yield back the balance of my time.

Mr. KVALE. Mr. Speaker, I yield one minute to the gentleman from Michigan [Mr. James].

Mr. McSWAIN. Mr. Speaker, I yield two minutes to the gentleman from Michigan [Mr. James].

Mr. JAMES. Mr. Speaker, the gentleman from South Carolina [Mr. McSwain] talked about this officer who was

drawing pension for "social inadaptability," but he forgot | to mention that this gentleman at the time he got his pension, and now, holds a very responsible position in the Veterans' Bureau.

This bill, in my opinion, does not go far enough. I was against the bill when it was considered by Congress before, made a speech against it, and voted against it.

That was the first time in the history of the United States that a volunteer officer received more compensation for an injury than an enlisted man. An enlisted man who suffers the loss of an arm or a leg is entitled to just as much compensation as a man who happens to be an officer. However, all legislation is a matter of compromise; and when the bill was in committee, I tried to get certain things repealed, but I was outvoted. Now, there are other things that ought to be put in the bill, things like the gentleman from Texas [Mr. Blanton] talked about, that some of us would like to have had, but it was a case of reporting out something the committee could bring up here unanimously, and this was the best we could get out of the committee at this time. I sincerely hope the House will pass it by a practically unani-

Mr. McSWAIN. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Speaker, I want to bring to the attention of the House the statement of Lieut. Maurice S. Stevenson, president of the Disabled Emergency Officers Association, made before the Committee on Military Affairs May 25, 1932, with reference to a correction and revision of the emergency officers' list. Lieutenant Stevenson made this significant statement:

As the head of the organization of emergency officers, I want As the head of the organization of emergency officers, I want to emphasize as strongly as I can that we—those of us who are on that list—honestly and legitimately consider it an honor roll, and we do not want anybody on that list who does not belong on it. I can not state that too strongly, personally, but I know that I speak for every single member of the organization of which I happen to be the head, by saying that if there are men on that list through fraud, maladministration, or anything that is not covered by the basic legislation, they do not belong on the list I am on. Either they ought to be off or I ought to be off.

I speak as strongly as I can for our organization. We have about I speak as strongly as I can for our organization. We have about 3,500 members now, and I know each individual member would back me up in it if he had an opportunity to do so in person.

[Applause.]

That comes from the one authoritative voice of the emergency officers of the World War.

In addition to Lieutenant Stevenson, Col. John Thomas Taylor testified before the committee as the representative of the American Legion; and whereas Colonel Taylor stated that he thought any abuses that may have arisen should be corrected by administrative action rather than by legislation, Colonel Taylor did make this statement:

If there have been any abuses, we want them corrected, and they ought to be corrected.

Let me say to this House that no man can be taken off the retired list and no man can be denied his retirement pay until his case has been carefully reviewed by the emergency officers' retirement board provided for in this bill; and if a decision is rendered by the board to take him off the list, he has the right to present additional evidence and to plead his case in an oral hearing before the board.

There will be on the board 2 doctors from the Regular Army, not below the rank of lieutenant colonel; 2 doctors from the Navy, not below the rank of commander; 2 from the legal department of the Veterans' Administration; and 1 from the Department of Justice. Even after a man is taken off of the list and denied his retirement pay, he automatically goes on the compensation list and draws the compensation provided by the general compensation law. He receives that compensation which 1,500,000 enlisted men get and which is the only thing they have ever gotten or that it has ever been contemplated they should receive.

Mr. LANHAM. Will the gentleman yield?

Mr. HILL of Alabama. Yes.

Mr. LANHAM. Am I correct in the assumption that any retired officer who is now receiving this pay would continue to receive it if he has a 30 per cent disability and has not but it threatens to drag down with them, perhaps, many

employment connected with the Federal Government, regardless of where his service was performed, whether in active duty or assigned to some work with the Government?

[Here the gavel fell.] Mr. McSWAIN. Mr. Speaker, I yield the gentleman an

additional minute in order to answer that question. Mr. HILL of Alabama. In order for any retired officer to receive this pay he must have received his disability in line of duty, and that disability must be the result of or directly attributable to the performance of some active military or naval service.

Mr. LANHAM. Just what is the construction to be placed on the term "line of duty "?

Mr. HILL of Alabama. The effect, after all, of the bill is simply to deny presumption.

Mr. KVALE. Mr. Speaker, I yield one minute to the gentleman from Massachusetts [Mr. Connery].

Mr. CONNERY. Mr. Speaker, I am against this bill and hope it will not pass. Congress passed this law. Men have made commitments, figuring that they were on this roll for the rest of their lives.

If you pass this bill, you will throw out of the Veterans' Bureau men who are perhaps getting \$3,500 a year, yet you will permit a retired officer or an emergency officer to go out into civil life and make \$50,000 and still get his retirement pay. This bill does a great injustice to men under the presumptive clause who are to be thrown off the rolls and are really disabled as a direct result of service.

I hope the bill will not pass. It is unjust and discriminatory.

Mr. KVALE. Mr. Speaker, I yield one and a half minutes to the gentleman from California [Mr. Swing].

Mr. SWING. Mr. Speaker, this bill does a great injustice to two classes of disabled officers, those suffering with neuropsychosis and those suffering with tuberculosis. Those who during the war went through the tremendous strain of the front-line trenches with its horrifying existence, its nerve-wrecking experiences, its shell shocks, and all of its ghastly actualities, did not immediately show a breakdown, but after they came back and the reaction set in these cases began to develop.

Doctor Kindred, who sat on the Democratic side of this House and who was recognized in his profession as one of the ablest in New York City, gave it as his opinion that it would be seven or eight years after the war was over before it could be ascertained the number who would break down and suffer from neuropsychiatric diseases, and he declared that even in the next generation the children of these men would show nervous disorders.

How can you say then that those men must prove affirmatively, by positive evidence, that their nervous disorders come from their experience in the front-line trenches? What proof can they present other than that they went through that terrible strain during the war?

Take the tubercular cases. They came on in many cases through the injuries from all kinds of gases, something that was never known in the history of medicine; from excessive exposure, and from wearing down the vitality to the point where the body had no resistance; and yet those cases, although they are recognized as entirely proper for presumptive connection for compensation purposes, are completely taken out under this bill amending the emergency officers' law. Why this discrimination? If it is proper for one purpose, it is certainly proper for the other.

[Here the gavel fell.]

Mr. KVALE. Mr. Speaker, I yield myself three minutes. The gentleman from California has most ably pointed out the difficulties that will beset any administrative agency which attempts arbitrarily to take out some of these presumptive cases. Reference has been made to the schedule of disability ratings. I have been fighting that schedule of disability ratings for many years and I know many other Members have also.

I want to point out just one little joker in section 3 of this bill that is not only going to affect the emergency officers, enlisted men. I refer to the phrase "in effect at date of | review," which anticipates changes in that schedule of disability ratings. Remember, that schedule now favors these professional groups because they were more mature when entering service, established in lucrative professional occupations, receive therefore a higher variant and can more easily get a 30 per cent disability rating. I only wish I had time to discuss more fully this point.

Mr. Speaker, we all know that within a very few days we will again consider and act upon a bill which, in the name of economy, proposes to strike out about \$50,000,000 of benefits now being paid disabled enlisted men and officers of the World War under terms of existing law.

Veterans have not been heard on these proposals; few of us understand their scope or the degree of justification for them. Ah, gentlemen, this bill to-day before us is only the opening wedge. We deal here with a class of officers who do deserve consideration in spite of the many ill-advised and malicious statements made regarding them as a group. After all, every last man of the emergency officers went into the service in full knowledge that he would be required for actual combat; that can not be said of the great share of Regulars, fine men that they nevertheless are.

Of course, there have been and there are abuses of the law. There are a few beneficiaries that should be removed at once, and many more whose files should be most carefully reviewed, and a share of them, without doubt, removed. I favor a revamping of the entire structure, but most certainly not under a suspension of rules as we are here doing.

This bill cruelly slashes double benefits. There are glaring instances that no sane man would defend. But here we strike at many veterans who hold their positions by virtue of the disabled veterans' preference laws. We urged them to enter the Government service. We made it easier for them to enter that service, and to rehabilitate themselves if they were drawing disability compensation. Now we place ourselves in the position of slashing at the benefits which they derive therefrom, with no adequate considera-

Mr. BROWNING Will the gentleman yield?

Mr. KVALE. Yes.

Mr. BROWNING. Does it not militate against one class of people whom we invited into the Federal service, giving them an advantage of 10 points in their examinations? Now we penalize them because they are in the service and allow others on the outside, making the same amount of money, or perhaps more, to receive their retirement allowances.

Mr. KVALE. I thank my friend from Tennessee for his helpful statement. That is the very group I am talking

This bill does more. It requires that an officer disabled after armistice day, whether in the American Expeditionary Forces or in this country, in line of duty, nevertheless show 90 days' service before the armistice. Clearly this must inevitably work an injustice upon many who will thereby be removed from the rolls if this bill is enacted. Mind you, cases that are service connected and which are now receiving benefits.

Again, the bill proposes to have the beneficiaries regarding whom the gentleman from California spoke-those suffering from tuberculosis or from some mental disorder or other ailments presumptively connected with service-submit to an examination every five years or oftener. Think how you literally hang the sword of fear and uncertainty continually over the heads of these sick and suffering men, trying to rehabilitate themselves, their earning power permanently

Oh, gentlemen, it does not pay to pass legislation of this kind in this ignorant and unfair manner. I hope this bill will not be passed under suspension of rules. Let it come in under a special rule, with opportunity given to consider its provisions and amend some of them. [Applause.]

Mr. McSWAIN. Mr. Speaker, I yield the remainder of the time to the gentleman from Indiana [Mr. Pettengill], who was very instrumental in the preparation of the bill, with

the assistance of an Assistant Attorney General and one of the counsel of the Veterans' Bureau.

Mr. PETTENGILL. Mr. Speaker, in reply to the remarks of the gentleman from California [Mr. Swing] I call attention to the paragraph at the top of page 5 of the report:

We must remember that an officer who may be denied the privi-lege of retirement or whose name may be taken off the rolls of those receiving retired pay by reason of the previous action of the Veterans' Administration, as controlled by the opinion of the De-partment of Justice, will not be left helpless and unaided by his Government. Any such officer will automatically be placed upon the compensation rolls and will receive the same compensation every month that every enlisted man is receiving with a disability of the same degree and controlled by the same rating schedule.

So if they are taken off as retired emergency officers and are entitled, as retired enlisted men are, to compensation, they will get the benefit of the presumption that the retired enlisted man now gets. So I do not think we are working any injustice in the matter so far as the presumptive cases are concerned, because they immediately obtain all the benefits that retired enlisted men receive.

This bill will save, it is estimated, from three to five million dollars a year.

The SPEAKER pro tempore. The question is on the suspension of the rules and the passage of the bill.

The question was taken; and on a division (demanded by Mr. Connery) there were—ayes 150, noes 24.

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

ANTIKIDNAPING

Mr. O'CONNOR, from the Committee on Rules, presented the following privileged report, which was referred to the House Calendar and ordered printed:

House Resolution 250

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 5657, a bill forbidding the transportation of any person in interstate or foreign commerce, kidnaped or otherwise unlawfully detained. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking min-ority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be con-sidered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

CAMPAIGN EXPENDITURES

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report, which was referred to the House Calendar and ordered printed:

House Resolution 201

House Resolution 201

Resolved, That a special committee of five be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 1, 1933, the campaign expenditures of the various presidential and vice presidential candidates and candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collections and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before pri-maries, conventions, and the contests and campaigns of the general election in November of 1932, or any special election held prior to December 5, 1932. Said committee is hereby authorized to act upon its own initiative and upon such information which to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue. That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpens or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per 100 words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpensa for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law. scribed by law.

Said committee is authorized to make such expenditures as it deems necessary, and such expenses thereof shall be paid on vouchers ordered by said committee and approved by the chairman thereof.

GENERAL RELIEF BILL

Mr. CLARKE of New York. Mr. Speaker I ask unanimous consent to extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. CLARKE of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter addressed by me to the editor of the Binghamton Press, Binghamton, N. Y.:

JUNE 4, 1932.

Mr. Tom Hutton.

Editor Binghamton Press, Binghamton, N. Y.

Mr. Tom Hurton,

Editor Binghamton Press, Binghamton, N. Y.

Delivering following speech in House to-day against Garner pork barrel bill: "It would be nice to have a post office in all the larger towns in my district and every Congressman's district in the United States, as is proposed by Speaker Garner, but from a financial or business standpoint such a proposition can not be justified, and I don't propose to be caught by any such sucker bait. I think it is no time to enlarge any building program that doesn't meet the requirements of the President in being on a liquidating basis; each proposition should stand on its own bottom. Sometime ago I saw Secretary of the Treasury Mills on similar proposal, and when I ascertained the Treasury program I assured Secretary of my cooperation, and I am not in the habit of giving my word and then breaking it. We will pass the tax bill quickly to-day; that will balance the Budget, but it is filled with a lot of nuisance taxes that I don't believe should be there nor would they be there if a political campaign were not in the offing, and I prophesy a more sensible and workable bill will evolve within a year that will raise the required funds. I am following the President as the chosen leader in these chaotic times, believing one general is better than a lot of self-appointed political generals and political and financial wizards who have already wished National, State, and local taxes on us almost to the breaking point when commodity prices are so low."

JOHN D. CLARKE.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that all Members of the House may have five legislative days in which to extend their own remarks on the communist bill, H. R. 12044, which was passed by the House to-day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS-THE TARIFF

Mr. HAWLEY. Mr. Speaker, under leave to extend my remarks in the Record, I submit the following radio speech by myself, May 24, 1932:

This session of Congress has been and is engaged on legislation intended to restore confidence in credit, public and private; balance the Budget; reduce the Federal expenditures; revive industry, trade, and commerce; restore labor to employment; increase prices and markets for the farmers; and in general to speed the economic recovery.

Our national resources are unimpaired; our farms retain their fertility; our labor still has its efficiency and its intelligence; our industries continue to possess the enterprise and ability which has made us the greatest industrial Nation—our people are the best of all.

The amount of gold and circulating medium.

The amount of gold and circulating medium is unusual; deposits in savings banks on June 30, 1930, exceeded eleven billions, and deposits in other banks are large. But confidence in credit is

impaired,

Temporarily our march of progress is stayed by a world-wide depression, originating in Europe, and our industry, trade, commerce, and production have diminished, buying power has lessened, immense sums are hoarded, and doubt and apprehension impair that confidence in credit essential to the return of prosperity. But our vigorous people will shake off the pending uncertainty and pursue again their normal advance.

Our national policies include the protective-tariff system, the purpose of which is, briefly stated, to protect our agriculture, labor,

industry, and domestic markets, and to provide revenue. The Canadian Premier estimated its value to us recently in the foilowing language:

"The United States learned a long time ago that to become a great nation it must look to itself. It developed its industries and its natural resources, encouraged and protected its agriculture, so that out of a slow beginning it has grown to those gigantic proportions where its strength will overflow its borders. That is the story of the United States."

It is a primary duty of a government to referring the interests

portions where its strength will overflow its borders. That is the story of the United States."

It is a primary duty of a government to safeguard the interests of its people and with them to work out the national destiny. All the facts and figures indicate that the tariff is still serving our people beneficially, even if its results are not so obvious as when times are normal. The causes of the recent world-wide depression must be sought in sources other than the tariff.

Since the World War all nations have been seeking new sources by means of which they hope to increase their production and wealth, restore their fallen fortunes, and secure added revenues. These are laudable purposes. They desire as large a share as possible for their products in our normal annual market of \$90,000,-000,000. The decline in buying all over the world has emphasized the need for markets. Prices have fallen more in other countries than in our own. This makes our markets the more attractive. Had our tariff not protected our people there would have entered this country an inundation of imports, at prices which would have taken the markets we have and more labor from our workers. More industries would have closed or operated on part time. The depression here would have been greater. The diminution in buying has changed into surpluses, in part at least, what might otherwise have been only normal stocks overseas and added to the quantities seeking markets here. New production abroad is also declining in price, as the recent hearings before the Committee on Ways and Means disclose.

Time will not permit me to detail the protection given our people by the existing fariff or the disasters we would have engangles to the protection given our people by the existing fariff or the disasters we would have engangles.

declining in price, as the recent hearings before the Committee on Ways and Means disclose.

Time will not permit me to detail the protection given our people by the existing tariff or the disasters we would have endured had the tide of cheaply produced goods, made by low-paid labor, been permitted to flood our market.

Some 25 nations of the world have debased their currency on an average of 30 per cent, and this gives them an advantage, and would have given them an insurmountable advantage in our markets had we permitted imports without protective duties.

And now concerning our foreign trade, which it is alleged that the tariff is destroying. This trade in volume has fallen off less than our domestic trade. In the period from 1925 to 1929 the exports of our total production of exportable commodities averaged 10 per cent. It was only slightly lower in 1931. In 1913, under the Underwood tariff, we bought 8.4 per cent of all the merchandise sold by 102 foreign countries. In 1931 we bought 10.8 per cent. In 1930 we sold abroad 7 per cent more in volume than we did for the average of the normal years 1922 to 1926. In our 19 leading foreign markets, which is practically all our foreign trade, our share of their imports last year was 20 per cent, while in the normal years 1924 to 1927 it was 20.7 per cent. In 1930, 66 per cent of imports entered this country duty free, and in 1931, 68 per cent entered duty free. So that the present tariff law has not unfairly affected our foreign trade. It is stated that our world trade in 1931 was the largest in the world.

If the volume or quantity of our foreign trade in 1931 is valued at the prices prevailing in 1929, the imports and exports would each have been in excess of \$3,400,000,000, or a total of \$6,800,000,000,000, which compares favorably with several normal years.

If the statement were true that the more we import the more we can sell in other countries, then Great Britain should be greatly expanding her export trade; but during the first eight months of 1931 her im

only \$1,500,000,000.

If the tariff were the cause of the present world-wide conditions and our part of the remedy consisted in our revising the tariff downward, why have not our Democratic friends presented a bill for that purpose, showing what rates they believe should be enacted? No such bill has been prepared or introduced, although they control the Ways and Means Committee. On the contrary, Representative Rainey, Democratic leader of the House, and a member of the Committee on Ways and Means, said in the House on January 9, 1932:

"Lower this tariff drastically? You (Republicans) will not do it, and we (Democrats) do not dare to do it with conditions as they are. We do not want this market flooded with the products of cheap labor of other countries."

This is a frank and open confession that the existing tariff is indispensable to the welfare of this country in this time of depression.

Also, the changes the Democrats have proposed in rates during

Also, the changes the Democrats have proposed in rates during this session of Congress are to add new duties to the tariff act of

The only tariff legislation the Democrats have passed is the bill, vetoed by the President, to submit the economic policies of the United States, including the tariff, to a conference with foreign nations. Our people have always considered, and rightfully so, that we are able to manage our own affairs. This bill is a frank confession by the Democrats that they are unable to administer the affairs of our own country, without foreign counsel, if entrusted with its government. Why ask our foreign competitors what is good for us to do?

The bill destroys the efficacy of the flexible provisions of the tariff, under which adjustments of rates may be effected if changing economic conditions justify an increase or decrease. The Tariff Commission since July, 1930, has recommended 12 increases

in rates of duty, 17 decreases, and in 39 cases no change. This indicates that the thousands of rates in the existing law are fairly adjusted. For my part, I prefer to have investigations for the purpose of readjusting duties made by a competent American commission, proceeding on scientific principles and deciding on ascertained facts, rather than to submit them to the political forces of foreign countries, whose interests are those of their own people and are adverse to ours. Why throw the fortunes of our people into the lap of the world? I wish all nations peace, progress, and prosperity. But above all I am committed to the policy of American management of American affairs.

Moreover, under normal conditions, under which we generally live, and will have renewed in the near future, our foreign trade has always grown much more rapidly under protection than under any free-trade policy.

has always grown much more rapidly under protection than under any free-trade policy.

The term "reprisal tariffs" has been applied to tariffs of other nations to the extent that they affect our trade. A rate of duty on a given commodity will naturally affect nations offering such commodities for sale, but not necessarily as a reprisal. Our tariffs are levied generally and without discrimination against any country. We have enacted no reprisal tariffs, although some duties may affect some nations more than others.

Other nations have established tariffs to foster their industries, protect their labor, and to obtain much-needed revenues. The duties imposed affect other nations as well as our own. The phrase "reprisal tariffs" has been invented for political expediency and to promote the fortunes of some whose financial interests are in foreign countries.

phrase "reprisal tariffs" has been invented for political expediency and to promote the fortunes of some whose financial interests are in foreign countries.

In the attacks on the tariff our opponents omit stating the extent to which it has prevented the collapse of American business and industry. Naturally, the importer desires to enter his goods on the terms most favorable to himself; the international banker to protect his investments abroad and secure the largest returns; those who have constructed manufacturing plants abroad, employing low-paid labor, to enter their products into this great market; and the free-trader because of an outworn economic theory. The greatest hegira of American capital abroad occurred under the last Democratic tariff. Investments have been made abroad because of cheaper operating conditions. Had we permitted an increased volume of competitive imports made by labor paid on a low scale to enter this country in 1930 and 1931, they would have ruined our industries, led to unemployment conditions no one can now visualize, and further demoralized the situation.

Our export trade varies from 8 to 10 per cent of our total annual production. The remaining 90 per cent is sold to the American people. How could we benefit by permitting foreign nations to take say 30 per cent of this domestic trade away from us; where would we find markets for our products displaced in our markets by the imports; where would our labor find employment? We have followed the sane policy of giving our Industries, agriculture, and labor a fair opportunity in the home market, and allowing foreign competition to be a regulator of prices, an incentive to production at lower costs by efficient and improved methods. We have a standard of living higher than any other in the world, and because the present depression has temporarily impaired our enjoyment of our standard, I believe our people will oppose any movement that will open our markets freely to foreign competition, because this will inevitably tend to perpetuate

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

The SPEAKER pro tempore (Mr. WOODRUM). The present occupant of the chair understands the Speaker has agreed to recognize the gentleman from California [Mr.

Mr. SWING. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 10048) granting to the Metropolitan Water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of

The SPEAKER pro tempore. The gentleman from California moves to suspend the rules and pass the bill H. R. 10048, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That, subject to the reservation, until their disposition is hereafter expressly directed by law, of all minerals except earth, stone, sand, gravel, and other materials of like character, there is hereby granted to the Metropolitan Water District of Southern California, a public corporation of the State of California, all lands belonging to the United States, situate in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California, including trust or restricted Indian allotments in any Indian reservation or lands reserved for any purpose in connection with the Indian Service, which have not been conveyed to any allottee with full power of alienation, which may be necessary, as found by the Secretary of the Interior, for any or all of the following purposes: Rights of way; buildings and structures; construction and maintenance camps; dumping grounds; flowage; diverting or storage dams; pumping plants; power plants; canals, ditches, pipes, and pipe lines; flumes, tunnels, and conduits for conveying water for domestic, irrigation, power, and other useful purposes; poles, towers, and lines for the conveyance and distri-Be it enacted, etc., That, subject to the reservation, until their

bution of electrical energy; poles and lines for telephone and telegraph purposes; roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, or communication; for obtaining stone, earth, gravel, and other materials of like character; or any other necessary purposes of said district, together with the right to take for its own use, free of cost, from any public lands, within such limits as the Secretary of the Interior may determine, stone, earth, gravel, sand, and other materials of like character necessary or useful in the construction, operation, and maintenance of aqueducts, reservoirs, dams, pumping plants, electric plants, and transmission, telephone, and telegraph lines, roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, and communication, or any other necessary purposes of said district. This grant shall be effective upon (1) the filing by said grantee at any time after the passage of this act, with the register of the United States local land office in the district where said lands are situated, of a map or maps showing (1) the filing by said grantee at any time after the passage of this act, with the register of the United States local land office in the district where said lands are situated, of a map or maps showing the boundaries, locations, and extent of said lands and of said rights of way for the purposes hereinabove set forth; (2) the approval of such map or maps by the Secretary of the Interior, with such reservations or modifications as he may deem appropriate; (3) the payment of \$1.25 per acre for all Government lands conveyed under this act other than for the right of way for the aqueduct, and (4) for all lands conveyed in Indian reservations or in Indian allotments which have not been conveyed to the allottee with full power of allenation, the district shall pay for the benefit of the Indians such just compensation as may be determined by the Secretary of the Interior: Provided, That said lands for rights of way shall be along such locations and of such width, not to exceed 250 feet, as in the judgment of the Secretary of the Interior may be required for the purposes of this act: And provided further, That said lands for any of said purposes other than for rights of way for the aqueduct may be of such width or extent as may be determined by the Secretary of the Interior as necessary for such purposes.

Sec. 2. Whenever the lands or the rights of way are the same as

necessary for such purposes.

SEC. 2. Whenever the lands or the rights of way are the same as are designated on any map heretofore filed by said district or by the city of Los Angeles in connection with any application for a right of way under any statute of the United States, which said application is still pending, or has been granted, and is unrevoked and has been transferred to and is now owned by said district, then upon the approval by the Secretary of, the Interior of any such later map with such modifications and under such conditions as he may deem appropriate the rights hereby granted shall, as to such lands or rights of way, become effective as of the date of the filing of said earlier map or maps with the register of the United States local land office.

SEC. 3. If any of the lands to which the said district seeks to

United States local land office.

Sec. 3. If any of the lands to which the said district seeks to acquire title under sections 1 and 2 of this act are in a national forest, the said map or maps shall be subject to the approval of the Secretary of Agriculture so far as national-forest lands are affected; and upon such approval and the subsequent approval by the Secretary of the Interior, title to said lands shall vest in the grantee upon the date of such subsequent approval.

Sec. 4. Said grants are to be made subject to the rights of all claimants or persons who shall have filed or made valid claims, locations, or entries on or to said lands, or any part thereof prior to the effective date of any conflicting grant hereunder, unless prior to such effective date proper relinquishments or quitclaims have been procured and caused to be filed in the proper land office.

Sec. 5. On the cessation of use of the land granted for the purposes of the grant the estate of the grantee or of its assigns shall terminate and revest in the United States.

Mr. STAFFORD. Mr. Speaker, I demand a second. Mr. SWING. I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection? There was no objection.

The SPEAKER pro tempore. The gentleman from California is entitled to 20 minutes and the gentleman from Wisconsin to 20 minutes.

Mr. SWING. Mr. Speaker, this bill gives to the Metropolitan Aqueduct, consisting of 13 cities on the Pacific coast, a right of way over public lands to enable them to take domestic water from the Colorado River to those cities to meet the needs of 1,700,000 people living in those cities.

Under the general right of way law, it is usual to simply file a map, whereupon the right of way is acquired, with the approval of the Secretary of the Interior. But this was found not to be applicable for a project of this magnitude, where these cities are to spend their own money in an amount of \$220,000,000, because of the legal question arising of their right to spend bond money on property the cities

This does not take any money out of the Treasury of the United States, but it puts money into the Treasury of the United States, as such public lands as are used for the purposes of power plants, pumping, and camp construction are to be paid for at the rate of \$1.25 an acre.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SWING. Yes.

Mr. O'CONNOR. This is the bill for which the Committee on Rules granted a rule recently?

Mr. SWING. Yes.

Mr. O'CONNOR. The presentation before the Rules Committee resulted in a rule being granted unanimously by the committee.

Mr. SWING. I thank the gentleman for the statement. The Committee on Public Lands also reported it unanimously.

Mr. GILBERT. Will the gentleman yield?

Mr. SWING. I will.

Mr. GILBERT. There is nothing in this bill that contemplates the use of this water for irrigation purposes?

Mr. SWING. No; it is for the Metropolitan Water District of Southern California, consisting of 13 cities, and none of the water will be used for irrigation projects.

Mr. GILBERT. I am opposed to any more irrigation projects which will increase agriculture.

Mr. SWING. They could not bring any more land into cultivation in California, and this legislation is not for the purpose of reclaiming any new lands.

Mr. HOLMES. Are those aqueducts going to be open, or

are they going to be closed of the cement type?

, Mr. SWING. I assume that most of the way it will be closed. However, some of it may be open.

Mr. HOLMES. What is the greatest elevation that the aqueduct will reach?

Mr. SWING. The maximum pumping lift will be about 1,200 feet. Mr. Speaker, I reserve the balance of my time.

Mr. STAFFORD. Mr. Speaker, notwithstanding the decision by the Committee on Rules in favor of this legislation under a special rule, with all deference to the distinguished observer on that committee, the gentleman from New York [Mr. O'Connor], I wish to state that no bill has been presented to the House where there has been more unrestricted power conferred upon a department head in conveying the property of the United States than the bill under consideration.

Perhaps the Committee on Rules have not passed upon legislation of this character, but I challenge any Member of the House, any member of the Committee on Public Lands, to point out where such broad powers have been vested in a private corporation to take land, a municipal corporation to take land, as may be found in section 1 of this bill.

We grant to this metropolitan water district of Southern California—and I wish to interpolate here by saying that the California delegation has not only in this House but throughout the country has got the reputation of the go-getting delegation. [Laughter.] They get everything they go after. [Applause.] I notice that is applauded by the gentleman from Nevada, of that arid district, where they also get so much out of the Treasury of the United States. Under the leadership of the author of this bill they raided the Treasury to the extent of \$100,000,000, which the Treasury will never get back, for the benefit of the people of Los Angeles.

Mr. CRAIL. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. I yield to the other distinguished candidate for Senator. I think it is not fair in a contest for a senatorship to allow one person to have the entire privileges in presenting these matters.

Mr. CRAIL. The gentleman is very generous to Los Angeles and its representatives, but does he not know that the Boulder Dam bill requires that every dollar be returned to the Government with interest, and that the Secretary of the Interior was directed by this body to see that satisfactory contracts as good as gold were obtained to that effect?

Mr. STAFFORD. Oh, that is written in the law; but I think long before even the gentleman ceases his activity in public life he will find that that municipality will not live up to the covenants of the bond.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?
Mr. STAFFORD. Just one moment. Let us get back to
the bill under consideration and see what is done. Perhaps

I can give some information to the distinguished gentleman from the Committee on Rules, the gentleman from New York IMr. O'CONNOR!. We grant to this metropolitan water district all lands belonging to the United States situated in these respective four counties, including the lands which are in Indian reservations that have not been conveyed to any allottee. For what purpose? And here comes the go-getting California grab. For rights of way, buildings, and structures

Mr. ARENTZ. Good.

Mr. STAFFORD. Construction and maintenance camps. A Member. Good.

Mr. STAFFORD. Dumping ground, flowage, diverting or storage dam.

Mr. HAINES. Good.

Mr. STAFFORD. And the senior candidate for Senator says "good." Of course he is in favor of grabbing everything.

Mr. SWING. I did not open my mouth.

Mr. STAFFORD. Pumping plants, power plants, canals, ditches, pipes, and pipe lines, flumes, tunnels, and conduits for conveying water for domestic, irrigation, power, and other useful purposes, poles, towers, and lines for the conveyance and distribution of electrical energy, poles and lines for telephone and telegraph purposes, roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, or communication, for obtaining stone, earth, gravel, and other materials of like character, and any other necessary purposes of said district, together with the right to take for its own use, free of cost, from any public lands within such limits as the Secretary of the Interior may determine, stone, earth, gravel, sand, and other materials of like character necessary or useful in the construction, operation, and maintenance of aqueducts, reservoirs, dams, pumping plants, electric plants, and transmission, telephone and telegraph lines, roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, and communication, or any other necessary purposes of said district. Mr. Speaker, it is unlimited, and in the time that the gentleman from California [Mr. Swing] had, he would give you the impression that this bill is going to convey to this metropolitan water district only the right to have a right of way of some 250 feet.

This is much broader than that, with no limit at all, subject to the approval of whom? Subject only to the approval of the Secretary of the Interior. The Secretary of the Interior comes from California, and he is impregnated with the same virus of giving everything to the people of California, just as a former Secretary of the Interior, Mr. Franklin Lane, was in favor of giving to the people of San Francisco the great rights for flooding the Hetch Hetchy Valley, a valley as magnificent as to be comparable with the Yosemite Valley, which is typical of the denizens of California, to get everything from the Government of the United States. They think they are so far removed that they can grab everything.

Mr. SWING rose.

Mr. STAFFORD. Oh, the gentleman has yet 16 minutes remaining. Give me some of your time, and I will yield. Yield me five minutes of your time.

Mr. SWING. I will yield the time it will take to answer my question.

Mr. STAFFORD. I decline to yield unless the gentleman gives me five minutes.

Mr. SWING. I will give the gentleman time to answer my question.

Mr. STAFFORD. The gentleman declines to do that, so I decline to yield. He took only four minutes.

Mr. JOHNSON of Washington rose.

Mr. STAFFORD. Oh, the gentleman from Washington is in the same category.

Mr. JOHNSON of Washington. I rose just to ask the

Mr. JOHNSON of Washington. I rose just to ask the gentleman from Wisconsin whether there is anything left that California does not get?

Mr. STAFFORD. If there is anything left, then Washington and Oregon will try to get it.

Mr. JOHNSON of Washington. But I ask the gentleman | or maps by the Secretary of the Interior, with such reserseriously whether there is anything he can think of that can be put in the bill that is not already in there?

Mr. STAFFORD. It is not possible, because every conceivable grant is already in there.

Mr. SMITH of Idaho. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. And here comes the irrigation grabber from Idaho. I have had some experience with the irrigation grabber and the bill that he passed through here, which I am sorry to say I supported. I am sorry that I was put in that position, because I had to carry out an outrageous raid upon the Treasury of the United States in carrying out the gentleman's views. I got fully acquainted with the gentleman's views of irrigation, and as far as irrigation matters are concerned, relieving the people out there of their obligation to pay millions and millions to the Government. They do not pay anything under this bill.

Mr. SWING. The gentleman is not fair.

Mr. STAFFORD. Oh, I am going to be more fair to the House than the gentleman was.

Mr. SWING. All right.

Mr. STAFFORD. The gentleman did not explain anything in this bill. I am reading from the text of the bill. The gentleman took only four minutes.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. Just a moment. Let us be fair. When they take any land on an Indian reservation they must pay the fair value, and for the land that they take for dumping grounds, storage dams, pumping plants, power plants, and canals they pay \$1.25 per acre, but for all the poles required for power lines taken from the public domain, or any sand or gravel that may be required in construction work they do not pay one cent, and yet this bill had the unanimous approval of the Committee on Rules.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. VINSON of Kentucky. As I read this bill all land belonging to the United States in the counties of Los Angeles. Riverside, and San Bernardino, in the State of California, which have not been conveyed or heretofore allotted is conveved to this corporation.

Mr. STAFFORD. Absolutely; without any restrictions.

Mr. VINSON of Kentucky. How many water lines are proposed to be constructed under this bill?

Mr. STAFFORD. I understand they only contemplate constructing one waterway 250 feet in width.

Mr. VINSON of Kentucky. Where is the language which provides for that?

Mr. SWING. Line 21 on page 3.

Mr. VINSON of Kentucky. That is one water line. Now, if they wanted to build half a dozen other water lines they could have 250 feet more for each one.

Mr. STAFFORD. Oh, it is not limited to any one, but I stated in my opening remarks that I know of no bill that grants greater privileges, unlimited, for the purpose of a public corporation, which will charge the people for the use of its water, than this bill. There are no proper restrictions. If this was to come up under the rules of the House, I would offer amendments to safeguard the interests of the Government. I am not privileged to do that under suspension of the rules.

Mr. VINSON of Kentucky. The bill provides that the granting of all these lands shall be effective upon, first, the filing by said grantee at any time after the passage of this act.

Mr. STAFFORD. Yes. I direct the attention of the House to that provision which the gentleman has just adverted to, on page 3. This corporation has a right to take in all of the public lands, fit for all these purposes, and it does so by the filing by said grantee at any time after the passage of this act, with the register of the United States local land office in the district where said lands are situated, of a map or maps showing the boundaries, locations, and extent of said lands and of said rights of way for the purposes hereinabove set forth; the approval of such map

vations or modifications as he may deem appropriate; then the payment of \$1.25 per acre for all Government lands conveyed under this act other than the right of way for

I know the gentleman from California [Mr. Swing], when he went back home last year, made great acclaim to the people of his district that he got through the House, in spite of the perennial objector, STAFFORD, of Wisconsin, a bill that granted great privileges; but if he can make a claim like that for getting through that bill, he will have all the bands in California receive him when he gets back and continue the parade throughout the entire State if he gets this land grab through this Congress.

I reserve the balance of my time, Mr. Speaker.

Mr. BLANTON. They ought to grant him the California service cross. Because this Congress for the past few years has been handling some very choice financial plums to the great Commonwealth of California.

Mr. SWING. Mr. Speaker, I yield four minutes to the gentleman from Nevada [Mr. ARENTZ].

Mr. ARENTZ. Mr. Speaker, as a member of the Committee on Public Lands, I am taking four minutes to explain in a general way what this bill means.

There is nothing mysterious about the bill. I do not understand how the gentleman from Wisconsin [Mr. Stafford] can get so excited about this. I have been over the land where this right of way is to be taken many times. There is not a habitation between the divide where the water will be pumped over into the valley at Riverside and the Colorado River. It is the most barren desert in the United States. The right of way can not be surveyed to-day. It can not be surveyed for six months definitely. It might be a year before the definite plan of that aqueduct is laid down on paper, and it then provides that when the final plans are made, after the passage of this act, they are to be presented to the Commissioner of the General Land Office and be O. K'd by the Secretary of the Interior. Just contrary to what the gentleman from Wisconsin said about payment, nothing is paid for the right of way. The gentleman from Wisconsin said that \$1.25 per acre is paid for the right of way and nothing for the balance of the land. As a matter of fact, the right of way over the public domain is given without cost to the city of Los Angeles and the adjacent cities, but for all other portions of land, for dumps and dumping grounds, for pumping plants, and for highway, and for every other conceivable thing they pay \$1.25 an acre. If for any reason this right of way is not used, it reverts to the Federal Government. If there is any oil or gas or mineral anywhere on this ground, it is reserved to the Federal Government.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. ARENTZ. I yield.

Mr. VINSON of Kentucky. What part of the bill carries that provision?

Mr. SWING. The last paragraph.

Mr. VINSON of Kentucky. Oh, that is not reverter. That is on the cessation of use of the land granted for the purpose of the grant the estate of the grantee or of its assigns shall terminate and revest in the United States.

Mr. ARENTZ. Of course, that is the same thing. Our Public Lands Committee is not a bunch of highbinders. We are trying to safeguard the Government. If you could sit around the table in that committee day after day and consider the detail in which we go into every bit of legislation and amend the bills that come before us to protect the public interest and protect the Government in detail, you would appreciate, as I do, that the Public Lands Committee of the House can be trusted. This bill is a safe bill. It is doing the right thing to the metropolitan areas adjacent to Los Angeles. It is giving them a right of way across the desert. It is giving them a place for their dumps. It is giving them a place for their transmission lines, for their pumping plants, and for every other conceivable thing, and that is fair.

Mr. BLANTON. Will the gentleman yield?

Mr. ARENTZ. I yield.

Public Lands Committee who get the handouts from the Government are from the West, are they not?

Mr. ARENTZ. If you want to call them handouts, you

Mr. BLANTON. Is there any member of the Public Lands Committee who is not a westener? And in such connection I will say I am a westerner.

Mr. ARENTZ. Yes.

Mr. LaGUARDIA. I was on that committee for two years, when they kicked me out of the other committees.

Mr. BLANTON. But the committee is pretty well lined up with westerners.

Mr. ARENTZ. Yes; because we know our business, and your business, and the Government's business.

Mr. STAFFORD. Mr. Speaker, I yield three minutes to the gentleman from Utah [Mr. Colton].

Mr. COLTON. Mr. Speaker, I feel sure the Members of the House are not going to be swept off their feet, figuratively speaking, by the statement that has been made here to-day that we are giving away something unusual in the form of a land grab.

Do you know that under the law now this district could make the proper application and file a map in the General Land Office and get a right of way for any one of the privileges enumerated in this bill? There is no question about that. This is not an enlargement of the law in that respect. It simply gives the Secretary of Interior the right to grant the district a little wider space for this aqueduct, and would allow a right of way for necessary laterals and branch lines of the kind enumerated.

Mr. VINSON of Kentucky. The gentleman could only secure a right of way for one main line and the laterals to that line.

Mr. COLTON. Exactly.

Mr. VINSON of Kentucky. The gentleman could obtain a blanket right of way for the project if he wanted to.

Mr. COLTON. That is what this bill would authorize. This project is the most gigantic undertaking that has ever been commenced by anybody anywhere when it comes to building dams and aqueducts for domestic water, and there is to be spent for the taking of the water from the Hoover Dam to the cities of southern California \$220,000,000. This is the greatest dam ever built in the world. This water will be lifted over practically two great divides, one of them perhaps 6,000 feet high, or nearly so. In order to do that it is necessary to float bonds, and to float bonds there must be no question about the security. This bill seeks to give this metropolitan district rights of way which may be offered as safe security for these immense loans.

These lands have been open ever since the Nation was organized and no one has seen fit to acquire title to them. In the main it is mostly worthless land.

So let us not get excited over this matter as my good friend the gentleman from Wisconsin is. The bill simply does for this great undertaking what the Secretary of the Interior could now do for an individual except to enlarge the grant and would avoid the necessity of going to him for individual rights of way for each of the things mentioned in the bill.

Mr. GREEN. Will the gentleman yield? Mr. COLTON. I yield.

Mr. GREEN. And the citizens of those States will lift the bonds; the Government would not be called upon to assume

Mr. COLTON. There will be absolutely no charge upon the Government because of this project. In fact, money will come into the Treasury. I certainly hope the bill passes.

Mr. SWING. Mr. Speaker, I yield three minutes to the gentleman from Montana [Mr. Evans].

Mr. EVANS of Montana. Mr. Speaker, I think the gentleman from Wisconsin was rather unfair to the members of the Public Lands Committee when he characterized them as only western land grabbers. It is unfair to California.

Now, the matter appeals to me this way. We are spending \$160,000,000 for the Hoover Dam. The city of Los Angeles wants to take water from that dam. It has voted \$220,000,-

Mr. BLANTON. The gentleman knows that those on the | 000 to build an aqueduct. The Government of the United States owns the land lying between the dam and the city of Los Angeles, and it is worthless land. It is not worth 25 cents an acre, much less \$1.25 an acre. To build an aqueduct they have got to get permission from the Government of the United States.

> The Government of the United States would give me permission to build an aqueduct through there; but the municipality has not the legal right to spend its money on land it does not own, so it is asking for this right of way, so we are granting to that community down there the same right that I would have.

Mr. BLANTON. Will the gentleman yield?

Mr. EVANS of Montana. I yield.

Mr. BLANTON. Is the gentleman for the bill? Mr. EVANS of Montana. Yes; I am for the bill.

Mr. BLANTON. The gentleman is chairman of the committee?

Mr. EVANS of Montana. Yes.

Mr. BLANTON. Why does the gentleman delegate the power to somebody else to move to suspend the rules and pass the bill?

Mr. EVANS of Montana. The gentleman from California was the author of the bill, so I permitted him to call it up. Mr. BLANTON. Because of that incident I was just assuming the fact that the chairman of the committee was not in favor of it.

Mr. EVANS of Montana. The committee made a unanimous report on the bill; every man favored it.

Now, Mr. Speaker, let us be fair. We are here pleading for something for the American people to do to earn a living. To-morrow we are going to be called on to vote \$500,000,000 public money to give them something to do. To-day the city of Los Angeles wants to spend \$220,000,000 to put 10,000 people to work, and we waste our time quibbling over it.

Mr. VINSON of Kentucky. Why did the gentleman not say it was one right of way for one main line and the laterals? The city of Los Angeles is not even mentioned in the bill

Mr. EVANS of Montana. I said the city of Los Angeles, but I meant the Southern California Association.

Mr. VINSON of Kentucky. The bill states rights of way. Mr. EVANS of Montana. There are many things we did not write in the bill.

Mr. EVANS of California. The reason one main line is not sufficient is that there are certain lateral lines and power lines that will come in just a short distance from the Colorado River that will angle into this main line.

Mr. VINSON of Kentucky. I said the main line and the laterals.

Mr. EVANS of Montana. Those laterals are insignificant, may I say to the gentleman from Kentucky. The main line is the one which is required for the aqueduct. It calls for no expenditure by the Government; in fact, when completed it will bring to the Government a revenue of almost \$3,000,-000 a year. The bill should be passed without a dissenting

Mr. STAFFORD. Mr. Speaker, I yield four minutes to the gentleman from Kentucky [Mr. Vinson]. [Applause.]

Mr. VINSON of Kentucky. Mr. Speaker, it is not a pleasant matter to oppose any project of any Member of Congress; but the language in this bill is too plain to be misunderstood. The English language in it makes it allinclusive. It grants all of the lands in three counties in California to a corporation that has not heretofore been allotted. It is a grant of all the lands belonging to the United States in three counties in California which have not been conveyed to an allottee for the purpose of constructing water lines. Is not that right?

Mr. EVANS of California. No.

Mr. VINSON of Kentucky. It grants all of the lands in plain English, provided that they be used for this purpose. From the day this bill becomes a law until it is repealed there is the right to file maps in order to secure other rights of way for this purpose, namely, to build water lines. You

state it is for one water line and its laterals. Why do you not say so in the bill? Why do you not make it rights of way for one line, two lines, and all the laterals necessary for that use?

In regard to the reverter clause the report denies the statement of the gentleman from Nevada relative to his interpretation of the last section of the bill. The report says:

It requires payment for all lands other than those used for the right of way and makes the right of way subject to reversion upon cessation of its use for the purposes specified in the bill.

The reverter clause refers to the cessation of the use of lands used for rights of way. It does not refer to the other land conveyed in this bill.

Mr. COLTON. The gentleman does not contend that this language means that we give out and out to this district all of this land in these counties?

Mr. VINSON of Kentucky. It says:

All lands belonging to the United States, situate in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California, including trust or restricted Indian allotments in any Indian reservations or lands reserved for any purpose in connection with the Indian service, which have not been conveyed to any allottee with full power of alienation, which may be necessary, as found by the Secretary of the Interior, for any or all of the following purposes.

You are giving to this corporation the right to construct these lines however many they may be and without regard to the time element. If you only want 1 or 2 rights of way for water lines, O. K.; but when you say 3, 4, 5, 6, or 20, I say it is more than you gentlemen should ask that this Congress give you.

Mr. COLTON. If the gentleman will yield further, there are at least 13 cities in this district, and it is inevitable that they will want to run certain lines across this public domain. It only vests the right to do that and does not convey the land itself.

Mr. VINSON of Kentucky. I served on the Public Lands Committee at one time in my service here. I know how you boys operate. I asked the gentleman from California what was the purpose of the bill and he stated it was to build one line to Los Angeles, but now the gentleman from Utah says there are 13 lines to be built.

Mr. COLTON. No; I do not mean that. I mean that because of the large area to be served there will be more than one line. There will be laterals.

Mr. SWING. The gentleman has been on the Public Lands Committee and he knows—

Mr. VINSON of Kentucky. Just exactly how things are done.

Mr. SWING. All that this bill provides could be acquired, as far as rights of way are concerned, by simply filing a map with the Secretary of the Interior and by securing his approval of the map as to rights of way we could get all of these things.

Mr. VINSON of Kentucky. Why do you not do it in the regular way?

Mr. SWING. Because we can not spend bonded money up to \$220,000,000 on land to which we do not have the title. That is the only reason.

Mr. VINSON of Kentucky. As far as I am concerned, I think the language is too broad. I think you ought to have a limitation there as to the number of lines. You ought to have a reverter clause broad enough to provide that lands that are not used, as well as those lands utilized for this construction with a certain definite period, if there be a cessation of use to be ceded to the United States.

[Here the gavel fell.]

Mr. SWING. Mr. Speaker, I yield three minutes to the gentleman from California [Mr. Evans].

Mr. EVANS of California. Mr. Speaker, the United States Government has already entered into a contract to build the Hoover Dam. It has spent already on that contract more than \$25,000,000, and that project is well in the course of construction. The United States Government has also entered into a contract with the metropolitan water district for the sale to that district of water and power, from which

the United States Government will begin to receive as soon as the dam is constructed the sum of \$3,263,000 every year.

Mr. HOLMES. Will the gentleman yield?

Mr. EVANS of California. Yes.

Mr. HOLMES. How much water is going to be pumped over that dam every year?

Mr. EVANS of California. It calls for 1,000,000 acre-feet of water.

Mr. HOLMES. A day?

Mr. EVANS of California. A year, I believe it is. Now, gentlemen, the United States Government has an interest in the enactment of this legislation because until this legislation is enacted the metropolitan water district can not, as has been pointed out here this afternoon, sell the bonds which the district has already voted in the sum of \$220,000,000 by a vote of more than 5 to 1 of the electors of the district. So we are tied here, as pointed out by the gentleman from California [Mr. Swing]. These bonds may not be marketable for improvements upon lands of which the fee is not primarily in the metropolitan water district. If it ceases to use this land, of course, it reverts to the United States, as set forth in this legislation.

So I want to emphasize the statement that with all the noise here this afternoon with reference to land grabbing, there is absolutely nothing of that sort involved in this matter. The United States Government is interested, first and foremost, in the enactment of this legislation. [Applause.]

It is a part of the great Hoover Dam project. Water can not be transported from the Colorado River until an aqueduct has been built and the aqueduct can not be built until a right of way has been acquired. The district has voted the bonds, amounting to \$220,000,000. The supreme court of our State has held the bonds valid. When this right of way has been acquired and the bonds marketed, we can put a large number of men to work at once building this great aqueduct, which is the largest undertaking of its kind ever attempted by any government. I hope this bill will be enacted.

Mr. SWING. Mr. Speaker, I yield one minute to the gentleman from California [Mr. CRAIL].

Mr. CRAIL. Mr. Speaker, none of this land is in my district, but the people of Los Angeles and of all of southern California are very greatly interested in this bill.

This is not a grab bill. It is not true, as has been stated here, that it would convey all of the lands of the public domain in Los Angeles, Riverside, and San Bernardino Counties to the Metropolitan Water District, of southern California. The bill merely authorizes the conveyance of all of the land in those counties which the Secretary of the Interior may find necessary for the metropolitan aqueduct, its laterals, and accessories, and that will be one line from the Colorado River through Beaumont Pass, which takes in practically all the land required, and from there laterals will be run to the several cities of southern California, mostly over privately owned lands, to be purchased at the expense of the district itself. I hope every Member here will vote for this bill. [Applause.]

Mr. STAFFORD. Mr. Speaker, nothing which I said in the beginning do I now retract; but I reaffirm my every statement. Never before have I known a bill so loosely drawn that would confer such great powers without limitation upon any individual, or in this instance, extended to a municipal utility corporation.

It has not been brought out by the proponents that under the general law this association has the privilege to have a right of way of 100 feet. I am not protesting against enlarging that right of way to 250 feet, but I am protesting as strongly as I can to granting all the lands of the United States in these counties, without any reservation, including lands in the Indian reservations, in the forest reserves, for the respective purposes of storage dams, pumping plants, power plants, canals, ditches, and so forth.

Let them bring in a bill properly safeguarding the public lands of the United States and one that seeks to only extend the privileges to one right of way of 250 feet and I will rise in support of it; but when I find a monstrous bill

in the history of public-land legislation, so far as I know, and I have followed such legislation very closely, I must necessarily rise and protest that it is a land grab.

I have seen in my experience here instances where we have vested large powers only to regret it later. I say to you, bring in a proper bill and we will pass it before the Congress adjourns; but we will not pass, with my approval, such an outrageous bill that gives everything which is of a public-land nature to this corporation. [Applause.]

Mr. SWING. Mr. Speaker, there is not a thing in this bill that is not found in the general right of way law; there is not a thing that these cities can get under this bill that they can not get under the general law, except there is a limitation in width under the general right of way law, and a canal of this magnitude for 13 cities has to be so big that it will require a right of way of 250 feet. Also this bill is necessary, because the bond money that has been voted can not be expended under the laws of California on land which they do not own. Therefore, this law becomes

necessary in order to give them requisite title.

This district has a contract with the United States Government which calls for it paying into the Treasury of the United States \$2,750,000 annually, and the amount may run over that. If this bill is voted down, the United States Government thereby makes impossible the carrying out of its own contract. This is the greatest proposition that has ever been proposed in the way of courageous citizens of cities combining to get for themselves a necessary water supply, bringing it 264 miles across the desert, spending their own money, amounting to \$220,000,000, and putting over 10,000 men to work during the five years it will be under construction. And yet we stand here quibbling over words and over a piece of desert land as barren as any of God's rocks on the hillsides, where nothing lives and nothing can live except coyotes, rattlesnakes, and horned toads.

I earnestly ask you not to stand in the way of such a great public improvement. [Applause.]

The SPEAKER. The question is on the suspension of the rules and the passage of the bill.

The question was taken; and on a division (demanded by Mr. Stafford) there were—ayes 79, noes 35.

Mr. STAFFORD. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER (after counting). Two hundred and thirty-one Members present, a quorum.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

CHAIN STORES

Mr. MARTIN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. MARTIN of Oregon. Mr. Speaker, the Kelly-Capper bill, which passed the House in the last Congress, is now approaching action in the Senate. It is hoped that it will reach the House before adjournment, and I thought I would devote a few remarks to it this afternoon.

Mr. Speaker, the question uppermost in the mind of the average American is the problem that has confronted mankind from the time when the memory of man runneth not to the contrary, namely, meat and bread and a place to lay his weary head, and clothing to keep him warm.

The campaign cry of "a full dinner pail" has kept a moribund and bankrupt band of politicians in power on more than one occasion. It is the appeal to the strongest law of nature-self-preservation. This question now confronts mankind everywhere, and in the political campaign of 1932 the men who propose a solution will find their fellow men rallying to their standard regardless of party labels or their position on other matters.

In my humble judgment this question is the result of a cause that gnaws at the living heart of American life and which threatens the priceless liberty of the American people. Its solution requires the very highest order of states-

conferring such great powers, powers never before known | manship. I may be wrong, but I have an abiding faith that the centralizing of wealth is the seat of trouble, and with your indulgence I want to contribute my observations on this matter in the hope that Congress may rout the enemy, root up the evil, and render relief to a depressed and discouraged people.

Ordinarily statistics are very uninteresting, but in this case it would be missing the point if figures were omitted in describing the centralization of wealth. The reports of the census and the Internal Revenue Bureau of this Government show that only 2 per cent of our population earn enough money to pay an income tax. Now, if that means anything, I submit it warrants the conclusion that wealth is inequitably distributed, and that many perhaps are not taking in enough money to keep body and soul together. Of course, I am not overlooking the fact that in the 98 per cent who do not pay any income tax are included children, but children do not make up the entire 98 per cent; and when millions of men who are included do not earn enough to pay any tax, in my opinion they are not getting a square deal.

Further evidence of our faulty system is afforded in the army of unemployed, estimated to be 8,000,000 persons. These, of course, earn no income and are fertile field for communism and crime. A Senator of the United States [Mr. Long] on April 4, 1932, in the Senate of the United States said that 504 men in the United States in 1929 made more money than all of the wheat and cotton farmers of the United States. In that same speech this same Senator said that 10 years ago 1 per cent of the people owned 30 per cent of the wealth, and now owned 60 per cent of it. I am informed that another Senator [Mr. Borahl] is authority for the statement that 10 per cent of the people own 90 per cent of the wealth, leaving only 10 per cent of the wealth to 90 per cent of the people. Similar statistics by the stack could be produced; but as my time is limited, I want to point out the immediate evil and its result. I refer to the chain store.

It is hard to define this cancer so as to portray to the average man its true character, but "carpetbagger," "octo-pus," "drone," "boil on your neck," "sty on your eye," "running sore," and "slacker" are deadly parallels and terms the average fellow fully appreciates. When you solicit a contribution for some civic enterprise usually you will find the chain store playing the rôle of "conscientious objector"—that is, the boss in New York or in some other foreign seaport must be consulted. Of course, by that time the civic drive is over. These birds give nothing but take everything. They rent a store, paying as low rental as possible, hire help as cheaply as possible, work them 10 to 16 hours a day, and drain the community of its nickels and dimes. They invest nothing, build no homes, rear no children, contribute nothing to the community.

Within the past decade between 500,000 and 600,000 independent merchants have been crushed and their stores closed. Since 1921 the chains have corralled from 20 per cent to 45 per cent of the retail trade of every industry in this country. The closing of an independent merchant's store usually strikes at the home and scatters the family. This is not only detrimental to a community but is death to any nation, because the home is the unit of civilization.

Our unemployment problem is traceable directly to the chain system. My home city furnishes conclusive proof of this sad and solemn fact.

For example, in my home city of Portland, Oreg., 4,405 independent stores employ 12,639 persons to handle \$137,-149.684 worth of business. In each store are from 1 to 3 employees, making a total of 4,405 to 13,215 more persons, or 25,854 persons handling \$137,149,684 worth of goods. In the chain stores 6,670 persons handle \$75,590,588 worth of business-the owners do not work or live in Oregon.

These figures show that in the chains each person handles \$11,332 worth of goods, whereas in the independent stores each person handles \$5,425 worth. In other words, if the chains hired the same number of persons in proportion to the number employed by the independents, 4,000 to 12,000 more persons would be given employment. This condition prevails throughout this country, and the unemployment problem is the baby of the chain-store system. This is the

history of monopoly, and the chain store is but part and parcel of our damnable monopolistic system.

Portland is typical of every city throughout this country. If this movement keeps up, in a decade or two there will be no neighborhood grocery man, merchant, baker, druggist, or butcher—nothing but chain stores with underpaid employees and a manager who cares nothing for the young men and women employed in the store and less for the neighborhood, whose sole aim will be profits for the owners, who spend their time in Wall Street or in idleness in Florida or on tours to Europe.

The chain store is an eyesore to any community. It does not enter into community activities. It does nothing toward bettering the town in which it operates, and ultimately it means the death knell of any locality. It gives nothing, but, like the Dead Sea, is ever and anon receiving. It never pioneers, but waits until a settlement is started, then moves in and reaps the benefits of all civic improvements and progress established by others. It pays rent and low wages, leaves nothing else in the locality, sending all its profits to the money kings of Wall Street, whereas the independent business man helps to establish a community, invests his profits in the community, builds his home there, rears his children, contributes to civic enterprises, supports the schools, supports his family, pays his taxes, maintains the churches, and builds a nation.

The safety of a nation does not lie in forts, nor in navies, nor in armies; but in a happy, contented people who are ever ready to protect for themselves and to preserve for posterity the blessings which they enjoy. A square deal for all, a just division of profits, an equitable distribution of the wealth will best instill contentment in a people. A government that permits favoritism and special privilege can not endure. Any system that permits centralization of wealth will sooner or later yield to favoritism and special privilege. Chain banks, chain stores, mergers, and monopolies all mean power of money and wealth centralized in the hands of a few who will, because of greed, demand and sooner or later because of power, obtain favoritism and special privilege.

To permit these things to grow and become centralized will prove to be that—

Thread by thread the strands we twist Till they bind us neck and wrist.

My fellow townsmen are making wonderful strides in cutting asunder these strands, which the chain stores have been twisting for some time. Following the famous antichain store decision rendered by the United States Supreme Court in the case of State Board of Tax Commissioners v. Jackson (283 U. S. 527–553, 75 L. Ed. 1248 U. S.), the merchants presented to the City Council of Portland an ordinance taxing chain stores. It passed unanimously. The chain stores invoked the referendum on this ordinance, and the matter comes before the people at the general election November 8, 1932.

It so happens that my opponent, the regular Republican nominee, voted on the side of the chain stores in the last legislature, when these merchants tried to get a chain-store tax measure adopted. Consequently the issue will be rather clear cut between him and me, as I propose to do everything in my power to secure favorable consideration for said ordinance at the hands of the people in my district. The issue is clear and the die is cast, and, in the language of Shakespeare, the battle cry will be "Lay on, MacDuff, and damned be he who first cries, 'Hold, enough!'" [Applause.]

AMEND THE ACT DETERMINING THE HEIRS OF DECEASED INDIANS

The Clerk called the next bill on the Consent Calendar, H. R. 6684, a bill to amend the act of June 25, 1910, entitled "An act to provide for determining the heirs of deceased Indians, for the disposal and sale of allotments of deceased Indians, for the lease of allotments, and for other purposes," so as to authorize the Secretary of the Interior to modify

the terms of certain contracts, when in his judgment it is in the interest of the Indians so to do.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I note that the committee did not follow the recommendation of the department of \$4 per thousand feet board measure and \$2 for other species.

Mr. LEAVITT. We did not go that far, because we thought that if we stopped at the basic price the terms would be fairer for the Indians. Two dollars and four dollars would go below the basic price, and the committee decided that they would not go beyond the basic contract price.

Mr. STAFFORD. I would like to inquire as to the practical operation of the proviso in section 1, which reads:

That any such modification shall be upon the express condition that said purchaser shall forthwith proceed to operate under all the terms of said contract as modified or suffer forfeiture of such contract and collection upon his bond: And provided further, That in the event of sufficiently improved economic conditions the Secretary of the Interior is authorized after consultation with the purchaser and after 90 days' notice to them to increase stumpage prices of timber, reduced in any such modified contract, but in no event to a point higher than is stipulated in the contract as it existed before such modification.

Mr. LEAVITT. We could see no reason for allowing any modification of a contract, except that it would result in bringing some benefit to the Indians.

Mr. LaGUARDIA. It occurred to me that since the passage of the revenue bill, putting a tax on lumber, it would affect the value of these timberlands.

Mr. LEAVITT. We hope that it will.

Mr. LaGUARDIA. Then why provide for a modification of the contract?

Mr. LEAVITT. The Indians will have to agree to any modification.

Mr. LaGUARDIA. If the tariff on lumber affects the value of lumber, then it should be reflected on these timberlands.

Mr. LEAVITT. We hope so, but it would not make this bill unnecessary.

Mr. LaGUARDIA. The gentleman from Montana is satisfied that the Indians' rights are safeguarded in this bill?

Mr. LEAVITT. Yes; indeed---

Mr. STAFFORD. How many contracts will be affected by this legislation?

Mr. LEAVITT. Probably a dozen, as near as we could get the figures.

Mr. STAFFORD. Is that all of the contractors who are operating on Indian timberlands?

Mr. LEAVITT. All that would be affected by this legislation.

The SPEAKER. Is there objection?

Mr. NOLAN. I object.

LEAVE TO ADDRESS THE HOUSE

Mr. CANNON. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection?

Mr. DYER. Mr. Speaker, I do not interfere with the gentleman, but upon what subject?

Mr. CANNON. It is on the proposition which will come up to-morrow, on which I shall not have an opportunity to speak.

Mr. STAFFORD. But, Mr. Speaker, we are considering the Consent Calendar, and we have been interrupted a great deal by suspensions.

Mr. CANNON. It is seldom that I ask unanimous consent to speak.

Mr. STAFFORD. I know, but we have to consider these bills. I object.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate

to the bill (H. R. 10236) entitled "An act to provide revenue, | equalize taxation, and for other purposes."

RESTORATION OF STATUS OF WARRANT OFFICERS, REGULAR ARMY

The next bill on the Consent Calendar was the bill (H. R. 11174) to restore to their former retired status in the Regular Army of the United States persons who resigned such status to accept the benefits of the act of May 24, 1928 (45 Stat. 735), and for other purposes.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS MISSOURI RIVER, SOUTH OMAHA, NEBR.

The next bill on the Consent Calendar was the bill (H. R. 10084) authorizing the city of Omaha, Nebr., to construct, maintain, and operate a toll bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr., and to acquire, maintain, and operate the existing toll bridge across the Missouri River between the cities of Omaha, Nebr., and Council Bluffs, Iowa.

The SPEAKER. Is there objection?

Mr. SWANSON. Mr. Speaker, I reserve the right to object. There is already authority to build a bridge at South Omaha at O'Hern Street, across the Missouri River. This bill is objectionable because it provides for the city of Omaha to have authority to acquire a bridge which is now in operation and to use the tolls of that bridge for the construction of the bridge at South Omaha. The tolls for the bridge which is now in use are paid in large part by the people of Council Bluffs, Iowa, and that vicinity, and it is entirely unfair that those tolls should be used for the construction of a bridge which is not of any benefit to the people who pay the tolls.

Mr. LAGUARDIA. Who owns the bridge now?

Mr. SWANSON. The street-railway company.

Mr. LaGUARDIA. Is it not far better if you use these tolls for another bridge than to continue the toll and let it go to the street-railway company?

Mr. SWANSON. No; because the War Department will ultimately reduce the tolls on the present bridge and bring them down to a fair return.

Mr. LAGUARDIA. But you will have nothing for it and in this way you will gain something.

Mr. SWANSON. But the people of Council Bluffs will be paying for a bridge which will be of no benefit to them. Why should not Omaha pay for its own bridge?

The SPEAKER. Is there objection?

Mr. SWANSON. I object. Mr. BALDRIDGE. Mr. Speaker, will the gentleman reserve it for a moment?

Mr. SWANSON. Yes.

Mr. BALDRIDGE. I want to ask the gentleman a question: Is it not true that at the present time, under the escrow agreement, they are going to have a free bridge in four years, and if the tolls are reduced and if this thing carries on we will not have any bridge at all?

Mr. SWANSON. I do not know. I can not answer the

The SPEAKER. Is there objection?

Mr. SWANSON. I object.

FIELD-SEASON CONTRACTS OF THE FOREST SERVICE

The next bill on the Consent Calendar was the bill (H. R. 11944) to facilitate execution of an economy in fieldseason contracts of the Forest Service.

The SPEAKER. Is there objection?
Mr. LaGUARDIA. Mr. Speaker, I reserve the right to object. This establishes a very dangerous precedent. If there is one thing we have established as a permanent policy, it is not to permit contracting for services or material until the time the actual appropriation is made. Gentlemen will say that we safeguard that by saying that there shall be no liability until appropriations are made, but I fear that under the bill as it is now it will be possible for

the various services to make a contract, whether it has an appropriation for it or not, and wait until it gets the appropriation, even in the deficiency appropriation bill. I am not ready to go along with it and I think we had better let this go over for two weeks so that I will have an opportunity to consult with the gentleman.

Mr. STAFFORD. Mr. Speaker, I have some amendments that I desire to propose to the bill.

Mr. LaGUARDIA. I think you had better write a new

Mr. STAFFORD. I would like to suggest some amendments. In the proviso, after the words "United States," insert "as to that part for the ensuing fiscal year"; and after the word "shall," on line 8, insert "aliquot the cost for such services by fiscal years," so that the Government may enter into the contract and not utilize any of the funds other than that appropriated for the fiscal year for carrying out the contract for that year, but may enter into a contract for over the season if the money is subsequently appropriated. There is nothing sacrosanct about the fiscal year ending June 30. Canada, for instance, has her fiscal year ending April 30. Perhaps it might be well for us to end our fiscal year with the calendar year. There is some merit in the proposal sought to be brought about in this

Mr. LaGUARDIA. The Army might as well come in and say, "Let us supply our potatoes ahead of time because we can buy them more cheaply."

Mr. STAFFORD. Not as far as potatoes are concerned, because potatoes are bought in the fall of the year, when the Wisconsin crop is plentiful.

Mr. LEAVITT. The reason is that the fire season does not conform to the fiscal year. On some of the national forests the fire season starts as early as April and May, and quite often it starts in June in the western mountain country. If we must wait until the 1st of July before we can even advertise, we are very nearly through the fire season before some things can be purchased.

Mr. LaGUARDIA. But anyone can readily see what the leverage would be on the Committee on Appropriations. If the gentleman from Michigan, Mr. Cramton, were here he would hit the ceiling on a bill like this.

Mr. LEAVITT. But if they can have the contracts already entered into, subject to the appropriation, then they can immediately award the contract and get the materials and supplies necessary.

Mr. LaGUARDIA. Suppose we granted that to the Navy Department; they would immediately build 50 cruisers.

Mr. LEAVITT. If we were at war they would. That is what we have every year, in fighting forest fires.

Mr. BALDRIGE. Does the gentleman remember the \$500,-000 appropriation for the George Rogers Clark memorial?

Mr. LEAVITT. I do not recall that.

Mr. BALDRIGE. That is exactly how that appropriation

Mr. LaGUARDIA. May we not hear from the gentleman from Mississippi?

Mr. DOXEY. The objection of the gentleman from New York will yield to the facts in the case I am sure. Of course, we all understand that under the ruling of the Comptroller General and the law, we can not let a contract that goes over a seasonal year or a current year, where the money is not appropriated for the fiscal year. The Forestry Service is under the jurisdiction of the Department of Agriculture. They have a situation that may be peculiar or may not. For instance, facts like this were brought before the Committee on Agriculture: They are going to let a contract for the prevention of fires in the national forests. They must have specially constructed airplanes, constructed at quite an expense. In January they advertised for bids and let bids. Those bids can only be for May and June, because we do not usually pass our appropriation bills until the last of May or some time in June for the fiscal year following.

Mr. LaGUARDIA. Has the gentleman studied the amendments suggested by the gentleman from Wisconsin [Mr.

STAFFORD 1?

Mr. DOXEY. I am coming to that. In July this same service must readvertise or go to the expense of asking for further preparations and further bids, because this service must continue through the summer and fall months, whereas if they had been permitted at the beginning of the seasonal year to let these contracts it would have obviated all this extra expense. That is just the purpose of it, to let one contract and do it all in the most economical way.

The bill provides that the Government will not be liable until the money is appropriated, and I think the amendments suggested by the gentleman from Wisconsin will make it possibly more definite and specific. Personally, and I think I speak for the committee, I would not object to the amendments suggested by the gentleman, provided this bill is passed, because of the circumstances and conditions demanding its immediate passage.

Mr. LAGUARDIA. The precedent is so great.

Mr. DOXEY. The precedent does not reach as far as the gentleman from New York might presume.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. DOXEY. I yield.

Mr. COCHRAN of Missouri. What protection is there in the bill in the event a contract is made and Congress did not make appropriation? Is there any claim against the Government in that event?

Mr. DOXEY. No. It is provided in the bill that there is no claim against the Government.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereafter authorized in connection with the administration of the national forests to enter into contracts for the procurement of services, materials, and supplies for the ensuing fiscal year, prior to the passage of an appropriation therefor: Provided, That such contracts shall not be binding on the United States unless and until an appropriation applicable to the payment thereof is made: And provided further, That all such contracts shall by their terms provide that the obligation of the United States is contingent upon the passage of an applicable appropriation and that no payment thereunder will be made until such appropriation becomes available for expenditure.

Mr. STAFFORD. Mr. Speaker, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment by Mr. Stafforn: Page 1, line 8, after the word "shall," insert "aliquot, the cost for such service by fiscal years and shall."

The amendment was agreed to.

Mr. STAFFORD. I offer a further amendment, Mr. Speaker.

The Clerk read as follows:

Amendment by Mr. Stafford: Page 1, line 8, after the words "United States," insert "as to that part for the ensuing fiscal year."

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

COLLECTION AND PUBLICATION OF STATISTICS OF TOBACCO

The Clerk called the next bill, H. R. 9590, to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture," approved January 14, 1929.

Mr. LaGUARDIA. Reserving the right to object, how much will this cost? The field is broadened and extended.

Mr. BLANTON. I do not think it will do a bit of good, and I object.

Mr. FULMER. Will the gentleman reserve his objection for a moment?

Mr. BLANTON. Certainly, I will reserve the objection; but nobody will ever read the statistics after they spend much money to gather them.

Mr. FULMER. Under the present law the Secretary of Agriculture has the right to call for the quantity of tobacco on hand, but this bill only proposes to have them give the various types and groups of grade, and also to report the amount of tobacco on hand during the past four years.

One of the reasons for this is that we have a number of large tobacco firms reporting the quantities of tobacco, and in the quantity of tobacco there are certain types that never will be used, depressing the farmers' actual price of tobacco during that year.

There is no additional cost. It will provide additional machinery whereby they will get the actual facts as to types and groups of types, and how long it has been held.

Mr. Laguardia. Under the present law we require all manufacturers who have manufactured less than 50,000 to report. This changes it to 35,000. Therefore we are extending the field. Then we come to the manufacturers of cigars, 250,000, and that is reduced to 185,000. Then we have the cigarette manufacturers in the class of 1,000,000, and that is reduced to 700,000, so that the field is extended.

Mr. FULMER. There will be no additional cost. There will be no more trouble on that number than the ones now reporting, but we will have a real picture.

Mr. LaGUARDIA. It is of benefit to the tobacco growers? Mr. FULMER. To the growers, absolutely.

Mr. BLANTON. Will the gentleman from New York

Mr. LAGUARDIA. I yield.

Mr. BLANTON. Probably more than four-fifths of the money we spend to gather statistics is money wasted; and if we are going to keep on spending money uselessly we are never going to have any retrenchment.

Mr. FULMER. I will say to the gentleman that here is where we can help the tobacco people get the actual number of people and the could be actual number of peop

ber of pounds and the quality of tobacco sold.

Mr. BLANTON. The Congress, over my objection, spent \$600,000 gathering coal statistics, and it was not worth a dollar to the people; therefore, Mr. Speaker, I object.

FAYETTE COUNTY, KY.

The Clerk called the next bill, H. R. 10825, to authorize the transfer of certain lands in Fayette County, Ky., to the Commonwealth of Kentucky.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I assume the gentleman will have no objection to a qualifying clause in line 5, page 1, "without expense to the Government of the United States."

Mr. CHAPMAN. I have no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to transfer to the Commonwealth of Kentucky all the right, title, and interest of the United States in and to certain lands in Fayette Ccunty, Ky. (being a strip of land fronting on the Lexington Hospital Reservation), described as follows:

Beginning at a point in the center line of the Leestown and Frankfort Pike at the corner of Patrick Sharkey's property, which point is station 67+75 in the center line of survey made by the State highway department, and on file at their office at Frankfort, Ky.; thence along the center of said pike for the following seven courses: North 49° 32′, west a distance of 976 feet; thence north 51° 26′ west a distance of 892 feet; thence north 49° 20′ west, a distance of 1,070 feet; thence north 47° 50′, west a distance of 577 feet; thence north 48° 3′, west a distance of 264 feet; thence north 50° 3′, west a distance of 300 feet; thence north 49° 20′, west a distance of 663 feet to a point on the northwest line of the Viley Pike, said point being south 48° 20′, west a distance of 14 feet more or less from station 115+15 of the above-mentioned highway survey, and in the west boundary line of the property of Ella Staley; thence along said boundary line of the property of Ella Staley; thence along said boundary line of the property of Ella Staley south 48° 20′, west a distance of 16 feet, more or less, to the south boundary line of the proposed 60-foot right of way; thence along said south boundary line of the new Leestown Road survey for the following nine courses: South 47° 14′, east a distance of 435.5 feet to the point of beginning of a 30-minute curve; thence left along the said 30-minute curve; a distance of 534.7 feet; thence south 49° 54′, east a distance of 398.9 feet; thence south 47° 54′, east a distance of 398.9 feet; thence south 47° 54′, east a distance of 738.5 feet; thence right along the last-named 30-minute curve; thence left along the last-named 30-minute curve a distance of 149.2 feet; thence south 50° 5′, east a distance of 890.7 feet to a steel pin in the west boundary line north 30° 52′, east a distance of 149.2 feet; thence south 50° 5′, east a distance of 890.7 feet to a steel pin in the west boundary line north 30° 52′, east a distance of 30 feet to the point of beginning, and being a strip of l

quired for the 60-foot right of way of the Leestown and Frank-fort Road, as shown on map of said road by the Kentucky State Highway Department.

With the following committee amendments:

With the following committee amendments:

Page 2, line 5, after the words "thirty-two," strike out "minutes, west" and insert in lieu thereof "minutes West".

Page 2, line 7, after the words "twenty-six," strike out "minutes, west" and insert in lieu thereof "minutes West".

Page 2, line 9, after the word "twenty," strike out "minutes, west" and insert in lieu thereof "minutes West".

Page 2, line 10, after the word "fifty," strike out "minutes," and insert in lieu thereof "minutes".

Page 2, line 11, strike out "west," at the beginning of the line, and insert in lieu thereof "West".

Page 2, line 12, after the word "three" strike out "minutes, west" and insert in lieu thereof "minutes West".

Page 2, line 14, after the word "three," strike out "minutes, west" and insert in lieu thereof "minutes West".

Page 2, line 15, after the word "twenty," strike out "minutes, west" and insert in lieu thereof "minutes West".

Page 2, line 18, after the word "twenty," strike out "minutes, west" and insert in lieu thereof "minutes West".

Page 2, line 23, after the word "twenty," strike out "minutes, west" and insert in lieu thereof "minutes West".

Page 3, line 3, after the word "twenty," strike out "minutes, east" and insert in lieu thereof "minutes East".

Page 3, line 3, after the words "fifty-four," strike out "minutes, east" and insert in lieu thereof "minutes East".

Page 3, line 18, after the words "fifty-four," strike out "minutes, east" and insert in lieu thereof "minutes East".

Page 3, line 18, after the words "fifty-four," strike out "minutes, east" and insert in lieu thereof "minutes East".

Page 3, line 22, after the words "fifty-four," strike out "minutes, east" and insert in lieu thereof "minutes East".

Page 3, line 23, strike out the word "east," at the beginning of the line, and insert "East" in lieu thereof.

Page 4, line 2, after the words "fifty-two," strike out "minutes, east" and insert in lieu thereof "minutes East".

The committee amendments were agreed to.

Mr. STAFFORD. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Stafford: Page 1, line 5, after the word "Kentucky," insert the words "without expense to the Government of the United States."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BOUNDARY LINES CHIPPEWA INDIAN TERRITORY

The Clerk called the next bill, H. R. 9495, to establish the boundary lines of the Chippewa Indian territory in the State of Minnesota.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to ask the gentleman whether or not the amendments recommended by the department have been made in the bill?

Mr. PITTENGER. Mr. Speaker, this bill was introduced by my colleague [Mr. Knutson]. It is my understanding that those amendments are included in the bill.

Mr. BLANTON. Well, are they? The gentleman knows

that in the report there is a communication from Commissioner Rhoads suggesting that unless certain amendments were agreed to he would not approve the bill.

Mr. JENKINS. I do not believe they are in the bill.

Mr. BLANTON. Then, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice, so that such amendments may be put into the bill.

The SPEAKER. Is there objection? There was no objection.

COLVILLE INDIAN RESERVATION, WASH.

The Clerk called the next bill, S. 2983, for the relief of homesteaders on the Diminished Colville Indian Reservation. Wash.

Mr. SNOW. Mr. Speaker, I object.

TAX LAWS-BOULDER DAM

The Clerk called the next bill, H. R. 11945, to provide that tax laws of Nevada and Arizona shall apply to construction and reserved areas at Boulder Dam.

Mr. LaGUARDIA. Mr. Speaker, I object, and ask unanimous consent to insert in the RECORD a letter from the Secretary of the Department of the Interior at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to follows:

THE SECRETARY OF THE INTERIOR, Washington, June 6, 1932.

Hon. Robert S. Hall,

Chairman Committee on Irrigation and Reclamation,

House of Representatives.

My Dear Mr. Chairman: I received here on May 10 your request for a report on H. R. 11945, a bill amending the Boulder Canyon project act by providing that tax laws in the States of Nevada and Arizona shall apply to construction and reserved areas. Inasmuch as this bill, introduced May 7, had already been considered in the committee on May 9, and appeared on the House calendar on May 11, the request for my views comes at a time when the matter is no longer before your committee. However, as you have asked for a departmental report, it is submitted.

asked for a departmental report, it is submitted.

It is recommended that this bill be not enacted.

The amendment proposed by this bill to the Boulder Canyon project act (erroneously referred to as the Boulder Dam project

project act (erroneously referred to as the Boulder Canyon act) is as follows in full text:

"Sec. 22. Within areas in Nevada and Arizona in which construction is to be done under this act, or which are withdrawn or reserved to carry out the provisions of this act:

"The laws of the State where the property is located or where income is earned shall apply to the taxation of real or personal property not owned by the United States, and to the taxation of incomes."

This amendment would subject to taxation not only the contractor who is building this dam for the United States but the sale of power by the lessees of the Government power plant thereafter. The effect thereof would be to decrease the power revenues to the United States and impair the financial stability of the project. The rate charged by the United States to the lessees and to other purchasers of power under the provisions of section 5a of the Boulder Canyon project act is subject to readjustment periodically, either upward or downward as to price, as the Secretary of the Interior may find to be justified by competitive conditions at distributing points or competitive centers. The price for Hoover Dam energy is thus necessarily computed by reckoning back from the cost of competitive energy at competitive centers the various items of cost until the value of the energy at Hoover Dam is obtained. If one of these items of cost is taxation on the power output, obviously the value of the power privilege is decreased and the rate per kilowatt-hour must be decreased accordingly. This amendment would subject to taxation not only the

accordingly.

This bill is substantially like proposals that were rejected by Congress at the time the Boulder Canyon project act was under consideration. Thus on December 14, 1928, an amendment was offered in the Senate (Congressional Record, p. 589, 70th Cong.),

as follows:

"Provided further, That nothing in this act shall be construed or held to affect the rights of the States or other local authority or held to affect the rights they may have including the right

as follows:

"Provided further, That nothing in this act shall be construed or held to affect the rights of the States or other local authority to exercise any rights which they may have, including the right to levy and collect taxes upon improvements, output of electrical energy, or other rights, property, or assets of any lessee or contractee of the United States."

This amendment was rejected by a vote of 42 to 35 (id. p. 594), and immediately thereafter the following amendment was rejected without a division (id. pp. 595, 596):

"Provided, That if the United States operates an electric-power plant in the States of Arizona and Nevada, or either of them, and sells said power to or for the use of the public, a percentage of the proceeds derived from the sale of such power shall be paid by the Secretary of the Interior to the State in which such power is generated equal in amount to the general tax imposed by State law, if any, upon the generation or sale of power."

Instead there appears in the act the following benefit in lieu of taxes for the States of Arizona and Nevada; a preliminary draft of it was proposed by Mr. Arrenz, author of the present bill (Congressional Record, May 24, 1928, p. 10020), with the statement that it was required for "equitable and fair treatment to the States of Arizona and Nevada." Section 4 (b):

"If during the period of amortization the Secretary of the Interior shall receive revenues in excess of the amount necessary to meet the periodical payments to the United States as provided in the contract or contracts executed under this act, then, immediately after the settlement of such periodical payments, he shall pay to the State of Arizona 18% per cent of such excess revenues."

Thus, this effort to benefit by this Government investment by means of taxation is in direct conflict with the purpose of section 4-b of the Boulder Canyon project act. It is there provided that 37½ per cent of revenues in excess of the amounts necessary to meet the periodical payments to the United States

Taxation of power output by these two States may work a direct hardship on the other five States in the Colorado River Basin. Under section 5 all revenues in excess of the amounts required for

amortization and payments to the States of Arizona and Nevada are to be "kept in a separate fund to be expended within the Colorado River Basin as may hereafter be prescribed by the Congress." If Arizona and Nevada are to collect a second amount, as outlined by H. R. 11945, the increments to this "separate fund" can be reduced to the vanishing point by such State taxation.

There is a broader aspect to this whole problem. The United States is here investing (including interest during construction) \$125,000,000. A great national asset is being created in Arizona and Nevada solely at Federal expense. Eighteen per cent of the energy thereby created, amounting to over 100,000 horsepower, is reserved for use in Nevada when and if that State needs the power, although other contractors must pay for it until the State demands the energy. The State of Nevada should be eager to have this job completed, rather than to harass it by taxation.

The "reserved area" mentioned in the bill apparently relates particularly to the Boulder Canyon Project Federal Reservation. This reservation, embracing the widespread construction activities surrounding the dam—miles of railroad, gravel pits, tunnels, highways, construction camps, etc.—is an area within which the United States and not the State performs all governmental functions. It was established pursuant to a voluntary cession of jurisdiction made by the State. (Nev. Comp. L., secs. 2893–2898.) At Federal expense a town has been laid out, a \$2,000,000 water-supply system installed, pavements laid, sidewalks built, municipal and administrative buildings constructed, school buildings contracted for houses built, police and fire protection provided, and a city government maintained. The contractor is required to pay the United States \$5,000 per month in lieu of taxes toward the cost of these services.

This bill is one of a series (see S. 2885 and H. R. 8165). Juristhese services

these services.

This bill is one of a series (see S. 2885 and H. R. 8165). Jurisdiction for taxation will be followed by pleas for more general power. The State is put to no expense in this reservation area and performs none of the functions of a sovereign therein. It is not practicable that the State shall perform such functions. We have no desire to see the Nevada gambling laws prevail in this area; nor to sanction the red-light-district system which prevails in Reno and in the neighboring city of Las Vegas; nor to indulge any other peculiarities of legislation. Government control of this area and of all of the Government contractors therein, including permittees, is absolutely essential to the swift and economical conarea and of all of the Government contractors therein, including permittees, is absolutely essential to the swift and economical construction of this project. The State has heretofore endeavored to dictate that the huge diversion tunnels shall be constructed in accordance with State laws, which were designed for ordinary mining operations and which prohibit the use of the sort of machinery required here.

If the State's effort in this regard had been successful, hundreds of thousands of dollars would have been added to the cost of the dam and months of delay would have resulted. The State has also sought to tax the Government contractor who is building the dam. It has been necessary for the contractor to obtain prelimination.

also sought to tax the Government contractor who is building the dam. It has been necessary for the contractor to obtain preliminary injunctions against both of these attempts by the State of Nevada and the cases are now pending on their merits before the United States courts. The United States has appeared as amicus curiæ. In these cases the State attacks the validity of the creation of the reservation (which was strictly in accordance with the laws of the State) and scales to assert her over twisdetion. The United of the State) and seeks to assert her own jurisdiction. The United States can not submit to these conditions and the Federal case should not be prejudiced by the enactment of such a bill as H. R. 11945.

Some Nevada citizens have become disturbed over the fear that the Government reservation is being created as a permanent tax-free haven for industries which might locate permanently there and utilize Hoover Dam energy. To the contrary, as is obvious, the status of the reservation at the termination of construction will be a matter for Congress to then determine. No permanent industry which locates there will do so under any assurance regarding taxation. Meanwhile, let us build this dam at the lowest

cost, in the quickest time, and with the least possible harassment.

Nevada's revenues, cost free, will commence after the job is done.

For your information I am attaching an explanatory letter from Congressman Swing, one of the authors of the Boulder Canyon project act.

In closing I wish to point out that it is inevitable that differ ences of viewpoint should arise on questions of the sort covered by this bill. There has been a fine personal attitude on the part of all of the Nevada officials concerned, and of the State delegation. Very truly yours,

RAY LYMAN WILBUR

(Inclosure 33078.)

CONGRESS OF THE UNITED STATES, House of Representatives, Washington, D. C., May 24, 1932.

Washington, D. C., May 24, 1932.

Hon. Ray Lyman Wilbur,

Secretary of the Interior, Washington, D. C.

My Dear Mr. Secretary: I hand you herewith H. R. 11945, introduced by Mr. Arentz, providing that the States of Nevada and Arizona may tax properties within the Government reservation at Boulder Dam with the exception of property owned by the United States; also S. 2885, introduced by Mr. Oddie, which goes even farther than the Arentz bill.

Similar proposals were offered at the time the Swing-Johnson bill was pending before the House and Senate. On December 14, 1928, Senator Hayden offered an amendment in the Senate (see p. 589. Congressional Record of that year), as fellows:

"Provided further, That nothing in this act shall be construed or be held to affect these States or other local authority to exercise any of the rights which they may have, including the right to levy and collect taxes upon improvements, output of electrical energy, or other rights, property, or assets of any lessee or contractee."

This amendment was voted down, 35 yeas, 42 noes. (See p. 594.) Then Senator Black, of Alabama, offered a similar amendment, as follows:

as follows:

"Provided, That if the United States operates an electrical power plant in the States of Arizona and Nevada, or either of them, and sells said power to or for use of the public, And provided, That proceeds derived from the sale of such power plant shall be paid by the Secretary of the Interior to the States in which such power is generated equal in amount to the tax imposed by State law, if any, upon the generation or sales of power."

The amendment by Mr. Black was voted down without any division.

In the House a similar amendment was voted down. Mr. ARENTZ himself offered an amendment, which was adopted and became a part of the Boulder Dam act, which provided that 1834 per cent of the excess revenues should be paid to each of the States of Arizona and Nevada.

per cent of the excess revenues should be paid to each of the States of Arizona and Nevada.

Mr. Arentz referred to this amendment as "equitable and fair treatment to the States of Arizona and Nevada after yearly amortization payments have been made from the revenues derived from the contract for the sale of water and power."

The purpose and intent of the amendment was to offer this revenue in place of what the States would have collected if the construction had been by private corporations and in lieu of taxes lost by the Government building and operating the plant.

The proposals of Mr. Arentz and Senator Odder are far-reaching, and if now put into effect, after the contract had been let, might throw a very heavy burden upon the contractors, who had a right to assume when they took the contract that their status was as declared by Federal and State laws as of that date.

Under this bill the county of Clarke might pass an ordinance levying a poll tax of \$5 per head on every employee at the dam. The county or the State might levy a heavy tax upon the machinery and operating plant of the contractors.

Various business men throughout the United States were invited to come to Boulder City to build buildings and to open stores on a certain set of facts which existed at that time, to wit, that they were to operate on a Federal reservation. Their profits will be uncertain and for only a short duration of time, not exceeding the length of time it will take to build the dam, when activities at Boulder City will very likely greatly diminish.

It seems unfair to these people to subject them after investment to a tax for which they have had no notice and which did not in fact then exist.

Mr. Arentz and Mr. Oddie have been active in securing from the

Mr. Arentz and Mr. Oddie have been active in securing from the Boulder Dam fund rather large sums of money for the improvement of Boulder City and for the building of schoolhouses, etc., all on the claim that they should come out of the Boulder Dam fund because the State had no power to tax the property at Boulder City.

Boulder City.

Having first secured their \$70,000 for schoolhouses, they now propose to butter their bread on the opposite side by repealing the exemptions from taxation existing because of the Government reservation and now proceed to tax all property in and about the reservation. It seems to me it would establish a dangerous precedent.

I would be glad to have your views regarding these two bills.

Sincerely,

PHIL D. SWING

(Two enclosures.)

INTERNATIONAL GEOLOGICAL CONGRESS

The Clerk called House Joint Resolution 181, authorizing an appropriation for the expenses of the sixteenth session of the International Geological Congress to be held in the United States in 1933.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. BLANTON. Mr. Speaker, this bill would appropriate \$85,000 for a useless matter, and I object. And if we can get three Members to object, we will save this \$85,000 for the people of the United States.

Mr. JENKINS, Mr. HOLADAY, and Mr. PETTENGILL also objected.

MENOMINEE TRIBE OF INDIANS OF WISCONSIN

The Clerk called the next bill, H. R. 12045, authorizing a per capita payment of \$50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BOILEAU. Mr. Speaker, reserving the right to object, and I shall not object—because this is my bill—I serve notice that I will offer an amendment which will meet the recommendation of the Commissioner of Indian Affairs. It will just change the dates of payment.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to withdraw from the fund in the Treasury of the United States on deposit to the credit of the Menominee Indians in the State of Wisconsin a sufficient sum to make therefrom a per capita payment or distribution of \$50, in two equal installments of \$25 each on July 1, 1932, and December 1, 1932, to each of the living members on the tribal roll of the Menominee Tribe of Indians of the State of Wisconsin, under such rules and regulations as the said Secretary may prescribe.

Mr. BOILEAU. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Bollsau: Page 1, line 8, after the word "on," strike out "July 1" and insert "or about October 15."
In line 9, strike out "December 1, 1932" and insert "on or about January 15, 1933."

Mr. ARENTZ. Mr. Speaker, I rise in opposition to the amendment. I take advantage of this opportunity because I was not given a chance to explain bill No. 341 on the calendar. I asked the gentleman from New York [Mr. La-Guardia] if he would reserve his objection and he said he would, but in the turmoil of the House the Speaker asked for the consideration of the next bill, No. 342. My bill, 341 on the calendar, to which the gentleman from New York objected, provides for the taxation by the State of Nevada and subdivisions thereof of non-Government property in the Boulder Canyon area.

I appreciate that in the passage of the Boulder Canyon act we created a reservation. How far did that reservation go toward setting up a governmental entity within the State of Nevada and taking away from the State of Nevada its taxable powers with respect to property within that area?

At the present time we are feeding thousands of people in Las Vegas. We are taking care of many school children, children of workmen employed at Boulder City. Las Vegas, Nev., city schools are caring for nearly 800 school children at the present time from the Boulder City area, and no provision is made for raising taxes to cover this expense.

Mr. KENNEDY. Will the gentleman state how many children are being fed?

Mr. ARENTZ. Many families with children of school age are being fed by the people of Las Vegas. The city of Las Vegas and the county of Clark, in which Las Vegas is located, believe they have this right, although it may have been taken away by a misunderstanding. They believe they have the right to tax property that is not governmental property within that area. My bill provides not only for the taxing of the concessionaires who are in business in Boulder City but for the taxing of the property of the Six Companies, the contractors. Unless that is done, it means that Las Vegas and the county of Clark can not carry on the things which are expected of them by the Nation.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. ARENTZ. Yes.

Mr. CHINDBLOM. What authority has the Congress of the United States to determine what property in the State of Nevada shall be subject to local taxation?

Mr. ARENTZ. By the Boulder Canyon act we had a reservation erected within the State of Nevada and according to the findings of the Secretary of the Interior the land is not taxable. The property is not taxable and nothing within that area is taxable. I want to say that the officials of the Six Companies during the past year and a half have taken poll tax from 8,700 men who are on their pay roll. They are holding that \$25,000, thinking that some day the State of Nevada may be given this power, and then they will pay over the poll tax. In the meantime the county of Clark is holding the sack. This bill should pass, and pass now—to-day—and I deeply regret the action of the gentleman of New York.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Wisconsin [Mr. Bolleau].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. Mouser, indefinitely.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 4491. An act amending the shipping act, 1916, as amended, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal; to the Committee on Merchant Marine, Radio, and Pisheries.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 10236. An act to provide revenue, equalize taxation, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 6. An act for the relief of the Union Ferry Co., owners of the ferryboat Montauk;

S. 326. An act for the relief of Abram G. O'Bleness; and S. 2436. An act for the relief of Alfred G. Simmons, jr.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on June 3, 1932, present to the President, for his approval, a bill of the House of the following title:

H. R. 4911. An act for the relief of Ralph E. Williamson for loss suffered on account of the Lawton, Okla., fire, 1917.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock p.m.) the House adjourned until to-morrow, Tuesday, June 7, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Tuesday, June 7, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON RULES

(10.30 a. m.)

Home loan bank bill.

COMMITTEE ON RIVERS AND HARBORS

(10.30 a. m.)

Virginia projects.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

For deportation of certain alien seamen. (H. R. 4648, 12173.)

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows: 604. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.; to the Committee on Naval Affairs.

605. A communication from the President of the United States, transmitting a supplemental estimate of appropriation pertaining to the legislative establishment, United States Senate, for the fiscal year 1932, in the sum of \$25,000 (H. Doc. No. 351); to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BANKHEAD: Committee on Rules. House Resolution 251. A resolution for consideration of (H. R. 12445) a bill to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program; without amendment (Rept. No. 1505). Referred to the House Calendar.

Mr. CULLEN: Committee on Ways and Means. H. R. 12171. A bill to provide for the entry under bond of exhibits of arts, science, and industries, and products of the soil, mine, and sea; without amendment (Rept. No. 1506). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 250. A resolution providing for the consideration of H. R. 5657, a bill forbidding the transportation of any person in interstate or foreign commerce, kidnaped or otherwise unlawfully detained; without amendment (Rept. No. 1507). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 201. A resolution that a special committee be appointed by the Speaker to investigate expenditures of candidates for President, Vice President, and House of Representatives, and for other purposes; without amendment (Rept. No. 1508). Referred to the House Calendar.

Mr. SCHAFER: Committee on Claims. H. R. 11429. A bill to authorize the Department of Agriculture to issue a duplicate check in favor of the Department of Forests and Waters, Commonwealth of Pennsylvania, the original check having been lost; without amendment (Rept. No. 1509). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 11732. A bill to amend section 2 of an act approved February 25, 1929 (45 Stat. 1303), to complete the acquisition of land adjacent to Bolling Field, District of Columbia, and for other purposes; without amendment (Rept. No. 1510). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 12358. A bill to authorize appropriations for construction at military posts, and for other purposes; without amendment (Rept. No. 1511). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAINEY: Committee on Ways and Means. H. R. 12445. A bill to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a publicworks program and providing a method of financing such program; without amendment (Rept. No. 1512). Referred to the Committee of the Whole House on the state of the Union.

Mr. FITZPATRICK: Committee on Military Affairs. H. R. 7293. A bill requesting the Secretary of War to grant to the city of Springfield, Mass., permission to construct and maintain a highway and bridge across United States military reservation at the Springfield Armory, Massachusetts; without amendment (Rept. No. 1542). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. BLACK: Committee on Claims. H. R. 608. A bill for the relief of E. W. Cillespie; without amendment (Rept. No. 1513). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 754. A bill for the relief of Willard B. Hall; without amendment (Rept. No. 1514). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 1788. A bill occasioned through damage to property infliction for the relief of J. F. Hubbard; without amendment (Rept. No. 1515). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 1950. A bill for the relief of Lottie Bryant Steel; with amendment (Rept. No. 1516). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 2920. A bill for the relief of John H. Mehrle; without amendment (Rept. No. 1517). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 3795. A bill for the relief of Harvey M. Hunter; without amendment (Rept. No. 1518). Referred to the Committee of the Whole House.

*Mr. BLACK: Committee on Claims. H. R. 4009. A bill for the relief of Dexter C. Fogel; with amendment (Rept. No. 1519). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 5046. A bill for the relief of C. A. Betz; without amendment (Rept. 1520). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 5174. A bill for the relief of Orvil L. Larson; without amendment (Rept. No. 1521). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 5994. A bill for the relief of E. G. Doty; with amendment (Rept. No. 1522). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 6825. A bill for the relief of Harry E. Blomgren; without amendment (Rept. No. 1523). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 7046. A bill for the relief of John S. Cathcart; with amendment (Rept. No. 1524). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 8130. A bill authorizing the Secretary of the Treasury to pay a certain claim as the result of damage sustained to Leslie J. Kennedy; with amendment (Rept. No. 1525). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 8892. A bill for the relief of Paul J. Sisk; without amendment (Rept. No. 1526). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 9095. A bill for the relief of Nellie Reay; with amendment (Rept. No. 1527). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 9959. A bill for the relief of Glenna F. Kelley; without amendment (Rept. No. 1528). Referred to the Committee of the Whole

Mr. LOZIER: Committee on Claims. H. R. 10115. A bill authorizing adjustment of the claim of the Pennsylvania Railroad Co.; without amendment (Rept. No. 1529). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 10178. A bill for the relief of William C. Campbell; without amendment (Rept. No. 1530). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 10213. A bill to authorize the payment of hospital and other expenses arising from an injury to Florence Glass; without amendment (Rept. No. 1531). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 10466. A bill for the relief of Ulric W. Deschamps; without amendment (Rept. No. 1532). Referred to the Committee of the Whole House

Mr. BLACK: Committee on Claims. H. R. 10498. A bill for the relief of Leslie Jensen; without amendment (Rept. No. 1533). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 10780. A bill for the relief of D. E. Lucier; without amendment (Rept. No. 1534). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 11098. A bill for the relief of Charles E. Dagenett; without amendment (Rept. No. 1535). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 11533. A bill for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners; without amendment (Rept. No. 1536). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. H. R. 11817. A bill to extend the benefits of the employees' compensation act of September 7, 1916, to Lawrence F. Judge; without amendment (Rept. No. 1537). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 11903. A bill for the relief of Jasper Daleo; without amendment (Rept. No. 1538). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. H. R. 11904. A bill authorizing the Comptroller General of the United States to adjust and settle the claim of the National Surety Co.; without amendment (Rept. No. 1539). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 1594. An act for the relief of Albert Gonzales; without amendment (Rept. No. 1540). Referred to the Committee of the Whole House.

Mr. PARKER of Georgia: Committee on Military Affairs. H. R. 2477. A bill for the relief of Hosea M. Jones; without amendment (Rept. No. 1541). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FIESINGER: A bill (H. R. 12479) to cancel interest charges upon loans made by the Administrator of Veterans' Affairs on adjusted-service certificates after February 27, 1931, and for other purposes; to the Committee on Ways and Means.

By Mr. DIETERICH: A bill (H. R. 12480) to amend the tariff act of 1930 by adding paragraph 1815 to Schedule 16, section 201; to the Committee on Ways and Means.

By Mr. BANKHEAD: Resolution (H. Res. 251) for consideration of H. R. 12445, a bill to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program; to the Committee on Rules.

By Mr. MEAD: Resolution (H. Res. 252) requesting the Interstate Commerce Commission to investigate the order issued by the Boston & Maine Railroad, effective November 18, 1931, which resulted in the removal of the switching, clerical, roundhouse, and other forces and employees from Rotterdam Junction, N. Y., to Mechanicville, N. Y.; to the Committee on Interstate and Foreign Commerce.

By Mr. SABATH: Joint resolution (H. J. Res. 417) authorizing the Reconstruction Finance Corporation to make loans to States and municipalities; to the Committee on Banking and Currency.

By Mr. FULMER: Joint resolution (H. J. Res. 418) authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organization for the relief of distress; to the Committee on Agriculture.

By Mr. McKEOWN: Joint resolution (H. J. Res. 419) providing that \$2,700,000 be advanced to the Choctaw and Chickasaw Tribes or Nations of Indians out of any funds provided for the relief of the people of the United States, same to be reimbursable, and for other purposes; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 12481) granting a pension to Anna Cora Bennett; to the Committee on Invalid Pensions.

By Mr. CONNOLLY: A bill (H. R. 12482) granting a pension to Emma Welsh; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 12483) granting an increase of pension to Sarah J. Starbuck; to the Committee on Invalid Pensions.

By Mr. DRANE: A bill (H. R. 12484) for the relief of the Atlantic Dredging & Construction Co.; to the Committee on Claims.

Also, a bill (H. R. 12485) for the relief of Otto Earl Taylor; to the Committee on Military Affairs.

By Mr. FINLEY: A bill (H. R. 12486) granting a pension to Ethel Olliver; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H. R. 12487) granting an increase of pension to Mary E. Pickens; to the Committee on Invalid Pensions.

By Mr. KELLER: A bill (H. R. 12488) granting a pension to Thomas E. Wiggens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12489) granting a pension to Michael Brophy; to the Committee on Pensions.

By Mr. McKEOWN: A bill (H. R. 12490) for the relief of Benjamin F. Hazlett; to the Committee on Military Affairs.

By Mr. MAY: A bill (H. R. 12491) for the relief of W. D. Blair: to the Committee on Claims.

By Mr. WIGGLESWORTH: A bill (H. R. 12492) granting a pension to Bertha L. Wade; to the Committee on Invalid Pensions.

By Mr. WOLCOTT: A bill (H. R. 12493) granting a pension to Margaret Fonda; to the Committee on Invalid Pensions

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8157. By Mr. BOLAND: Petition of 300 citizens of Lackawanna County, Pa., protesting against any reduction of Federal employees' salaries below \$3,000; to the Committee on Economy.

8158. By Mr. CRAIL: Petition of E. W. Weathers, of Los Angeles, Calif., urging the Government to set up a commission to underwrite loans on the many homes that are being lost, giving them a long-time loan with a low rate of interest, and in turn underwrite such business by bond issue, selling to the public, paying a rate of interest lower than that received, in order that the program be self-sustaining; to the Committee on Ways and Means.

8159. Also, petition of W. A. Chaffee, of Los Angeles, Calif.; to the Committee on Ways and Means.

8160. Also, petition of Second Division Association of Los Angeles County, Calif., advocating the \$5,000,000,000 bond issue for a nation-wide public-improvement program; to the Committee on Ways and Means.

8161. Also, petition of board of directors, Los Angeles Chamber of Commerce, earnestly suggesting that before Congress adjourns it should consider authorizing the Government, through the Federal Farm Board, to make a continuing distribution of its wheat, and possibly of some of the other commodities which it may hold, particularly coffee, or a barter of such commodities for other commodities desperately needed by the unemployed; to the Committee on Ways and Means.

8162. Also, petition of many citizens of Los Angeles County, Calif., favoring legislation providing adequate radio protection for the lives of passengers and seamen on seagoing vessels of the United States, and granting licensed commercial radio operators the same rights and privileges commonly accorded to other citizens of the United States; to the Committee on Merchant Marine, Radio, and Fisheries.

8163. Also, petition of many citizens of Los Angeles County, Calif., urging a \$5,000,000,000 public improvements bond issue; to the Committee on Ways and Means.

8164. Also, petition of Robert J. Gandy, of Los Angeles, Calif., protesting against the educational requirements required for competition in civil-service examinations; to the Committee on the Civil Service.

8165. Also, petition of Commercial Radio* Operators Magazine and many citizens of Los Angeles County, Calif., protesting against House bill 6385, which would permit the substitution of a member of the crew for a licensed radio operator on any coastwise vessel of the United States not now required to be equipped with radiotelegraph, and favoring House bill 11155, which would require American citizenship for holders of commercial radio operators' licenses; to the Committee on Merchant Marine, Radio, and Fisheries.

8166. By Mr. CULLEN: Petition of District Council United | Brotherhood Carpenters and Joiners of America, Cook County, Ill., urging the Congress to authorize an appropriation for private building construction, and that in issuing to banks money for that purpose provisions be made requiring and specifically stipulating that funds so appropriated shall be loaned for building construction in amounts consistent with sound financing; to the Committee on Ways and Means.

8167. By Mr. DRANE: Petition of citizens of Arcadia, Fla., supporting House bill 9891 and opposing House bill 10023; to the Committee on Interstate and Foreign Com-

8168. By Mr. GARBER: Petition of the Oklahoma Mortgage Association, urging support of the economy bill, the reduction of Federal salaries; that all appropriations except those imperatively necessary for the proper functioning of the Government be opposed and all economies supported; to the Committee on Ways and Means.

8169. Also, petition of the Southwestern Lumbermen's Association, urging support of the home loan bank bill; to the Committee on Banking and Currency.

8170. Also, petition of the Oklahoma Millers' Association, urging substantial reductions in the expense of government and the balancing of the Budget; to the Committee on Ways and Means.

8171. Also, petition of Oklahoma Millers' Association, expressing opposition to any form of dole by the Federal Government and to the proposed gift of any more Government wheat to charitable organizations, but urging, in the event the Government does donate more Farm Board wheat to the Red Cross, that in order to prevent economic waste the Red Cross be permitted to sell such wheat where it be given and buy wheat in the neighborhood of the localities to which needed flour is to be delivered; to the Committee on Ways and Means.

8172. Also, petition of the Ohio Emergency Committee, urging immediate and drastic reduction in cost of government, the balancing of the Budget without class prejudice; harmony and cooperation between the legislative and administrative branches of our Government all through this period of reconstruction, and for an early recessing of Congress; to the Committee on Ways and Means.

8173. Also, petition of Central Union of the Woman's Christian Temperance Union, Oklahoma City, Okla., opposing the amendment or resubmission of the prohibition amendment; to the Committee on the Judiciary.

8174. By Mr. HADLEY: Petition of citizens of Sultan and Startup, Wash., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

8175. By Mr. KVALE: Petition of the American Legion, Minneapolis, Minn., protesting against the enactment of Senate bill 2687 into law; to the Committee on Interstate and Foreign Commerce.

8176. Also, petition of 65 members of the Methodist Episcopal Church, Lynd, Minn., urging enforcement of the eighteenth amendment; to the Committee on the Judiciary.

8177. Also, petition of second district, Land O'Lakes Creameries, Minneapolis, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

8178. Also, petition of four locals of the Farmers' Union and the citizens of Pennock, Minn., urging enactment of the Goldsborough bill and also Senate bill 1197; to the Committee on Banking and Currency.

8179. By Mr. LINDSAY: Petition of Bank of New York & Trust Co., New York City, opposing a tax on checks; to the Committee on Ways and Means.

8180, Also, petition of Luckenbach Steamship Co. (Inc.), New York City, favoring the passage of Senate bill 4491; to the Committee on Interstate and Foreign Commerce.

8181. Also, petition of United Brotherhood of Carpenters and Joiners, Chicago, Ill., urging appropriations for public works to relieve unemployment; to the Committee on Ways

8182. Also, petition of the American Automobile Associa-

4523; to the Committee on Interstate and Foreign Commerce.

8183. Also, petition of Leonard Pratt, radio operator steamship Cities Service Empire, at Port Arthur, Tex., opposing House bill 6385; to the Committee on Merchant Marine, Radio, and Fisheries.

8184. By Mr. RUDD: Petition of Fourteenth Regiment, Camp No. 14, United Spanish War Veterans, of Brooklyn, N. Y., opposing the so-called pauper clause as proposed by the Senate Economy Committee; to the Committee on Economy.

8185. Also, petition of Naval Camp, No. 49, Brooklyn, N. Y., United Spanish War Veterans, opposing the so-called pauper clause as proposed by the Senate Economy Committee; to the Committee on Economy.

8186. By the SPEAKER: Petition of the National Economy League, presenting a brief supporting the petition for a redress of grievances presented to the President and to Congress on May 5, 1932; to the Committee on World War Veterans' Legislation.

8187. Also, petition of Waukegan-North Chicago Chamber of Commerce, urging Congress to pass a \$5,000,000,000 bond issue for construction purposes; to the Committee on Ways and Means

8188. Also, petition of a delegation from the first congressional district of the State of Texas, urging Congress to repeal the agricultural marketing act; to the Committee on Agriculture.

SENATE

TUESDAY, JUNE 7, 1932

(Legislative day of Wednesday, June 1, 1932)

The Senate met at 10 o'clock a. m., on the expiration of

The VICE PRESIDENT. The Senator from New Mexico [Mr. Bratton] is entitled to the floor.

Mr. JONES. Mr. President, I suggest the absence of a

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Jones	Robinson, Ark.
Austin	Dale	Kean	Robinson, Ind.
Bankhead	Davis	Kendrick	Schall
Barbour	Dickinson	Keyes	Sheppard
Barkley	Dill	King	Shortridge
Bingham	Fletcher	La Follette	Smith
Blaine	Frazier	Lewis	Smoot
Borah	George	Logan	Thomas, Idaho
Bratton	Glass	McGill	Thomas, Okla.
Bulkley	Glenn	McKellar	Townsend
Bulow	Goldsborough	McNary	Trammell
Byrnes	Hale	Metcalf	Tydings
Capper	Harrison	Moses	Vandenberg
Caraway	Hastings	Neely	Wagner
Carey	Hatfield	Norris	Walcott
Cohen	Hawes	Nye	Walsh, Mass.
Connally	Hayden	Oddle	Walsh, Mont.
Coolidge	Hebert	Patterson	Watson
Costigan	Howell	Pittman	Wheeler
Couzens	Johnson	Reed	White

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. Swanson] is necessarily absent as a member of the Geneva conference and that the junior Senator from Louisiana [Mr. Long] is necessarily absent from the city.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

THE JOURNAL

Mr. McNARY. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Wednesday, Thursday, Friday, Saturday, and Monday, June 1, 2, 3, 4, and 6.

The VICE PRESIDENT. Without objection, it is so

GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS (S. DOC. NO. 99)

The VICE PRESIDENT laid before the Senate a letter tion, Washington, D. C., favoring the passage of Senate bill | from the Governor of the Federal Reserve Board, transmitting, in response to Senate Resolution No. 211 (agreed to ! May 10, 1932), information relative to the amount of Government securities held by the Federal reserve banks, together with the total purchases and sales (including maturities) of such securities by months, from January, 1919, to April, 1932, which, with the accompanying table, was referred to the Committee on Banking and Currency and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from the All Cossacks Stanitza Fraternal & Benevolent Association (Inc.), of New York City, N. Y., remonstrating against recognition of the Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a telegram from Kuntz, chairman Colonial Council, St. Thomas, Virgin Islands, relative to legislation for the Virgin Islands, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a resolution adopted at a meeting of the Masonic Lyceum, Pittsburgh, Pa., protesting against reduction in the compensation of Federal employees, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the annual convention of the Maryland State and District of Columbia Federation of Labor, expressing appreciation and thanks to the Vice President, Senators, and Representatives in Congress for their support of measures indorsed by organized labor, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the annual convention of the Maryland State and District of Columbia Federation of Labor, favoring the passage of legislation authorizing a bond issue at a low rate of interest to the extent of \$5,000,000,000 for the purpose of financing a large public-works program, so as to stimulate business and aid in unemployment relief, which was referred to the Committee on Banking and Currency.

He also laid before the Senate resolutions adopted by the councils of the cities of North Chicago and South Beloit, Ill., favoring the passage of legislation providing a substantial bond issue, the proceeds therefrom to be devoted to aiding municipalities in financing public-improvement projects, so as to furnish employment and aid industry, which were referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the supervisors of the City and County of San Francisco, Calif., favoring the passage of legislation providing a substantial bond issue for financing a Federal program of public works and of assistance to local communities, so as to aid in the relief of unemployment, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by officers and members of Local Chapter No. 222, Railroad Employees' National Pension Association (Inc.), representing railroad, express, and Pullman employees in the East Bay District, comprising Oakland, Alameda, Berkeley, Richmond, and vicinity, in the State of California, favoring the passage of legislation providing a \$5,000,000,000 bond issue for the inauguration of a public-works program, so as to relieve the unemployment situation, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a letter from T. H. Bowman, of McKeesport, Pa., inclosing a plan for ending the depression by the passage of legislation guaranteeing bank deposits by the United States, requiring banks to loan money in the district where they get it, etc., which, with the accompanying paper, was referred to the Committee on Banking and Currency.

He also laid before the Senate a concurrent resolution of the Legislature of the State of Louisiana, which was referred to the Committee on Banking and Currency, as follows:

House Concurrent Resolution No. 15 (by Mr. Wimberly)

Whereas on account of the economic depression which has so lowered the selling price of all agricultural products to such a of Arizona, remonstrating against inclusion in the pending

level that according to the Department of Agriculture the selling price is but 59 per cent of the pre-war price, while the prices paid for goods is 114 per cent of pre-war level, thereby making it impossible for the farmer to pay his normal obligations; and Whereas on account of the abnormally high taxes on real estate, which taxes must be paid in order to avoid foreclosure by the

Whereas the farmer to-day is laboring under the constant threat of foreclosure of his property by Federal land banks, thereby reducing his ability to concentrate on his labors as to give a maximum of efficiency in producing a liquidating medium through which his obligations may be paid; and

Whereas banks, railroads, building loan associations, insurance companies, and the other departments of finance and industry have been aided in a material way through the Reconstruction

Finance Corporation; and

Whereas agriculture is the foundation upon which each of these above-enumerated industries are founded and without which they could not exist or ever recover from their present economic and

could not exist or ever recover from their present economic and financial depression; and

Whereas the farmer has not had any aid from any department of the Government to help rehabilitate himself and get back on the road to recovery thereby firmly fixing that foundation upon which every department of our great Nation stands, save only for that transient and temporary short-time aid for seed and feed to produce a crop, which help does not in any way relieve the burden of mortgage indebtedness constantly accruing and maturing against him; and

Whereas the date of final payment of any extension on mortgage.

Whereas the date of final payment of any extension on mortgage indebtedness is near at hand and no possible way to liquidate them from the growing crops or any other now available method save only through and by a foreclosure and sale of the mortgaged property held as collateral, which action would bankrupt and make homeless and even beggars of thousands of farmers who to-day are

good citizens; and
Whereas a 1-year extension does not give the relief asked, for
the reason that it brings about a doubling up of the payments within the 1-year period, making them both fall due at one and the same time, when under the present price of cotton and other agricultural products it would be impossible to meet either at this time: and

Whereas it is necessary that the farmers be given a respite from these matured and maturing obligations in order that he may readjust his affairs and adapt himself and his activities to the new order and level of his income, which adjustment will require a

few years to properly arrange; and Whereas this is a condition that is produced through a worldwide calamity over which the farmer has no control and a condi-tion that only the national governments of the world can possibly handle through cooperation and tender application of demand against distressed credits of the farm home owners; and

Whereas the application of the appropriation as made by the National Congress, wherein it is provided that the appropriation may be used to help the farmers in distress at the discretion of Federal land banks, does not and has not given any equitable

Resolved by the Legislature of the State of Louisiana, That you do hereby petition and earnestly request the United States Congress, now in session, take cognizance of this deplorable distressed condition of the farm home owners of Louisiana and other sections of the United States, and provide a means of relief for them by allowing and instructing either the Reconstruction Fi-nance Corporation or such other department as in your wisdom can handle the matter, to take up the past-due installments now held by the Federal land banks of the country, and at least two and preferably three of the first maturing other installments held by them, having all rights therein subordinated to that department designated as the holder of those installments, and to extend the payment of those to come due in their regular order immediately after the last remaining installment then held by the Federal land banks mature: Provided, That the interest on these deferred payments be paid annually to the holder until its final maturity date at which time the installment itself shall be liquidated. Or adopt and put into operation such other plan as will bring about the same necessary and essential relief and extension of time: Be it further

Resolved, That a copy of this resolution be sent to each of the Congressmen and Senators of the United States, the speaker of the Congress, the President, and Vice President of the United

I hereby certify that this is a true and correct copy as adopted the House and Senate, June 1, 1932.

E. R. STOKER, Clerk.

Mr. ASHURST presented a telegram in the nature of a memorial from V. C. Murphy, post department commander United Spanish War Veterans, of Globe, Ariz., remonstrating against the insertion of the so-called pauper clause and the reduction of pensions of certain veterans in pending legislation, which was ordered to lie on the table.

He also presented telegrams in the nature of memorials from C. G. Dolman, of Kingman, and Dr. J. E. Coberly. commander, Roosevelt Camp No. 11, of Mesa, in the State legislative appropriation bill of provisions affecting veterans' pensions, etc., which were ordered to lie on the table.

He also presented telegrams in the nature of memorials from Federal Employees Local Union No. 255, Tuba City, and John D. Keeley, president, and Edmund G. Warren, secretary-treasurer, Federal Employees Local Union No. 246, of Keams Canyon, in the State of Arizona, remonstrating against reduction in the compensation of Federal employees, which were ordered to lie on the table.

GRASSHOPPER MENACE

Mr. BORAH. Mr. President, I have a telegram from Mr. F. E. Murphy, of the Minneapolis Tribune, concerning a situation in that part of the country about which they desire legislation. I ask that it may be incorporated in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., June 6, 1932.

MINNEAPOLIS, MINN., June 6, 1932.

Hon. WILLIAM BORAH,

United States Senate, Washington:

Alarming crisis only justification for burdening you with special appeal during these trying days of strenuous nerve-racking effort. Spring wheat belt has prospect bumper crop, which might loosen key log of economic jam. Now confronted with acute grasshopper menace, which threatens wipe out crops Dakotas, Minnesota, and adjoining States as completely as rosebud country year ago, where every spear of grass, every corn stubble was eaten off, leaving fields as clean as polished floor. Billion eggs from Mississippi to Rockies hatching out during current warm spell. Cool weather delayed hatching out during current warm spell. Cool weather delayed threat until now. Northwest will need Federal appropriation included Department Agriculture bill within 10 days. Earnestly appeal you use your influence have Senate act on department bill when economy measure disposed of. We stand lose from five million to half billion dollars, and this might be averted if Congress acts. Have canvassed situation carefully; project can not be sufficiently financed locally.

F. E. MURPHY.

FEDERAL FARM BOARD

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter from the Secretary of the North Dakota Cooperative Wool Marketing Association to Mr. Denman, of the Federal Farm Board, in which the North Dakota cooperative express their thanks and appreciation for the assistance given by the Federal Farm Board to the cooperative wool pool in North Dakota.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

NORTH DAKOTA COOPERATIVE WOOL MARKETING ASSOCIATION, Fargo, N. Dak., June 3, 1932.

Mr. C. B. DENMAN, Federal Farm Board, Washington, D. C.

DEAR MR. DENMAN: We have received within the course of the last few days, scores of letters from members of our organization expressing their thanks and appreciation for the very fine returns on the 1931 pool.

We have just about completed distribution of almost \$50,000 in checks and it has certainly created a wonderful spirit and at a time it was most needed by the wool co-ops. Of course, we have no way of determining what the average prices paid for wool have no way of determining what the average prices paid for wool in our State amount to, but growers inform us that they have received from 3 to 5 cents more for their wool from the co-op. than could have been obtained from any other source. We realize there are many perhaps who sold for a fair price last spring, but, in our opinion, the average returns through the pool amount to strong 3 cents above the average North Dakota fleece wool price. Growers in North Dakota generally feel very nice toward the Federal Farm Board, and we want to take this means of expressing our thanks and appreciation for the wonderful financial expressing our thanks and appreciation for the wonderful financial and moral assistance given us by the Farm Board.

With kind regards, I am yours very truly,
A. C. BJERKEN, Secretary and Treasurer.

WAR DEPARTMENT APPROPRIATIONS (REPT. NO. 773)

Mr. REED, from the Committee on Appropriations, to which was referred the bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes, reported it with amendments and submitted a report thereon.

Mr. REED subsequently said: With regard to the Army appropriation bill, which I reported an hour or so ago, I am informed by the clerk that there are errors in several of the figures. I ask unanimous consent that the bill may be rereferred to the Committee on Appropriations so that the errors may be corrected.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. REED subsequently said: I ask unanimous consent to report back again with amendments from the Committee on Appropriations House bill 11897, the Army appropriation bill, in which I think we now have our figures correct, and I submit a report thereon.

The VICE PRESIDENT. Without objection, the bill will be received and placed on the calendar.

REPORTS OF COMMITTEES

Mr. BLAINE, from the Committee on the Judiciary, to which was referred the bill (S. 3531) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof, reported it without amendment and submitted a report (No. 774) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 4778) granting the consent of Congress to the Niagara Frontier Bridge Commission. its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y., reported it with amendments and submitted a report (No. 775) thereon.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, June 7, 1932, that committee presented to the President of the United States the following enrolled bills:

S. 432. An act granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy;

S. 4401. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 4581. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.;

S. 4635. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance, and operation of said bridge: and

S. 4636. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Cairo, Ill., and permitting the Commonwealth of Kentucky to act jointly with the State of Illinois in the construction, maintenance, and operation of said bridge.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably several nominations of postmasters.

Mr. BLAINE, from the Committee on the Judiciary, reported favorably the nomination of Robert E. Mattingly, of the District of Columbia, to be a judge of the municipal court of the District of Columbia.

Mr. HEBERT, from the Committee on the Judiciary, reported favorably the nomination of Cecil H. Clegg, of Alaska, to be district judge, District of Alaska, division No. 3, to succeed E. Coke Hill, appointed district judge, District of Alaska, division No. 4.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 4838) for the relief of Mr. and Mrs. G. W. Lambourne: to the Committee on Claims.

By Mr. ROBINSON of Indiana:

A bill (S. 4839) granting a pension to Mary J. Rosenbaum (with accompanying papers); to the Committee on Pensions. By Mr. NORBECK:

A bill (S. 4840) taxing certain excess deposits of national banks; to the Committee on Banking and Currency.

By Mr. LEWIS:

A bill (S. 4841) granting an increase of pension to Nancy C. Austin; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 4842) granting a pension to James L. Smith; to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 4843) granting a pension to Vivian C. Bogle; to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 4844) for the relief of C. N. Hildreth, jr.; to the Committee on Claims.

AMENDMENT TO LEGISLATIVE APPROPRIATION BILL

Mr. BINGHAM submitted an amendment intended to be proposed by him to House bill 11267, the legislative appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 46, after line 19, insert:

"(g) Per diem workers receiving less than \$3.50 per day other than those whose compensation is adjustable to conform to the prevailing local rate for similar work."

PRINTING OF ADDITIONAL COPIES OF REVENUE ACT

Mr. MOSES submitted a concurrent resolution (S. Con. Res. 30), which was considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 41,000 additional copies of Public Law No. 154, known as the revenue act of 1932, of which 13,000 copies shall be for the use of the Senate document room, 25,000 copies for the use of the House document room, 1,000 copies for the use of the Committee on Finance of the Senate, and 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives.

MESSAGES FROM THE PRESIDENT-APPROVAL OF BILLS

Messages in writing from the President of the United States, submitting sundry nominations, were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on to-day, June 7, 1932, the President approved and signed the following acts:

S. 154. An act for the relief of Amy Harding;

S. 669. An act for the relief of Chester J. Dick; and

S. 2325. An act for the relief of the United States Hammered Piston Ring Co.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, the pending question being on the amendment proposed by Mr. Moses, as modified.

Mr. BRATTON. Mr. President, let me assure the Senate at the outset that I shall take only a few moments in voicing my convictions respecting the pending amendment. In the first place, the proposal met with disapproval in the body at the other end of the Capitol. That fact, it seems to me, should receive appropriate consideration here.

Next, Mr. President, we are engaged in an effort to effect economies, to curtail expenditures, to reduce appropriations, to retrench in Government expenses, as a contribution toward restoring the Budget to a balanced basis and maintaining stability of Government securities in the meantime. Under the proposal advanced by the committee a saving of \$121,500,000 was effected. After the amendment sponsored by the Senator from Maryland [Mr. Tydings] was adopted that saving was reduced to approximately \$117,000,000. That, Mr. President, is the condition of the legislation now.

The amendment proposed by the Senator from New Hampshire [Mr. Moses] will reduce that sum to approximately \$85,000,000, or a loss of \$32,000,000 in the economies to be effected through the legislation. Quite aside from the

other phases of the problem, that fact is entitled to weight here. The administration portrays itself throughout the country as the champion of economy. It has assumed that attitude through the press. It has assumed that attitude in declarations emanating from the White House and otherwise. Yet every effort made by Congress to reduce appropriations touching any of the executive departments has met with solemn protests from the Cabinet officer presiding over the department concerned. Instead of being furnished with much-needed information to effect substantial economies in the operating expenses of the various departments, Congress has been challenged at the threshold with a statement from the Cabinet officer in each case that the appropriation must not be reduced, else the department would be crippled in its efficiency.

Mr. President, in addition to that, we are confronted to-day with the Senator from New Hampshire [Mr. Moses] championing an amendment to the pending bill which would reduce the saving from \$117,000,000 to \$85,000,000, a loss of \$32,000,000, and in that effort he is supported by the leader of the majority, the distinguished Senator from Indiana [Mr. Watson]—all of that in the face of the claim and the oft-repeated assertion that the administration is leading the movement in behalf of economy.

The matter of effecting economy should not be partisan. It should have no political complexion. I assure the Senate that throughout the deliberations of the special committee of six no partisan consideration entered. We were inspired by a common desire. We were moved by a common purpose. We were actuated by a common design, and that was to effect economy. The alternative here is whether we shall economize to the extent of \$117,000,000 during the temporary period of 12 months, as proposed by the committee, and then return to the present level, or whether we are going to economize to the extent of only \$85,000,000 during the temporary period of 12 months, as proposed by the Senator from New Hampshire, and then return to the present level.

Yesterday afternoon the distinguished Senator from New Hampshire [Mr. Moses], likewise the distinguished Senator from Michigan [Mr. Vandenberg], asserted that the pending amendment would maintain the existing standard during the ensuing period of one year; but, Mr. President, that argument has no foundation; it has no support; because under each proposal the present standard is to be resumed at the end of 12 months. The only point to be considered is the method of effecting the reduction during the ensuing period of one year, for, under either proposal, and without further action by Congress at the end of that time we return to the present level and the present standard goes forward.

Moreover, Mr. President, as was pointed out by the Senator from South Carolina [Mr. Byrnes], a member of the committee which has dealt with this measure, under the committee proposal the reduction is uniform; it is without exception; it is without discrimination; it is without partiality; but under the pending substitute that is not true. For instance, rural mail carriers, instead of bearing a cut of 10 per cent, will be required to submit to a cut of 13 per cent, because their allowances will be reduced under section 108, which provides:

During the fiscal year ending June 30, 1933, payments for equipment maintenance to carriers in the Rural Mail Delivery Service shall be three-eighths of the amount now provided by law.

Of course, that will meet with objection; of course, it will be asserted that it is discrimination against rural mail carriers as compared with other employees of the Federal Government. Of course, rural mail carriers are as faithful employees as are those in any other department of the Government, and should not be singled out and an additional burden of that character imposed upon them. It was the purpose of the committee in agreeing to a flat horizontal cut to obviate any such discrimination as that.

Again, Mr. President, under the furlough system it is impossible to calculate definitely how much will be saved, because no one can foresee how many substitutes will be necessary or, indeed, how many substitutes will be employed.

Under the pending amendment it is provided that no em- ! ployee shall be exempted from the furlough plan unless his services can not be dispensed with or a satisfactory substitute can not be provided, thus leaving open for some one to determine how many substitutes are needed and how much money shall be expended for substitutes under the furlough system. Of course, that injects into the situation an uncertain factor which no one can calculate with definiteness, whereas the plan proposed by the committee is not laden nor surcharged nor saturated with any such uncertainty. It is definite; it is fixed and it gives every employee the confident assurance that during the year his income will be a certain amount, and he can budget his household affairs and his other business affairs accordingly.

Mr. President, it was stated by the distinguished Senator from New Hampshire yesterday that the employees affected prefer the furlough plan. I can not agree with him in that statement; at least, there is a division of sentiment among the employees. Some of them prefer to know definitely how much they are going to receive during the next year; some of them prefer not to have a superior determine the method in which the furlough plan shall be administered; some of them prefer the flat cut as their contribution in this period of distress and trial.

Those who favor the furlough plan perhaps do not overlook the fact that the reduction in total salaries under that system is only \$85,000,000, whereas the reduction under the committee proposal is now \$117,000,000.

Mr. COSTIGAN. Mr. President-

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from New Mexico yield to the Senator from Colorado?

Mr. BRATTON. Yes; I yield.

Mr. COSTIGAN. May I direct the attention of the Senator from New Mexico to section 214 of the bill, on page 59? Apparently the committee was of the opinion that it is desirable to retain a furlough provision with the 10 per cent cut. Will the Senator from New Mexico be good enough to explain the purpose in retaining section 214 in the bill?

Mr. BRATTON. Mr. President, I shall be glad to undertake to explain it. It was the purpose of the committee to make the flat 10 per cent cut and to appropriate sufficient money to carry the pay roll at that figure; but the committee felt that, in the immensity of the task, Congress might fail to appropriate sufficient money to accomplish that end. If so, it would be necessary to dismiss employees permanently. Desiring earnestly to obviate that necessity, and believing that it would be better for the faithful employee, should that situation arise, to be given a temporary furlough for as short a period as possible than to be dismissed permanently, we wrote the provision into the bill with the safeguard which I have no doubt the Senator has noticed, namely, that those drawing high salaries should be furloughed first.

We were inspired by an earnest effort to save faithful employees from being dismissed if it should develop during the fiscal year 1933 that, through oversight or miscalculation or otherwise. Congress failed to appropriate sufficient money to pay all employees throughout the year at the 90 per cent rate.

Mr. COSTIGAN. Mr. President, the courteous Senator from New Mexico has stated my understanding of the purpose of the committee. However, I am advised that the present practice of Government departmental heads, without such a provision as this, is from time to time to furlough employees. Moreover, this provision is disturbing in that it authorizes and directs furloughing certain employees of the Government without pay for such time as, in the judgment of the heads of departments or bureaus, is necessary in order to keep within appropriations without discharging employees. In other words, the employee, under this provision, in addition to a 10 per cent cut in compensation, is faced with the possibility of an indeterminate furlough.

This provision has excited reasonable alarm among many Federal employees. May I, therefore, ask the Senator from New Mexico if there is any necessity for changing the present practice of the Government by a definite provision of law making a specific arrangement for indefinite furloughs within the discretion of the heads of departments?

Mr. BRATTON. Mr. President, as the Senator says, under the present plan the departments furlough employees, and, of course, that is within the discretion of the heads of the departments. So that element exists under either the existing system or the plan contemplated by the provision to which the Senator has addressed himself.

Let me call the Senator's attention to the opening language of the section:

SEC. 214. In order to keep within the appropriations made for the fiscal year 1933, the heads of the various executive departments and independent establishments of the United States Government and the municipal government of the District of Columbia are hereby authorized and directed to furlough, without pay—

And so forth.

Thus clearly indicating, Mr. President, that employees are not to be furloughed unless it is necessary to keep within the appropriations made by Congress. Only in the event the appropriations become insufficient is the furlough system to be brought into play. The committee was actuated by a desire to aid the employees rather than to add to their anxiety of mind or their financial discomfort.

Mr. JONES. Mr. President-

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Washington?

Mr. BRATTON. With pleasure.

Mr. JONES. May I suggest also to the Senator that I think the provision was inserted rather as an admonition against the creation of deficiencies, and as an expression, in view of the cutting down of appropriations under the policy we are following, that we want that policy to be carried out, and we do not want the head of a department to have any excuse for creating a deficiency and coming to Congress hereafter and requesting deficiency appropriations.

Mr. BRATTON. Indeed, that was contemplated, and it is an important factor in the equation. It is a warning to the heads of the departments that Congress expects them to live within the appropriations during this abnormal period.

Mr. COSTIGAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from New Mexico yield further to the Senator from Colorado?

Mr. BRATTON. Yes. Mr. COSTIGAN. If the Senator from New Mexico will permit me to say so, the warning appears to be at the expense of Federal employees; and it would seem unwise to add a statutory direction of this sort if the present law and practice are adequate.

Mr. BRATTON. Mr. President, I think it is wise to make a declaration of that kind, in the nature of a warning to the heads of the departments that during this period of financial trial deficiencies for the payment of salaries must not be incurred in the expectation that Congress will appropriate the money with which to pay them at the next session. Of course, it is not economy to establish a program of reductions and then permit the executive departments to incur deficiencies, and at the next session of Congress appropriate the money with which to pay those deficiencies. That is a sham under the guise of economy. It is not real economy. The committee had in mind a declaration in the nature of a storm signal set and flying to the heads of the departments that during this period we expect to economize and shall exact of them cooperation by their refraining from incurring deficiencies for salaries.

Mr. DICKINSON. Mr. President

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Iowa?

Mr. BRATTON. I yield.

Mr. DICKINSON. I want to suggest that to my mind there are a great many difficulties on account of what is known as the Vandenberg amendment to the furlough plan, as agreed to yesterday by the Senator from New Hampshire [Mr. Moses]. That starts in with \$3,000. It saves the Government practically no money, and yet is an irritation to practically every bureau chief and foreman and man who has been recognized by a department for efficient service and has been advanced to the higher grades. Therefore, I believe it will do more to disturb harmonious working relations in the departments than anything that has been suggested on this floor.

Mr. BRATTON. Mr. President, I quite agree with the Senator from Iowa. Instead of the amendment strengthening the proposal of the Senator from New Hampshire, it weakens it. It adds so many "humps," if I may so express myself.

Mr. MOSES. Mr. President-

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from New Hampshire?

Mr. BRATTON. Yes.

Mr. MOSES. Exercising the right I still have to perfect my amendment, I withdraw my acceptance of the Vandenberg amendment, and that can then be submitted to the vote of the Senate directly.

Mr. BRATTON. The Senator from New Hampshire can not be in quite as good a mood as he was yesterday, because he then accepted every amendment proposed with such rapidity that those of us on this side of the aisle could scarcely keep pace with the parliamentary developments.

Mr. MOSES. If the Senator will further permit me, I thought the Senator from New Mexico and others who shared his views would be willing to let the matter go to conference. Finding, however, that they were in such mood, and finding this morning that the Senator from New Mexico is in stern resistance to anything which affects the sacrosanct program that his special subcommittee brought in, I now resort to the other course. I wish to say, however, that I thoroughly respect the Senator from New Mexico for standing by the report found by the special subcommittee, because that is the essence of a good soldier.

Mr. BRATTON. With the widely known and universally recognized acumen of the Senator from New Hampshire, I am unable to understand how he entertained the belief that I would agree to accept the amendment and let the matter go to conference. At the outset a substantial number of the committee favored the furlough plan; but the more it was considered, the more it was canvassed, the more the members came together in the belief that harsh though it may be, the flat horizontal cut was the best way to effect the necessary economies; and, as one member of the committee, I adhere to that position. It will weaken the legislation, it will impose upon the employees themselves, if the furlough plan is substituted.

So, Mr. President, in conclusion, having previously addressed myself at length to the committee's proposal, I express the hope that the views already voiced by members of the committee will prevail, and that the substitute will not be adopted.

Mr. McKELLAR. Mr. President, I indorse fully what has already been so well said by my associates on the committee about the furlough plan. I shall content myself, therefore, with just stating the essential objections to that plan as I see them.

The first is that the plan can not be applied to all the employees of the Government. It can not be applied to rural carriers. It can not be applied to city carriers. It can not be applied to policemen; and to many other groups of employees it can not be applied. It therefore brings about discrimination and inequalities which the Senate should not indorse. The opportunity for preferential treatment is entirely too great under the furlough plan.

In the next place, Mr. President, it is essentially a bureaucratic plan. Of course, the bureau chiefs will feel that they should be exempt from the plan, and no doubt they will be. While they will no doubt apply it to subordinates, there will be few who will apply it to themselves. Really this furlough plan can well be called the plan of the bureaucrats.

In the next place, the very fact that no two of the promoters of this plan seem to agree upon it, or seem to agree upon what provisions it should contain, shows that it has not been well considered. Again, it will not produce as

much by at least \$40,000,000 as does the plan already agreed upon by the Senate.

This furlough plan and all other plans were before the committee. The committee unanimously rejected all other plans and unanimously reported the 10 per cent reduction plan, and I believe it is the fairest and most just way of handling the situation.

'I want to add that when I went into the consideration of this matter it seemed to me that there ought to be a smaller cut of the smaller salaries; but upon the most careful consideration, upon full argument in the committee, and upon all the facts being adduced, I was led to change my mind. I believed then, and believe now, that the fairest, the most just way of bringing about a reduction is the 10 per cent plan of handling the matter.

Finally, Mr. President, the President himself has accepted the plan of the committee and suggested that he would approve its terms in this bill. Therefore it seems to me that, regardless of personal or individual objection to it, we should uphold the committee, join with the President in his acceptance of the plan, and adopt the 10 per cent reduction plan as passed on Saturday.

Having said that much about the immediate question, I desire now to speak very briefly upon the merits of the pay cut generally. Although a member of the Economy Committee, because of illness I have not heretofore felt able to discuss the matter; but in justice to myself and in justice to the Federal employees and to the Government, I wish to express simply my conclusions about the whole matter.

Mr. President, I have uniformly voted for every increase in the salaries of Federal employees. Not only that; I have earnestly supported these increases in committee, on the floor of the Senate, and publicly. Then we had the money in the Treasury, and I believe my action was entirely right and proper. Reducing them now, when the Government is so far behind in its obligations, seems to be a virtual necessity, and I am for it, but only with the greatest and sincerest regret.

This very year, the first 11 months of the fiscal year, the Government's revenue was \$1,700,000,000, in round numbers. Its expenditures, in round numbers, for the same period have been nearly \$4,400,000,000, with a deficit up to date for this year of more than \$2,600,000,000.

In my judgment, if this condition is allowed to continue there is no telling what may happen, and soon. We have just got to curtail the expenses of our Government, at least temporarily. As bad as cutting our salaries 10 per cent is, it would be infinitely worse to do as Mr. Hoover's Cabinet suggested, dismiss hundreds of thousands of employees. Under the proposed cut there will be substantially no dismissal of employees. Under the proposal it will last for just one year, and then the salaries will automatically be restored. It will not require an act of Congress to restore them. It is not a case of what one would like to do; it is a case of what one must do to preserve our Government. I am sure the Federal employees, of whom I am one, would rather take a cut in salaries than to see wholesale dismissals of employees.

Mr. President, the Government pays out in salaries to-day to its employees about \$1,350,000,000. This is \$350,000,000 more than all the expenses of Government for every purpose during the year 1916.

The absolute necessity of these reductions is shown by what it takes to pay the present Federal salary list. It will take the entire average cotton crop of 16,000,000 bales at 5 cents a pound, the present price, amounting to \$400,000,000; in addition to that it will take the entire average wheat crop of 800,000,000 bushels, at 50 cents a bushel on the farm, aggregating \$400,000,000; and in addition to that it will take the entire corn crop, averaging 2,500,000,000 bushels, at the present price of 22 cents a bushel on the farm, making \$550,000,000; in all, \$1,350,000,000, to pay the Federal salary list alone.

Think of it, Mr. President! All of the cotton crop at the present price; all of the wheat crop at the present price;

all of the corn crop at the present price, to pay Federal | salaries alone!

We just have to pause. These men who make the corn crop and the wheat crop and the cotton crop are making no profit; and yet it will take the gross proceeds of all those crops to pay the Federal salary list alone.

Under those circumstances, as much as I dislike to do it, I feel that there certainly should be a temporary readjust-

ment of these salaries.

Mr. LOGAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Kentucky?

Mr. McKELLAR. I do.

Mr. LOGAN. Does not the Senator think that the great trouble is that we have too many Federal employees, rather than that we pay too great salaries to the individual employees?

Mr. McKELLAR. Yes; perhaps that is so; but in answer to the Senator's statement I feel that it would be almost inhuman to dismiss any considerable body of our employees in this time of our national distress.

Mr. LOGAN. It would be no worse for them than it has been for millions of others who have been dismissed from private employ.

Mr. McKELLAR. It might not be; but I do not want to add to the unemployed in this country if it is possible to avoid it. It does seem to me, for reasons which I shall give in just a moment, that it is infinitely better for our Federal employees to accept a temporary cut of 10 per cent in their salaries rather than to have additions to the unemployed in America, that number of unemployed being estimated at all the way from 8,000,000 to 10,000,000 people.

In addition to this, Mr. President, we have at least 8,000,000 unemployed in this country, many of them hungry and homeless. The plight of the farmers, the plight of the merchants, the plight of all classes of business is the worst in years. In comparison with all these, the average Federal employee's salary, even with the 10 per cent cut, will certainly constitute a generous living.

I wish to call attention to another thing, that commodity prices have all gone down tremendously. An employee of the Government wrote me that his salary was \$4,500, and that he did not want it cut. I want to call his attention to the fact that his salary of \$4,500 brought him much less than years ago than his reduced salary of \$4,050 would bring him to-day. According to the latest statistics, a dollar to-day will buy 50 per cent more than it bought three years ago. Under these conditions, a reduction of 10 per cent is not as injurious to the employees as if there had been no decrease in the cost of living.

Outside of all this, Mr. President, we must preserve our Government. We must not, under any circumstances, let anything happen to our Government. We Federal employees are more vitally interested in preserving the integrity of this Government than is any other class of our citizens, because it affords us a livelihood. All of us must be willing to make sacrifices in this hour of distress. To my mind, the only patriotic thing for us Federal employees to do is to accept this temporary cut for one year in order to help put our Government again on a stable foundation.

One other thing, Mr. President. It is argued that it is unfair to cut the smaller salaries 10 per cent while cutting Representatives and Senators only 10 per cent. In this connection, I call attention to the fact that under the proposed reduction, and under the revenue bill recently passed, a Senator or Representative will be cut on an average about \$1,700. His mileage will be cut 25 per cent, his stationery account will be cut, his income taxes will be tremendously increased, with the result that the cuts of Representatives and Senators will amount, under these bills, on an average to something like 17 per cent.

Mr. President, I can ill afford to stand this cut at this time; my obligations are heavy; but my Government comes first in every sense. I am a Federal employee, and if it is necessary to take even more of my salary, I shall cheerfully vote for legislation to that end rather than see any injury

come to my Government and your Government. Let us all have a proper sense of patriotism in this matter. When conditions are better I will be in the lead among those to see that Federal employees are properly paid. We can not pay them unless the Government has the money.

Mr. President, seeing the present deplorable financial situation of our Government as it really is, I would not be a true friend of the Government employee if I did not urge him to accept without question whatever temporary cut the Congress finally imposes. It is our highest patriotic duty.

Mr. VANDENBERG. Mr. President, a parliamentary

inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. VANDENBERG. Is my understanding correct that the Senator from New Hampshire has withdrawn from his substitute the amendment which I offered last night, and which stands in the printed substitute this morning?

The PRESIDING OFFICER. That is the Chair's understanding.

Mr. VANDENBERG. I can understand the reason for the action taken by the Senator, and it is perfectly appropriate and perfectly satisfactory to me, namely, that we may have the divided question before the Senate, and the Senate may pass upon both phases of the question independently. Therefore, in order to complete that parliamentary situation and give the Senate the opportunity to express itself upon the question of whether or not a graduated reduction shall be superimposed upon the furlough plan, I now offer as an amendment to the pending substitute, on page 3, after line 4, the language found in the printed substitute from line 5 to line 16, identified as subsection (d).

The PRESIDING OFFICER. The amendment to the proposed substitute will be read.

The CHIEF CLERK. On page 3, after line 4, the Senator from Michigan proposes to insert:

(d) Upon all compensations in excess of \$3,000 per annum the furlough provisions heretofore defined shall apply after and in addition to the following reductions in rates of compensation for the fiscal year ending June 30, 1933: \$3,000 to \$4,000, 1 per cent; \$4,000 to \$5,000, 2 per cent; \$5,000 to \$6,000, 3 per cent; \$6,000 to \$7,000, 4 per cent; \$7,000 to \$8,000, 5 per cent; \$8,000 to \$9,000, 6 per cent; \$9,000 to \$10,000, 7 per cent; over \$10,000, 8 per cent: Provided, That the application of these reductions shall not operate to reduce the rate of compensation below that of the next lower rate in the same service to which a lower percentage of reduction applies.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Michigan [Mr. Vandenberg] to the amendment in the nature of a substitute offered by the Senator from New Hampshire [Mr. Moses].

Mr. MOSES. Mr. President, I suggest the absence of a

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Jones	Robinson, Ark.
Austin	Dale	Kean	Robinson, Ind.
Bankhead	Davis	Kendrick	Schall
Barbour	Dickinson	Keyes	Sheppard
Barkley	Dill	King	Shipstead
Bingham	Fletcher	La Follette	Shortridge
Blaine	Frazier	Lewis	Smith
Borah	George	Logan	Smoot
Bratton	Glass	McGill	Thomas, Idaho
Bulkley	Glenn	McKellar	Thomas, Okla.
Bulow	Goldsborough	McNary	Townsend
Byrnes	Hale	Metcalf	Trammell
Capper	Harrison	Moses	Tydings
Caraway	Hastings	Neely	Vandenberg
Carey	Hatfield	Norris	Walcott
Cohen	Hawes	Nye	Walsh, Mass.
Connally	Hayden	Oddie	Walsh, Mont.
Coolidge	Hebert	Patterson	Watson
Costigan	Howell	Pittman	Wheeler
Couzens	Johnson	Reed	White

Mr. McNARY. I desire to announce that the Senator from South Dakota [Mr. Norbeck], the Senator from Oklahoma [Mr. Gore], the Senator from Tennessee [Mr. Hull], the Senator from New York [Mr. Wagner], and the Senator from Oregon [Mr. Steiwer] are detained in a meeting of the Committee on Banking and Currency.

The PRESIDING OFFICER. Eighty Senators having answered to their names, there is a quorum present.

Mr. FRAZIER. Mr. President, I want to ask the Senator from New Hampshire, with regard to the furlough plan, whether the provision in the original bill which the Senate inserted on page 59, section 213, in regard to 15 days' leave of absence with pay, is to be stricken out of the original bill?

Mr. MOSES. Yes.

Mr. FRAZIER. That is to be stricken out?

Mr. MOSES. As I explained to the Senator from Colorado [Mr. Costigan] yesterday afternoon, if my amendment as pending is agreed to, I intend to offer three amendments, one of which will be to strike out section 213, the three amendments being offered in order to make the bill uniform if, when, and as my amendment shall be agreed to.

Mr. FRAZIER. Under the Senator's substitute, Government employees would have 30 days' leave of absence without pay?

Mr. MOSES. Yes.

Mr. FRAZIER. But no leave of absence with pay?

Mr. MOSES. No.

Mr. BINGHAM. Mr. President, may I ask the Senator from New Hampshire, in that connection, what happens to the field workers who to-day do not get 30 days' leave with pay, but who get only 15 days' leave with pay?

Mr. MOSES. I think there is a provision, though not in my amendment, with reference to them. I have an amendment applying to them if the Senator has reference to those

people in the Canal Zone, and so forth.

Mr. BINGHAM. No. In reply to the Senator from North Dakota [Mr. Frazier], the Senator from New Hampshire said that he would strike out the provision in the bill changing the leave period and making it hereafter 15 days with certain exceptions such as those in the Canal Zone.

Mr. MOSES. But I do not take into consideration the field workers of the class to whom the Senator from Con-

necticut refers.

Mr. BINGHAM. As the Senator knows, Federal employees in the District are favored by receiving an annual vacation about twice as great as is received by those to whom we ordinarily refer as workers in the field.

Mr. MOSES. Yes; I do know that. If the Senator will prepare an amendment to take care of that, so far as I am concerned. I shall be glad to cooperate with him.

Mr. BINGHAM. Why does the Senator say he is going to endeavor to strike out the provision in the bill making the leave period the same for everyone?

Mr. MOSES. Because the furlough plan is supposed to take the place of leave with pay. In other words, having had 30 days leave with pay, they will now get 30 days' leave without pay, and that is their contribution to the condition in which the Treasury finds itself. Manifestly, if we are going to have 30 days' leave without pay and 15 days with pay, that makes a 45-day period if the provision referred to is made to apply to every employee.

Mr. BINGHAM. What provision does the Senator make for the very numerous employees in the field who to-day get only 15 days' leave with pay?

Mr. MOSES. As a matter of fact, I was not considering those employees at all. If the Senator can find a form of words to take care of them, I shall be very glad to cooperate

Mr. BINGHAM. Mr. President, this only shows, which was my purpose in rising, the difficulty of drafting a bill of this kind on the floor of the Senate. As a member of the committee that spent three weeks, working all day and sometimes in the evening, discussing the various ramifications of the furlough plan and other plans, I can assure the Senate that an attempt to write it on the floor is full of this sort of pitfalls. It had not occurred to the Senator that possibly 100,000 Government employees in the field receive only 15 days' leave with pay.

Mr. MOSES. I am glad to have the voice of the Senator from Connecticut added to the voice of his colleagues on the subcommittee in stern resistance to touching their work in any capacity whatsoever. My purpose is to get the whole matter into conference. The changes made in the House

text will be found to be so few that by the adoption of my amendment the entire subject may then be taken up by the conferees and discussed, not in the confusion of the floor of the Senate. Of course, we understand the conferees now have full power.

Mr. JONES. Mr. President, as I understand the Senator, he expects to move to strike out the amendment on page 59 if his substitute is adopted?

Mr. MOSES. Yes; section 213.

Mr. JONES. That means a further reduction of \$22,000,-000 of revenues produced by the bill.

Mr. MOSES. It all goes to conference. Apparently the Senator does not want us to do anything except to come in and take what his subcommittee has provided.

Mr. JONES. I understand it will go to conference, but I merely wanted to call attention to the effect of striking out the amendment.

Mr. BINGHAM. Mr. President, I merely want to say before taking my seat that I hope the Senate, if and when it adopts amendments to the bill, will provide in the amendment or immediately following it another means of saving the amount of money which is stricken out. As the Senator from Washington just said, we are asked to strike out the permanent provision regarding 15 days' leave, which the Senator from Washington said saves \$22,000,000. As a member of the subcommittee considering it I wish to say that I have no sense of pride of authorship. It makes no difference whatsoever if the Senate adopts what we worked out after three weeks of deliberation, so long as the Senate in what it finally does yields the same amount of saving.

We were asked by the President to try to save a large amount of money. When the President came down here and made his personal appeal to the Congress to pass the revenue bill and to pass a bill for savings, he said he understood the subcommittee had succeeded in saving something like \$300,000,000 or more, and he hoped the Congress would find it possible to make those savings. It makes not the slightest difference to me how the savings are made so long as they are applied equitably. I hope whenever any cut is made in the provisions which the subcommittee put into the bill, that somewhere else we can find a means of saving an equal amount of money.

There is another objection to the furlough plan, which probably has been mentioned many times, and that is the difficulty of applying it fairly. There are many positions in the Government service and in the service of the District of Columbia where the furlough plan would not work fairly and can not work easily. It would be better anyway, if the Congress thinks the 10 per cent cut too much, to make it an $8\frac{1}{12}$ per cent cut. That could easily and fairly be applied.

For instance, we inquired of the officials of the District of Columbia, to whose employees the bill applies, what would happen to the school teachers, and the same thing would apply to the teachers in Indian schools. They said the furlough plan would not work for them at all, because they get paid for the teaching they do; they get no pay in vacation times; and therefore some other means would have to be found of applying the cut to them. The same thing is true in some of the safety departments—the police and the firemen. It would be extremely difficult to make the furlough plan work for them. The committee went into it very fully and came to the conclusion that the easiest and safest and fairest way of doing for the year we are trying to make the sayings would be the straight 10 per cent cut.

May I add that the furlough plan as worked out by those who first thought of it and who thought they had arrived at a fair amount of adjustment between the rural mail carriers, for instance, who could not work on the furlough plan, and the other employees, would save about \$84,000,000. If that is adopted, then there is something like \$35,000,000 or \$40,000,000 still to be provided for over and above what the committee provided in its other provisions. I think when the Senate makes changes in the bill it will have to provide some other way of saving the money somewhere else, so when the bill is finished we will not

have to say to the country that after all we were not able to save the amount of money the President asked us to save and which we tried to save.

Mr. NORRIS. Mr. President, it seems to me the Senator from New Hampshire [Mr. Moses] has the right slant on the matter. All he cares about is to get the matter into conference. That is where we are going to have our legislation anyway. What has the Senate to do with it? It gets the bill into conference, says the Senator from New Hampshire. The Senator from Washington [Mr. Jones] will be one of the conferees. Other members of the conference will have their very definite ideas and will put them into the bill and bring it back here and we will approve it.

Mr. JONES. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. JONES. I want to say to the Senator it has always been my policy in conference to stand by the Senate.

Mr. NORRIS. Oh, but we have established a new rule.
Mr. JONES. That rule does not go with me. I shall
follow the same rule in the future that I have followed in
the past with reference to conferences. I want the Senate
to do what it wants to do, and I shall stand by it as long as
I possibly can.

Mr. NORRIS. I am surprised at the Senator. He has disqualified himself from being on the conference committee. We shall have to put the Senator from Utah [Mr. Smoot], the Senator from Pennsylvania [Mr. Reed], and the Senator from Indiana [Mr. Watson] on the conference committee. They do business. They know how to do it. They have shown by their works what they are worth and we have shown by our humility what we are worth. We approve it when they bring it back. That is the way to legislate, and the Senator from New Hampshire knows it. He strikes right at the point with his usual precision when he says this will put it into conference. So it will. That will be the end of our responsibility. Put it into conference and let it pass beyond our jurisdiction.

If the Senator from Washington does not know and has not learned within the last few days what the duties of conferees are and how little respect they ought to have for the will of the Senate after debate and decision and consideration and deliberation, then he has not been attending the sessions of the Senate or he shows that his disposition is such that he is not qualified to be a member of a modern committee of conference.

Mr. DILL. Mr. President-

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. DILL. I think the Senator from Nebraska should not be too quick to conclude that this action of the conferees on the revenue bill will become the rule of the Senate, because after all the Power Trust is not so interested in some of these other measures as it was in the one which we approved yesterday.

Mr. NORRIS. The Power Trust will get interested when it gets into conference if we appoint the right conferees.

[Laughter.]

Mr. ROBINSON of Indiana. Mr. President-

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. NORRIS. I yield.

Mr. ROBINSON of Indiana. I want to observe, if the Senator from Nebraska will permit me, in connection with his suggestion as to the efficiency of the conferees on the part of the Senate, that I noted this morning in the press a statement from Congressman Crisp, to whom was attributed the responsibility for placing the burden of the power tax on the consumers. I would like to read it for the benefit of the Senate, assuming, of course, that he is correctly reported:

When the conferees reached the tax on the electricity item Senator Smoor stated that it was confiscatory and that it would bankrupt certain public-utility companies in Utah. A majority of the

Senate conferees said the item was impossible. After discussion and in the nature of a compromise, I suggested a retail tax on electric energy.

The interesting part of that statement, if the Senator from Nebraska will permit the further observation, is this line, and it comes from Mr. CRISP, according to the paper:

A majority of the Senate conferees-

That would be three-

A majority of the Senate conferees said the item was impossible.

That was after a majority in this body had said that it was not only not impossible but that it was correctly and properly to be levied against the vendor. But a majority of the Senate conferees, three out of five, decided that a majority of the Senate was all wrong in the matter and therefore they would just switch it around completely and add the burden of this tax to the already overburdened backs of the tax-paying consumers of the country.

I thank the Senator from Nebraska.

Mr. NORRIS. I thank the Senator from Indiana for his very illuminating comment.

"A majority of the Senate conferees!" That might even include the colleague of the Senator from Indiana. It is the same majority, I suppose, that said to the cooperative organizations of farmers all over the country-and I assume there are some in Indiana-"We are not going to give you the relief that this bill gives you. We are not going to permit anybody to interfere with the machinations of these sleek fellows educated in colleges who come from the Bureau of Internal Revenue, who go out in the country to hoodoo the farmers, and induce them to withdraw, by representations that are claimed to be fraudulent and false, their claim for exemption which the laws of the United States Government gives them." A majority of the Senate conferees, says the extract read by the Senator from Indiana, one of them being the chairman of the Senate conferees, said it was confiscatory when paid by the Power Trust. However, it is religious justice when paid by the poor consumer. It would bankrupt, so the statement says, some public utilities in Utah. I presume a great many people from Utah living in the District of Columbia, on the other hand, are going to pay the tax that is pushed over onto the consumer, because the citizens of Utah who live in the District of Columbia are not public-utility men; they are consumers, and they are the ones who are going to pay the tax. So the Senator from Utah lifted from the backs of his millionaire constituents in Utah this tax and put it onto his constituents in Washington. It is an open secret that there are in Washingon more officeholders, in proportion to its population, from Utah than from any other place on earth; everybody knows that; the Senator from Utah has more constituents in Washington than he has in Utah. So if his intention was to relieve the millionaire corporations of his State that are making and manufacturing electricity by putting the tax on the poor consumers, he has made a mistake. The burden is on his Washington constituents, who will have to pay their share

But, Mr. President, that was another bill that was designed to bring relief. The conferees are not here on the floor. The President signed the bill at 4 o'clock and 57 minutes p. m. and 5 o'clock recuperation on the part of distressed business commenced to show. I presume the conferees are now, in company with the President of the United States, watching the wonderful development that is going on in business and the decrease in unemployment that is now so rapidly taking place that the poor fellows who came here to get jobs will not be able to fill more than half the jobs which will be available if the great impetus to prosperity continues.

I understand, Mr. President, that the Budget which was balanced on yesterday at 4 o'clock and 57 minutes p. m. was unbalanced this morning at 9 o'clock and 38 minutes by the Committee on Military Affairs increasing the appropriation for the Army during the coming fiscal year. Now we shall have to have another balancing of the Budget ceremony after we pass the Army bill, because we are going to pay out large sums of money to the Army.

I think, however, that is justified, because while we have been busy here, shoulder to shoulder sacrificing and staying up all night in the effort to balance the Budget, we have forgotten and the country has forgotten to watch the victorious tread of the American Army in our war with Nicaragua. We have forgotten even to read the newspapers and see how victory is perching on our banners down there and how, under our military leaders, victory after victory is coming to us. Sandino down there has been carrying on that war for the last 10 years; we have been catching him every Monday morning for the last 10 years, and have not caught him yet; he is still fighting.

I read in a morning newspaper of recent issue that-

One hundred are slain as Sandinistas fight marines. National Guard, officered by United States troops, clashes twice with Nicaraguan rebels.

But the American forces were victorious. They were a little surprised on one or two occasions, but, on the whole, victory has come to them. So now, since we have got the Budget balanced, and we can devote a few minutes to other things, we ought to adopt a resolution of thanks to our troops who are making the world safe for democracy down in Nicaragua, and bringing victory after victory to our arms; and yet we are paying no attention to them.

The Military Affairs Committee are wiser than we are, and I am informed that they have, of course, increased the appropriations for the Army, which is necessary in order to carry on the wars which we are prosecuting for the benefit of humanity and to insure honest elections everywhere except in the United States, thus bringing civilization up to a higher standard. When we get the other nations of the world in a position where they will hold honest elections, the next step will be to send our Army out to Chicago, to Philadelphia, to New York, and to Pittsburgh, perhaps, to hold honest elections at home.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan [Mr. Vandenberg] to the amendment of the Senator from New Hampshire [Mr. Moses], as modified.

Mr. BINGHAM. Mr. President, I should like to inquire of the Senator from Michigan, though perhaps he has already explained it when I was in a committee meeting, whether under his amendment, for instance taking the larger salaries of \$10,000 and over, the 8 per cent reduction is in addition to the 8½ per cent cut that comes through the furlough plan?

Mr. VANDENBERG. The Senator is correct.

Mr. BINGHAM. That makes on salaries of \$10,000 and over a cut of 16.3 per cent. Is that correct?

Mr. VANDENBERG. Yes; it makes a total cut of 16.3 per cent.

Mr. BINGHAM. And on salaries of \$6,000 it makes a reduction of 11.3 per cent?

Mr. VANDENBERG. That is correct.

Mr. BINGHAM. Has the Senator worked out the total saving which would result if his amendment were adopted?

Mr. VANDENBERG. The total saving would be between three and a half and five million dollars added to the saving in the furlough plan itself.

Mr. BINGHAM. Is that all?

Mr. VANDENBERG. Yes.

Mr. BINGHAM. The furlough plan saves about \$84,-000,000, and the amendment of the Senator from Michigan, if adopted, would increase the saving by from three and a half million to five million dollars?

Mr. VANDENBERG. The Senator says the furlough plan will save \$84,000,000. The author of the amendment insists that it will save from \$95,000,000 to \$110,000,000.

Mr. BYRNES. Mr. President, on the question of savings, I think there should be a brief statement made. The committee of the House first suggested this plan. They secured figures from the Bureau of the Budget. Those figures were printed in the Record and set forth in detail the savings. In connection with the Postal Service the Postmaster General was asked to estimate the net saving, and, taking as accurate his estimate, it showed a saving on account of the postal employees of \$24,563,000. The furlough plan then deducts from the allowance of rural carriers \$10,312,000, which deduction is larger than the reduction that is forced upon any other employees of the Government under the furlough plan.

The \$24,568,000 estimated by the Postmaster General added to the \$10,312,000 makes \$34,880,000 saved out of the Postal Service. There is left unaccounted for a total of \$561,996,000 of the pay roll of the Government from which a saving may be made by the application of the furlough plan; that is the civil pay roll of \$561,996,000, outside of the Postal Service and the District of Columbia policemen and firemen. It is a mere question of mathematics to apply the 8½ percentage reduction to \$561,000,000, and when that is done the total saving, according to the committee, according to my own calculation, and according to the calculation of the Bureau of the Budget, is \$81,713,965.

Then the committee said that they would have to take into consideration the possible saving from the legislative branch of the Government, a saving which is uncertain but which they estimate would make the total \$83,000,000.

The sponsors of the furlough plan in the House, with the assistance of the statisticians of the Bureau of the Budget, figured the saving at \$83,000,000, and I think that estimate is accurate. The Senator from New Hampshire when first asked about the saving said that the saving would be between \$90,000,000 and \$95,000,000, and then when the Senator from Michigan raised him \$5,000,000, the Senator from New Hampshire promptly retorted by saying that he was now informed that the saving would amount to \$110,000,000. I think that if the Senator from Michigan had increased the figures the Senator from New Hampshire might have been led to believe that the saving would be still greater.

Mr. MOSES. All of which, Mr. President, goes to show that one man's guess is just as good as another's, and the guess from New Hampshire is just as good as that from South Carolina. I will add that my figures also came from the Bureau of the Budget.

Mr. BYRNES. Which figures—the \$110,000,000 or the \$85,000,000?

Mr. MOSES. The figure \$88,000,000.

Mr. BYRNES. The Senator is back to \$88,000,000, and has lost in a few minutes the difference between \$88,000,000 and \$110,000,000, which is quite a loss in so short a time this morning. Does the Senator from New Hampshire say that he did not say his plan would save \$110,000,000?

Mr. MOSES. The Senator can read the statement in the RECORD. I said that, according to the telegram presented yesterday by the Senator from Indiana, that would be the saving.

Mr. BYRNES. Then, Mr. President, the saving of \$110,-000,000 is based upon a telegram which was delivered to the Senator from Indiana and by the Senator from Indiana delivered to the Senator from New Hampshire, who advised the Senate that the saving would be \$110,000,000. In other words, as soon as the telegram was handed to him he preferred the figures in the telegram to the figures presented by the Bureau of the Budget. I think it is safer to rely upon the figures which were worked out not on the floor of the Senate or from a telegram but deliberately by the Bureau of the Budget and presented to the House by a committee composed of Representative Wood, Representative Williamson, and Representative Ramseyer. Those figures show a saving of \$83,000,000, and we might as well recognize that

the adoption of this amendment means a loss of \$40,000,000, and there is no other place in this bill, or any other bill, where that \$40,000,000 stands any chance of being saved with the information now before us.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan [Mr. VANDENBERG] to the amendment in the nature of a substitute offered by the Senator from New Hampshire [Mr.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment in the nature of a substitute as modified offered by the Senator from New Hampshire.

Mr. VANDENBERG and Mr. BRATTON asked for the yeas and nays.

The yeas and nays were ordered.

Mr. LA FOLLETTE. Mr. President, I desire to say a few words on this question before the amendment comes to a vote. I think the statement just made by the Senator from South Carolina [Mr. Byrnes] is an admission of impotence and incompetence on the part of Congress and the Government to which I can not subscribe. To say that the only place where any savings can be made in a \$4,000,000,000 budget is to fry them out of the wages of the Government employees is a statement which I resent, as one Member of this body.

The Senator from Nebraska [Mr. Norris] made brief reference this morning to the action of the Senate Committee on Appropriations in increasing the appropriation for the Army. In his report to Congress in 1927, the then Secretary of the Treasury, Mr. Andrew W. Mellon, had this to

Probably the most striking fact brought out by such a percentage distribution is the small fiscal importance of ordinary civil expenditures. These are often thought by those who have never looked into the matter to be typical of practically all the disbursements of the Government. When the average citizen grumbles over the size of his income-tax payment he often visualizes his hard-earned money being spent by the Government to compile reports on business or agricultural conditions, or to erect public buildings, send diplomats abroad, carry on scientific investigations, or make and enforce laws. As a matter of fact, a small part of the taxpayer's dollar goes into work of this sort, only about one-sixth being used for all the multitudinous types of ordinary civil functions added together. One-half of each tax dollar is used for the service of the public debt, the equivalent of 20 cents being required for interest and premium payments and 30 cents for debt retirement. The remaining one-third of the taxpayer's dollar is spent on military expenditures for national defense or payments to military veterans.

PERCENTAGE OF EXPENDITURES ATTRIBUTABLE TO WAR

PERCENTAGE OF EXPENDITURES ATTRIBUTABLE TO WAR

It is well known to students of public finance that the peace-time budgets of modern occidental nations are largely concerned with the costs of past and future wars. The question often arises as to the percentage of United States Federal expenditures that is attributable to actual or potential wars. Needless to say, many expenditures of the Government are either always partly military and partly civil or else are predominantly military in war periods but change to a distinctly civil character in times of extended peace. Any definite figure of expenditures for war must, therefore, involve many judgments that are far from most thematical containts. Newstheless, such approximations are mostly while certainty. Nevertheless, such approximations are worth while. The best-known compilation of data in readily available form for use in answering this inquiry was made for the years 1910 to 1920 by the late Edward B. Rosa, of the United States Bureau of Standards. His classified figures were later brought up to the Standards. His classified figures were later brought up to the year 1924 by the United States Bureau of Efficiency. In the accompanying table is shown the percentage of Federal expenditures attributable to wars based on these data. A similar computation that excludes from expenditures for wars the amount of public debt retired from payments by foreign governments, and the cost of civil agencies used for war purposes, such as the United States Emergency Fleet Corporation and the United States Englined Administration, is also included in the table for comparative purposes. The period covered by this latter compilation is from 1915 to 1927, inclusive. to 1927, inclusive.

I ask leave to incorporate the table at this point in my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

Percentage of net Federal expenditures for wars, past and future [Source of Rosa's data: Rosa, E. B., Expenditures and Revenues of the Federal Government, opp. p. 12]

Fiscal year	By Rosa's classifica- tion	Excluding civil agen- cies used for war purposes ¹
1910. 1911. 1912. 1913. 1914. 1915. 1916. 1917. 1918. 1919. 1919. 1920. 1921. 1922. 1923. 1924. 1925. 1926.	70. 1 81. 7 97. 4 98. 4 93. 7 287. 5 386. 7 489. 1	

E. g., Emergency Fleet Corporation and U. S. Railroad Administration.
 From data compiled by the U. S. Bureau of Efficiency.
 From data compiled by the U. S. Bureau of Efficiency from Budget estimates sent to Congress, but actual figures for debt retirement have been substituted for Budget figures.

Mr. LA FOLLETTE. Mr. President, in order to bring the material down to date, I wish to insert, following the table, the latest estimate which I have been able to find of anauthentic character, contained in a speech which the President delivered on January 8, 1932, in which he said:

The proposed Budget of Federal Government expenditures for the next fiscal year amounts to about \$4,000,000,000, of which over \$2,800,000,000 is for debt, military, and veterans' services, and nearly half the balance is for aid to employment in construction works and aids to agriculture.

I wish to say to the Senate that the data contained in the table which I have inserted in the RECORD show that in 1910 the percentage of net Federal expenditures for wars-past. present, and future-was 67.7 per cent; that by 1924 it had reached 89.1 per cent; and that in 1927, the year to which this report refers, it was 82 per cent. In other words, out of every Federal tax dollar extracted from the Federal taxpayers in this country in 1927, nine years after the war was over, 82 cents was used to pay for past and for preparations for future wars. Only 18 cents of that tax dollar was used to support the entire civil arm of the Government; and yet members of this Economy Committee tell us that the only place where we can find any economies in a \$4,000,000,000 Budget is to sweat it out of the Government employees!

Mr. President, there has been a lot of propaganda in this country about the Government service, about the type of people that are employed in it, and the type of service that they perform. I wish to say that the facts are indisputable that wages in the Government service have lagged behind wages in other lines of comparable employment in private industry and business, and, furthermore, that they have lagged far behind the rise in the cost of living which marked the period from 1900 down to 1929.

When this war came on a fight was made on this floor by my illustrious father, when costs of living were mounting, in an effort to provide some relief for these Government employees who were unable to provide for themselves and their families even the meager necessities of life under those circumstances. It took a knock-down and drag-out fight on the floor of the United States Senate to get a bonus of \$240 for Government employees, although, if my recollection serves me correctly, data were presented at that time to show that there had not been any increases in the Treasury Department since 1855, so far as Government employees were concerned. At that time it was pointed out that the Congress and the Executive had been extremely generous so far as their own salaries and the salaries of the higherpaid Government officials were concerned, increases having been made during that period of ascending costs of living ranging all the way from 50 to 65 and 70 per cent in those higher-paid groups.

After that long struggle to raise Government wages, which were lagging far behind the cost of living and the trend in every line of business and commercial activity, we now find members of the economy committee who brag of the fact that they spent three weeks studying this problem, saying that no other place can be found in which to save thirty-five or forty million dollars in a \$4,000,000,000 Budget, 82 per cent of which goes to pay for past and for preparation for future wars, without driving down the standard of living of people who, according to the estimates of bureaus in this Government of ours, are still at this day receiving a wage below the bare subsistence level.

After two and a half years of this depression I am tired of hearing people still prating about "psychology." Pseudopsychologists have been endeavoring to remedy this cataclysmic economic breakdown by trying to change the psychology of the public in this country. It is only within the last six months that it has begun to be recognized, despite all I have tried to do in my humble capacity to direct the attention of the people who exercise responsibility in this Government to the fact that we faced a major change in economic conditions, and that the only way to remedy it was to re-create purchasing power on the part of the masses of the people instead of tinkering with the credit structure when there was no genuine demand for credit for production purposes.

Recently we began to hear on all sides a recognition of the fact that in order to remedy this situation there must be made a drive to re-create purchasing power; but, consistent with the inconsistent thinking—if I may dignify it by such a term—that has been indulged in by those in high positions in this country, the Senate, shortly after it begins to recognize the fact that this is a problem of lifting purchasing power, now turns around and proposes that the Government inaugurate a program definitely effecting, in so far as governmental leadership can effect it, a further decrease in the purchasing power of the people of this country.

I recognize that Congress is once more about to respond to what it believes is an effort to influence the psychology of the people. Therefore, I am confronted with a choice between the proposition reported by the Economy Committee and the one offered by the Senator from New Hampshire [Mr. Moses].

Briefly, let me say, the committee contends that the 10 per cent flat cut which it recommended was the only solution of the problem of reduction of salaries at which it could arrive. I want to speak frankly in this instance, because the members of this committee, while protesting in one breath that they have no pride of authorship and that they do not appeal to the Senate to follow the committee, in the next breath say they conducted an exhaustive inquiry into this subject, and finally came to the only conclusion which they believed their deliberations would justify.

I say in all sincerity—and I have high respect for the individuals who compose this Economy Committee—that I, as an individual Member of this body, was positively shocked

an individual Member of this body, was positively shocked at the woeful lack of information which the members of this committee displayed during the first 48 hours that this bill was under debate in the Senate. There was simple question after simple question concerning the effect of this proposal which they recommend as the only solution for this problem which they were unprepared to answer and could not

answer.

Now we are confronted with a choice between the furlough plan and the action already taken by a majority of this body. The furlough plan, as the lesser of two evils, recommends itself to me for the following reasons:

It does not change the basic rate of pay, which, as I stated at the outset, was won only after a prolonged struggle and belatedly at the hands of a grudging Government.

It takes a step in the direction of a fundamental change in the system of hours of service which must come in this country before we can ultimately solve the problems that confront us, namely, a shortening of the work week. Therefore, if we adopt the furlough plan, the Government of the United States does not, first of all, lend its influence to a further curtailment of purchasing power on the part of those who are now gainfully employed; secondly, the Government does take a step in the direction of the 5-day week, which I believe is one of the adjustments which must come in this country if we are successfully to readjust the economic situation.

Mr. President, with the amendment which the Senator from New Hampshire has accepted, which I offered yesterday, providing that no employee, without his consent, shall be asked to take more than five days' furlough in any one month, I think the chief criticism against the furlough plan, so far as its operation and effect upon the employee is concerned, has been eliminated.

One of the things I feared was that, if the furlough plan were adopted as first presented, employees in the lower-income brackets might be asked to take a consecutive furlough of 24 working days in one month. It will be appreciated by those who are familiar with the struggles made by this group of employees to keep their heads above water, to maintain their families, and to live in decency that a long furlough would have been a terrific hardship.

Most of the employees have their incomes budgeted to such a close and fine figure that, as a matter of fact, the Federal Government might take a leaf from the books, of some of these families. They are in the situation where many of them are forced to draw their salaries bimonthly in order that they may meet the current demands of living expenses. I recognized that it was a serious criticism and would have worked a great hardship upon the Government employees. But with the amendment which has been accepted that may not be done without the consent of the employee. Therefore no person in the Government service, except with his consent, could be asked to take more than five days of furlough in any one month.

Mr. President, the Senator from New Mexico [Mr. Bratton] has tried to make a very plausible explanation of section 214 contained in the committee's recommendation, which provides:

In order to keep within the appropriations made for the fiscal year 1933, the heads of the various executive departments and independent establishments of the United States Government and the municipal government of the District of Columbia are hereby authorized and directed to furlough, without pay, such employees carried on their respective rolls, such time as in their judgment is necessary to carry out said purpose without discharging such employees, the higher salaried to be furloughed first whenever possible without injury to the service: *Provided*, That rules and regulations shall be promulgated by the President with a view to securing uniform action by the heads of the various executive departments and independent Government establishments in the application of the provisions of this section.

Despite the plausible explanation made by the Senator from New Mexico, in which he said that section 214 was merely an admonition to the heads of the Government departments not to exceed the appropriations provided for the fiscal year 1933, despite the statement made by the Senator from Washington that it was the primary purpose of incorporating this unlimited furlough provision into the committee's recommendations, the fact remains, nevertheless, that if the Congress fails to provide sufficient appropriations for the year 1933 to meet these salaries after the committee's reductions have gone into effect, there will be an application of the principle of the furlough wholesale, without pay, in order to prevent the submission of estimates for deficiencies.

What does that mean translated into the effect upon the Government service? It means that a Government employee will be asked to make up any failure on the part of Congress to provide sufficient appropriations for his salary by a furlough of indeterminate length, in addition to a 10 per cent cut.

An individual in the Government service, if he happens to be in a department where Congress has applied the economy cuts to all appropriations, except as to the Army and the Navy, may be asked to take a furlough for six months without pay, in addition to receiving for the six months he works a 10 per cent reduction. The committee bill combines the two worst features of both plans, and is absolutely indefensible.

Mr. President, under the furlough plan, at least something is given in exchange for the reduction in wage. A shorter working time is provided. But under the committee's flat 10 per cent reduction, nothing is obtained in exchange for that reduction so far as the working time is concerned, and, in the second place, the employee may also be asked to take a six months' furlough without pay.

Mr. President, confronted with this situation, recognizing the temper of this body, I realize that those of us who do not subscribe to this hue and cry that you can inflate with one hand, and by adopting deflationary measures with the other, accomplish anything toward economic recovery, must take the lesser of two evils.

Therefore, I hope the Senate will adopt the furlough plan. It will not mean a long struggle over the next 15 or 20 years to lift the standards of wages in the Government service to a commensurate level with a decent and respectable standard of living.

It will put the influence of the Government behind the change in our policy of employment in this country, which I believe is sound and in the right direction, namely, toward a 5-day week.

With the amendments which have been incorporated, the furlough plan will be equitably administered, because it will remain within the control of the individual employee himself to say whether he shall take his furlough in longer periods than five days in any one month.

If this furlough plan is voted down, then I recognize that the committee's recommendations will pass. I know full well what will happen. Industrial corporations, which have already cut wages 10 per cent three or four times, will point to such action on the part of the Government to justify a fourth and a fifth 10 per cent reduction in wages. It will start the engine of further deflationary measures in this country as nothing else which we could do at this time.

On the other hand, if the furlough plan is adopted, such leadership as the Federal Government can afford at this time will be in the direction of the 5-day week, which must come in this country if we are successfully to operate industries which have been mechanized and which are now able to produce vastly more than the purchasing power of the people enables them to consume.

Mr. President, a great hue and cry has been raised in this country for the reduction of expenditures on the part of taxpayers. I wish to point out that the Industrial Conference Board made an estimate of all governmental expenditures for the year 1929. They found that local expenditures amounted to \$7,126,000,000; that State expenditures amounted to \$1,990,000,000, and that Federal expenditures amounted to \$3,932,000,000.

So, looking at this proposition from the point of view of the taxpayers in the United States as a whole, this 10 per cent reduction in pay, as recommended by the committee, and the furlough plan, as proposed by the Senator from New Hampshire, differ to the extent of \$33,000,000, and, so far as the taxpayers of the country are concerned, they will never be able to see appreciably in their taxes that saving as between the two plans.

I sincerely trust that the Senate will adopt the amendment proposed by the Senator from New Hampshire.

THE POWER COMPANIES

Mr. WALSH of Montana. Mr. President, the action of the committee of conference in dealing with the item in the revenue bill in relation to the tax on electrical energy having been adverted to in the course of the debate this morning. I send to the desk a copy of the Baltimore Sun of this morning containing an editorial on that subject, which I ask to have read.

The VICE PRESIDENT. The clerk will read, as requested. The CHIEF CLERK. From the Baltimore Sun, June 7, 1932:

A LITTLE TOO SMART

It is pleasant to note the roar of anger in the Senate over the action of the conference committee in shifting the burden of the tax on electricity from the companies to the consumers. In all probability the shift will not break many backs. A man who uses \$5 worth of electricity in his home in a month will pay a tax of 15 cents. That is endurable. Nevertheless, the shift of the burden to the consumers' backs was outrageous and indefensible.

to the consumers' backs was outrageous and indefensible.

In the first place, the consumer is going to pay taxes in so many directions that even 15 cents may not be entirely negligible. In the second place, the power companies have fared better in the financial storm that started in 1929 than almost any other industry that can be imagined. In the third place, the issue as to whether the tax should fall on the companies or the consumers had been fought out on the floor, where debate was open and votes were recorded, and decided in favor of the consumers, and it is a peculiarly contemptible thing to reverse such a decision in the secrecy of the conference committee's room. No wonder a large body of conservative Members joined the Norris group in voting against this part of the conference report.

To the power companies it may be said that it is not altogether

To the power companies it may be said that it is not altogether certain that they have been as smart as they think. They are charging rates to-day designed to yield a handsome return upon valuation of their property fixed in accordance with the reproduction rule. They succeeded in establishing that rule in the days when prices were rising. Applied rigorously in these days of falling prices, the same reproduction rule would play hob with the valuation of their property, and therefore with the rates they may charge. It seems to us that really smart people would have given a thought to the public's attitude in that situation before putting over a fast one at the expense of the public.

Mr. WHEELER. Mr. President, in line with the editorial just read from the Baltimore Sun, I desire to submit some observations with reference to power-company profits and holding-company collapses. Recently, when this matter was being discussed in the Senate, both the Senator from Utah [Mr. Smoot] and the Senator from Pennsylvania [Mr. Reed] had much to say about power companies experiencing hard times and being reduced to a very small margin of profit. This is entirely erroneous, and can only be explained on the ground of confusion with the towering and insecure superstructures of holding companies that have been erected upon the operating power companies.

The Senator from Nebraska [Mr. Howell] showed the other day that the power companies' earnings were larger in 1930 and 1931 than in 1929. Investigation discloses that the same is true of the companies' net earnings.

The Electrical World, power company organ, states in its issue of May 28, 1932, that—

Not one of the major operating companies has omitted dividends so far.

Studying the earnings of 41 important operating companies scattered over the country for 12-month periods ending with January, February, or March, 1932, the Electrical World found that as compared with the preceding 12 months there was an average decline in gross earnings of 3 per cent. But net earnings declined only four-tenths of 1 per cent. Who can name another important industry anywhere that is so fortunately situated?

Twenty-one companies of the forty-one studied by the Electrical World actually increased their net earnings. The increases ranged from two-tenths of 1 per cent for the Tennessee Electric Power Co. to 9.6 per cent for the Mississippi Power & Light Co. and 10 per cent for the Louisiana Power & Light Co. Incidentally, the Federal Trade Commission has disclosed big write-ups in these Mississippi and Louisiana companies named as the most prosperous now, so that these phenomenal earnings are being made upon heavily watered stock, and the resulting dividends are being paid to controlling interests—Electric Bond & Share—upon very little real investment.

Another list presented in this same issue of the Electrical World shows that certain of the power companies are earning far more than the amount required to pay their dividends. These figures are for the year 1931. The Edison Electric Illuminating Co. of Boston, for example, paid dividends of \$13.60, but had available for dividends \$18.79. The Central Hudson Gas & Electric Co. paid dividends of 80 cents, but had available for dividends \$1.54 per share. The Cleve-

land Electric Illuminating Co. paid \$1.96 per share and had available \$2.87 per share.

Considering the companies which showed some recession in net earnings, the per cent of decline ranged from sixtenths of 1 per cent for the Consumers Power Co. to 16.9 per cent for the Houston Electric Co. There were only 20 which showed any reduction as against 21 reporting increases. And for the whole group of 41 companies the average decline in net earnings was only four-tenths of 1 per cent.

In the holding companies which live upon the operating companies, and for many years lived very high, we have a different story. For a group of 13 reported upon in this same issue of the Electrical World, the average decline in net profits from 1930 to 1931 was nearly 15 per cent—net profit as used here means the amount available for common-stock dividends and surplus. Only 8 of the 13 holding companies were earning their dividends fully in 1931. Although the extent of the decline varied rather widely, every one of the 13 showed a noteworthy decline, ranging all the way from 3.47 per cent in the North American Light & Power Co. to 33.40 per cent in the Standard Gas & Electric Co. (Byllesby). The decline in net profits for some of the other great holding companies from 1930 to 1931 was:

North American, 15.80; Niagara Hudson, 13.70; Electric Power & Light, 25.21; and Middle West Utilities (Insull), 14.30

One explanation of these holding company difficulties which have plunged half a dozen of the large ones into receivership, even while the operating power companies on the whole remained prosperous, is the way in which a slight fall of earnings in the operating company is exaggerated in the holding company above. The holding company ordinarily holds only the common stock of the operating company, and therefore catches the full force of a shrinkage. Where four or five holding companies are heaped one upon another, with each holding the common stock of the one below, the effect of the shrinkage is vastly magnified. This was the case with the \$2,500,000,000 Insull system, which recently went into receivership, with a loss of untold millions to investors in the market value of their securities.

But the decline in earnings, where it has occurred, does not account for all the trouble. The holding companies were as outrageously and recklessly financed as the operating companies under their control, it is shown in the Federal Trade Commission's reports. In many instances on record their stocks were prodigously watered and they were dangerously overborrowed. They have suffered, too, in many instances from a manipulation of accounts which served to conceal their weaknesses as long as business was booming and any sort of securities was snapped up eagerly by investors.

To take a simple example, the Electrical World, in discussing in this issue of May 28, 1932, the effect upon holding companies of fluctuations in the earnings of operating companies, goes on to say:

Such fluctuations necessitate the maintenance of an adequate surplus by holding companies to level peaks and valleys in the earnings from good years and bad.

But some of the holding companies, when hard times came, had little real surplus of this sort to fall back upon. Insull's Middle West Utilities Co. showed on its books when it came before the Federal Trade Commission a supposed earned surplus of \$13,532,000. But the commission's accountants found that much of this did not represent money earned in the course of business and laid by for the rainy day. It represented, in part, only book figures resulting from the marking up of security values and the like. It was of no help in paying off pressing bank loans or meeting dividend requirements.

To sum up, the power companies' rates are still "frozen" at the old exorbitant levels, and since people can not get along without electricity the companies' profits remain substantially as large as they were before the depression. But the hardship this imposes upon the rate payers has failed to

be of much benefit to the hundreds of thousands of investors who bought holding company securities and who have suffered enormous losses.

Mr. President, I want to call the attention of the Senate briefly to the fact that when people were talking about the earning capacity of the power companies they certainly could not have been speaking with reference to the operating companies because, as I have just shown, the operating companies throughout the country have been making money. The holding companies, which were based almost entirely upon watered stock and which were organized for the sole purpose of milking the operating companies and selling their watered stock to an unsuspecting public, have been the only ones who, as a matter of fact, have lost during the depression. They have lost because of the fact that they had no real assets.

From a reading of the Federal Trade Commission report I venture to assert without fear of successful contradiction that there are very few of the holding companies but what could be and should be prosecuted by the Attorney General of the United States of America for using the mails to defraud. If any other industry in the United States, if any group of individuals in the United States, in the Northwest or any other section of the country, had gotten together and perpetrated a fraud upon the people of the United States and upon the stockholders, had used the United States mails for unloading watered stocks upon the public and making the representations which those companies have made, they would have been prosecuted and sent to the penitentiary for using the mails to defraud. I say that because of the fact that I have had some experience in prosecuting cases of that kind. I can take the Federal Trade Commission report and show where these companies have sent fraudulent and false misrepresentations through the mails with respect to what they were actually getting in the way of profits and what they actually had in the way of assets.

But, Mr. President, it seems to be a hopeless task to do anything with a group of individuals who have the enormous power and the enormous backing and the enormous money that some of the power companies and interests have. It is not only true of the power companies, but it is true of a lot of other companies which were operating and selling their stocks upon the stock markets during the boom time.

I am in hopes that the Banking and Currency Committee will go to the very bottom of the stock-market debacle and that they will not simply scratch the surface—not so much with the idea of trying to send somebody to the penitentiary, but with the idea of enacting some legislation to prevent this sort of thing occurring in the future and with the view of enacting legislation of a national scope that will make it criminal for these people to carry on their pools, as has been shown before the Committee on Banking and Currency, and likewise to make it criminal to carry on short selling as has been done on the New York Stock Exchange. If this session of Congress did nothing more than to prevent that practice, we would be really doing some constructive work which would be of untold benefit to the people of the country.

PROHIBITION—STATEMENT OF JOHN D. ROCKEFELLER, JR.—
PROPOSED PARTY PLANKS

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the Record a statement of Mr. John D. Rockefeller, jr., on the subject of prohibition, as carried this morning in the New York Herald Tribune.

Mr. WHEELER. Mr. President, will the Senator from Maryland yield to me?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Montana?

Mr. TYDINGS. I yield.

Mr. WHEELER. Does the Senator think the fact that Mr. John D. Rockefeller, jr., has changed his views with reference to prohibition means that Mr. Hoover is going to change his views in reference to that subject?

Mr. TYDINGS. I should not be surprised if that were so. There being no objection, the statement was ordered to be printed in the Record, as follows:

[From the New York Herald Tribune, June 7, 1932]

My position may surprise you, as it will many of my friends. I was born a teetotaler; all my life I have been a teetotaler on principle. Neither my father nor his father ever tasted a drop of intoxicating liquor, nor have I. My mother and her mother were among the dauntless women of their day, who, hating the horrors of drunkenness, were often found with bands of women of like mind, praying on their knees in the saloons in their ardent desire to save men from the evils that so commonly sprang from those sources of iniquity. Although a teetotaler on principle and in practice, I have always stood for whatever measure seemed at the time to give promise of best promoting temperance. With my time to give promise of best promoting temperance. With my father, I for years supported the Anti-Saloon League in both its State and National work. It was at one time reported that our contributions toward the passage of the eighteenth amendment amounted to between \$15,000,000 and \$30,000,000. As I have preamounted to between \$15,000,000 and \$30,000,000. As I have previously stated, from the year 1900 up to and including the date of the passage of the eighteenth amendment, the contributions of my father and myself to all branches of the Anti-Saloon League, Federal and State—the only contributions made by us in support of prohibition legislation—aggregated \$350,000.

When the eighteenth amendment was passed I earnestly hoped—with a host of advocates of temperance—that it would be generally supported by public opinion and thus the day be hastened when the value to society of men with minds and bodies free from the undermining effects of alcohol would be generally realized. That

the value to society of men with minds and bodies free from the undermining effects of alcohol would be generally realized. That this has not been the result, but, rather, that drinking generally has increased; that the speak-easy has replaced the saloon not only unit for unit but probably twofold if not threefold; that a vast army of lawbreakers has been recruited and financed on a colossal scale; that many of our best citizens, piqued at what they regarded as an infringement of their private rights, have openly and unabashed disregarded the eighteenth amendment; that as an inevitable result respect for all law has been greatly lessened; that crime has increased to an unprecedented degree—I have slowly and reluctantly come to believe. and reluctantly come to believe.

I am not unmindful of the great blessing which the abolition of the saloon has been to our country or of certain other benefits that have resulted from the adoption of the eighteenth amendment. It is my profound conviction, however, that these benefits, important and far-reaching as they are, are more than outwelghed by the evils that have developed and flourished since its adoption, evils which, unless promptly checked, are likely to lead to conditions unspeakably worse than those which prevailed before.

It is not to be expected that the repeal of the eighteenth amendment will in itself end all these evils and restore public respect for law. I believe, however, that its repeal is a prerequisite to the attainment of that goal. I am informed that should repeal become effective all the machinery for controlling the liquor traffic built up in the respective States and in the Nation throughout the many years prior to the enactment of the eighteenth amendment would, with few exceptions, be in force, strengthened by various Federal laws and court decisions having to do with the regulation of interstate commerce. Moreover, were the eighteenth amendment to be repealed, sufficient time ought to be given before repeal became effective to permit the various States through legislative action representing public opinion to set up such new safeguards or methods with reference to the handling of alcoholic beverages as seemed best calculated to insure adequate and proper control of the traffic in the interest of temperance and at the same time safeguard the normal liberty of action of the individual,

There are many who, feeling as I do, that the eighteenth amend-

There are many who, feeling as I do, that the eighteenth amendment has not accomplished the object which its enactment sought to attain, would willingly favor its repeal were some alternate method that gave promise of better results offered as a substitute. In my judgment, it will be so difficult for our people as a whole to agree in advance on what the substitute should be, and so unlikely that any one method will fit the entire Nation, that repeal will be far less possible if coupled with an alternate measure. For that reason I the more strongly approve the simple, clear-cut position you are proposing to recommend and which I shall count

For that reason I the more strongly approve the simple, clear-cut position you are proposing to recommend and which I shall count it not only a duty but a privilege to support.

My hope is that the tremendous effort put forth in behalf of the eighteenth amendment by millions of earnest, consecrated people will be continued in effective support of practical measures for the promotion of genuine temperance. To that cause my own efforts will ever be devoted.

Very sincerely,

JOHN D. ROCKEFELLER, Jr.

Mr. TYDINGS. Mr. President, I notice that there are now absent from the Chamber many Senators of both parties, Democrats as well as Republicans. I should not be surprised if a great many of them are engaged in working on an ideal prohibition plank, and having some facility in expressing myself along political lines, I have thought perhaps I could save them all a great deal of trouble. So I have prepared a very short and very ideal prohibition plank which, if adopted, would please everybody, and which, I hope, will render unnecessary in the future the labors of Senators along this line and enable them to return to the Chamber to take part in the debate.

The plank which I propose is to be read at national conventions accompanied on the pipe organ by Hearts and Flowers.

The plank reads as follows:

We recognize there are three groups of thought about national prohibition.

- 1. There is the dry group. We love all those persons in this group who no doubt are dry because of love for those who are opposed to national prohibition. We know that nothing but love and kindness for others could cause people to embrace national prohibition.
- 2. There is the repeal group. We love all those persons in this group who, no doubt, are wet because of love of those who are in favor of national prohibition. We know that nothing but love and kindness for others could cause people to oppose national prohibition.
- 3. There is the modification group. We love all those persons 3. There is the modification group. We love all those persons in this group who, no doubt, are modifiers because of love for those who are either wet or dry as regards national prohibition. We know that nothing but love and kindness for others could cause people to be neither for nor against national prohibition. We therefore point out to all and invite all persons to support the above plank, because it is filled with love and kindness and fair to all shades of opinion on this subject. Amen.

Mr. SHEPPARD. Mr. President, the Senator from Maryland said that the prohibition planks he proposed should be accompanied by the melody to which the name "Hearts and Flowers" has been given. That would be very appropriate. The hearts would be the broken hearts of the victims of the liquor traffic, and the flowers would be the flowers sent for the dead who have perished from its ravages.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Hampshire [Mr. Moses) as modified, on which the yeas and nays have been

Mr. MOSES. Mr. President, the yeas and nays having been ordered, before the vote is taken I wish to make it entirely clear as to what took place with reference to my withdrawal of the so-called Vandenberg amendment and the subsequent rejection of that amendment by the Senate. It includes not only the matter printed in italics, in section (d), on page 3 of the printed amendment, but it includes also the amendment on page 5, line 14, and line 17, where the 16% per cent and 10 per cent are put in as amend-Those were all included in the amendment which was withdrawn by me and then voted upon separately by the Senate.

Mr. JONES. Mr. President, I am not going to take the time of the Senate to discuss the question further. I hope we may have a vote on it, but I think we should have a quorum before the vote begins. I, therefore, suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Kean	Schali
Austin	Davis	Kendrick	Sheppard
Bankhead	Dickinson	Keyes	Shipstead
Barbour	Dill	King	Shortridge
Barkley	Fletcher	La Follette	Smith
Bingham	Frazier	Lewis	Smoot
Blaine	George	Logan	Steiwer
Borah	Glass	McGill	Thomas, Ida
Bratton	Glenn	McKellar	Thomas, Ok
Broussard	Goldsborough	McNary	Townsend
Bulkley	Gore	Metcalf	Trammell
Bulow	Hale	Moses	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Wagner
Caraway	Hatfield	Norris	Walcott
Carey	Hawes	Nye	Walsh, Mass
Cohen	Hayden	Oddie	Walsh, Mont
Connally	Hebert	Patterson	Watson
Coolidge	Howell	Pittman	Wheeler
Costigan	Hull	Reed	White
Couzens	Johnson	Robinson, Ark.	
Cutting	Jones	Robinson, Ind.	

la.

The PRESIDING OFFICER (Mr. Dickinson in the chair). Eighty-six Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from New Hampshire [Mr. Moses], as modified, on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swansonl. I transfer that pair to the Senator from Colorado [Mr. WATERMAN], and will vote. I vote "nay."

Mr. LA FOLLETTE (when his name was called). a pair for the day with the Senator from North Carolina [Mr. Balley]. I am advised that if present he would vote nay." If at liberty to vote, I should vote "yea."

Mr. McNARY (when his name was called). On this question I have a pair with the junior Senator from Oklahoma [Mr. Gore]. Not knowing how he would vote, I withhold my vote.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. In his absence I withhold my vote.

Mr. SCHALL (when his name was called). I have a pair with the Senator from Alabama [Mr. Black]. If at liberty to vote, I should vote "yea."

Mr. WATSON (when his name was called). The Senator from South Carolina [Mr. SMITH], with whom I have a general pair, is unavoidably detained from the Senate. Not knowing how he would vote, I am compelled to withhold my vote. If I were at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. GLENN. I have a general pair with the junior Senator from Louisiana [Mr. Long], who is absent from the city. I therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. WAGNER. My colleague [Mr. COPELAND] is detained on account of illness. He is paired with the senior Senator from Ohio [Mr. Fess].

Mr. SHEPPARD. I desire to announce that the Senator from Alabama [Mr. Black], the Senator from Mississippi [Mr. STEPHENS], the Senators from North Carolina [Mr. Morrison and Mr. Bailey], the Senator from Louisiana [Mr. Long], and the Senator from Virginia [Mr. Swanson] are necessarily out of the city.

I also wish to announce that the Senator from Oklahoma [Mr. Gore] is necessarily detained on official business.

The result was announced—yeas 36, nays 41, as follows:

YEAS-36 Austin Davis Frazier Neely Steiwer Barbour Thomas, Okla. Nye Oddie Blaine Goldsborough Townsend Vandenberg Carey Coolidge Patterson Hawes Wagner Walcott Walsh, Mass. Hebert Pittman Costigan Couzens Johnson Reed Shipstead Kean Cutting Logan Moses Shortridge Wheeler Smoot White NAYS-41 Ashurst Hayden Caraway Norbeck Norris Robinson, Ark. Cohen Connally Dickinson Howell Hull Bankhead Barkley Jones Bingham Sheppard Thomas, Idaho Trammell Borah Bratton Dill Kendrick Fletcher Keyes George Glass Hale King Lewis McGill Tydings Walsh, Mont. Broussard Bulkley Bulow Harrison Hastings Byrnes Capper McKellar Metcalf NOT VOTING-19 McNary Morrison Robinson, Ind. Bailey Glenn Stephens Gore Hatfield Black Brookhart Swanson Waterman Copeland La Follette Schall

So Mr. Moses' amendment, as modified, was rejected.

Long

Mr. SHEPPARD. Mr. President, I am in receipt of a telegram from Houston, Tex., signed by M. K. Williams and 7,769 other citizens. The telegram, including the signatures, comprises 22,381 words. The manager of the Western Union tells me it is the longest telegram ever received at Washington. The message part is short, and I ask that the message part be published in the RECORD. It urges prompt action on revenue, drastic economies, and an immediate adjournment of Congress after these matters have been cared for.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The telegram is as follows:

Houston, Tex., June 6, 1932.

Hon. MORRIS SHEPPARD,

United States Congress, Washington.

(For Texas Senators and Representatives.)
We, the undersigned, implore our Texas Senators and Congress. men to join in securing drastic economies in governmental expenses. It is our opinion that the estimated returns from income taxes will not secure the expected increases, due to the poverty of all the people, including thousands of the former rich, and that to balance the Budget of our Government we must put into effect the same economies that have been found necessary by all lines of business and individuals. We believe it is now time for the appropriations to be slashed and we call upon you to insist upon such action. All business of this country is being imperiled by the uncertainties of taxation and appropriations. The people are in fear of worse to come and the sooner Congress adopts the new tax bill and acts upon a program of economy the better it will be for the entire country. Take these two actions, consider no other matters, and then adjourn. The 7,770 signatures to this telegram were signed in one day.

M. K. WILLIAMS (other signatures omitted).

Mr. SHORTRIDGE. Mr. President, in accordance with the notice given by me on Saturday last, I now enter motions to reconsider, first, the vote agreeing to the reported amendment, on page 46, lines 16 and 17; and, second, the vote rejecting the amendment proposed by the Senator from New York [Mr. COPELAND] to the foregoing amendment exempting members of the Metropolitan police force and the Fire Department of the District of Columbia from reductions in compensation under section 102.

I enter that motion as of now, pursuant to the notice given on Saturday.

The PRESIDING OFFICER. The motion will be received and lie on the table. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "Title II-Provisions affecting personnel," on page 52, after line 18, to strike out:

COMPULSORY RETIREMENT FOR AGE

SEC. 204. On and after July 1, 1932, no person rendering civilian service in any branch or service of the United States Government or the municipal government of the District of Columbia who shall have reached the retirement age prescribed for automatic separation from the service, applicable to such person, shall be continued in such service, notwithstanding any provision of law or regulation to the contrary: Provided, That no such person here-tofore or hereafter separated from the service of the United States or the District of Columbia under any provision of law or regulation providing for such retirement on account of age shall be eligible again to appointment to any appointive office, position, or employment under the United States or the District of Columbia: Provided further, That this section shall not apply to any person named in any act of Congress providing for the continuance of such person in the service.

The amendment was agreed to.

The next amendment was, on page 53, line 12, to insert the following subhead:

Rate of compensation upon which retired pay shall be based.

The amendment was agreed to.

The next amendment was, on page 53, line 21, after the designation "Title I," to insert a colon and the following proviso:

Provided, That retirement deductions authorized by law to be made from the salary, pay, or compensation of officers or employees and transferred or deposited to the credit of a retirement fund, shall be based on the regular rate of salary, pay, or com-pensation instead of on the rate as temporarily reduced under the provisions of this act.

So as to make the section read:

SEC. 204. The provisions of this part of this act providing for temporary reductions in compensation and suspension in automatic increases in compensation shall not operate to reduce the rate of compensation upon which the retired pay or retirement benefits of any officer or employee would be based but for the application of such provisions, but the amount of retired pay shall be reduced as provided in Title I: Provided, That retirement deductions authorized by law to be made from the salary, pay, or compensation of officers or employees and transferred or deposited to the credit of a retirement fund, shall be based on the regular rate of salary, pay, or compensation instead of on the rate as temporarily reduced under the provisions of this act.

The amendment was agreed to.

The next amendment was, under the subhead "Temporary reduction of travel allowances," on page 54, after line 5, to strike out:

(a) The traveling and per diem allowances provided for in sections 3, 4, 5, and 6 of the subsistence expense act of 1926, approved June 3, 1926 (U. S. C., Sup. V, title 5, secs. 823-826), shall not exceed the amounts of \$5, \$4, \$6, and \$5, respectively, in lieu of the amounts set forth in such sections.

The amendment was agreed to.

The next amendment was, on page 55, after line 13, to insert:

PERMANENT REDUCTION OF TRAVEL ALLOWANCES

Sec. 206. Section 3 of the subsistence expense act of 1926, approved June 3, 1926 (44 Stat. 688, 689), is hereby amended to read as follows:

"SEC. 3. Civilian officers and employees of the departments and establishments, while traveling on official business and away from their designated posts of duty, shall be allowed, in lieu of their actual expenses for subsistence and all fees or tips to porters and stewards, a per diem allowance to be prescribed by the head of the department or establishment concerned, not to exceed the rate of \$5 within the limits of continental United States, and not to exceed an average of \$6 beyond the limits of continental United States."

The amendment was agreed to.

The next amendment was, at the top of page 56, to insert:

SEC. 207. Sections 4, 5, and 6 of the said subsistence expense act of 1926 are hereby repealed, and section 7 thereof is hereby amended by striking out the reference therein to actual expenses so that the section, as amended, will read as follows:

"SEC. 7. The fixing and payment of per diem allowance, or

"SEC. 7. The fixing and payment of per diem allowance, or portions thereof, shall be in accordance with regulations which shall be promulgated by the heads of departments and establishments and which shall be standardized as far as practicable and shall not be effective until approved by the President of the United States."

The amendment was agreed to.

The next amendment was, on page 56, after line 11, to

Sec. 208. Hereafter, no law or regulation authorizing or permitting the transportation at Government expense of the effects of officers, employees, or other persons, shall be construed or applied as including or authorizing the transportation of an automobile.

The amendment was agreed to.

The next amendment was, on page 56, after line 16, to insert.

SEC. 209. The provisions of all acts heretofore enacted inconsistent with the provisions of sections 206, 207, and 208 are, to the extent of such inconsistency, hereby repealed.

The amendment was agreed to.

The next amendment was, under the subhead "Limitations on amount of retired pay," on page 58, after line 4, to strike out:

(b) This section shall not apply to officers on the emergency officers' retired list created by the act of May 24, 1928, and shall not apply to any person retired for disability incurred in line of duty.

Mr. FLETCHER. Mr. President, I offer an amendment at that point. Beginning in line 5, in lieu of what is stricken out, I move to insert:

(b) This section shall not apply to any person retired for injuries received in battle.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida to the amendment of the committee will be stated.

The CHIEF CLERK. On page 58, beginning at line 5, in lieu of the committee amendment, it is proposed to insert the following:

(b) This section shall not apply to any person retired for injuries received in battle.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Florida explain the purpose and effect of his amendment.

Mr. FLETCHER. Section 211, just preceding, on page 57, makes a limitation on the amount of retired pay. It reads as follows:

(a) After the date of the enactment of this act, no person holding a civilian office or position, appointive or elective, under the United States Government or the municipal government of the District of Columbia or under any corporation, the majority of the stock of which is owned by the United States, shall be entitled, during the period of such incumbency, to retired pay from the United States for or on account of services as a commissioned officer in any of the services mentioned in the pay adjustment act of 1922 (U. S. C., title 37), at a rate in excess of an amount which when combined with the annual rate of compensation from such civilian office or position, makes the total rate from both sources more than \$3,000; and when the retired pay amounts to or exceeds the rate of \$3,000 per annum such person shall be entitled to the pay of the civilian office or position or the retired pay, whichever he may elect. As used in this section, the term "retired pay" shall be construed to include credits for all service that lawfully may enter into the computation thereof.

I think this ought not to apply to a retired officer who is retired for injury received in battle. I offer the amendment because I think that an officer who has been actually wounded in battle ought not to be deprived of his retired pay.

Mr. REED. Mr. President, of course we all sympathize with an officer who is wounded in action; but he is not entitled to one particle more sympathy than a fellow officer or fellow soldier right beside him who gets pneumonia from living in the trenches. One suffers in his country's service just as much as the other.

I should hope that the Senator would broaden his amendment so as to make it cover injuries received or disability suffered in line of duty.

suffered in line of duty.

Mr. FLETCHER. I have no objection to that; and I accept that amendment.

Mr. KING. Mr. President, may I inquire what the purpose of this amendment is? As I understand—and I am not very familiar with the bill, because of the press of other duties—there are a large number of persons who are receiving employment at the hands of the Government who have retired pay, and the purpose of this section is that they shall not receive in the aggregate more than the salary which is provided for the position which they are filling. In other words, they are restricted to the salary which is fixed by law.

Mr. REED. Mr. President, under the unanimous-consent agreement that has been made we are restricted a little bit in dealing with this subject. I have printed and lying on the desk an amendment dealing with the body of this paragraph, at the bottom of page 57; but inasmuch as the amendment now offered by the Senator from Florida deals with a committee amendment and not with the House text, it forces that amendment to be considered first, and my amendment has to lie over until all the committee amendments are acted on.

In other words, we are dealing with the exception before we establish the rule, which is an awkward way of going about the matter. I hope to see the whole section amended, so as to provide uniformly for all officers, and provide that the combination of their retired pay and their civilian pay shall not be permitted to exceed the amount they were getting before retirement. That would be a just rule. Under such a rule as that, the scandals in the Veterans' Bureau could not have occurred. Unfortunately, however, our procedure is such that we have to deal with the exception first before we deal with the general rule.

The PRESIDING OFFICER. Let the Chair suggest that it would be well for the Senator from Florida to permit the

committee amendment to be considered now, and then the two amendments could be taken up in their order when the other amendments to the bill are being considered.

Mr. REED. I suggest that that would be better. we get to amendments to the House text, then the Senator from Florida can offer his amendment as an addendum to the House text in subdivision (a), and we can take up the whole matter of the general rule and the exception at one

Mr. BRATTON. Mr. President, will the Senator from Pennsylvania yield?

Mr. REED. I yield.

Mr. BRATTON. I was going to suggest to the Senator from Florida that we let this matter go over until we reach and dispose of Title VII. Our action on that may have some bearing on this question.

Mr. REED. To which amendment does the Senstor refer? Mr. BRATTON. The amendment the Senator from Florida is now offering. I suggest that we let the matter go over by unanimous consent until we make disposition of

Mr. FLETCHER. Mr. President, the question arose on agreeing to the committee amendment, and I wanted to have this matter attended to before that amendment was agreed to or rejected, because I am proposing to substitute something for the committee amendment. I quite agree with the Senator from Pennsylvania that the body of the section really ought to be dealt with before we get to the exception. But we were not doing that, and an exception was about to be acted on, so I offered the amendment. I am willing to let it go over.

The PRESIDING OFFICER. Let the Chair suggest that the committee amendment go over, as well as the pending amendment, until the other committee amendments are agreed to, and then the whole matter can be considered.

Mr. FLETCHER. Mr. President, I appreciate the suggestion of the Chair, and on condition that the whole matter shall go over until we deal with the other section, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn, and the clerk will state the next amendment of the committee.

The next amendment was, on page 58, line 9, to strike out the subhead "Personnel reductions-Married persons," and insert in lieu thereof "Appointment of married persons."

The amendment was agreed to.

LEGISLATION RECOMMENDED BY CONFERENCE OF MUNICIPAL EXECUTIVES

Mr. VANDENBERG. Mr. President, a few days ago there was held in the city of Detroit a conference of the chief executives of several American municipalities dealing with the municipal fiscal difficulty which impends in such dire emphasis in many parts of the country. That conference named a committee consisting of Frank W. Murphy, mayor of Detroit; James M. Curley, mayor of Boston; Dan W. Hoan, mayor of Milwaukee; George W. Welsh, city manaager, Grand Rapids; Ray Miller, mayor of Cleveland; William T. Anderson, mayor of Minneapolis; and T. S. Walmsley, mayor of New Orleans, to present a memorial to the Vice President. The committee has just presented the memorial to the Vice President, and I desire now to submit it to the Senate. I send it to the desk and ask that it may be read.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Is there objection? The Chair hears none, and the clerk will read the memorial.

The Chief Clerk read as follows:

I. PREAMBLE

The world and the Nation are at war. The enemy is hunger. We have it on reliable authority that the extent of unemployment in the United States now equals that of all Europe combined—which means all the rest of the industrial world. This has precipitated an emergency unprecedented in modern times. Such a situation calls for the prompt, vigorous, and intelligent measures which war always makes imperative.

We do not in any sense retreat from the position, fundamental in our democratic system, that in normal times municipal governments must maintain themselves, perform their proper functions,

and solve the social and economic problems incident to such normal activity. But these are not normal times. It is a crisis, imminent and terrifying. The long period during which unemployment has continued and increased has created conditions of suffering and need nothing less than appalling.

The cities of the Nation, large and small, have met these conditions with resourcefulness and courage. But all their resources ditions with resourcefulness and courage. But all their resources of money and credit are nearing exhaustion. Relief must be found or nation-wide insolvency will result. Tax delinquencies have increased to an alarming extent. Our industrial cities are staggering under the burden of debts incurred as a result of the vast expansion of prosperous years. The interest and sinking charges on these obligations represent a wholly disproportionate burden at the present time, due to the greatly increased purchasing power of the dollar. Even those municipalities which have instituted the most rigid economies in operation are now in a precarious situthe doran level those intuities which have instituted the most rigid economies in operation are now in a precarious situation. Not only welfare relief but essential governmental services

ation. Not only welfare relief but essential governmental services are now threatened and the very foundations of our social order are imperiled. In the face of this threat against human welfare and human life itself measures must be employed as drastic as those of military authority in times of actual physical warfare.

The problem is now a national one. The Federal Government is the only agency that represents all the people and is able to deal adequately with the emergency. It has the unlimited credit of the Nation, and by intelligent planning it can provide for the human welfare and security of its citizens. The measures we are human welfare and security of its citizens. The measures we are advocating are entirely consistent with a sound fiscal policy and need not in any way disturb our national credit or stability. Hence the Federal Government is the one remaining source to which we can turn in this emergency, and we do so with confidence that wise and adequate assistance will not be denied.

II. RECOMMENDATIONS

II. RECOMMENDATIONS

We therefore, mayors, city managers, and representatives of 31 leading cities of the United States, called into conference at Detroit, Mich., June 1, 1932, after careful consideration of the facts set forth in this preamble, submit the following as a remedy, in whole or in part, for the critical conditions described:

1. We recommend that a \$5,000,000,000 prosperity loan be made available immediately for national projects to effectuate the employment of millions of men and in this manner to provide work for our jobless, redistribute purchasing power, and thereby stimulate industry. We recommend that this be done by Congress declaring war, not figuratively but literally, against unemployment and depression; and that to this end a work army be mobilized, as armies were mobilized in 1917-18, for work on national projects throughout the United States.

2. We recommend the immediate enactment of such relief

2. We recommend the immediate enactment of such relief legislation as may be necessary to conserve the welfare of the American people during the present industrial depression.

3. We recommend an amendment to the congressional act incorporating the Reconstruction Finance Corporation, or such other

legislation as may be finally determined advisable, to permit such corporation to invest its assets in notes, debentures, bonds, or other faith and credit obligations of cities for public welfare, to provide money for delinquent tax obligations and the refunding of bonds and obligations to release funds necessary to maintain

the adequate and proper operation of municipal government.

4. We recommend that copies of these resolutions be presented to the President and the Congress of the United States and be made available to the press of the Nation.

Mr. VANDENBERG. Mr. President, I ask that the memorial be referred to the Committee on Banking and Currency. The PRESIDING OFFICER. Without objection, it is so

Mr. SHEPPARD. Mr. President, I wish to say that the Senate is signally honored by the presence in one of its galleries of the mayors signing the memorial which was read a moment ago. One of them is a former Member of Congress. These men speak straight from the heart in behalf of the American masses, and the Senate would do well to consider seriously what they say.

Mr. NORRIS. Mr. President, I hope the Committee on Banking and Currency will take some action on this memorial. It seems to me that the recommendations of the memorial just read by the clerk present one of the fairest and what would be one of the most effective methods of reaching the unemployment situation that has been presented to the Senate.

Those who favor the recommendations proposed by the mayors, or in some part favor them, at least, and began advocating practically the same thing last fall before Congress convened, and continued in their advocacy of those methods after Congress convened, met with bitter opposition from all sides. If the advice of those who favored that kind of a proposal had been heeded and acted on last December when Congress convened, the things asked for would have been in operation at this moment, millions of men now walking the streets hunting for jobs would have been in positions, they would have been able to support themselves

necessaries of life the money obtained from such employ-

Nobody can tell exactly how far-reaching such a program would have been. It is quite evident, however, that it would have gone away beyond the immediate employment of the men concerned. It would have gone away beyond what we could possibly imagine. The effect of it would have reached into all channels of trade and activity.

Many men who are now out of employment, even though they would not have been employed directly in the method advocated by this memorial, would have been employed, nevertheless, because the effect of the plan would have reached into every community and into every business, and would have had a direct bearing upon the country at large.

It would have necessitated the issuance of bonds, it is true, something we are to come to if we are to tide over the coming winter those who will be in need of assistance. The difference would have been that the unemployment would have been much less extensive, the distress not so great, and the suffering not so far-reaching.

Mr. President, it seems to me it would have been better if we had met in a national way the conditions, which have been continually getting worse, and it would have been better if we had met them at the beginning. No one can tell now just what the immediate future has in store, but the summer is half over, and those who said last fall that when spring came unemployment would disappear have had their eyes opened, and now begin to realize that those few who urged last fall that we take the step now suggested, so that we would be ready at the beginning of this summer to put the unemployed to work, were right; they realize that the prophecies then made have been fulfilled and the warnings then given have been proven justified. Much as I regret it we will be face to face a year later with a problem that ought to have been met frankly at the very beginning, which has been much increased in its suffering and in its widespread effect.

Bonds of the Federal Government, I think, will have to be issued. Municipalities and States and charitable organizations have gone the extreme limit. They will not be able to carry on next winter as they did last winter. Moreover, there is only one fair way of meeting this great depression and the questions that it raises. It is not fair to call upon the charitably inclined people of the United States to bear all the burdens. They have done well, both rich and poor, but many who are able to contribute do not contribute as they should. Many contribute nothing. Many contribute in much smaller amounts than their ability to pay would indicate they should contribute. There is only one fair way to reach them and that is through taxation methods.

Mr. President, it is much better to give a man a job than to let him remain idle, and feed and clothe him, and feed and clothe his family. It is much better for the Government and saves lots of money because we get something in return if we employ him. It is much better for him because it gives him an independence that can not be his if he is compelled to receive charity to keep himself and his family alive.

I hope the Committee on Banking and Currency will give consideration to this memorial in passing upon the various measures that are before it. I do not understand why the memorial should go to that committee, but I have no objection to it going there. I would not be inclined to raise a technical question as to where it should go, but I would like to have it fall into sympathetic hands, as it probably will in that committee.

Mr. LEWIS. Mr. President, I felicitate the Senator from Texas [Mr. Sheppard] in his observation; and while I may not have in mind the particular gentleman to whom he alludes, I can not overlook the fact that I have seen through the history of my country during the last year that none has been more active in the aid of the miserable and seeking some remedy for the unfortunate of our country than that distinguished mayor of Boston, Mayor Curley, and his aides. The eminent Senators from Massachusetts, whatever might

and their families, and would have been spending for the | have been the differences in local matters, have never failed to pay their tribute to the merit of this gentleman.

Mr. President, I add felicitation to all of those who, in their homes and otherwise, have been lifting from the shoulders of the Nation a great burden and seeking to carry it themselves out of a sense of pride of locality. I prefer to confess frankly that I regard all the old theories of the divisions of government as having now been merged out by time and that a new era of civilization has set upon this Republic. where no longer the mere divisions of State and Nation in themselves are to be allowed to obstruct and defeat necessary remedy for the relief of citizenship in distress.

But, Mr. President, I have seen of late so much exhibition of that fetish of worship of the ancient order of the theories of the Republic called Hamiltonian or Jeffersonian power of State or of Nation, these no longer fitting to present conditions under consideration. I have seen ignored the needs of the day in order to pay devotion to these worn and raveled theories which merely serve as a netting to entrap and then enmesh to confusion every form of relief necessary to the citizen. We have reached the point when it is assumed that the citizen has been created for the Government, but mankind in our country fail to recognize the truth, that government has been created for the citizen.

Mr. President, I am this morning attracted that the public press states that that distinguished citizen of my State of Illinois, Gen. Charles Gates Dawes, withdraws himself from the public service to our country, where he has been heretofore attached as one of the officers of the Reconstruction Finance Corporation, and honored as the first of statesmen and first of patriots. I am pleased to pay to one whom I have long known the tribute of his worthiness. I have served with him in civic capacity in our city of Chicago in civil reforms, and likewise during the World War. It was to Dawes, the head of the Supply Division, I was sent by the Secretary of War and the President of the United States, and thereafter the service I was ordered to and executed at Paris was resumed at Chaumont with General Pershing. In all these I saw his great martial organization capacity. These military matters are merely referred to by me to indicate that my relationship is of a personal character that forbids a criticism that could be called one of antagonism or enmity.

But I observe that my friend, the former Vice President of the United States and the eminent head of the great corporation to which I have referred, is credited with an interview given to the public press that will do much to paralyze the hopes of the distinguished Senator from Nebraska [Mr. Norris], whose observations we have just heard, and serve to palsy the possibility of their execution and likewise do more to give something of discouragement and retreat to all the efforts that are now being presented in behalf of those in the States and cities who are seeking relief. General Dawes is reported to have said to the press that there is no further need of his services, that prosperity has now come to bless the land, and that it flows through our citizenship as the milk and honey did in the blessed hours when Judea and Israel received their manna from God.

I would that it were true. But as we who are out in the field and in touch with the masses of the people are conscious that they are hungry in millions, on the border of distress that drives them to desperation only limited in resentment by their restraint, and we have known that the millions of needy are multiplying in number, and that different forms of relief are taking on various shades of undertaking. Mr. President, I fear, sir, that these measures brought to the attention of the Chair and of the Senate by the memorial just read may be likened to those which are before the Banking and Currency Committee from many States of the Union, and particularly the one from Illinois, which it was my honor-nay, my sad duty-to present in conjunction and in connection with my colleague [Mr. GLENN]. This one tells the world that the home of General Dawes has in the last week increased in the millions of

those who are hungry and homeless and that the nonemployment has multiplied to a degree far in excess of the expressions of those whose fears of danger had far outrun their hopes for relief by decrease of the want and neces-

I call attention that these documents now upon the table of the Senate, these measures that are now before the Banking and Currency Committee, are those to which the President of the United States has given his approval, among which is one in which are compositely interested the Senators from Massachusetts, New York, Illinois, and Arkansas-our Democratic leader-one which tenders \$300,-000,000 to be advanced to the States of the Union which are in such necessity as would call for it. This is to be advanced through the Credit Corporation, the money to be advanced to the Credit Corporation and then by that corporation to be lent to such States as will show their necessities justifying the loans and can offer such securities as under the conditions of that particular State will be appropriate and what might be called conservatively sustaining.

What I want to say is that while these measures are pending looking for relief to these States, while these cities which are harboring the hungry and the miserable and the helpless, while these countless thousands of good men are doing what they can to summon up by invention and execute by effort something that shall give relief, should the statement of General Dawes be accepted throughout the whole Union of States as coming from the Capital where he leaves the highest office of authority, and in association with the highest officials, that there is now complete prosperity come upon the country, that there is no need for any further fear, that there is no justification for the alarm, naturally there will follow that there is no necessity for any further effort, and all mankind will wake to realize a withdrawal of united support, something of a deadening of energy in that splendid assistance for which all mankind engaged may have credit, and which, as the Senator from Nebraska said, has borne down heavily upon the localities to the full extent of their powers. Yet I may say needs more aid, yet all will now be withdrawn and all efforts diminished and the undertakings on the part of those associations rudely be brought to an end under the misapprehension caused by the statement of the distinguished ex-official and former Vice President-General Dawes.

Mr. President, the distinguished gentleman, for whom I have an affection, gave out that statement that he might encourage the financiers to feel that this task which had been committed to this Credit Corporation had all been performed. We hear from the political agents of this Credit Corporation that it has performed with such credit and such complete success as to distribute in every way prosperity through that agency. We can not fail to recognize that while it was intended by that purpose to let the financiers feel that they are being held up before the country as having achieved a great consummation for which they are to be praised, yet the truth is that they have failed to serve the duty and objects that was imposed upon them. The institutions which have been benefited generally have been the large institutions; and now, sir, if the answer to my charge be that the loans went in general to aid the small banks in the country section, I answer "yes," but let us tell the country the truth. The small banks have received the loans wherever it has been shown by the big banks that they owed a debt to the big banks. Thus the little bank was aided to get the credit from the corporation to advance to it credit whereby it could get money from the Credit Corporation to enable it to pay the big bank its debt. That was the real moving reason for the alleged favor to the little banks. The exception to this rule is of small quantity.

But, sirs, a great mass of people around these little institutions, such as the small farmer, with his home still mortgaged, his land being foreclosed, and these can get no relief in any form, and no rescue. The man in the city who is starving and hungry, who is without work, and seeing his

children from day to day withering in life, has gotten no relief. These, of whom we seek to-day to pay our tribute to their patient patriotism, have been unable to see from this department or its agents where any relief has come to them. Therefore, sir, to hold up to the country from such an eminent source as our honorable friend, the former Vice President, that now all is well and complete, quiet may come upon the land in the sense of a composure on the basis that everything has been accomplished and happily received, and to notify the world that in America only prosperity flows like a stream sent by Heaven to the blessed, and that the complaints of mankind of need, from whatever source they may come, are now unjustified. Sir, this false report, I repeat, works to enjoin and then to paralyze the effort so necessary at this time to be continued with great energy if we are to save those who are perishing.

Now, sir, I yield to my friend from Wisconsin for a query, but I wish to make another observation before concluding my remarks.

Mr. BLAINE. Mr. President, I apologize-

Mr. LEWIS. Oh, no need of that. Mr. BLAINE. For interrupting the rhythm of the eloquence of the Senator from Illinois, and, for fear that if I propounded the question I had in mind, the answer might provoke an anticlimax, I withhold asking the question.

Mr. LEWIS. I hope my friend the eminent Senator from Wisconsin will have no hesitancy in propounding any query to me that he regards appropriate either to the occasion or satisfactory to his own desires.

I wish now, sir, to allude for a moment to some of the observations made by the Senator from Nebraska [Mr. Nor-RIS], and what I am about to say applies to every one of the Senators on the floor who are interested in the question of

I said a few moments past that I had become fatigued with the fetish worship of old distinctions of State and Nation. That, dwelling upon the one or resting upon the other, we have diverted ourselves of the opportunity of serving mankind and the citizens of the country of deserts. I invite the Presiding Officer who is in the chair at this moment, the senior Senator from Wisconsin [Mr. LA FOLLETTE], to recall that the measure presented by himself for the people, that which was presented by the Senator from New York [Mr. WAGNER] and his colleagues in behalf of the States, and that presented by myself and Senator COPELAND on behalf of the cities and the municipalities of the States were defeated upon the theory of the cry that would come back, and had come back to this body, that the people in the localities were able to take care of their own, and that they resented the daring intrusion and impudent advance on the part of the Government to come to the rescue or aid of their people. They scoffed the thought, they scorned the doctrine of human rights, and wherever they could they repudiated the opportunity of the service.

Now, Mr. President, I ask the Senate to behold the situation as now confessed. I speak now for Illinois, which among others is a great State, but as to which I expect to hold responsibility for action of its citizens. The very gentlemen of my State, eminent officials, who did all they could by their protest to this body to restrain and stifle action that would have given the relief when we could have succeeded are those who now sign the very telegrams which I have introduced in this body demanding aid from the Government for the relief of those for whom we sought it, when our efforts were defeated by the very gentlemen who are asking for it now.

That set of gentlemen, being deceived in themselves, flattered with the suggestion inwardly palpitating in their bosoms that by holding out to the world that their locality could take care of itself; that its people were quite able and willing to do so, and that they scorned the acceptance of the offer of the Government. They wished to leave the impression in the large financial circles of the world that the eminent masters of finance were able to care for their own and that their manipulations and theories of money

had been so successful as to lead them where they had no fear, and finally they wished the credit themselves as master, and finally they wished the credit themselves as master, and finally they wished the credit themselves as master and their responsible of requirements of particles of the United States or the District of Columbia. In. ter men of generosity of nature, charity of heart, and their Christianity of practice as would command all mankind to feel that, in their humanity, those in their locality would be safely preserved by these self-constituted directors of Government in opposition to the action of Congress.

Mr. President, what has been the result of all of that? It is that if these people had taken a little thought and had realized that the demands of humanity are much higher than the mere demands of form and custom and that it is the right of mankind to be permitted in the community to toil, to earn a living, to enjoy from the sweat of its brow independence, we would to-day not have such conditions as compel us now to advertise before all civilization that the richest country in the world, with the greatest possessions of earth as a nation, a land that was uninvaded in war, that had to bear none of the oppressions endured by its rivals in Europe, now is compelled to confess to the mismanagement by those in power, the deliberate corruption of those in trust, the complete betrayal of the humble who hoped to have the right advanced to them by those who kept them under the leash. We are now confessing that as to these we certify to the world an inability to take care of them in the localities where they live, despite the richness and largeness of possessions on the part of those who boasted they would be able to circumvent the Congress of the United States.

Now, sir, with this unhappy confession before the world, I hope we will dismiss all the distinctions, that we will contemplate no longer that there has ever been a division, but will move, I hope with great unanimity, to the object, and that from the committee will come favorable reports on all these measures, that the reports may be in union, and that then this corporation, known as the Reconstruction Finance Corporation, will be authorized to advance money, under proper supervision of a business standard, to the cities, the counties, and the States so that they may distribute it to the needy to maintain the independence of the citizen and place him at last where he can turn to his Government and be conscious of his preservation through the United States of America, and, sir, that no longer will be in his bosom the suggestion of following those who heretofore in other lands have incited revolution as their course of remedy; but conscious that his Government, after having yielded to the deceptive distinctions that were born in theory and oftentimes have been used as evasion of duty to him, now, sirs, in new light we move forward to achieve the object of which these will find to their benefit—work—for those of whom the Holy Scripture said, "I will come as a swift witness to those that oppress the laborer in his toil."

So that those who are without labor, who in their sickness and distress as citizens of the land may recognize in their sovereign independence they are being preserved by their country, and before all the world they certify that never revolution, riot, or insurrection shall be indorsed by them as necessary in this land, but, on the contrary, that in peace, in order, in happiness and gratitude to their country preserved and these people restored to their rights, they thank God they are Americans.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

The PRESIDING OFFICER. Without objection, the amendment in line 9, page 58, will be agreed to. The clerk will state the next amendment.

The next amendment of the Committee on Appropriations was, on page 58, line 11, after the word "sec.," to strike out "209" and insert "212," and in the same line to strike out:

In any reduction of personnel in any branch or service of the United States Government or the District of Columbia, married persons (living with husband or wife) employed in the class to

And insert "Hereafter in." so as to read:

SEC. 212. Hereafter in the appointment of persons to the classified civil service, preference shall be given to persons other than married persons living with husband or wife, such husband or wife being in the service of the United States or the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 58, after line 21, to strike out:

TEMPORARY ASSIGNMENTS IN POSTAL SERVICE

SEC. 210. During the fiscal year ending June 30, 1933, the Postmaster General may, when the interest of the service requires, temporarily assign any clerk to the duties of carrier or any carrier to the duties of clerk, and in an emergency may assign any Post Office employee to the duties of a railway postal clerk, or any railway postal clerk to the duties of a Post Office employee without change of pay-roll status.

The amendment was agreed to.

The next amendment was, on page 59, after line 4, to insert:

ANNUAL LEAVE WITH PAY REDUCED TO 15 DAYS

SEC. 213. Hereafter no civilian officer or employee of the Government shall be granted leave of absence with pay in excess of 15 days, excluding Sundays and legal holidays: Provided, That nothing herein shall apply to civilian officers and employees of the Panama Canal located on the Isthmus and who are American citizens: Provided further, That nothing herein shall be construed as limiting the period during which pay may be allowed under existing laws for so-called sick leave of absence. Provided further, That the so-called sick leave of absence within the limits now. That the so-called sick leave of absence, within the limits now authorized by law, shall be administered under such regulations as the President may prescribe so as to obtain, so far as practicable, uniformity in the various executive departments and independent establishments of the Government.

Mr. JONES. Mr. President, on behalf of the committee, I desire to offer an amendment to the committee amendment, to come in after the word "days" in line 9, page 59.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Washington to the committee amendment.

The LEGISLATIVE CLERK. On page 59, line 9, after the word "days," it is proposed to insert a colon and the following proviso:

Provided, That the part unused in any year may be cumulative for any succeeding year.

Mr. JONES. I will say that that amendment is very inaptly drawn, but it will enable the idea involved to be considered in conference. The idea is that if in one year the 15 days are not used the remainder may accumulate for the next year, and so on.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington to the committee amendment. Without objection, the amendment to the amendment is agreed to.

Mr. NYE. Mr. President, I send to the desk an amendment which I offer to the committee amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In the committee amendment, on page 59, line 7, after the word "Government," it is proposed to insert "who receives both annual and sick leave with pay."

Mr. NYE. Mr. President, I am sure there is no intention on the part of the committee nor can there be an intention on the part of the Senate to do anything other than to play fairly with all the Government employees, no matter what their station may be. It happens that in the Government Printing Office, in the navy yards, and in the arsenals, as I understand, are employees who receive no sick leave whatsoever. They, with their 30-day annual leave, are going to be, I think, much more severely dealt with by the committee amendment, without the acceptance of the amendment which I have offered, than are any other Government employees. The amendment I have proposed would eliminate the application of the committee amendment to those governmental employees who do not have the benefit of sick leave. I hope the amendment may be accepted.

Mr. JONES. Mr. President, I will say to the Senator, after listening to his explanation, from hearing the amendment read, I think we may very well let the amendment go to conference. There is certainly no intention to discriminate against any of the Government employees.

Mr. NYE. I am sure there is not.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from North Dakota to the committee amendment will be agreed to. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The next amendment of the Committee on Appropriations was, on page 59, after line 19, to insert:

FURLOUGH OF GOVERNMENT EMPLOYEES DURING FISCAL YEAR 1933

SEC. 214. In order to keep within the appropriations made for the fiscal year 1933, the heads of the various executive departments and independent establishments of the United States Government and the municipal government of the District of Columbia are hereby authorized and directed to furlough, without pay, such employees carried on their respective rolls, such time as in their judgment is necessary to carry out said purpose without discharging such employees, the higher salaried to be furloughed first whenever possible without injury to the service: Provided, That rules and regulations shall be promulgated by the President with a view to securing uniform action by the heads of the various executive departments and independent Government establishments in the application of the provisions of this section.

The amendment was agreed to.

The next amendment was, under "Title III-Miscellaneous provisions—Limitations on expenditures for printing and binding, paper, and stationery," on page 60, line 19, after the word "than," to strike out "\$10,000,000" and insert "\$8,000,000"; in line 20, before the word "for," to strike out "expended" and insert "obligated"; in line 22, after the designation "Government Printing Office," to strike out "of which \$2,500,000 shall be for printing and binding for the use of the legislative branch of the Government, and \$225,000 for Farmers' Bulletins" and insert "including printing and binding done elsewhere under contract by the Public Printer or obtained in the field under authority of the Joint Committee on Printing, for the exclusive use of a field service ": on page 61, line 3, to strike out "The amount available hereunder for the executive departments and independent establishments, the judiciary, and the government of the District of Columbia shall be distributed by the Director of the Bureau of the Budget among the several departments and establishments, the judiciary, and the government of the District of Columbia as, in his judgment, the needs of the service may require"; and in line 13, after the name "Patent Office," to insert a comma and "the legislative branch of the Government, and the manufacture of postal cards and money orders for the Post Office Department," so as to make the section read:

SEC. 302. During the fiscal year ending June 30, 1933, not more than \$8,000,000 shall be obligated for printing and binding for the use of the United States and the District of Columbia done at the Government Printing Office, including printing and binding done elsewhere under contract by the Public Printer or obtained in the field under authority of the Joint Committee on Printing, for the exclusive use of a field service. Nothing in this section shall be construed to authorize the discontinuance of any report or publication specifically required by law. This section shall not apply to printing and binding for the use of the Patent Office, the legislative branch of the Government, and the manufacture of postal cards and money orders for the Post Office Department.

The amendment was agreed to.

Mr. JONES. Mr. President, in the subhead, in line 17, page 60, the word "paper" should be stricken out, because it is taken out of the text.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 60, line 17, in the subhead, strike out the word "paper.'

The amendment was agreed to.

The next amendment was, on page 61, after line 15, to strike out:

SEC. 303. During the fiscal year ending June 30, 1933, not more than \$400,000 shall be expended for paper furnished by the Government Printing Office for the use of the several executive departments and independent establishments and the government of the

District of Columbia. The amount available hereunder for the executive departments and independent establishments and the government of the District of Columbia shall be distributed by government of the District of Columbia shall be distributed by the Director of the Bureau of the Budget among the several execu-tive departments and independent establishments, and the gov-ernment of the District of Columbia, as, in his judgment, the needs of the service may require. This section shall not apply to expenditures for paper used in the course of manufacture by the Bureau of Engraving and Printing.

The amendment was agreed to

The next amendment was, under the subhead "Reorganization of Shipping Board," on page 62, line 25, before the word "commissioners," to strike out "four" and insert "three"; on page 63, line 4, before the word "one," to insert "and"; and in line 5, after the name "Gulf of Mexico," to strike out "and one from the States touching the Great Lakes," so as to read:

SEC. 305. (a) The United States Shipping Board shall be composed of three commissioners to be hereafter appointed by the President, by and with the advice and consent of the Senate. One of such commissioners shall be appointed from the States touching the Pacific Ocean, one from the States touching the Atlantic Ocean, and one from the States touching the Gulf of Mexico, but not more than one shall be appointed from the same State. Not more than two of the commissioners shall be appointed from the same political party.

The amendment was agreed to.

The next amendment was, on page 63, line 13, before the word "one," to insert "and"; in line 14, after the words "three years." to strike out the comma and "and one at the end of four years"; in line 16, before the word "years," to strike ouf "four" and insert "three"; and in line 21, after the word "term," to insert "The commissioners appointed hereunder shall hold office until their successors are appointed and qualify," so as to read:

(b) Terms of office of the first commissioners appointed under this section shall expire, as designated by the President at the time of nomination, one at the end of one year, one at the end of two years, and one at the end of three years after the date of the enactment of this act. The term of office of a successor to any such commissioner shall expire three years from the date of the expiration of the term for which his predecessor was appointed, except that a commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term. The commissioners appointed hereunder shall hold office until their successors are appointed and qualify. office until their successors are appointed and qualify.

The amendment was agreed to.

The next amendment was, on page 64, line 4, after the word "as," to strike out "four of the" and insert "the three," so as to read:

(c) Notwithstanding the provisions of subsection (a) the United (c) Notwithstanding the provisions of subsection (a) the United States Shipping Board as constituted upon the date of the enactment of this act shall continue to function until the date of reorganization of the commission pursuant to the provisions of such subsection. The board shall be deemed to be reorganized upon such date as the three commissioners appointed as provided in such subsection have taken office, and no such commissioner shall be paid salary, as such commissioner, for any period prior to

The amendment was agreed to.

The next amendment was, on page 64, line 20, before the word "commissioners," to strike out "three" and insert "two." so as to read:

(e) Whenever under existing law the concurrence of four or more of the commissioners is required, such requirement of law shall, after the reorganization of the board provided by this section, be held to be complied with by the concurrence of two com-

The amendment was agreed to.

The next amendment was, on page 64, after line 20, to strike out:

(f) After June 30, 1932, no officer or employee of the United States Shipping Board or the United States Shipping Board Merchant Fleet Corporation shall receive a salary at a rate in excess of \$10,000 per annum. The provisions of Title I of this act shall not apply to any person whose compensation is reduced by reason of this subsection

The amendment was agreed to.

The next amendment was, on page 68, after line 12, to insert:

SEC. 312. In the annual report to Congress of each executive department or independent establishment there shall be included a

statement of receipts during the period covered by such report, from fees or charges paid to such department or establishment under this act and all other acts of Congress.

The amendment was agreed to.

The next amendment was, on page 68, line 19, after the word "sections," to strike out "310, 311, and 312" and insert "309, 310, and 311," so as to read:

SEC. 313. Sections 309, 310, and 311 shall take effect July 1, 1932.

The amendment was agreed to.

The next amendment was, on page 68, after line 20, to strike out:

TRANSFER OF FISH-CULTURAL STATIONS TO STATES OR TERRITORIES

TRANSFER OF FISH-CULTURAL STATIONS TO STATES OR TERRITORIES Sec. 314. Upon the application of any State or Territory, the Secretary of Commerce is authorized and directed to transfer to such State or Territory, without cost, all right, title, and interest of the United States in any fish-cultural station or fish hatchery located in such State or Territory, together with all personal property used in connection therewith. If any such State or Territory shall cease at any time to use a station or hatchery so transferred, for fish-cultural purposes, or shall at any time permit its use for any other purposes, or shall attempt to alienate the station or hatchery, title thereto shall revert to the United States.

The amendment was agreed to.

The next amendment was, on page 69, after line 8, to strike out:

TRANSFER OF AGRICULTURAL EXPERIMENT STATIONS TO STATES OR TERRITORIES

SEC. 315. Upon the application of any State or Territory, the Secretary of Agriculture is authorized and directed to transfer to such State or Territory, without cost, all right, title, and interest of the United States in any agricultural experiment station located in such State or Territory, together with all personal property used in connection therewith.

The amendment was agreed to.

The next amendment was, at the top of page 70, to insert:

STATISTICS CONCERNING HIDES, SKINS, AND LEATHER

SEC. 315. The act authorizing and directing the Director of the Census to collect and publish statistics concerning hides, skins, and leather, approved June 5, 1920 (U. S. C., title 13, secs. 91, 92, and 93), is hereby repealed.

The amendment was agreed to.

The next amendment was, on page 70, after line 5, to

TRANSFER OF APPROPRIATIONS

SEC. 316. Not to exceed 12 per cent of any appropriation for an executive department or independent establishment, including the municipal government of the District of Columbia, for the fiscal year ending June 30, 1933, may be transferred, with the approval of the Director of the Bureau of the Budget, to any other appropriation or appropriations under the same department or establishment, but no appropriation shall be increased more than 15 per cent by such transfers: Provided, That a statement of all transfers of appropriations made hereunder shall be included in the annual Budget for the fiscal year 1935, and a statement of all transfers of appropriations made hereunder up to the time of the submission of the annual Budget for the fiscal year 1934, and all contemplated transfers during the remainder of the fiscal year 1933, shall be included in the annual Budget for the fiscal year 1934.

The amendment was agreed to.

The next amendment was, on page 70, after line 22, to insert:

VOCATIONAL EDUCATION

Sec. 317. (a) Notwithstanding the provisions of section 1 of the act entitled "An act to provide for the further development of vocational education in the several States and Territories," approved February 5, 1929 (U. S. C., Supp. V, title 20, sec. 15a), not more than \$1,500,000 is authorized to be appropriated for the purposes of such section for the fiscal year ending June 30, 1933. (b) For the fiscal year ending June 30, 1933, (1) the annual appropriations (for the purpose of cooperating with the States) provided for by sections 2, 3, and 4 of the act entitled "An act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure," approved February 23, 1917 (U. S. C., title 20, secs. 12–14, inclusive), shall be \$2,700,000 (in the case of section 2), \$2,700,000 (in the case of section 3), and \$900,000 (in the case of section 4); (2) the minimum allotment of funds to any State, under each of such sections, for the said fiscal year, shall be \$9,000; and (3) the additional appropriations (for the purpose of providing the minimum allotment to the States) provided for by such sections for the fiscal year 1933 shall be \$24,300 (in the case

of section 2), \$45,000 (in the case of section 3), and \$81,000 (in the case of section 4).

(c) In lieu of the annual appropriations provided for in section (c) In her of the annual appropriations provided for in section 7 of such act of February 23, 1917 (U. S. C., title 20, sec. 15), for the Foderal Board for Vocational Education there is authorized to be appropriated for such board for the fiscal year ending June 30, 1933, not more than \$200,000 for the purposes set forth in such section.

section.

(d) For the fiscal year ending June 30, 1933, the amount authorized to be appropriated under section 4 of the act entitled "An act to extend the provisions of certain laws of the Territory of Hawaii," approved March 10, 1924 (U. S. C., title 20, sec. 29), shall be \$27,000; and the amount authorized to be appropriated under section 1 of the act entitled "An act to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to Porto Rico," approved March 3, 1931 (U. S. C., Supp. V, title 20, sec. 30), shall be \$94,500, and the amounts expended for each of the purposes set forth in such section shall be proportionately reduced.

The PRESIDING OFFICER. The Chair takes the liberty of requesting the clerk to read a telegram which the Chair has received concerning this amendment.

The legislative clerk read as follows:

Madison, Wis., June 6, 1932.

Madison, Wis., June 6, 1932.

Hon. Robert M. La Follette, Jr.,

United States Senate, Washington:

Line 10, page 79, bill H. R. 11267, now before the Senate, gives President power to consolidate educational agencies of Government. This proposes a tremendous transfer of legislative power into executive control. It appears to be a continuation of the original attack to wipe out Federal aids for vocational education. Will you cooperate with Senator Blaine to amend this bill so as to make an exception of the Federal Board for Vocational Education? The amendment herein suggested will insure a continuity of policies now fostered by the Federal Board for Vocational Education in behalf of the out-of-school group. The whole vocational school movement in America is vitally concerned in this matter.

Geo. P. Hambrecht,

Director Wisconsin State Board of Vocational Education.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 72, after line 18, to insert:

RATE OF INTEREST ON JUDGMENTS AND OVERPAYMENTS

SEC. 318. Hereafter the rate of interest to be allowed and paid shall be 4 per cent per annum whenever interest is allowed by law upon any judgment of whatsoever character against the United States and/or upon any overpayment in respect of any internal-revenue tax. All laws or parts of laws in so far as inconsistent herewith are hereby repealed.

The amendment was agreed to.

The next amendment was, at the top of page 73, to insert:

RESTRICTION ON CONSTRUCTION AND RENTAL OF BUILDINGS

SEC. 319. Authorizations heretofore granted by law for the construction of public buildings and public improvements, whether an appropriation therefor has or has not been made, are hereby amended to provide for a reduction of 10 per cent of the limit of cost as fixed in such authorization, as to projects where no contract for the construction has been made. As to such projects where a contract has been made at a cost less than that upon which the authorization was based, such cost shall not be increased by any changes or additions not essential for the completion of the project as originally planned.

The amendment was agreed to.

The next amendment was, on page 73, after line 13, to

SEC. 320. Hereafter, except as otherwise specifically provided by law, the leasing of buildings and properties of the United States shall be for a money consideration only, and there shall not be included in the lease any provision for the alteration, repair, or improvement of such buildings or properties as a part of the consideration for the rental to be paid for the use and occupation of the same. The moneys derived from such rentals shall be deposited and covered into the Treasury as miscellaneous receipts.

Mr. BLAINE. Mr. President, it appears that we are now dealing with some very important projects. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst Austin	Bingham Blaine	Bulkley Bulow	Carey
Bankhead	Borah	Byrnes	Cohen
Barbour	Bratton	Capper	Coolidge
Barkley	Brookhart	Caraway	Costigan

Couzens Cutting Hawes Hayden Metcalf Moses Smoot Steiwer Thomas, Idaho Thomas, Okla. Hebert Howell Hull Neely Dale Davis Dickinson Norris Townsend Johnson Jones Trammell Tydings Dill Nye Oddie Fletcher Frazier George Kean Kendrick Patterson Vandenberg Pittman Wagner Walcott Reed Robinson, Ark. Robinson, Ind. Keyes King Glass Glenn Goldsborough Walsh, Mass. Walsh, Mont. La Follette Lewis Watson Wheeler Schall Sheppard Logan McGill Harrison Hastings Shipstead Shortridge White McNary Hatfield Smith

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, there is a quorum present. The question is on agreeing to the amendment on page 73, line 14, to insert section 320.

The amendment was agreed to.

The next amendment was, on page 73, after line 22, to insert:

SEC. 321. Hereafter no appropriation shall be obligated or expended for the rent of any building or part of a building to be occupied for Government purposes at a rental in excess of the per annum rate of 15 per cent of the fair market value of the rented premises at date of the lease under which the premises are to be occupied by the Government, nor for alterations, improvements, and repairs of the rented premises in excess of 25 per cent of the amount of the rent for the first year of the rental term, or for the rental term if less than one year: Provided, That the provisions of this section shall not apply to leases heretofore made, except when renewals thereof are made hereafter.

Mr. BLAINE. Mr. President, I desire to offer an amendment, on page 74, line 1, to strike out the figures "15" and insert in lieu thereof the figures "10," so that the annual rental shall not be more than 10 per cent of the fair market

Mr. JONES. I make no objection to that amendment. Mr. BLAINE. Mr. President, the Senator from Washington accepts the amendment, but for the sake of the RECORD I want to point out that during the investigation of the postoffice leases we found that the rentals in the smaller cities of the country ran along about 8 per cent of the fair market value, and that oftentimes included certain incidentals, such as light and heat; but in the larger cities perhaps 10 per cent, including light and heat, would not be exorbitant, on account of the services which might have to be performed. However, 10 per cent is entirely high enough to take care of any of the rentals in any of the cities, in my opinion, as disclosed by the facts elicited during the investigation of the post-office leases.

Mr. BINGHAM. Mr. President, as a member of the committee, I hope the chairman will not agree to the amendment. Fifteen per cent has been recommended to the committee by the Comptroller General as a fair percentage, and I hope the chairman will not accept the amendment suggested by the Senator from Wisconsin.

Mr. JONES. Of course, Mr. President, if a member of the committee objects, we will just let it go to a vote of the Senate. I think 10 per cent is sufficient, judging from what we heard in the testimony taken as to some of the particular leases. I am perfectly willing to have it go to a vote.

Mr. BINGHAM. Does the Senator from Wisconsin desire to address himself to the amendment?

Mr. BLAINE. Not now.

Mr. BINGHAM. May I say that this rate was recommended to the committee by the Comptroller General?

Mr. JONES. That is true.

Mr. BINGHAM. The figures which appear were those recommended by the Comptroller General, and I think everyone will agree that the Comptroller General is, in the language of the street, pretty "hard boiled." I never have known him to err on the side of generous treatment, and I think he is entirely within his rights in following that course. He tries to protect the Treasury of the United States in carrying out the wishes of Congress.

In view of the fact that the Comptroller General himself suggested that limitation, in view of the fact that the persons renting these buildings have to pay taxes out of their

returns, and in many cases pay for the upkeep of the buildings, and so forth, it seems to me that the percentage suggested by the comptroller and voted by the committee is fair, and that the Government would not suffer therefrom.

I know that the Senator from Wisconsin is familiar with some cases where injustices have been done to the Government of the United States, and I shall be glad to cooperate with him in correcting any of those injustices, but I think that arbitrarily to cut this rate down to 10 per cent would be an injustice, cutting it 50 per cent lower than the figure suggested by the Comptroller General, and I hope the amendment will not be agreed to.

Mr. BLAINE. Mr. President, I do not believe the Senator from Connecticut was in the Chamber when I made the statement that the testimony before the Select Committee on Post-Office Leases disclosed that the Postmaster General regarded an 8 per cent return on the fair value of the property as a fair return in the case of the smaller leases; that is, leases on post-office buildings and Postal Service stations in cities where the leases were under \$6,000 a year. I have not the testimony before me, but I distinctly remember the testimony in some cases. The Post Office Department's policy in those cases was to restrict the returns not to exceed 8 per cent on the fair value of the property. As I said in my statement, in the larger cities, where the rental covers upkeep of the building, and perhaps the additional taxes, 10 per cent is a maximum which, in my opinion, is higher than ought to be allowed. But in order to give the public authorities sufficient leeway. I have suggested that the maximum be fixed at 10 per cent. I think that is plenty high enough; in fact, I think it is too high in the great majority of leases on Government property.

Mr. HALE. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. HALE. It seems to me that under ordinary circumstances the amendment of the Senator is entirely reasonable, but the Senator will note that on page 74 appear the words, " of the fair market value of the rented premises at date of the lease." I do not believe that the fair market value of real estate in Washington at the present time would be half its ordinary fair market value, and possibly not more than a third, and under such circumstances, if the per annum rate were cut down to 10 per cent, the property would certainly not yield a fair rental value.

Mr. BLAINE. Mr. President, in considering the bill that was before the Senate some time ago to regulate real-estate agents, it was the secretary of the real-estate board who informed me that real-estate values in Washington had not depreciated over 10 per cent. That information I obtained in the pursuit of my duties as a member of the Committee on the District of Columbia. It may not be possible to sell property in the city of Washington, that is one thing; but if one goes out to buy property he finds quite a different situation. He will find that the depreciation is not very

Mr. HALE. But, as the Senator said, if one goes out to sell, he finds that the depreciation is very great.

Mr. BLAINE. The fair market value is determined by the amount some one willing and able and ready to purchase would give for a piece of property.

Mr. HALE. That is just the point.

Mr. BLAINE. The mere fact that real estate is not moving in the market does not determine the fair market value. nor is it the basis upon which to determine the fair market value.

Moreover, Mr. President, the Senator will find that the assessor of the District of Columbia has been assessing real estate at about the same figure at which it has been assessed in the past, and he is required to assess it at the fair market value. The depreciation, as a matter of fact, is not very great. There is simply a lack of opportunity to sell, and it is not a question of depreciation in the fair market value.

Mr. HALE. How does the Senator think the fair market value on the date of a lease can be determined except by evidence of sales of similar property, and there are practically no sales of similar property?

Mr. BLAINE. Exactly, and when we do find a sale of similar property, we find that the depreciation is not over 10 per cent. If the fact were that there were no sales, then, according to the Senator's view, the property would have depreciated to zero, and would not be worth anything. That is not the case.

Mr. HALE. No; but I think it has depreciated very much more than the 10 per cent the Senator speaks of.

Mr. BLAINE. I have given my information, and I think the information comes from very reliable sources. Besides, a 10 per cent return on the fair market value of real estate is a very handsome return.

Mr. HALE. It is in ordinary circumstances.

Mr. BLAINE. It is in these times, especially.

Mr. HALE. I do not agree with the Senator. Mr. BLAINE. It is a very handsome return. I hope the amendment to the amendment will be agreed to.

Mr. BINGHAM. Mr. President, the other day, in hearings on the District bill, we went into this matter at considerable length, and we learned from one of the officials of the District-my recollection is it was the District auditor, although it may have been another official-that there were three cases he brought to mind which had happened in the District within the last year, where the amount paid for property at a sale was 50 per cent less than the assessed value of the property.

One of the instances was the case of the Hamilton Hotel, which was assessed at more than a million dollars, and sold for less than \$500,000. Various other instances have been brought to our attention within the last few weeks, where property assessed at seventy, eighty, and ninety thousand dollars has been actually sold for thirty or forty thousand dollars. There is no question but that the fair market value of real estate in most cities in the country to-day is very much less than it was at the time the property was originally assessed, or than at the time the original leases were made.

Mr. BLAINE. Mr. President, I want to call to the attention of the Senator the fact that the sale of the Hamilton Hotel was not a sale in the market; it was a forced sale; and, of course, in the case of a forced sale no one expects, either in good times or bad times, to obtain a price commensurate with the value of the property, or at least that is the experience of those who have been engaged in making such sales. So that that particular instance does not point to the conviction that there is any great depreciation in real-estate values in Washington. I doubt whether there is a single percentage of depreciation in the intrinsic value of real estate in the city of Washington or in any other city, in the congested business districts, where the Government must rent buildings.

Take, for instance, the city of Chicago, about the Union Station, the most valuable portion of the city of Chicago, so far as real-estate values are concerned. I doubt whether one could purchase a single lot within the area around the Union Station for an amount less than the price he would have had to pay for it years ago. That type of property is maintained at the normal value, and it is with respect to such locations, where the Government leases its buildings, that I am speaking. The Government does not lease buildings in outlying territory. It leases buildings in locations where the public may be accommodated, and therefore in some area where business is not at a standstill.

Mr. BINGHAM. Mr. President, may I call the Senator's attention to the fact that the New Amsterdam Apartments were assessed at \$522,138 and were sold recently for \$200,000?

Mr. BLAINE. Mr. President, the Senator will find that in nearly all those cases there were forced sales, and therefore they do not afford very excellent proof of the contentions made.

Mr. BINGHAM. I can mention another case, where there was not a forced sale, but where the property was assessed for \$80,000 and recently has been sold for \$30,000.

The PRESIDING OFFICER (Mr. Bratton in the chair) The question is on agreeing to the amendment offered by

the Senator from Wisconsin [Mr. BLAINE] to the committee amendment.

Mr. BLAINE. I ask for a division.

On a division, the amendment to the amendment was rejected.

Mr. MOSES. On page 74, in the same amendment, I wish to offer an amendment to add to the proviso. After line 9, strike out the period and insert a comma and these words:

Nor to leases of premises in foreign countries for the Foreign Service of the United States.

I have a memorandum from the Director of Foreign Service in the State Department with reference to this addition in which he points out the impracticability of such a restriction as this in foreign countries and furnishes a partial list of certain of the posts where we have diplomatic or consular offices where it is absolutely impossible to enforce a provision of this sort. I hope the chairman of the committee will accept it.

Mr. JONES. I shall not object to it.
Mr. MOSES. In this connection I shall ask to have the memorandum furnished me by the State Department printed in the Record at this point as a portion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memorandum is as follows:

This undoubtedly is intended to apply only to the United States, but through oversight is so worded as to include rentals in foreign countries

A restriction of this kind would be impracticable in the Foreign Service for many reasons, among which may be mentioned: 1. The acute shortage of either office or residence quarters which

obtains generally in foreign countries and which has made it necessary in many instances to pay high rentals in order to obtain quarters even of approximate desirability and which have been obtained only after much search and bargaining.

2. Absence of appraisals in most instances and/or difficulties incident to obtaining reasonably accurate data relative thereto.

3. Legislation regarding rents in some foreign countries providing for maintenance of rentals and for automatic increases periodically in established contract rates. These are generally

4. In many places construction of quarters either for office or residence is largely dependent on foreign firms who build only as their own specific needs require and in the rare case where sp becomes available, persons desiring accommodations bid against each other for it. At times it has even been necessary to per-suade some one to construct a building for our use. Such a limitation would make it impossible in some important

posts to obtain any quarters whatever for offices.

The following are quotations from a few of the many reports received from officers relating to the rental situation now obtain-

ing and which are typical.

Tiran, Albania: "Conditions in Albania regarding housing present many difficulties * * * rents are still not sufficiently stable to indicate here with any accuracy what they should be.

sent many difficulties * * rents are still not sufficiently stable to indicate here with any accuracy what they should be. It is a question of bargaining, and, most important of all, to find something desirable. In general it may be said that rentals are high, even according to standards found in large cities."

Vienna, Austria: "Legislation is now pending in Parliament to increase rents which are still based on depreciated paper currency value, which, if passed, will materially alter the figures during the coming year."

Berlin, Germany: "The housing problem has been a most difficult one for those who had to consider prices. During and immediately after the war building was entirely suspended and construction was greatly limited, due to the financial condition of the country, and no relief in the housing problem may be expected for some years to come. There is not only a limited choice of selection but months may elapse before a vacancy occurs."

Lyon, France: "The operation of the French laws of April 1, 1926, and June 20, 1929, providing for progressive increases in rentals to compensate landlords for losses sustained by them as a result of the revalorization of the franc in 1926 will necessitate certain readjustments upward in the appropriation for rent * * to cover these supplemental charges." At Lyon the legislation has had the following result in rental payable: June, 1925, 8,500 francs; June, 1928, 10,660 francs; June, 1931, 13,184 francs; and June, 1932, 13,802 francs. Strassburg, France: "The new terms call for an increase of almost 100 per cent. At the time the present lease was made, December 12, 1923, rentals were cheaper than they are at present. The present consular premises are the best available in the city. There is no question but what the rental paid under our lease

The present consular premises are the best available in the city. There is no question but what the rental paid under our lease is far below the present values for similar premises, and, in fact, it would be extremely difficult, if not almost impossible, to obtain such satisfactory offices even for higher figures than the rental offer submitted."

Casablanca, Morocco: "The question of suitable and representative quarters at Casablanca presents an unusual problem.

* * This is due to the fact that Casablanca is a relatively new city. It has grown since 1922 from a small Moroccan town of about 30,000 people to a city at the present time of somewhat less than 150,000 people, of which population Europeans number perhaps over 50,000. As a result of its rapid growth the demand for quarters has always run ahead of supply."

Warsaw, Poland: "The housing situation is by far the most difficult aspect of life in Warsaw. Houses built before the war are under the tenant's protection laws in force in Poland and the landlords can not evict tenants except for nonpayment of rent. Prices in new houses are high. Due to these rent laws the rent in old houses is low (the pre-war figure) and can not be increased at the landlord's will. Landlords, however, under these laws are not obligated to make any repairs whatever. Consequently the tenant occupant must make all repairs, even though usually considered for capital account and commonly higher than in Washington."

Cologne, Germany: "The present lease having been made at

than in Washington."
Cologne, Germany: "The present lease having been made at a time when rents were high and having contained a proviso requiring the consulate to meet, in the form of increased rental, additional taxation as assessed from time to time upon the prop-

additional taxation as assessed from time to time upon the property, calls for payment of about \$5,400 a year. Rent contracts generally require that the lessee bear increases as locally decreed."

Danzig: "There is a general housing shortage in the city. All buildings constructed before the war are regulated by the Government lodging office, which gives no courtestes."

Breslau, Germany: "Increases in rent are necessary to meet increases provided by law in keeping with changes in the tax law."

Tegucigalpa, Honduras: "The landlord of the legation is demanding a 66 per cent increase in rent, and while the premises are not worth that amount, he can undoubtedly obtain it from others, and there is no other building in the entire city available for the legation."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Hampshire to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the Committee on Appropriations was, on page 74, after line 9, to insert:

TEMPORARY REDUCTION OF FEES OF JURORS AND WITNESSES

SEC. 322. During the fiscal year 1933—
(a) The per diem fee authorized to be paid to jurors under section 2 of the act of April 26, 1926 (44 Stat. 323), shall be \$3 instead of \$4.

(b) The per diem fee authorized to be paid to witnesses under section 3 of the act of April 26, 1926 (44 Stat. 323), shall be \$1.50 instead of \$2, and the proviso of said section 3, relative to per diem for expenses of subsistence, shall be suspended.

The amendment was agreed to.

The next amendment was, under the subhead "Disapproval of Executive order," on page 79, line 3, after the word "disapproval," to insert a colon and the following additional proviso:

Provided further, That in order to expedite the merging of certain activities, the President is authorized and requested to proceed, without the application of this section, with setting up consolidations of the following governmental activities: Public Health solidations of the following governmental activities: Public Reath (except that the provisions hereof shall not apply to hospitals now under the jurisdiction of the Veterans' Administration), personnel administration, merchant marine, conservation, education, and Mexican Water and Boundary Commission, and to merge such activities of the War and Navy Departments relating to the purchase of supplies and matériel as will effect economies in Rederal expenditures. Federal expenditures.

Mr. FLETCHER. Mr. President, I desire to offer an amendment to the amendment. On page 79, line 10, I move to strike out the words "merchant marine."

Mr. JONES. Mr. President, I think that is rather an important amendment. I wish the Senator would explain why he proposes to strike "merchant marine" out of the provision.

Mr. FLETCHER. In the first place, the merchant marine is not a bureau, it is not a governmental organization in the sense that it is a department or branch of a department. The merchant marine itself is a concern that is not organized under any provision of law establishing any bureau or department of government. The merchant marine does not mean anything except ships. If the Senator wants to give the President authority to reorganize the Shipping Board of the Emergency Fleet Corporation, that is another proposition. I suppose that is what is intended to be meant by "merchant marine," but really it is the Shipping Board of the Emergency Fleet Corporation.

The membership of the Shipping Board has been reduced, I understand, from seven to three. I do not think that ought to be done. We ought to have five members of the board-one from the Gulf, one from the Atlantic coast, one from the Great Lakes, one from the Pacific coast, and one from the interior. Its membership ought to represent the whole country, ought to be distributed throughout the country in reference to our shipping interests. I do not care to have seven members, but I think five ought to constitute the membership of the board, to represent the commercial interests of the whole country, the export and import trade, and especially our foreign trade

I do not want to give the President power to seize the Shipping Board by the nape of the neck and kick them out or put them under the control of some other department. I think the Shipping Board organization ought to be under the control of Congress. I think the Emergency Fleet Corporation ought to be, as it is now, under the control of the Shipping Board. Nobody alludes to it as the merchant marine. That board ought to be constituted as it was by act of Congress, created by Congress, and established by Congress, under the control and management and direction of Congress. I do not think it ought to be transferred by the President or any other authority in order that it might be merged either with the Commerce Department or the Post Office Department or some other department of the Government.

We have to keep the Shipping Board organization, especially until we can dispose of the ships. We have six or seven lines of ships that are still owned by the Government and operated by the Fleet Corporation under the Shipping Board. It is vital to our interests, especially our foreign trade, that we should control and manage the shipping arrangements until at least we have under our flag privately owned ships adequate to take care of our overseas trade.

The Shipping Board ought not to be bandied about here and there by some sort of influence that might be brought to bear to put it under some particular department or Secretary. I understand the plan has been suggested that it be turned over to the Commerce Department and let the Secretary of Commerce handle the whole thing. That would mean an Assistant Secretary employed by him and we would not save anything by that operation at all. I think it ought to be under the direction and supervision of the Congress.

Mr. JONES. Mr. President, I know the Senator's interest in the merchant marine. I know the study he has given to it. In view of what he has just stated, I am perfectly willing to strike out the words "merchant marine," because under the other provisions of the bill the President can recommend to Congress any organization he thinks advisable and then the whole matter will be considered by Congress. So far as I am concerned, I accept the amendment to the amendment.

Mr. McKELLAR. Mr. President, I am not going to disagree with the chairman of the committee if he thinks it wise to let the words "merchant marine" be stricken out. I dislike to disagree with my good friend the senior Senator from Florida, whom I love very dearly; but I do think that there is less use for the Shipping Board than any other board or activity in the entire Government. I think it has violated every duty that it ever owed to the Government. If the President were to take charge under the provisions of this bill and abolish the entire Shipping Board, it would be one of the best things that ever happened to the country.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida to the amendment of the committee.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

Mr. NORBECK. Mr. President, among other powers conferred upon the President in the way of consolidation there is one relating to education. The question has been raised whether that would place the Board of Vocational Training under one of the Cabinet officers, whether it meant standardization and centralization of education to the point where a board composed partly of Cabinet officers might become a bureau under another Cabinet officer. I address myself to some member of the committee that drafted the measure to see what it really refers to. Can the Senator from New Mexico answer my question?

Mr. BRATTON. Mr. President, as a member of the com-

Mr. BRATTON. Mr. President, as a member of the committee—and I think I voice the views of the other members—I may say it was not intended to abolish vocational education. It was not intended to merge that service into any other department or bureau. Various bureaus and departments are engaged in educational activities, some more and some less. For instance, we have a Commissioner of Education, whose duties are confined to work of that character. Then the Bureau of Indian Affairs conducts educational activities. Other departments gather educational data and statistics. Educational activities in varying forms and degrees are conducted in many departments. The object the committee had in mind was to authorize a coordination of these various services, but it was not intended to abolish vocational education.

Mr. NORBECK. Nor to place that board under another department?

Mr. BRATTON. No; that was not intended.

Mr. NORBECK. I thank the Senator from New Mexico.

Mr. BLAINE. Mr. President, I desire to offer an amendment to the provision to carry out the suggestion made by the Senator from New Mexico and to make it certain. On page 79, line 10, after the word "education," strike out the comma and in parenthesis insert:

(Except that the provisions hereof shall not apply to the Federal Board for Vocational Education).

Mr. BRATTON. Mr. President, let me suggest a thought to the Senator. The Senator would have no objection to other educational services being brought under the Vocational Board?

Mr. BLAINE. No; I am just referring to the one board.

Mr. BRATTON. Let me suggest to the Senator that his proviso read "except that vocational education shall not be abolished." That would leave the President free to bring other services under the jurisdiction of the board, but he would not have the power to abolish the board.

Mr. NORBECK. Mr. President, would the Senator go farther and provide that it be not placed under another department?

Mr. BRATTON. As a member of the committee I am perfectly content with that. It was not our purpose to disturb vocational education nor to abolish it. We had other services in mind. So far as I am concerned I am willing to accept the amendment which will carry that thought into execution

Mr. BLAINE. Mr. President, the amendment which I propose would permit other services or departments to be merged with the board, I assume. It may be I am mistaken. The language of my amendment reads:

(Except the provisions hereof shall not apply to the Federal Board for Vocational Education.)

The Senator proposes to say "except the provisions hereof shall not abolish the Federal Board for Vocational Education"?

Mr. BRATTON. Yes.

Mr. BLAINE. I should be satisfied with that provision.

Mr. BRATTON. That will safeguard what we all have in mind.

The VICE PRESIDENT. Does the Senator from Wiscon-

The VICE PRESIDENT. Does the Senator from Wisconsin offer what he has suggested as an amendment?

Mr. BLAINE. I offer that as an amendment to the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Wisconsin to the committee amendment.

The amendment to the amendment was agreed to.

Mr. BLAINE. I desire to offer another amendment to the committee amendment, and I desire the attention of the committee to the amendment.

Mr. SHORTRIDGE. Mr. President, a parliamentary inquiry. Who has the floor?

The VICE PRESIDENT. The Senator from Wisconsin [Mr. Blaine] has the floor.

Mr. BLAINE. At the end of line 14, page 79, I move to insert:

Except that this section shall not apply to the United States Employees' Compensation Commission.

The reason I make that suggestion is this-

Mr. McKELLAR. Mr. President, will the Senator from Wisconsin yield to me?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Tennessee?

Mr. BLAINE. I yield.

Mr. McKELLAR. That language would apply to the whole section. I think it would be wiser if the Senator would make it apply to the proviso only.

Mr. BLAINE. When I explain my purpose I think the Senator from Tennessee will not have any objection to the amendment.

As the Senator from Tennessee knows, the United States Employees' Compensation Commission has to do with three different categories of employees: The longshoremen; Federal employees other than the longshoremen; and then, in 1928, as I recall, the United States Employees' Compensation Commission were given jurisdiction of private employees in the District of Columbia. We have set up a perfectly uniform system for the administration of the law respecting those three various types of employees. I think it would be a mistake to include this commission on that account. It has power respecting longshoremen, also respecting Federal employees generally, workmen, and, third, respecting employees in the District of Columbia who are privately employed. The District of Columbia pays for that portion of the expense; but the commission is designed to preserve a complete system for the administration of what is commonly known as the workmen's compensation act. I hope the Senator from Washington will have no objection to this suggestion, because I do not believe any good purpose would be served by placing this commission within the provisions of this section.

Mr. JONES. I do not think I will make any objection to that amendment. I did not hear the amendment, but I heard the explanation given by the Senator.

The VICE PRESIDENT. The amendment proposed by the Senator from Wisconsin to the committee amendment will be stated.

The CHIEF CLERK. At the end of line 14, page 79, it is proposed to insert:

Except that this section shall not apply to the United States Employees' Compensation Commission.

The VICE PRESIDENT. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

Mr. MOSES. At the time of the unexpected rejection of my amendment dealing with the furlough system, I stated that I would, in the event, which I had anticipated, of my amendment being agreed to, move to strike out section 213, which is a committee amendment. That section, however, has been agreed to; and I now ask unanimous consent to recur to it, it being a committee amendment, in order that I may offer a slight amendment which I think the Senator in charge of the bill may readily accept.

Mr. JONES. Let me inquire if the pending amendment has been agreed to?

The VICE PRESIDENT. The pending committee amendment has not been disposed of.

Mr. MOSES. I thought it had been disposed of.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, beginning on line 3, page 79, as amended.

Mr. NYE. Mr. President, the committee amendment in line 10, page 79, I move that the word "conservation" be stricken from the language of the amendment. There is so much controversy on the subject of how unity should

be accomplished in the matter of departmental conservation that I see no reason why Congress should not be left with the same opportunity to pass upon consolidations affecting that item as it is afforded in other cases. I hope that there will not be a pressing demand for the inclusion of that one activity in this clause.

Mr. JONES. I think the President may very well deal with the problem of conservation as it may develop in the different departments of the Government.

Mr. NYE. Let me ask the chairman of the committee, does this involve the national forests in any way?

Mr. JONES. Of course, conservation is a very broad term. The national forests really are under the control of Congress. The President can not undo the action Congress may take regarding them.

Mr. NYE. All these activities are under the control of Congress to the same degree.

Mr. JONES. I understand that, but we have expressly provided that no lands shall be added to the forest reserves except by act of Congress. The President could not interfere with that provision of law.

Mr. NYE. Mr. President, there is not anything to prevent the President from throwing the national forests into a conservation department that we might establish and combine with it many other items of conservation.

Mr. JONES. The Senator's position will illustrate the difficulty Congress will have in trying to do anything with reference to consolidating activities of this kind.

Mr. MOSES. Mr. President, if the Senator will permit, it can now be remedied by one amendment to the section adding the words, "Provided, That no activity in which any Senator is interested shall be affected by the provisions of this section."

Mr. JONES. Yes, I suppose that would take care of the proposition all right.

Mr. NYE. Mr. President, I hope the chairman of the committee will agree that the matter to which I have referred is of such a nature that Congress ought to have a chance to pass judgment upon it.

Mr. JONES. If the President should desire to make a recommendation to Congress with reference to conservation, he could do it, and then it would rest with the Congress whether or not it would allow the recommendation to be carried out. I will accept the amendment of the Senator.

Mr. NYE. I thank the Senator.

The VICE PRESIDENT. Without objection, the amendment offered by the Senator from North Dakota to the committee amendment is agreed to; and without objection, the committee amendment as amended is agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 4401. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 4581. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.;

S. 4635. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance, and operation of said bridge; and

S. 4636. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct maintain, and operate a toll bridge across the Ohio River at or near Cairo, Ill., and permitting the Commonwealth of Kentucky to act jointly with the State of Illinois in the construction, maintenance, and operation of said bridge.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate: H. R. 6710. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels;

H. R. 7123. An act to amend the act of March 2, 1917 (39 Stat. 983; U. S. C., title 25, sec. 242);

H. R. 9369. An act to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a lease to Phillips County Post, No. 57, of the American Legion, Department of Montana;

H. R. 10048. An act granting to the Metropolitan Water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California;

H. R. 10243. An act granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes;

H.R. 10598. An act to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes:

H.R. 10825. An act to authorize the transfer of certain lands in Fayette County, Ky., to the Commonwealth of Kentucky;

H. R. 11020. An act authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington, Miss:

H. R. 11081. An act to extend the times for commencing and completing the construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45;

H. R. 11084. An act to amend section 35 of the Criminal Code of the United States;

H. R. 11085. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21;

H.R. 11120. An act to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256);

H. R. 11153. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 11944. An act to facilitate execution of and economy in field-season contracts of the Forest Service;

H. R. 12044. An act to provide for the exclusion and expulsion of alien communists;

H. R. 12045. An act authorizing a per capita payment of \$50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States; and

H. R. 12448. An act to amend the laws providing retired pay for certain officers and former officers of the Army, Navy, and Marine Corps of the United States.

The message further announced that the House had concurred in the concurrent resolution (S. Con. Res. 30) authorizing the printing of additional copies of Public Law No. 154, known as the revenue act of 1932.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 432. An act granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy:

S. 4401. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 4581. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.;

8.4635. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance, and operation of said bridge; and

S. 4636. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Cairo, Ill., and permitting the Commonwealth of Kentucky to act jointly with the State of Illinois in the construction, maintenance, and operation of said bridge.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred or placed on the calendar as indicated below:

H. R. 6710. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels; and

H. R. 12044. An act to provide for the exclusion and expulsion of alien communists; to the Committee on Immi-

H. R. 7123. An act to amend the act of March 2, 1917, (39 Stat. 983; U. S. C., title 25, sec. 242); and

H. R. 11120. An act to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256); to the Committee on Indian Affairs.

H.R. 9369. An act to set aside certain lands around the abandoned Bowdoin well, Montana, for recreational purposes under a lease to Phillips County Post, No. 57, of the American Legion, Department of Montana; and

H. R. 10048. An act granting to the metropolitan water district of southern Califonia certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California; to the Committee on Public Lands and Surveys.

H. R. 10243. An act granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes; and

H. R. 11084. An act to amend section 35 of the Criminal Code of the United States; to the Committee on the

H. R. 10825. An act to authorize the transfer of certain lands in Fayette County, Ky., to the Commonwealth of Kentucky; to the Committee on Finance.

H. R. 11153. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87; to the Committee on Commerce.

H. R. 11944. An act to facilitate execution of and economy in field season contracts of the Forest Service; to the Committee on Agriculture and Forestry.

H. R. 12448. An act to amend the laws providing retired pay for certain officers and former officers of the Army, Navy, and Marine Corps of the United States; to the Committee on Military Affairs.

H. R. 10598. An act to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes:

H. R. 11020. An act authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington, Miss.:

H. R. 11081. An act to extend the times for commencing and completing the construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45;

H. R. 11085. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21: and

H. R. 12045. An act authorizing a per capita payment of \$50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States; to the calendar.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. MOSES. Mr. President, I again ask unanimous consent to recur to the committee amendment on page 59, which I had no opportunity to consider early in the day, and I wish to offer an amendment to it.

Mr. JONES. On what page?

Mr. MOSES. On page 59, line 10.

The VICE PRESIDENT. Is there objection to returning to the amendment? The Chair hears none.

Mr. MOSES. I wish to offer an amendment in line 11. page 59, following the word "citizens," to insert the words or to officers of the Foreign Services of the United States."

I have from the State Department a memorandum on that subject. It is very brief and I shall read it:

The bill as reported will prevent an officer or employee of the Foreign Service from having more than 15 days' leave annually with salary in the United States or elsewhere.

Many of these officers are stationed in tropical and unhealthful

Many of these officers are stationed in tropical and unhealthful places like India, Africa, Central America, and certain parts of the Far East. In order to safeguard their health they must get some relief each year. Leave of only 15 days will not make this possible. They can not get sufficient change in that time, when the time consumed by travel is included, to have an opportunity to recuperate from climatic effects which will endanger their health and discriminate against them in favor of Panama Canal employees, who are exempted by the bill from this provision.

Owing to the distance from the United States of the posts at which most of the officers of the Foreign Service are stationed and the cost of travel the bill practically precludes officers of that service from coming to the United States on leave because obviously an officer can not afford to pay the large cost of travel to the United States which he has to save for 2 or more years when the limit of his stay is to be only 15 days with pay. There is no objection to limiting local leave to 15 days in European, Canadian, and other healthful parts of the world if this is what Congress desires and the departments concerned can bring that about by desires and the departments concerned can bring that about by administrative action.

But it will work a tremendous hardship upon officers in tropical posts, and those who desire to spend their holidays in the United States, if they are restricted to a total of 15 days per annum.

Mr. JONES. I will say to the Senator that I think that is a very reasonable request, and I will ask for reconsideration of the vote by which the committee amendment was agreed to in order that the Senator may offer his amendment to the amendment.

Mr. MOSES. Unanimous consent has been granted to recur to the amendment.

Mr. JONES. I understand that, but it is necessary to reconsider the vote by which the committee amendment was adopted.

The VICE PRESIDENT. Without objection, the vote whereby the committee amendment was agreed to will be reconsidered; without objection, the amendment of the Senator from New Hampshire to the amendment will be agreed to; and without objection, the amendment as amended is agreed to.

Mr. REED. Mr. President, I was called from the floor when section 316, on page 70, was under consideration. That is the section that allows the transfer of appropriations within departments so that 12 per cent of an appropriation may be taken from one item and added to another, if necessary, with the approval of the Director of the Budget.

In the Army appropriation bill, which was reported this morning, occurs a provision similar to the one referred to in the pending bill, but, for what seemed to the committee to be good reasons, the approval which is made a prerequisite is the approval of the President himself. I ask unanimous consent that we may reconsider the vote by which the

section was agreed to so that I may offer an amendment, on line 12, after the word "Budget," to insert in parentheses the words " (or in case of the War Department and Navy Department with the approval of the President)."

We want to put the responsibility squarely upon the Chief Executive. The amendment does not affect the meaning of

the paragraph.

Mr. McKELLAR. Mr. President, does the limitation as to the sum which may be transferred remain the same, namely, 12 per cent? I want to say that I differed with the Senator, as he will recall, a while ago in the committee in considering the military appropriation bill about increasing the limit of such transfers to 15 per cent. We have already adopted in the Interior Department bill, and in the bill making appropriations for the Commerce Department, the Labor Department, the State Department, and the Justice Department, a provision for the interchange of appropriations up to the limit of 12 per cent. One of those bills has become a law. We ought not to establish a different rule for the Army and Navy in case of the transfer of appropriations than that which we have for the other departments. I have no objection to the Senator's amendment, if he will leave the limitation of 12 per cent.

Mr. REED. I am not proposing in this paragraph to change the 12 per cent limitation which is already provided. What the Senate will do when we come to the Army appro-

priation bill is, of course, another question. Mr. McKELLAR. I think there is no objection to the other language if the limitation is not changed.

Mr. JONES. Mr. President, I think the amendment is all

The VICE PRESIDENT. Is there objection to reconsidering the vote by which the committee amendment was

agreed to? The Chair hears none, and the vote is reconsidered.

The question now is on the amendment offered by the Senator from Pennsylvania to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the Committee on Appropriations was, on page 79, after line 19, to strike out:

TITLE V. PUBLIC WORKS ADMINISTRATION CREATION AND ORGANIZATION

SEC. 501. There is hereby created at the seat of Government an establishment to be known as the public works administration. There shall be at the head of such administration an officer to be known as the administrator of public works, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall hold his office for the term of six years. Such administrator shall receive a salary of \$10,000 per year, payable monthly, and under the direction of the President shall have the control and management of the various bureaus, agencies. the control and management of the various bureaus, agencies, activities, and services that the President may under this title transfer to and consolidate in the public works administration.

The amendment was agreed to.

The next amendment was, on page 80, after line 9, to strike out:

CONSOLIDATION OF PUBLIC WORKS BY PRESIDENT

SEC. 502. (a) The President is authorized, by Executive order, to transfer to the public works administration, and to consolidate and coordinate therein, the whole or any part of all bureaus, agencies, offices, activities, and services, whether now existing in any executive department, independent establishment, or as an independent activity, having to do or that are concerned with the architectural, engineering, surveying, designing, drafting, construction, and/or purchasing activities of the Government relating to public works, and/or that are engaged in the making of plans, specifications, contracts, and/or the supervision of public construction, and the transfer of any activity to the public works administration shall carry with it such property, fixtures, records, and files as may be necessary to the proper functioning of such activity under the administrator, but no provision of this title shall be construed to authorize any transfer, consolidation, coordination, or change in the duties and responsibilities of the Chief of Engineers, or of the Corps of Engineers, or of the officers of the Corps of Engineers, navigation, flood control, and other civil functions and activities, all of which shall remain as now provided for by existing law.

(b) The administrator of public works shall utilize the services of the officers of the Corps of Engineers of the United States Army whenever and wherever practicable in all other public works, SEC. 502. (a) The President is authorized, by Executive order, to

construction, and activities. The Secretary of War, upon the request of the administrator of public works, may continue as under existing law to detail officers of the Corps of Engineers of the United States Army for duty in such other public works, construction, and activities, to the end that the officers of the Corps of Engineers of the United States Army may be used whenever practicable in such other public works, construction, and activities, and when so detailed with the consent of the Secretary of War and the Chief of Engineers, shall be under the supervision and direction of the administrator of public works.

(c) The Bureau of Yards and Docks of the Navy Department shall remain as now provided by existing law, and no provision of this title shall be construed to authorize any transfer, consolidation, coordination, or change in the duties and responsibilities of

this title shall be construed to authorize any transfer, consolidation, coordination, or change in the duties and responsibilities of the said bureau and the chief thereof, or the officers and engineers therein. The Secretary of the Navy, upon the request of the administrator of public works, may detail officers and engineers of such bureau for other duties in such public works, constructions, and activities; and the administrator of public works shall utilize the services of such officers and engineers whenever practicable; and when so detailed with the consent of the Secretary of the Navy, the said officers and engineers shall be under the supervision and direction of the administrator of public works.

(d) All officers of the United States Army and/or Navy detailed as aforesaid to serve in the Public Works Administration shall retain their military and naval rank and succession and receive the compensation, commutation, and emoluments provided by law in

compensation, commutation, and emoluments provided by law in the case of Army and/or naval officers of the same rank not de-tached from the regular service; and such payments shall be made out of funds appropriated for use of the Public Works Administra-

(e) All strictly military, naval, and national-defense construction, improvement, maintenance, and administration shall be and remain in the Army and Navy under the Secretary of War and

remain in the Army and Navy under the Secretary of War and under the Secretary of the Navy, as now provided by existing law.

(f) The provisions contained in this title shall not apply to the power and authority now vested in the Architect of the Capitol and the United States Supreme Court Building Commission.

(g) All authority, power, and duties now vested by law in the head of any executive department, independent establishment, or office in and over any bureau, agency, office, officers, or branch of the public service, or in respect of any function or service transferred to the Public Works Administration under this title, or in or over any contract or business arising therefrom or pertaining over any contract or business arising therefrom or pertaining thereto, shall be vested in and exercised and performed by the administrator

(h) All valid contracts and agreements entered into by any

(h) All valid contracts and agreements entered into by any bureau, agency, office, officer, or branch of the public service, and in force at the time of transfer to the Public Works Administration, shall be assumed and carried out by the administrator of Public Works shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the functions of the bureaus, offices, agencies, activities, and services transferred, under the provisions of this title, to the Public Works Administration and to create new ones therein, and, by rules and regulations not inconsistent with law, shall fix the functions thereof and the duties and powers of their respective executive heads.

(j) No consolidation, elimination, redistribution, or coordination of the bureaus, offices, agencies, activities, or parts or functions thereof, as provided by this title shall be effected and no new ones shall be created under the authority of this title unless such action shall either in itself or in relation to the entire Public Works Administration be clearly productive of economy in public expenditures.

expenditures.

(k) Whenever any Executive order of the President or any order or regulation of the administrator is issued under this section, the President shall thereupon transmit to the Senate and House of Representatives a copy of such order or regulation, except that if the Congress is not in session at the time of such issuance, then the copy of the order or regulation shall be transmitted at the the copy of the order or regulation shall be transmitted at the commencement of the next regular or special session of the Congress. Unless an act disapproving the order or regulation issued is enacted within 60 calendar days after the receipt of the copy of the order or regulation by both Houses, the order or regulation issued shall take effect on the day following the expiration of such 60-day period. If the session during which the copy of the order or regulation is received terminates in less than 60 days after the receipt of the copy by both Houses, an act disapproving the order or regulation may be enacted at any time within 60 calendar days after the commencement of the next regular or special session of Congress; but if such an act is not enacted, such order or regulation shall take effect on the day following the expiration of such 60-day period. 60-day period.

The amendment was agreed to.

The next amendment was, on page 85, after line 7, to strike out:

APPOINTMENT OF EMPLOYEES

Sec. 503. (a) The Administrator of Public Works may appoint, in accordance with the provisions of the civil service laws, from time to time such assistants, architects, engineers, and experts in design and drafting as may be necessary to carry out the purposes of this

(b) The personnel on duty at the time of the transfer of any bureau, agency, office, activity, or service shall be transferred to and given appointment in the Public Works Administration, sub-

ject to such change in designation and organization and reduction in personnel, salary, classification, or otherwise as the administrator may deem necessary.

(c) Such of the employees as have a civil-service status at the time of transfer shall retain that status. The salaries of such employees shall be fixed in accordance with the classification act of 1923, as amended (U. S. C., title 5, ch. 13; U. S. C., Sup. V, title 5, ch. 13).

The amendment was agreed to.

The next amendment was, at the top of page 86, to strike

EXISTING LAW AND REGULATIONS UNCHANGED

Sec. 504. (a) All laws relating to such bureaus, agencies, offices, activities, and services as are transferred to the Public Works Administration, so far as the same are applicable, shall remain in full force and effect, except as herein modified, and shall be

full force and effect, except as herein modified, and shall be administered by the administrator.

(b) All orders, rules, and regulations in effect with respect to any activity at the time it is transferred shall continue in force until modified, superseded, or repealed by the administrator.

(c) All unexpended appropriations in respect of any bureau, agency, office, activity, or service transferred to the Public Works Administration shall be as available for expenditure by the Public Works Administration as though said administration had been originally named in the law authorizing such appropriations. originally named in the law authorizing such appropriations.

The amendment was agreed to.

The next amendment was, on page 86, after line 16, to · strike out:

SERVICES FOR OTHER DEPARTMENTS

SEC. 505. (a) Whenever any executive department, independent establishment, or other agency or activity of the Government shall be in need of any service or matter coming within the purview of the functions of the Public Works Administration, such department, establishment, agency, or activity shall make appropriate request in writing to the Administrator of Public Works, who shall forthwith place his administration at the service of the depart-

forthwith place his administration at the service of the department, establishment, agency, or activity making the request.

(b) All estimates for public work and construction coming within the purview of the Public Works Administration at the time such estimates are made shall be made by the administrator and all appropriations for public work and construction shall be made directly to the administration: Provided, That said administrator shall make a book charge against the executive department, independent establishment, or agency of the Government covering the cost of any services, public work, or construction performed for such department, establishment, or agency. The amount thereof shall be reported promptly to the department, establishment, or agency for whom services, public work, or construction has been done, and such department, establishment, or agency shall enter the cost of such services, public work, or construction upon its books and the amount of such cost shall be treated as a part of its expenditures in making its annual report treated as a part of its expenditures in making its annual report to the President and/or the Congress.

The amendment was agreed to.

The next amendment was, on page 87, after line 20, to

MISCELLANEOUS

SEC. 506. (a) Quarters for the Public Works Administration shall be provided by the Public Buildings Commission.

(b) It shall be the duty of the administrator to standardize designs, plans, and specifications, so far as practicable and desirable, with a view to effecting the utmost economy consistent with suitable construction.

(c) The administrator, at the close of each fiscal year, shall make a report in writing to the Congress, which shall be printed. Such report (1) shall give an account of all moneys received and disbursed by him and the administration, and shall state for what purpose and on whose account expenditures have been made; (2) shall describe in detail what has been done under section 502 of this title, and shall insert a chart showing the set-up of his administration; and (3) shall make such recommendations with respect to legislation and other matters as to him shall seem appropriate.

The Administrator of Public Works is authorized to make (d) such rules and regulations, in accordance with law, as may be necessary and proper for the purpose of carrying the provisions of this title into full force and effect.

The amendment was agreed to.

Mr. HAYDEN. I ask unanimous consent to have printed in the RECORD, immediately following the adoption of Title V of the bill, a memorandum for the information of the conferees when they take that title to conference.

The VICE PRESIDENT. Without objection, that will be

The matter referred to is as follows:

AMENDMENT TO SECTION 504 (B) TITLE "PUBLIC WORKS ADMINISTRA-TION" OF H. R. 11267

The present language is as follows: "(b) All orders, rules, and regulations in effect with respect to any activity at the time it is

transferred shall continue in force until modified, superseded, or repealed by the administration."

By this provision the power to change or nullify rests in the administration, regardless of whether the orders, rules, and regulations in effect at the time the activity concerned was transferred

tions in effect at the time the activity concerned was transferred affected only the transferred agency or also agencies not transferred to the public works administration.

As an example of probably a considerable number of cases: Because of the national forests and in order that these may be protected, administered, and utilized, Congress has passed legislation for forest road and trail work. Under that regulation, the Secretary of Agriculture has approved regulations, etc., for carrying out the legislation. The Forest Service and the Bureau of Public Roads participate in certain administrative features of the forest highway fund. The appropriation itself is set up to the credit of the Forest Service but after programs have been agreed credit of the Forest Service but after programs have been agreed to by the two bureaus, and approved by the Secretary, the regula-tions provide that the Bureau of Public Roads shall do the necestions provide that the Bureau of Public Roads shall do the necessary engineering work and supervise the construction and maintenance of projects requiring technical training and experience in difficult road work. It is also similarly employed on the difficult and costly roads constructed from the forest development fund. The Forest Service, using its own organization, handles the simple, inexpensive work. The Bureau of Public Roads will probably be transferred to the public works administration. It is of great importance that the relationship of the Forest Service to these two funds be not lessened in amount or value. This could result from the present provisions of section 504 (b).

As a necessary and proper corrective measure, the following

As a necessary and proper corrective measure, the following should be added at the end of the section: "Or if such order, rule, or regulation involves some other Government agency, by joint agreement with the head of such agency."

AMENDMENT TO SECTION 505, TITLE "PUBLIC WORKS ADMINISTRATION" IN H. R. 11267

The purpose of the legislation may be stated as (1) to reduce the cost and increase the effectiveness of handling engineering work, (2) to group those Federal agencies whose primary purpose is engineering, architecture, or construction, (3) to provide service when the work of other Federal agencies involves difficult or costly work of the character that the technicians and specialists in the public works administration can best supply

public works administration can best supply.

Section 505 departs from this in a very decided way and such departure was probably entirely unintentional. The effect is contrary to what has been advocated by Secretaries Wilbur and Hyde, and, so far as is known, has not been advocated by the

President.

The meaning of "within the purview of the functions of the public works administration" may be misunderstood by some unacquainted with the purpose of the legislation. Clearly it is not the intention to include all the work listed in section 502 (a) regardless of difficulty or cost, since many bureaus have simple and inexpensive engineering and construction work to do as a part of their primary functions and to discharge their responsibilities to Congress. Utilizing the services of the public works administration would increase rather than decrease the cost. Yet the present

Congress. Utilizing the services of the public works administration would increase rather than decrease the cost. Yet the present language permits of this interpretation and to mandate the executive agency to expend money unnecessarily and wastefully. The language does not make clear that the services of the public works administration are available and should be utilized when the Federal agency has difficult and expensive work to do, and of the character that such administration can most economically handle. Engineering is a service to an end and not an end itself. Many Federal agencies require engineering service for the accomplishment of some major objective or responsibility of the bureau. This may be very minor in scope, cost, amount, or difficulty; such work can nearly always be most effectively and economically handled by the agency itself. It may be difficult, costly, and require the services of technicians of high skill in their professions, and such men, according to the proposed organization, will be located in the public works administration. But whether the work be done directly by the Federal agency or through utilizing the services of the administration, the appropriation for the work should be made to the Federal agency and such agency should control the use made of the appropriation, including such matters as selection of projects, priorities, location of work, and expenditures. By the present language of section 505 (b) the public works administration, with no responsibility for the main purpose or objective for which the engineering service is needed, is given the appropriation and the entire control thereof. The administration would also determine the size of the appropriation and the other agency would have no power to determine whether from the standpoint of the job for which it is responsible the amount was too small or too large. The agency served must include as a part of its costs of administration expenditures made without its approval or desire.

To carry out the intent of the provis

To carry out the intent of the provisions for the public works administration rendering service to other agencies and to make the provisions sound, productive of economy and efficiency, and entirely consistent with accepted principles of business and financial management, the section 505 should be changed to read as

follows:
Sec. 505. Hereafter the public works administration is authorized, upon the request of any branch of the Federal Government or at the direction of the President, to perform any engineering service in connection with the survey, construction, or improvement of roads and all other public works, payment of the salaries and expenses of employees so engaged, and of the cost of trans-

portation, repairs, and replacements of equipment and supplies of the public works administration used in such work to be made by transfer of funds in the manner provided by section 7 of the act approved May 21, 1920 (Forty-first Statutes, page 613), as herein amended.

amended.

This language is closely patterned on the legislation under which the Bureau of Public Roads renders engineering service on park roads as desired by the National Park Service. The arrangement is reported as decidedly satisfactory. No tendency has developed for the Park Service to do work which under the pending legislation the public works administration is intended to do. No fears are felt that any Federal agency will fail to fully utilize the services of such administration. Should it so fail, immediate correction is possible through use of authority given to the President. rection is possible through use of authority given to the President by section 502 (a).

The next amendment was, on page 89, line 17, after the word "sections," to strike out "601 to 604" and insert "501 to 504," so as to read:

SEC. 502. (a) The Secretary of Commerce is authorized and directed to transfer to the Bureau of Navigation and Steamboat Inspection the records and property, including office equipment, of the Bureau of Navigation and the Steamboat Inspection Service. (b) The Secretary of Commerce is authorized and directed to transfer to such bureau such officers and employees of the Bureau of Navigation and the Steamboat Inspection Service as in his judgment are indispensable to the efficient operation of such bureau. Such transfer of officers and employees shall be without changes in classification or compensation, but the Secretary may make such changes in the titles, designations, and duties of the officers and employees transferred as he may deem necessary to carry out the purposes of sections 501 to 504, inclusive, of this title. The Secretary is authorized to dismiss such officers and employees of the Steamboat Inspection Service and the Bureau of ployees of the Steamboat Inspection Service and the Bureau of Navigation as are not, in his judgment, indispensable to the efficient operation of the Bureau of Navigation and Steamboat Inspection.

The amendment was agreed to.

The next amendment was, on page 89, line 24, after the word "than," to strike out "July 1" and insert "October 1," so as to read:

(c) The consolidation and coordination herein provided for shall be effected not later than October 1, 1932, and when the Secretary of Commerce declares such consolidation and coordination has been effected, the duties, powers, and functions vested in the Steamboat Inspection Service and the Bureau of Navigation shall be exercised by the Bureau of Navigation and Steamboat Inspection, and the Steamboat Inspection, and the Steamboat Inspection Service and the Bureau of Navigation shall cease to exist.

The amendment was agreed to.

The next amendment was, under the subhead "Transfer of Personnel Classification Board to Civil Service Commission," on page 91, line 6, after the word "Sec.", to strike out "605" and insert "505," and in the same line to strike out "The President is authorized, by Executive order, to transfer the duties, powers, and functions of the Personnel Classification Board to the Civil Service Commission, and upon the issuance of such order" and insert "The duties, powers, and functions of the Personnel Classification Board are hereby transferred to the Civil Service Commission," so as to read:

Sec. 505. The duties, powers, and functions of the Personnel Classification Board are hereby transferred to the Civil Service Commission-

The amendment was agreed to.

The next amendment was, on page 91, line 13, before the word "abolished," to strike out "shall be" and insert "are hereby," so as to read:

(a) The Personnel Classification Board and the position of director of classification are hereby abolished.

The amendment was agreed to.

The next amendment was, on page 91, line 15, before the word "transferred," to strike out "shall be" and insert are hereby," so as to read:

(b) All records and property, including office furniture and equipment, of the board are hereby transferred to the Civil Service Commission; and

The amendment was agreed to.

The next amendment was, on page 91, line 18, after the word "the," where it occurs the second time, to strike out "President" and insert "Civil Service Commission"; in line 20, after the word "the," to strike out "Civil Service"; and in the same line, after the word "commission," to strike out "shall be" and insert "are hereby," so as to read:

(c) Such of the officers and employees of the board, as in the judgment of the Civil Service Commission, are indispensable to the efficient operation of the commission, are hereby transferred to such commission, and all other officers and employees of such board shall be dismissed.

The amendment was agreed to.

The next amendment was, on page 91, line 23, after the word "sec.," to strike out "606" and insert "506"; in line 24, after the word "section," to strike out "605" and insert "505"; in line 25, after the word "the," to strike out "President" and insert "Civil Service Commission"; on page 92, line 2, after the word "as," to strike out "he may deem" and insert "may be deemed"; and in line 4, after the word "sections," to strike out "605 to 608" and insert "505 to 508," so as to make the section read:

SEC. 506. Any transfer of officers or employees under section 505 shall be without changes in classification or compensation, but the Civil Service Commission is authorized to make such changes in the titles, designations, and duties of such officers and employees as may be deemed necessary to carry out the provisions of sections 505 to 508, inclusive, of this title.

The amendment was agreed to.

Mr. DAVIS. Mr. President, on page 91, line 21, after the word "commission," I desire to move to strike out the comma and the words " and all other officers and employees of such board shall be dismissed," and insert a period.

The VICE PRESIDENT. That is not an amendment to a

committee amendment. Under the agreement the committee amendment shall be disposed of first.

The next amendment was, on page 92, line 15, after the word "section," to strike out "605 or 606" and insert "505 or 506," so as to read:

SEC. 507 (a) All orders, determinations, rules, or regulations made or issued by the Personnel Classification Board, and in effect at the time of such transfer, shall continue in effect to the same extent as if such transfer had not been made, until modified, super-

seded, or repealed by the Civil Service Commission.

(b) All provisions of law relating to the Personnel Classification Board and the director of classification shall continue in force with respect to the Civil Service Commission in so far as such pro-visions of law are not inconsistent with the provisions of section 505 or 506.

The amendment was agreed to.

The next amendment was, on page 92 line, 16, after the word "Sec.," to strike out "608" and insert "508"; and in line 18, after the words "as the," to strike out "President" and insert "Civil Service Commission," so as to make the section read:

Sec. 508. Such parts of appropriations and unexpended balances of appropriations available for expenditure by the Personnel Classification Board as the Civil Service Commission deems neces-Classification board as the Civil Service Commission deems necessary shall be available for expenditure by the Civil Service Commission in the same manner as if such commission had been named in the laws providing for such appropriations, and the remainder of such appropriations and such unexpended balances shall not be expended but shall be impounded and returned to the Treasury.

The amendment was agreed to.

The next amendment was, at the top of page 93, to insert: SEC. 509. The provisions of sections 505, 506, 507, and 508 shall become effective October 1, 1932.

The amendment was agreed to.

The next amendment was, under the subhead, "Transfer of Radio Division of the Department of Commerce to the Federal Radio Commission," on page 94, line 1, after the word "Sec.," to strike out "611" and insert "512"; in line 2, after the word "section," to strike out "610" and insert "511"; and in line 6, after the word "sections," to strike out "610 to 613" and insert "511 to 514," so as to make the section read:

SEC. 512. Any transfer of officers or employees under section 511 shall be without changes in classification or compensation, but the President is authorized to make such changes in the titles, designations, and duties of such officers and employees as he may deem necessary to carry out the provisions of sections 511 to 514, inclunecessary to carry sive, of this title.

Mr. JONES. Mr. President, on page 94, line 6, the figures "514" should be changed to "515."

The VICE PRESIDENT. Without objection, the amendment to the amendment will be agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 94, line 18, after the word "section," to strike out "610 or 611" and insert "511 or 512," so as to read:

SEC. 513. (a) All orders, determinations, rules, or regulations made or issued by the Department of Commerce in respect of the Radio Division, or by the Radio Division, and in effect at the time of such transfer, shall continue in effect to the same extent as if such transfer had not been made, until modified, superseded, or

such transfer had not been made, until modified, superseded, or repealed by the Federal Radio Commission.

(b) All provisions of law relating to the Radio Division shall continue in force with respect to the Federal Radio Commission, in so far as such provisions of law are not inconsistent with the provisions of section 511 or 512.

The amendment was agreed to.

The next amendment was, on page 95, after line 2, to insert:

SEC. 515. Such of the officers and employees of the Radio Division of the Department of Commerce and the Federal Radio Commission as, in the judgment of the President, are indispensable to the efficient operation of the consolidated bureau, shall be retained, preference being given to length of service and efficiency.

The amendment was agreed to.

The next amendment was, on page 98, line 6, after the words "Title," to strike out "VIII" and insert "VII," so as to make the heading read:

Title VII-Provisions applicable to veterans.

Mr. BRATTON obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BRATTON. I yield. Mr. McKELLAR. Will the Senator yield to me to suggest the absence of a quorum? This is a very important matter. It involves the adjustment of the veterans' benefits; and I think there should be a full attendance of Senators.

Mr. BINGHAM. Mr. President, before the Senator does

that, will he yield to me?

Mr. BRATTON. I yield to the Senator from Connecticut. Mr. BINGHAM. Mr. President, during my necessary absence from the floor I understand that the committee amendment on page 79 was altered without a vote; that some of the various consolidations which the President is authorized to make immediately were taken out of the committee amendment. I should like to inquire from the Secretary as to which words in that proviso were taken out.

Mr. McKELLAR. If I may answer, the merchant marine was stricken out, and conservation.

Mr. BINGHAM. I thought the merchant marine was one of the things we were all agreed could be promptly taken care of by the President.

Mr. McKELLAR. I want to say that I had the same view that the Senator had, and protested against that action, but the Senate outvoted me. I think it ought to be abolished.

Mr. JONES. Mr. President, it developed on the floor of the Senate that there was considerable difference about what should be done. The Senator from Florida [Mr. FLETCHER! had very much to suggest.

Mr. BINGHAM. Was there a vote on it?

Mr. FLETCHER. Yes; there was a vote on it. I do not think that ought to be included in this bill at all.

Mr. BINGHAM. Would the Senator be willing to permit us to reconsider that vote? I did not know that there was any such consideration pending.

Mr. FLETCHER. We have discussed it here. We can not, of course, delay this matter until everybody has listened to the debate. It was discussed and considered.

Mr. BINGHAM. I do not desire to prolong the discussion, but I should like to have an opportunity to secure a vote on it.

Mr. McKELLAR. Mr. President, will the Senator yield? Mr. BRATTON. I yield to the Senator from Tennessee.

Mr. McKELLAR. I will say to the Senator from Connecticut that the Senator from Florida [Mr. Fletcher] offered the amendment, and it was argued; and I am not sure, but I think I was the only one who voted against its exclusion.

Mr. JONES. I understand that the Senator from Connecticut wants a vote on the amendment. I practically

agreed that the matter might be stricken out, and I think that is the way it went out without coming to a vote, because there was every indication to my mind that there would be long discussion over that proposition if it was insisted upon, and I thought that the President could make his recommendations to Congress when the time came; so I practically accepted the proposition.

Mr. BINGHAM. That was what I understood, that it was accepted by the chairman of the committee; that there

was not a vote on it.

Mr. FLETCHER. It was transacted in regular order. offered the amendment striking out "merchant marine." The Senator from Washington wanted to know why I insisted upon that amendment, and thought I ought to make some explanation about it. I proceeded to do so; and before I finished the Senator from Washington said that he thought the President might make recommendations to Congress from time to time, and that it would be all right to let those words be stricken out.

I do not know whether there was a vote on the matter then or not. I suppose there was. Anyhow, the Vice President put the question. The Senator from Tennessee [Mr. McKellar] raised some protest, but the Vice President said, "Without objection, the amendment is agreed to," or otherwise put it to a vote. I do not know what the record is: but the amendment was disposed of in the regular order, and the words were stricken out.

I hope the Senator from Connecticut will not ask for a reconsideration now, but I am not going to raise any point about it. I have no right to consent to anything about it. If we go into it all again, we will have to go over the same ground that has been covered heretofore. If there were not an element of time involved here, we could spend another half-hour or two hours on it. I am going to insist that it go out, because this bureau was created by Congress and ought to be under the control and direction of Congress. I refer to the Shipping Board, not the merchant marine. That is one objection to it. "Merchant marine" does not mean anything. There is no division, there is no branch, there is no bureau, there is no department known as the merchant marine.

Mr. BINGHAM. Why does the Senator object to its being

Mr. FLETCHER. I object to it because I do not know what it covers, in the first place. It may cover the Shipping Board and the Fleet Corporation, if you call that the merchant marine. It may cover both of them, or it may not. I assume that perhaps that is what it was intended to cover-the entire shipping interests of the United States; the merchant marine, using a broad term.

The VICE PRESIDENT. The Senator from New Mexico

is entitled to the floor.

Mr. McKELLAR. Mr. President, if the Senator will yield to me for that purpose, I make the point of no quorum.

Mr. FLETCHER. Mr. President, if the Senator will withhold that suggestion for a moment; if the Senator from Connecticut wants to have this matter reconsidered, can we not dispose of that before we go on to the other subject?

Mr. BRATTON. I hope the Senator from Connecticut will not press the matter.

Mr. BINGHAM. Very well, Mr. President; I withdraw the request.

Mr. McKELLAR. I make the point of no quorum.

Mr. TYDINGS. Will the Senator withhold that for a moment?

Mr. McKELLAR. I withhold it.

Mr. TYDINGS. I do not want to take the floor from the Senator from New Mexico, but I should like to ask a question of the chairman of the committee before the Senator proceeds.

The VICE PRESIDENT. Does the Senator from Tennessee withhold his suggestion of the absence of a quorum?

Mr. McKELLAR. I do.

The VICE PRESIDENT. Does the Senator from New Mexico now yield to the Senator from Maryland?

Mr. BRATTON. I yield.

Mr. TYDINGS. I should like to ask the Senator from Washington if it is not a fact that we are trying to save about \$400,000,000 in proposed economies?

Mr. JONES. I do not know that a definite amount has been fixed. We want to save all we can.

Mr. TYDINGS. What figure is the Senator attempting to reach?

Mr. JONES. As the bill was reported the committee estimated that it would save about \$230,000,000—something like that. We have just reached one proposition as to which I do not know what the action of the Senate will be. There is a difference among the members of the committee as to whether or not we should deal with the veterans; and the Senator from New Mexico [Mr. Bratton] is going to make a motion to strike out this title. If the Senate should strike it out, that would cut down our amount about \$48,000,000. We expected to save by the bill as we reported it, I think, about \$231,000,000 or \$238,000,000; something like that.

Mr. TYDINGS. In addition to the \$231,000,000, assuming that that entire amount was saved, is there any other propo-

sition to save any money anywhere else?

Mr. JONES. We are expecting to save all the money that we possibly can in these appropriation bills. The committee did not deem that it was its province to deal with appropriation bills, so we did not go into those; but every appropriation bill—and we have sent only one to the President—must be cut down just as low as we can possibly cut it down.

Mr. TYDINGS. My purpose in asking the Senator these two questions was premised upon the fact that heretofore we have cut some of the appropriation bills 10 per cent, as the Senator knows. A part of that cut of 10 per cent in the appropriation bills obviously applies to savings in personnel.

Mr. BRATTON. Mr. President, I hesitate to yield for a continuation of this discussion.

Mr. McKELLAR. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from New Mexico declines to yield further. The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst Kendrick Davis Robinson, Ark Keyes King Robinson, Ind. Schall Austin Dickinson Bankhead Dill Fletcher La Follette Lewis Sheppard Shipstead Barbour Frazier George Glass Glenn Logan McGill Smith Bingham Blaine Bratton McKellar Steiwer Thomas, Idaho Thomas, Okla. McNary Metcalf Bulow Goldsborough Hale Harrison Byrnes Moses Neely Norbeck Capper Caraway Townsend Hastings Hatfield Trammell Carey Tydings Vandenberg Hawes Hayden Norris Connally Nye Oddie Walcott Walsh, Mont. Watson Coolidge Hebert Hull Patterson Couzens Johnson Pittman Wheeler

Mr. McNARY. I desire to announce that the Senator from New Jersey [Mr. Kean] is detained at a meeting of the Committee on the District of Columbia, and that the Senator from New York [Mr. Wagner], the Senator from Ohio [Mr. Bulkley], and the Senator from Oklahoma [Mr. Gorel are also detained in committee.

The VICE PRESIDENT. Seventy-six Senators having answered to their names, a quorum is present.

Mr. TYDINGS. Mr. President-

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Maryland?

Mr. BRATTON. I yield.

Mr. TYDINGS. I do not want to delay the Senator, but I should like to get an answer to the question I started to propound to the Senator from Washington, the chairman of the committee.

As I understand, it is contemplated to save about \$230,-000,000, all told, in the economy bill. Obviously, the economies which have already been effected in the appropriation bills to some extent are duplicated in the economy bill. I

was wondering if the Senator could give us an approximate figure of the amount of duplication.

Mr. JONES. No; I can not. We did not know how this bill would finally develop, and we do not know how the appropriation bills will finally develop. Of course, whatever we save by reason of the salary reduction, and so on, and by reason of the reductions in these other bills, will, of course, be determined at the end, but we really made no estimate as to what, has been accomplished thus far.

Mr. TYDINGS. I wonder if it would be possible for the clerk of the Appropriations Committee to make not an exact statement but an approximate statement as to how much of the reputed saving of the appropriation bills heretofore passed is now really in existence, excluding the matters contemplated in the economy bill.

Mr. JONES. I asked practically the same question of the clerk of the committee to-day. The bills have not gotten along so that he can make any accurate estimate at all.

Mr. TYDINGS. Mr. President, if I may delay the Senator from New Mexico just a moment, if we save all the money estimated to be saved through the economy bill, about \$230,-000,000, a part of that saving has already been figured in the appropriation bill. The economy bill is evidently going to be curtailed a little, so that, as I see it, we are not going to effect economy greatly in excess of \$200,000,000. Yet we have pictured to the country that we are going to economize to the extent of \$400,000,000, and the only reason why I rise now is to try to get some approximation of the true figure so that the country may know exactly what economies we will effect.

Mr. JONES. I have not given any such impression as the Senator mentions.

Mr. TYDINGS. I do not say the Senator has.

Mr. JONES. We have arrived at a point in this bill where we may cut off \$48,000,000.

Mr. TYDINGS. May I ask the Senator whether at the first opportunity he will not ask the clerk of the Committee on Appropriations to try to give us a substantial approximation of what has really been saved through the economy bill and in the appropriation bills passed to date? A part of the economies have been duplicated; and obviously, in the ascertainment of that figure, they should be eliminated in one of the other bills so that we may have the true savings in a separate estimate.

Mr. JONES. I will have the clerk get all the estimates he possibly can.

Mr. DILL. Mr. President, will the Senator from New Mexico yield to me?

Mr. BRATTON. I yield.

Mr. DILL. I was called out of the Chamber, and the amendment on page 95 was agreed to—the insertion of section 515. I wanted to discuss that on the floor of the Senate.

Mr. JONES. Let us do that afterwards.

Mr. DILL. I shall enter a motion to reconsider the vote at this time and call it up at a later time.

Mr. JONES. That is all right.

The VICE PRESIDENT. The motion will be entered. Mr. ASHURST. Mr. President, will the Senator from

New Mexico yield to me?

Mr. BRATTON. I yield. Mr. ASHURST. So much has been said, not especially

Mr. ASHURST. So much has been said, not especially on the floor of the Senate but throughout the country, as to emergency officers, and there has been so much misinformation disseminated, respecting the emergency officers who served during the World War who have been retired with pay, that I ask leave to print in the Record a list of those who are drawing pay on the emergency officers' retired list.

I ought to say to Senators that this list embraces only those who were on the list as of date March 29 last.

Mr. KING. Mr. President, will the Senator from New Mexico yield?

Mr. BRATTON. I yield.

Mr. KING. Does the Senator from Arizona mean March of this year?

Mr. ASHURST. Yes.

Mr. KING. Has the Senator added up the number on the list to determine how many there are?

Mr. ASHURST. I have not.

Mr. KING. It now exceeds 6,450, as I recall it, and the number is being added to.

Mr. ASHURST. In view of the fact that the country generally believes that scores of thousands of emergency officers are on the retired list, I think it well to reprint the list as of date March 29.

The VICE PRESIDENT. Is there objection?

Mr. ASHURST. I ought to say that the list would embrace some 20 pages of the RECORD. I want Senators to know that fact, so that there will be no charge hereafter that I have taken too much space in the RECORD.

Mr. KING. Will the Senator permit me to make the suggestion that I do not believe the public think there are so many as the Senator has indicated, for the reason that when the retirement bill was under consideration, it was constantly affirmed that the number who would claim the privilege under it would not exceed perhaps twelve to fifteen hundred?

Mr. ASHURST. Did the Senator say hundreds or thousands?

Mr. KING. No: Senator Tyson stated that in no event would the number exceed 1,800. So the people were led to believe, and Senators were led to believe, that it would be an inconsequential number, and when I was informed, and when other Senators were informed, that the total exceeded 6,000, I confess that there was very great surprise.

Mr. ROBINSON of Indiana. Mr. President, will the Senator from New Mexico permit me to make just one suggestion in reference to what was said by the Senator from Utah?

Whether it is 1,800 or 6,000, the question is whether or not it is just. If there are 6,000 entitled to this relief, they ought to have it. Whether it is 6,000 or 1,800, the number has nothing to do with it.

Mr. BRATTON. Mr. President, we have now reached Title VII of the bill, which contains the provisions relating to veterans. That is the only question on which the subcommittee was finally divided. Respecting all other questions we were able to compose our differences and unite our voices.

We were not able to do so on this question, and the point of division among the members of the committee was not confined to the merits or demerits of the several sections in the bill, but a majority of the committee believed that we should go into the subject matter and legislate upon it. A minority of the committee believed that we should not do so.

Mr. President, if the Senate should hold to the view that we should not go into the matter, if a majority of the Senate should share the views held by a minority of the subcommittee, it would be a waste of time to take up this title section by section. It seems to me, therefore, that the orderly way to approach the subject matter would be through a motion to strike out the entire title except section 709, which provides for the appointment of a commission to study the whole subject matter of legislation touching veterans, and report to Congress next January.

Accordingly, Mr. President, in the interest of haste, and to record the judgment of the Senate upon the broad question of whether we shall go into this subject matter, I intend in a few moments to ask unanimous consent to interpose a motion to strike out all of Title VII except section 709. If that motion shall prevail, it will be useless to discuss the sections one by one. If that motion shall not prevail, then we must take up the sections and discuss their merits and demerits.

Mr. HARRISON. Mr. President, will the Senator yield? Mr. BRATTON. I yield.

Mr. HARRISON. As I understand it, there was a subcommittee at first which worked out this matter and then referred it to the whole committee?

Mr. BRATTON. Yes.

Mr. HARRISON. How did the subcommittee stand on Title VII?

Mr. BRATTON. A majority of the subcommittee stood in favor of including the legislation in the bill. The full committee stood 10 to 9 in favor of doing so.

Mr. HARRISON. If this title should be stricken out and a commission should be appointed to investigate and report, when would it report?

Mr. BRATTON. The bill expressly provides that the commission shall report in January, 1933.

Mr. HARRISON. Then, there would be approximately \$200,000,000 economies effected? Is that right?

Mr. BRATTON. Not quite that much. Mr. HARRISON. Within two or three million dollars of \$200,000,000?

Mr. BRATTON. That is substantially correct.
Mr. HARRISON. We started out to get about \$350,000,000, I think. Is it the Senator's opinion, as a member of the Committee on Appropriations, that \$150,000,00 in economies would be effected through savings in the general appropriation bills, and that, added to this, would figure about

Mr. BRATTON. That is my judgment; and I think the Committee on Appropriations can effect additional savings of

Mr. HARRISON. Then, if the Senate should strike out this provision, it can not be said that we have demolished the economy program, as far as effecting savings to the amount of \$350,000,000 is concerned?

Mr. BRATTON. It can not be so stated by any means.

Mr. HARRISON. As one Member of the Senate, I wanted to follow the unanimous report. I am told now the committee stands 10 to 9, and it is rather difficult to tell just which way to proceed.

Mr. BRATTON. The Senator will find on page 30 of the report of the committee the minority views, in which the Senator from Tennessee [Mr. McKellar] and I concurred.

The VICE PRESIDENT. May the Chair suggest that the same result would be obtained by voting down the committee amendment, because the provision the Senator desires to preserve is the House text?

Mr. BRATTON. The procedural situation I had in mind was that we would have to take up the title section by section.

The VICE PRESIDENT. If the Senator moves to strike out then the provision could be amended, unless by unanimous consent the Senate could vote on the committee amendment or on the proposition submitted by the Senator from New Mexico.

Mr. BRATTON. Mr. President, addressing ourselves to the matter of going into this field, the body of law dealing with ex-service men has been constructed over a period of about 15 years. Various measures have been enacted. Each of them came under the jurisdiction of the Finance Committee. That committee proceeded in an orderly, deliberate way. Hearings were conducted. Veterans concerned were given an opportunity to appear and express themselves. Through that method, through successive steps taken in that way, the whole body of law relating to ex-service men has been constructed.

Now, Mr. President, under the guise of effecting economy, and solely under that guise, it is proposed by another committee, a committee which never dealt with the subject before, a committee which has paid no attention to it except as its individual members in this body gave some thought to it, as a means of effecting economy, if you please, to take from ex-service men, not temporarily, not a horizontal cut, but to take from them permanently, benefits aggregating almost \$50,000,000 a year.

Not only that but our committee proceeded in haste. This title was added as a rider to an appropriation bill. The special committee proceeded behind closed doors. Not a veteran, from center to circumference of the Nation, was heard. Not a veteran was given notice that the committee was considering such matter. Without the veterans having any opportunity to be heard, without their having any opportunity to speak for themselves, without their having any

opportunity to address themselves to the merits or the demerits of the proposed legislation, the committee came from its executive session with a provision in this bill designed to remove permanently from the rolls thousands of ex-service men.

For instance, it is estimated that section 701, appearing on page 98 of the bill, would remove from the rolls 28,300 exservice men. That statement is found at page 20 of the report, just preceding the title "Veterans in institutions." Senators will note this language in the report:

It is estimated that this section will result in the removal from the rolls of some 28,300 persons and while this number may seem somewhat high when it is considered that there are over a million persons receiving benefits it will be seen that the effect on the total number of persons receiving benefits is slight.

Mr. President, much has been said on the floor of the Senate during the last two or three days about Federal employees having arranged their affairs relying upon their salaries from the Government. These arguments were made with much force. But does any Member of the Senate have any difficulty in differentiating between a Federal employee whose salary is reduced only 10 per cent, and that reduction confined to a period of one year, with the health and with the retirement annuity upon which he can rely during old age, on the one hand, and, on the other hand, the elimination permanently of 28,300 veterans from the pay roll of the Government, without notice, without opportunity to be heard?

What have we to say about the veteran who has built a home, perhaps mortgaged it, perhaps conducting a little poultry business in the back yard, relying upon his stipend from the Government with which to pay the mortgage, with which to conduct the business, with which to support himself and his family, and having him rise some morning and find that a committee of the Senate, behind closed doors and in executive session, proposed to remove him entirely from the roll, not temporarily but permanently, thus taking away the very source from which he expects to retire the mortgage upon his modest home and support himself and family and to educate his sons and daughters.

Mr. President, the original legislation was not enacted in this way. The veterans had the right to assume that the legislation constituted what may be termed a contract between the Government and themselves, and that before it should be violated in this fashion they would be given an opportunity to appear and be heard. Why, even in the courts of the country in a civil action between citizen and citizen, a man's property can not be taken from him without giving him notice and affording him an opportunity to be heard and speak upon the merits of the controversy. But here it is proposed that a sovereign government take advantage of a class of its citizens in a way that is denied a citizen when he litigates with another citizen in a court of law.

To me it is unthinkable that Congress should take such action in the method and in the manner I have outlined, not moved by any consideration of injustice or inequalities in the administration of the law, but solely upon the ground of effecting economy, because that is what the committee was established for, that was the obligation enjoined upon the committee, and that was its sole function—not to correct injustices in veterans' legislation, not to prevent fraud in the administration of veterans' affairs, not to cure or correct the legislation, but to achieve economy. Under that guise, under that charge, the committee of six, sitting behind closed doors, raises the ax and, when it falls, at one swoop \$50,000,000 is taken away from the disabled exservice men of the country, not temporarily but permanently.

Mr. GLASS. Mr. President-

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Virginia?

Mr. BRATTON. I yield.

Mr. GLASS. I do not understand we are taking any compensation from a disabled veteran who was disabled by reason of his services in the war or is now in ill health by reference to any service in the war. If that be so, I have had an utter misapprehension of the design and the provision of the bill. I have understood that we were discontinuing the compensation, if it may be called that, to ex-enlisted men whose illness, if there be any, may not be referred to their service in the war, or whose disability, if there be any, may not be referred to any service they performed in the war.

Mr. BRATTON. Of course, all compensation is disability compensation. That is what it is for. That is what it was created for, to compensate a man for disability attributable to his service in the war or aggravated by such service. Part of it is traceable directly to service and is what may be called and is called by the Veterans' Bureau a causative factor. The other rests upon the doctrine of presumption; that is to say, if a veteran can show that within a certain period he was disabled in a certain way, it is presumed that the disability is traceable to his service. But all compensation of either kind is disability compensation designed to compensate the veteran for a disability suffered as a consequence of his service in the war.

Suppose it is a presumptive case, under the law which has been built up in an orderly fashion under the jurisdiction of the Finance Committee, the veteran is given that status, his compensation is fixed, his Government said he is entitled to so much money. He arranges his affairs accordingly. Now out of a clear sky the edict comes that no longer shall that be the case; that his compensation will not be curtailed but terminated; and that he can go into the ranks of the unemployed and do the best he can.

Mr. ROBINSON of Indiana. Mr. President-

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Indiana?

Mr. BRATTON. I yield.

Mr. ROBINSON of Indiana. I am wondering just what argument could have been made in the committee as a basis for taking any action that seems so thoroughly unjust to men who have worn the uniform in defense of the country. The statements made by the Senator from New Mexico, which I have no doubt are entirely true, are so extraordinary that I am wondering if the Senator could not give us some of the reasons advanced for taking such unjust action as this seems to be against the veterans of the United States.

Mr. BRATTON. In justice to members of the committee—indeed, the majority who advocate the legislation—I prefer to refrain from expressing an opinion respecting the motives which actuated them. Sufficient it is to say that the Senator from Tennessee [Mr. McKellar] and I, who presented the minority report, felt, in the first place, that any inequalities or injustices which may exist in the legislation should be corrected through the orderly and regular channels; that is to say, bills introduced, referred to a committee having jurisdiction of the subject matter, hearings conducted if requested, and then an opportunity for the veterans concerned to appear and present their side of the question.

Mr. CONNALLY. Mr. President, do I understand the Senator to say that the bill provides for a joint committee to do that very thing?

Mr. BRATTON. Yes. Section 709 provides for a joint committee to conduct a survey of the whole matter and report to Congress not later than the 1st of next January.

Mr. CONNALLY. So that if this title is not eliminated such a committee would be created, which would take up the matter and report back something in the form of permanent legislation?

Mr. BRATTON. That is the purpose of the section.

Mr. ROBINSON of Indiana. I assume, in that event, of course, that the veterans would have an opportunity to be heard and present their side of the case before the special committee?

Mr. BRATTON. So far as I know, this is the first time any committee ever undertook to proceed in this way.

Mr. VANDENBERG. Mr. President-

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. BRATTON. I yield.

Mr. VANDENBERG. While mathematics is purely secondary to the equities, may I ask the Senator to straighten out what seems to be a discrepancy in the minority report, which indicates, in the fourth line, that \$100,000,000 is involved in Title VII, and in the last line of the first paragraph that \$50,000,000 is involved?

Mr. BRATTON. I should be glad to clarify that. At the time the minority report was prepared a majority of the subcommittee of six had inserted provisions in the bill which took from the veterans a total of approximately \$100,000,000. The full Committee on Appropriations reduced that to \$50,000,000. In revising the minority report after the full committee had taken that action, the correction was made in the second place but overlooked in the first place.

Mr. BINGHAM. Mr. President-

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. BRATTON. I yield. Mr. BINGHAM. I am sure if the Senator will revive his memory he will recall that a majority of the committee did not agree with regard to \$51,000,000 that comes out of the disability nonservice connection, but that was put in the report through the full committee merely because it was the opinion of two or three members of the committee that it should be considered by the full committee. It represents the views of a majority of the committee. I say this because I was one of those who felt that it could be done without any injustice to anyone, and I was in favor of it, but I was in the minority.

Mr. BRATTON. Perhaps the Senator's statement is more accurate than my own was, and I accept it. At least, it was proposed to amend the act of July 3, 1930, by eliminating that class of veterans suffering a disability of 25 per cent whose compensation is \$12 per month. If that provision had remained in the bill, it would have stricken from the rolls veterans drawing \$51,000,000 annually. That sum. added to the \$50,000,000 now in the bill, made up the total of \$100,000,000 to which the first figure refers. In revising the minority report after final action had been taken by the full committee, the correction was made in the second place and overlooked in the first instance. The truth is that the bill as it now stands contemplates reductions or eliminations aggregating a little less than \$50,000,000 annually.

Mr. President, it is not my purpose to go into the merits or demerits of the several sections of the bill nor the several classes of veterans dealt with there. I think before we reach the merits of the legislation we should determine the broad principle whether Congress is going to legislate concerning these veterans in this fashion, whether under the guise of economy, behind closed doors, with no opportunity to be heard, we are going to eliminate this tremendous number from the rolls permanently by taking their stipends away from them and thus add them to the unemployed and let them go into life and do the best they can.

My thought is that if such a motion as I have presented shall prevail, we will avoid extended discussion of the several questions. That discussion will consume a great deal of time. If a majority of the Senate disfavor going into the matter at all, but prefer to have a joint committee make its survey and report the 1st of January, then discussion of the separate sections would be a waste of time. Therefore I ask unanimous consent to interpose a motion to strike out all of Title VII except section 709.

The VICE PRESIDENT. Is there objection?

Mr. BINGHAM. Mr. President, reserving the right to object, I hope the Senator will not do that. I know how strongly the Senator feels in these matters. The Senator knows I have heard him express his views two or three times before the subcommittee and the committee just as he has expressed them on the floor. I think the Senator will agree with me that there is varying merit in the proposals. Some

of them should appeal more strongly than others. They do not stand foursquare except so far as they appeal under the Senator's condemnation of them as having been made behind closed doors and without the beneficiaries being given a chance to be heard

May I remind the Senator that the legislation regarding pay cuts, the legislation regarding travel allowances, and all the other legislation embraced in this bill for which the Senator and I both have voted have actually been put in the bill without any of the beneficiaries of it having been heard. The Senator knows that every member of the subcommittee had sympathy with those concerned, that they had sympathy with the Federal employees, and sympathy with the veterans, but we were laboring under the necessity of trying somehow to effect a saving of \$250,000,000, and the committee worked faithfully to accomplish that purpose.

Some of the various provisions which are in front of us, and which the Senator is asking unanimous consent to strike out, are designed to correct what to my mind are extremely unfair and ill-advised provisions of the existing law. There are other provisions about which that may not be said.

I do not desire to discuss the matter at length, but I hope the Senator will withdraw his motion. I dislike to oppose it, but I should like to discuss each one of these particular items on its own merits.

Mr. BRATTON. Mr. President, the Senator will agree that, regardless of the degrees of merit or demerit of the several sections of the bill, they are all laden with the defects which I have attempted to draw to the attention of the Senate; that is to say, they were put into the bill behind closed doors without the beneficiaries being heard. If that is a controlling principle, and if it is the sentiment of the Senate that legislation should not be formulated in that way, it would be just a waste of time for us to discuss the provisions of the title section by section.

If the majority of the Senate believe that we should go into the matter and give it careful consideration, then, of course, we shall take up the title section by section. But I appeal for an opportunity to let the Senate record its judgment as to whether or not we shall go into the matter at all. If it is decided on the threshold that we shall not legislate in this fashion, I know that the Senator does not care then to have, perhaps, many hours, perhaps a day or two consumed in discussing the various degrees of merit and demerit of these several sections.

Mr. BINGHAM. The Senator will perhaps remember that I appealed to the committee on this particular point, that it hear representatives of all service organizations, including the committee which has been doing a good deal to show the country the danger of some of this legislation and the chance for economy in connection with it; that I called the attention of members of the committee to the fact that we would be accused of just this thing if we did not hear all their representatives and hear what they had to say.

Mr. BRATTON. Exactly.
Mr. BINGHAM. And the committee voted against my appeal.

Mr. BRATTON. Yes, after the committee had agreed that its deliberations should be secret and should not be disclosed on the outside; then the Senator sought to make an exception of this one matter but not as to any other part of the bill. On that a majority of the committee disagreed with him. We adhered to the view that, having agreed that our sessions should be secret, we should follow that course throughout. We did so, and with that procedure adopted, a majority of the committee favored inserting the legislation. A minority did not.

Mr. BINGHAM. Mr. President, the Senator himself has just stated that it was the view of the committee that all the discussion, all the action of the committee, and all the work it did should be in secret session. No opportunity was given to the representatives of the veterans' organizations to be heard, nor was any opportunity to be heard given to representatives of the Government employees, who are just as vitally concerned with the money that they earn as are the veterans concerned with the money which the Congress,

in its generosity, has in previous years decreed should be theirs.

I claim, Mr. President, that there was no injustice done to anyone by the committee's decision. The committee was obliged to act promptly, and these various provisions, which were fully discussed in the other House, and which were fully discussed, if my recollection serves me, before the House committee, were put in by the committee because the committee believed they were justified, and that these cuts be made without harming any who were seriously entitled to consideration. For these reasons I hope the Senator will not press his request.

If this question comes to a vote, the vote will be had on the general principle, and it will be claimed by many that a vote for the committee amendment will be a vote in general against the veterans, and a vote for the motion offered by the Senator from New Mexico will be taken as a general expression of opinion. I believe that if we could have some of these matters explained individually we might save some of the money involved.

The Senator from New Mexico has claimed that on the "specious plea" of economy we were asked to do this. Mr. President, a plea of economy is not a "specious plea." The taxpayers of the country are crying out for economy and more of it. One-quarter of all the Government expenditures to-day is spent on the veterans' administration; 25 cents out of every dollar of the taxpayers' money go into the veterans' administration. If there is to be economy, it seems to me it is only fair that the veterans, in so far as they are able to do so, should bear a part of it, as well as the Government employees.

A very large part of the money spent by the Government is spent in paying interest on the public debt and in setting aside an amount for the sinking fund. These items can not be interfered with without the Government going into bank-ruptcy.

If economy is to be attained, if we are to reach the goal which the President set before us in the address which he delivered in this Chamber in the hope that we might save \$250,000,000 by this bill, I trust that those who sympathize with the position taken by the Senator from New Mexico and propose to vote for his motion, if we have a vote on that general question, will find some other way whereby they can save the \$50,000,000, which a vote for his motion would strike from the bill.

Mr. ROBINSON of Indiana. Mr. President-

The VICE PRESIDENT. The Senator from Washington [Mr. Jones] was recognized before the Senator from New Mexico rose, and is entitled to the floor.

Mr. JONES. Mr. President, I want to make a brief statement regarding the pending question. I rather feel that the Senator from New Mexico, not intentionally at all, for there is not a fairer man on this floor than is he, has probably given just a little bit of a wrong impression with reference to the status of the committee of six.

From the beginning, as I think the Senator knows, I was against taking up veterans' matters. I was against doing so for this reason, that only a couple of years ago Congress enacted legislation granting compensation of various kinds to World War veterans, and it is only a short time ago since we provided for the Spanish War veterans as well. Congress took that action; Congress took it deliberately; it must have been presumed to have gone into the matter very carefully; and I took the ground in the committee that I did not believe we ought, within practically two years, undo some of the legislation that Congress had deliberately passed dealing with the veterans. That was my general attitude.

Mr. BRATTON. Mr. President, will the Senator yield?
The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New Mexico?

Mr. JONES. I yield to the Senator from New Mexico.

Mr. BRATTON. Under no circumstances would I intentionally do the Senator from Washington an injustice or create an incorrect inference respecting his position.

Mr. JONES. I know that to be so.

Mr. BRATTON. What the Senator has stated was his attitude; he stated it repeatedly in the committe; I take pleasure in confirming what he has said; and, if any statement I made a few moments ago gave any other impression, I welcome the opportunity to correct it. That was the Senator's attitude from the start.

Mr. JONES. I thank the Senator; I knew he had that idea.

However, Mr. President, the plea was made that we should go into the matter. In the first place, we all agreed that we did not have the time to hold public hearings in the committee; and considering the matters with which we had to deal, we thought we would have about the same opinion after hearings as we had before them. The time was short; and we knew very well that some would not be in favor of a 10 per cent cut; we knew that others would be in favor of another kind of a cut, and nobody, of course, would want any cut at all if it could be avoided.

In regard to the other questions with which we had to deal we knew very well that with reference to the pension matters there would be a difference of opinion. Of course, nobody would want to decrease the payments being made. So the question was discussed whether or not we should go into legislation of that character at all. As I have said, I took the position, along with others, that we ought not to go into it and interfere with pension legislation; that, regardless of the merits of the particular cases or particular classes, the committee should not take up that question, which had been settled by Congress just two or three years ago.

Some of the members of the committee were very insistent upon taking the questions up, and very honestly so. I have no hesitation in saying that the Senator from Connecticut [Mr. Bingham] was strongly for that course. He himself is a veteran, and I think his views in regard to such matters are entitled to very great weight and consideration. So, even though it might be said we were evenly divided as to whether or not we should go into pension legislation, we felt, under the insistence, that it should be gone into, that we would take it up, and we did take it up.

The various amendments to this title of the bill were suggested by the Director of Veterans' Affairs, General Hines, who is a very fine man, and, as everybody knows, of course, he is a friend of the veterans. He suggested certain amendments and furnished estimates as to what they would save and gave to us a very full and complete statement in reference to them.

After we had gone through them, instead, I would say, of voting 4 to 2, we submitted the report and recommendations to the full committee, and in the full committee my recollection is that I suggested to the committee that the first thing that should be determined was just what the Senator from New Mexico is now asking the Senate to determine, namely, whether or not we should go into the matter of pension legislation. The vote was in favor of that. I want to say that I voted against that. I took the same position then that I take now.

I am not going to discuss these various items. I think the motion that I undertsood the Senator had made, or at any rate that he was talking of making, was the proper thing to do, and let the Senate determine whether or not it wants to go into this field now, whether or not it believes it should go into this field. Personally, I do not believe it should. I think—I may be wrong about it—that the Senator would have a perfect right, and I believe it would be in order, to move to strike out of this bill a certain part of it.

I think it would be wise to get the sentiment of the Senate with reference to that particular proposition as to whether or not Senators want to go into that field. If the Senate does not want to go into it, it should say so, and I think it can very well say so; and in that way, as was suggested by the Senator from New Mexico, we might save a whole lot of time.

If the Senate wants to go into that subject; if it thinks, in view of the past action of the Senate, that this is the time

for us to go into it, then, of course, we will go into these various propositions.

That is about all I care to say.

Mr. WALSH of Massachusetts. Mr. President-

Mr. JONES. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. The Senator is the third member of the committee who does not feel that the Senate should go into this field.

Mr. JONES. I do not think it should.

Mr. WALSH of Massachusetts. Are there any other members of the committee who feel as the Senator does, and as the Senator from New Mexico [Mr. Bratton], and the Senator from Tennessee [Mr. McKellar] have expressed them-

Mr. JONES. I am frank to say that I think the other three members of the committee are rather in favor of doing this; and they think just as much of the soldiers as I do, and they think just as much of their welfare as I do.

Mr. WALSH of Massachusetts. The committee is a tie on it? In view of that attitude, how can the Senate act? If you have doubts about the justice and equity of these proposals, how can we be expected to know what course to follow?

Mr. JONES. Let me say to the Senator that the full committee of the Committee on Appropriations, by a vote, I think, of 10 to 9, decided to go into the matter. That very question was submitted to them; and, while no roll call was had, it was my recollection that the vote was 10 to 9. So we went in and considered all of these various matters and brought them out here to the Senate.

I think that is all I care to say.

Mr. GLASS. Mr. President, the statements that have been made here on the floor, as it seems to me, place those members of the Appropriations Committee who voted to sustain the work of the subcommittee in a very unhappy light before the Senate and before the country.

It has been represented to the Senate here that those of us who sustained the subcommittee's work proceeded in a rather heartless way with respect to the veterans; that we heard everybody else, and behind closed doors dealt very harshly with these ex-service men, without an opportunity to them to be heard.

I understood that the deliberations of the subcommittee. of which I was not a member, were strictly secret; that all interests were excluded in order that the members of the subcommittee, free from influences of any description, considering the problems purely upon their merits, might arrive at a conclusion.

Mr. JONES. Mr. President, will the Senator permit me to interrupt him for just a moment?

Mr. GLASS. Yes; I yield.

Mr. JONES. I certainly was unfortunate in my expressions. I did not intend to convey to the public or to anybody else the idea that any of the members of the Appropriations Committee outside of the subcommittee had anything to do with the meetings of the subcommittee.

Mr. GLASS. Oh, I acquit the Senator from Washington and all other Senators of any purpose to do that.

Mr. JONES. I certainly did not. Mr. GLASS. But it is perfectly manifest that that sort of impression was produced here in the Senate Chamber, because the Senator from Indiana [Mr. Robinson] marveled at what might have been the reasons which prompted the subcommittee and the Appropriations Committee to present a provision of this sort in the bill upon the statement of the case made by the Senator from New Mexico [Mr. BRATTON]; and I do not wonder that the Senator from Indiana so marveled, or that any other Senator might have marveled.

Mr. ROBINSON of Indiana and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Virginia

yield; and if so, to whom?

Mr. GLASS. The Senator from Indiana addressed me first. I yield first to him.

Mr. ROBINSON of Indiana. Yes, Mr. President; I marveled that a committee or subcommittee of the Senate should do a thing that seems to have been more or less unprecedented, where the victims in the matter would be the service men, the veterans of the wars of the United States. It did seem to me so strange that I thought there ought to be some statement made as to the reasons for taking this unprecedented action against the veterans.

Mr. GLASS. Exactly; and I do not wonder that the Senator marveled or that any Senator would have marveled.

Mr. BRATTON. Mr. President, will the Senator from Virginia yield to me?

Mr. GLASS. I yield.

Mr. BRATTON. Does the Senator question the correctness of a single statement I made?

Mr. GLASS. I am not prepared to question the accuracy of any statement that the Senator made: but I do say that my understanding of the whole transaction was vastly different from the understanding of the Senator from New

Mr. BRATTON. I think the Senator, in justice to me, will recall that I made substantially the same statement in the full committee, in the Senator's presence, in an effort to prevent the full committee from approving these provisions.

Mr. GLASS. No; the Senator is absolutely mistaken about that. He did not make it in my presence, because I was not at the meeting of the Appropriations Committee to which the Senator may have addressed himself.

Mr. BRATTON. Then I withdraw that statement. I did make it to the full committee. Of course, the Senator's statement that he was absent is correct.

Mr. McKELLAR. Mr. President, will the Senator yield

Mr. GLASS. What I want to say, if I may proceed just a moment, in justice to those members of the Appropriations Committee who voted without a great deal of knowledge of the details, who voted to sustain the work of this subcommittee of which, I repeat, I was not a member, is this:

I understood that no veteran who actually incurred a disability or illness in the war was affected by this provision of the bill. I also understood from the merely incidental statements made to me in the committee that no veteran who was actually in the war zone, whether injured or not injured, whether ill or not ill, was affected by this provision of the bill. I further understood-I think it would be accurate to say that I was told—that no veteran of any description who is in receipt of less than \$3,000 a year was affected by this provision of the bill.

It was upon that understanding that I voted to sustain the work of the subcommittee, and not through any degree of heartlessness toward any veteran. I had two sons in the firing line and a nephew who was decorated for his courage; and it would be inconceivable to me to entertain or to express any lack of sympathy with the veterans. If, however, the merits of the case are as they were represented to me, I shall not recede from my attitude, and I shall have no apology to make to any veteran or to anybody else for my attitude.

In this connection, Mr. President, I desire to call the attention of the Senate to an article from the New York Times of last Sunday that I had inserted in the RECORD yesterday, from which, briefly, it will appear that while the United States mobilized 4,355,000 men in the war, the nations of Europe mobilized 34,000,000 men in the war; and that while the United States had 360,000 men killed and wounded. of whom I am told 54,000 only were killed, the other nations engaged in the war had about 16,000,000 men killed and wounded; and yet this Government, in those circumstances, is paying out this year \$1,072,064,000 toward the relief of its veterans, whereas all the other nations combined, with their 34,000,000 enlistments against our 4,300,000, are paying out less than \$1,000,000,000. In other words, this Nation, so far from dealing in a harsh way or a heartless way with the veterans, is paying out this year, in the circumstances mentioned-4,300,000 enlistments the other nations engaged in the war put together.

Therefore I certainly acquit myself, in the circumstances cited, of any desire on earth to deal inconsiderately or harshly with the veterans, and repeat that if the representations made to me as to the merits of this proposition were in any degree accurate I have no apology to make to anybody for my attitude in the matter.

Mr. BYRNES obtained the floor.

Mr. BRATTON. Mr. President, will the Senator yield in order that I may make a formal motion and have a question pending?

Mr. BYRNES. Yes.

Mr. BRATTON. Mr. President, I move to amend the committee amendment by striking out all of Title VII except section 709.

The VICE PRESIDENT. That includes all the committee amendment.

Mr. BRATTON. That is my motion.

Mr. BYRNES. Mr. President, as a member of the subcommittee, I want to say that I believed that legislation correcting inequalities and injustices in the veterans' legislation should be considered.

I disapproved of the legislation proposed by the Veterans' Administration as to the disability allowance, by which it was claimed \$51,000,000 would be saved, and of the proposal to restrict the production of evidence upon the trial of a case. I thought, however, that as to these other provisions, they should be reported by the full committee. The full Committee on Appropriations took the same view; but I want to say, in justice to them, that at the time the bill was reported it was understood by the committee that every member reserved the right to vote as he saw fit upon these various items whenever they were presented.

One reason why I voted to report them is the law relating to the retirement of emergency officers. It was never intended by the Congress of the United States that the emergency officers' retirement law should operate as it now operates. There was a request on the part of the emergency officers that they should be put on the same basis with the officers of the Regular Army, in so far as retirement was concerned. No officer of the Regular Army is retired by reason of any presumptive disability.

My recollection is that 3,250 names were to be added to the retirement rolls, according to the figures of the Veterans' Administration submitted to the committees of Congress at the time the measure was under consideration. After the bill was passed by Congress an Attorney General of the United States rendered a decision overruling the decision of the attorney of the Veterans' Administration, and, under the decision of the Attorney General of the United States, it was held that while a Regular Army officer could not be retired on account of a presumptive disability, an emergency officer could be retired merely on account of the presumption of disability, and as a result 2,000 names were added to the rolls of the retired officers over and above the number submitted to the Congress.

It is because of that interpretation that we find in the Veterans' Administration that of the 329 doctors employed by the Veterans' Administration 225 have been retired. Under the interpretation of the law by the Attorney General of the United States to which I have referred, many of these officers were retired on account of presumptive disabilities.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. WALSH of Massachusetts. I observe the Senator has given a good deal of thought and study to the administration of veterans' affairs. I would like to inquire from him if it is his judgment that many of the complaints which are made by the public against excessive expenditures in the Veterans' Administration are due to just what the Senator has pointed out and not so much to anything Congress has done through its liberal legislative acts affecting the rights of veterans.

Mr. BYRNES. The Senator from Massachusetts is exactly right. I will say that I followed the debates on the various

against 34,000,000 enlistments-10 per cent more than all | veterans' measures, and I have investigated the record recently, and during the consideration of the veterans' legislation the Senator from Massachusetts was one of the most enthusiastic and ardent advocates of the rights of the veterans and the measures for their benefit. After the Congress had enacted the legislation it was subjected to interpretations by administrative officials, which have absolutely destroyed the intent of Congress and brought down on Congress criticism which it did not deserve.

Mr. WALSH of Massachusetts. I am glad to hear the Senator's observations, for they are in accord with my own

study of this problem.

Mr. BYRNES. Whenever the men who fought the battles of America find out that of 329 doctors employed by the Veterans' Administration 225 have been retired on threefourths pay, I do not blame them for criticizing. Whenever a veteran of this country goes into court on an insurance contract to secure that which he believes is justly due him under his insurance contract a physician is called to the stand from the Veterans' Administration, who testifies that the doughboy is not disabled and is not entitled to recover under his contract. On cross-examination an attorney asks, Doctor, you are employed by the Veterans' Administration. Are you drawing any retirement pay for disability?" The doctor answers, "Yes." "How much?" "Three-fourths pay." "How were you disabled?" Then we learn often that he is presumptively disabled, and the poor devil who is the plaintiff in the suit is testified out of court by a doctor drawing a salary of three, four, five, or six thousand dollars a year, and at the same time drawing retirement pay of threefourths of his Army pay because of a presumptive disability. That is one of the reasons why the veterans throughout the country are dissatisfied. That is one of the reasons why we find people criticizing the Veterans' Administration to-day.

If a doctor is so disabled that he is held to be entitled to three-fourths of his pay on retirement, he is so disabled that he is not entitled to draw a salary of five or six thousand dollars from the Government of the United States for working under the Veterans' Administration. If he is able to work for the Veterans' Administration and earn five or six thousand dollars a year salary, then he is in such splendid health and is so able that he should not be retired because of disability. He can take either side of it, but he should not be allowed to take both sides, at the expense of the soldiers and of the taxpayers of the United States.

Mr. WALSH of Massachusetts. Mr. President, is it not a fact that in the retirement of Regular Army officers there must be affirmative evidence that the men seeking to be retired are unfit for duty?

Mr. BYRNES. Absolutely. Mr. WALSH of Massachusetts. Yet we have retired emergency Army officers who are apparently physically able to perform work that commands a substantial salary.

Mr. BYRNES. Of course, the Senator is right; and the Senator remembers, as does every other Senator who was then a Member of Congress, that when the emergency officers came to us to plead for this retirement legislation all they asked was that they be given the same rights as officers of the Regular Army of the United States. We gave them those rights, according to the language of the law as it was enacted. No man dreamed it would be construed or interpreted to include a man who was presumptively disabled. Yet, as the Senator from Massachusetts has said, such officers have been put upon the roll and are drawing retirement pay in the amount of three-fourths of their service pay, although they in many cases are so able that they are in the service of the Government drawing large salaries.

Mr. WALSH of Massachusetts. How can these doctors resist the pressure brought to bear upon them by applicants for compensation when they themselves are receiving compensation of a doubtful nature?

Mr. BYRNES. I will say to the Senator from Massachusetts that of course the question of retired pay and the question of compensation are questions which inevitably must depend upon the determination of a physician. There seems to have been some evidence, in the examination of physicians by physicians, of "If you tickle me I will tickle

you." In no other way can we possibly account for the ! large number of physicians who have been retired. I want to call the attention of the Senate to the fact that from the Army Medical Corps 1,465 have been retired with pay, according to a letter written me by the Director of Veterans' Administration a few days ago.

Mr. WALSH of Massachusetts. Of course, the spirit which leads one doctor examining another to recommend him for compensation has run like a thread through the whole structure, and if we want to economize in the Veterans' Bureau, we will have to begin with the medical investigations and the character of their decisions.

Mr. BYRNES. I am satisfied that in no other way can it be done, and I am satisfied that this particular legislation in the bill is most deserving.

Mr. GEORGE. Mr. President, will the Senator yield to me?

Mr. BYRNES. I yield.

Mr. GEORGE. It is a fact, is it not, that we have required the Veterans' Bureau to give preference to veterans themselves, not only the medical veterans but all the veterans who make application for positions with the bureau?

Mr. BYRNES. Yes.
Mr. GEORGE. That is congressional action?
Mr. BYRNES. Yes.

Mr. GEORGE. Let me ask another question.

Mr. BYRNES. Let me answer that question first. That is true, but out of all the doctors who served in the Army and who are veterans and entitled to preference, we ought to be able to get hold of one now and then who has not gotten himself on the retired list.

Mr. GEORGE. I am not thinking of the retired list now, but we do require the Veterans' Administration to give preference to veterans?

Mr. BYRNES. Yes. Mr. GEORGE. I infer the Senator will concede that the actual reformation made in the veterans' legislation by this bill is just a beginning, is it not?

Mr. BYRNES. I do not understand. Mr. GEORGE. I mean it is not the Senator's view that the bill now before us is a complete reformation?

Mr. BYRNES. Oh, no; of course, it is not.
Mr. GEORGE. Would it not be wiser, if that is true, that this matter be referred to a committee to go into it and make a careful survey, so that every abuse which now is apparent and obvious can be corrected at the next session of

Mr. BYRNES. I will answer the Senator in a moment. I am coming to that point right now, and I am going to express my views on it.

There are several other items of a similar nature. Here is a boy who, after the war, in 1919, enlisted in the Regular Army. He did not go into the war. He may have stayed out because he did not like the noise of guns. He may have stayed out for other reasons. But for whatever reason, he did not enlist until 1919 or 1920, when he enlisted in the Regular Army. Because we in Congress declared that the technical termination of the war was July 2, 1921, if that boy, who did not like the ocean and stayed at home, and after the war was over enlisted in the Army, on July 1, 1921, fell off his piazza or tripped up and sprained his ankle, he is, in the view of the Veterans' Administration, entitled to all the benefits received by the soldier who was at Montfaucon fighting in the closing days of the war in 1918. It is held that the war was not over technically until July 2, 1921, by reason of the declaration of Congress, and therefore he is entitled to benefits which the boy who might be hurt on July 4, 1921, is not entitled to. I imagine there was no more surprised human being than such a boy when he was told, "My friend, you are entitled to more compensation and to more benefits, because you were injured during the war." Of course, the boy thought the war ended November 11, 1918. He had to be told that he was mistaken; that, according to a declaration of Congress, the war was not over until July 2, 1921. Therefore, he is placed on the same basis with the

fellow who was injured in Europe fighting the battles of his country. I know that whenever the ex-service men of America have those things called to their attention, none will demand more than they that these injustices and inequalities be remedied.

Then I get to the question brought up by the Senator from Georgia. I know the hopelessness of it now. I have conferred with my colleagues here. They think they should not be considered now. There are some proposals suggested by the Veterans' Administration to which I do not agree. Such things as I have called attention to I am satisfied must be done. I know, however, that they can never be done unless we have an opportunity to present them at a time when they can be explained, and I have come to the conclusion that that can not be done now.

I have conferred with members of the committee. I have called to their attention the fact that on yesterday the House of Representatives, by a vote of 160 to 24, passed a bill, under suspension of the rules, doing exactly what this committee has recommended in section 2 affecting emergency officers, which subject I have referred to in the last few minutes. That bill was sent to the Senate and has been referred to the Committee on Finance.

That is the committee charged with the consideration of such legislation and to which the bill was referred to-day. We have the same provision contained in this bill. I know that in endeavoring to explain it on the floor of the Senate it can not be properly done, so I have come to the conclusion to-day, much as I should like to have these injustices and inequalities removed now, that it can not be done at this time, and the one thing that is practical is to agree to the appointment of a joint committee to consider them and report to the next session of the Congress.

I want to ask the Senator from Connecticut a question. He holds the view I do as to the retired Army officer provision. He has indicated his intention to object to the unanimous-consent request of the Senator from New Mexico. I want to ask him before doing so to consider whether or not there would be any possible chance to present for the consideration of the Senate the subject in which he is interested, as well as those I have indicated my interest in; and if not, why he should not agree to the request of the Senator from New Mexico to vote as he has suggested, to have a joint committee created to report to the next session of Congress as to all veterans' legislation as well as the matters which are proposed in the bill. My own opinion is that the Senator from Connecticut should not insist upon his objection but that the joint committee should be appointed to carefully consider these matters and report at the next

Mr. BINGHAM. Mr. President, I appreciate the force of the appeal made by the Senator from South Carolina. I had hoped that we might carry out the plan to get a real economy measure. When the President came here the other day he said:

It is essential that when we ask our citizens to undertake the burdens of increased taxation we must give to them evidence of reduction of every expenditure not absolutely vital to the immediate conduct of the Government. * * * I have recommended to the Congress from time to time the necessity for passage of legislation which would give authority for further important reductions in expenditures not possible for consideration by either the Executive or the committees of Congress with-

out such legislation.

An earnest nonpartisan effort was made to secure these purposes in a national economy bill in the House, but it largely failed.

The measure the Senator from New Mexico is moving to strike out is among those included in the President's reference-

That subject is under review by the bipartisan committee appointed from the members of the Senate Appropriations Committee, and I am informed it has tentatively agreed upon a recommendation which would aggregate savings of \$250,000,000, together with a number of undetermined further possibilities. I am not informed as to details of these recommendations, although I learn that my own suggestions in many instances have not been accepted.

I may say that we did it this morning. It was stated in the papers when the President first met the bipartisan committee that he suggested a furlough plan. He said:

But I do know that the committee has made honest and earnest effort to reach a just reduction in expenditures, and I trust therefore that despite any of our individual views or the sacrifice of any group that we can unite in support and expeditious adoption of the committee's conclusions.

I appreciate the fact that it is important that the pending measure be passed at the earliest possible moment. I have talked with a number of Senators, and I appreciate that they feel it is extremely unwise at this time to economize in the manner suggested by the committee in the title which is now before us; and although there are some Senators who would like to vote for some of these sections but not for all, I believe that it would be wise to agree to the request made by the Senator from New Mexico and permit the first vote to come on striking out the entire title.

If that vote does not prevail, then I shall ask the indulgence of the Senate to explain why I am in favor of some of these provisions which, as has been explained by the Senator from Virginia [Mr. GLASS], in many cases are extremely fair and humane. If they were fully understood by the Senate I believe it would be for them. For instance, in the very first section, section 701, it is provided that no compensation shall be reduced where a married man has an independent income of \$3,500 or an unmarried man of \$1,500. In other words, it does not apply to a veteran out of a job at all. It does not apply to the veteran who has a small independent income. It only applies to the veteran who, if a bachelor, has an income of \$1,500, and, if a married man with an income of \$3,500, with an additional \$400 for each dependent. It does not apply to the poor man who does not know where the next dollar is coming from.

It does not apply to anyone 65 years of age or over. It does not apply to those who served in the actual military or naval forces and actually suffered an injury or contracted a disease in line of duty as a result of and directly attributable to such service. It does not apply to those who are temporarily totally disabled or permanently and totally disabled as a result of disease or injury acquired in or aggravated by the active military or naval service.

It does not apply to widows and dependents entitled to compensation or pension on account of the death of any person who served in active military or naval service. It does not apply to those persons who were actually engaged in combat with the enemy, who served in a zone of hostilities or who were actually under fire.

Mr. President, I refrain from any further discussion. I merely want to mention that to show my fellow veterans that in supporting what the committee has done I endeavored to protect those in need, those who did not have to pay income taxes, widows, and orphans, those who received actual injury or were sick at the front.

But the Congress in its wisdom and generosity, during the years when we were running a surplus of \$500,000,000 to \$750,000,000 a year, opened wide the doors and gave all sorts of compensation to various people on the theory that they could not afford not to be generous. They have laid themselves wide open and we have tried to correct some of those things here. There are individuals, for instance, who are perfectly healthy to-day, but who had tuberculosis as a result of the war and are now able to do a good day's work. who are to-day entitled to draw \$50 per month from the Government, no matter whether they have an income of \$5,000 or \$100,000 a year. There are said to be 3,000 doctors in the active practice who have been able to secure a disability rating of 30 per cent which entitles them to threequarters of their pay as captains and majors during the war. I do not believe the veterans want to ask that that be continued in the face of the need for economy.

But I refrain from further discussion and withdraw my objection to the unanimous-consent request of the Senator from New Mexico. I think I shall vote against the motion, believing, as I do, that if the matter could be presented to the veterans they would not object to bearing their share of

the necessity for Government economy, which, as the committee has proposed it in the bill, amounts to about \$47,-000,000 out of the more than \$1,000,000,000 to-day appropriated for administration of veterans' relief.

Mr. BYRNES. Mr. President, I want to ask the Senator from Connecticut if he does not agree that it would necessitate an explanation of each one of the items and would inevitably involve considerable debate upon each one of them and greatly delay the passage of the bill which we all agree should be passed immediately.

Mr. BINGHAM. There is no question about it and that

Mr. BINGHAM. There is no question about it and that is why I have yielded to the Senator's suggestion and withdrawn my objection to the unanimous-consent request of the Senator from New Mexico.

Mr. CUTTING. Mr. President, I do not wish to speak if it is going to delay action on the unanimous consent submitted by my colleague.

The VICE PRESIDENT. Is there objection to the unanimous-consent request submitted by the Senator from New Mexico [Mr. Bratton]?

Mr. MOSES. Mr. President, reserving the right to object, I want to point out that yesterday I undertook to get similar action in order that an amendment which went to the crux of the situation should be voted upon prior to the perfecting amendments, and then every member of the committee from the chairman down to the Senator from New Mexico or from the Senator from New Mexico up to the chairman, as one chooses to term it, refused me that consent. I shall be more magnanimous, and I shall not object.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered.

Mr. CUTTING. Mr. President, I do not care to discuss the question at any length. I do not think I should have said anything on the subject had it not been for the remarks recently made by the Senator from Virginia [Mr. Glass], who I regret to see is not present in the Chamber. I think the address of the junior Senator from Virginia [Mr. Glass] is a typical result of the kind of propaganda which has been promulgated throughout the country among people who have been so busy with other things that they have had no time to study the question of veterans' legislation.

The Senator from Virginia stated that in voting for the measure in the Appropriations Committee he did so on the theory that it would not do any damage to those who had served their country and had actually been injured by war service. As the Senator from Virginia is not present in the Chamber, I shall merely call to the attention of Members of the Senate that on page 98, line 12, occurs the word "actually"; in lines 13 and 14 occur the words "as the result of and directly attributable to such service." The same words occur again on page 103 in two different connections, and again on page 111. Those words rule out those who have incurred tubercular or neuropsychiatric complaints as the result of their service connection. They rule out the class of men who on the whole are suffering even more pitifully than those who suffered loss of limbs in action, far more than those who were mercifully granted death at the front.

That is typical of the sort of propaganda which the press at this time is putting out in connection with veterans' legislation. Such legislation is of an exceedingly complicated kind. Most Senators have not had the opportunity or the time to give it detailed consideration. They rely on statements made offhand in the committees or in newspapers, and they base their action accordingly. I have seen a great many newspaper articles on the subject of veterans' legislation claiming to disclose the vast sums expended unjustifiably. Almost all of them can be torn to pieces easily by anyone who has had practical experience with the details of veterans' legislation. It is very strange to me that in none of the articles which I have seen has any attention been paid to the cause of the expenditures which are chiefly criticized to-day by the press.

We hardly ever read an article about veterans' legislation without having the point brought up that a man may be run over by a street car years after the war and still obtain ! compensation which in many cases is greater than that awarded to men who suffered in action. I do not wish to go into unpleasant matters connected with the past, but I am so tired of reading such criticism that I really feel I should call the attention of the Senate and of those in the country who will read in the Congressional Record what I am saying to the fact that non-service-connected disabilities were never included in any legislation passed by Congress until the session of 1930, when the Senator from Pennsylvania [Mr. Reed] submitted an amendment to the so-called Rankin bill, which had come over from the other House. I should like to read, for the information of the Senate, the amendment proposed by the Senator from Pennsylvania at that time. It was as follows:

that time. It was as follows:

SEC. 10. That section 200 of the World War veterans' act, 1924, as amended (sec. 471, title 38, U. S. C.), be hereby amended by adding at the end thereof the following:

"On and after the date of the approval of this amendatory act any honorably discharged ex-service man who entered the service prior to November 11, 1918, and served 90 days or more during the World War and who is or may hereafter be suffering from a 25 per cent or more permanent disability, as defined by the director, not the result of his own willful misconduct which was not acquired in the service during the World War or for which compensation is not payable shall be entitled to receive a disability allowance at the following rates: 25 per cent permanent disability, \$12 per month; 50 per cent permanent disability, \$14 per month; 75 per cent permanent disability, \$24 per month; total permanent disability, \$40 per month. No disability allowance payable under this paragraph shall commence prior to the date of the passage of this amendatory act or the date of application therefor, and such application shall be in such form as the director may prescribe: Provided, That no disability allowance under this paragraph shall be payable to any person not entitled to exemption from the payment of a Federal income tax for the year preceding the filing of application for such disability allowance under this paragraph."

I shall not read the remainder of the amendment, but I

I shall not read the remainder of the amendment, but I have read the gist of it.

The Senator from Pennsylvania spoke in favor of this amendment at some length on the morning of June 23, 1930. The amendment was voted down by a viva voce vote without a roll call, indicating the overwhelming feeling of the Senate. The bill, without the amendment, passed the Senate by a vote of 66 to 6. That bill was vetoed by the President of the United States, and within a few days, on the recommendation of General Hines, of the Veterans' Bureau, the Finance Committee reported to the Senate a bill practically identical with the amendment which the Senator from Pennsylvania offered on June 23. The new bill was fought on the floor of the Senate by all those who had shown themselves active in the cause of the disabled veterans in the past. Some spoke a number of times and at great length on the subject, pointing out the revolutionary character of the legislation proposed. In the last moments of the session the House and the Senate passed the bill, realizing that that was the only way in which they could get any veterans' relief at all at that session, and the President promptly signed the measure.

That was legislation to all intents and purposes dictated by the administration and corresponding to the views of the very people who are now using it as the main argument against veterans' disability allowances and compensation of all kinds. I feel that under the circumstances, in view of the propaganda going through the country, it is necessary to call the attention of the Senate to that one simple fact.

I do not mean to discuss the title further at any length. I feel that arguments that have been advanced by my colleagues, and which have practically been concurred in by the able Senator from South Carolina [Mr. BYRNES] have shown the inadvisability of passing such far-reaching legislation or attempting to enact it at this time without any detailed study of the general situation. I feel that the proposal made by the other House and concurred in by the Senate committee, that a joint committee shall investigate the general situation and report back to the next session of Congress, is a wise one.

I freely concede that there are many things in existing veterans' legislation which are wrong and which ought to

be amended; I do not think there is any doubt about that; but before doing so I appeal to the Senate to give the matter some thought, to have a general plan laid down, some plan which may be concurred in by the majority of those who have devoted thought to this subject; and when that plan shall be submitted to the Senate, let us debate it on

Mr. McKELLAR. Mr. President, the Senator from Virginia [Mr. Glass] a while ago stated, as I understood him, that these provisions did not apply to the sick and wounded soldiers. If he has that view, he is mistaken about it. Section 701 applies solely and alone to sick and wounded soldiers; section 702, "Veterans in institutions," applies solely and alone to sick and wounded soldiers; and section 703 applies alone to sick and wounded soldiers. Those are the three main provisions in this title.

Mr. President, I have been unable to express my views about the matter, and I am going to ask unanimous consent to submit as a part of my remarks, to be printed immediately after what I am now saying, the minority views on this bill as presented by the Senator from New Mexico [Mr. Brattonl and myself.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

MINORITY VIEWS

We respectfully disapprove the provisions of Title VII and dissent from their inclusion in the measure. Through such provisions it is proposed to reduce the compensation of sick and disabled veterans of the World War approximately \$50,000,000 per annum. These reductions are effected by permanent changes in basic law. The body of existing law relating to compensation of such veterans has been constructed throughout a period covering about 17 years. During that time the Finance Committee of the Senate, not the Appropriations Committee, has dealt with all such such veterans has been constructed throughout a period covering about 17 years. During that time the Finance Committee of the Senate, not the Appropriations Committee, has dealt with all such matters. This committee has never exercised any jurisdiction over legislation of that character. Now, solely and exclusively under the guise of effecting economy, that being the single duty enjoined upon this committee, it is proposed that this committee shall review the whole corpus of the law covering compensation to disabled ex-service men and, predicated upon such review, to reduce such compensation about \$50,000,000 annually.

Assuming, but not conceding, that certain changes should be made in the law fixing rates of disability compensation, it is our conviction that such changes should be effected in the orderly and

conviction that such changes should be effected in the orderly and usual method, namely, through the enactment of bills considered by the Finance Committee, with full opportunity afforded representatives of veterans' organizations to appear and be heard. We should refrain from making such tremendous reductions in compensation to disabled ex-service men solely upon the ground of economy, that being the single factor which this committee is empowered to consider.

empowered to consider.

Citizens suffering disabilities resulting from military service in time of war can be differentiated on clear and tenable ground from employees of the Government, with no such disabilities and with a retired annuity upon which they can rely in old age. The two classes are dissimilar. One can be required to submit to a temporary reduction in salaries as a contribution during the existing period of financial stress, while, for the reasons previously stated, the other should not be obliged to bear the financial burden cast upon them in the manner and for the reasons to which we have adverted. The measure provides for a joint congressional committee to investigate the laws relating to compensation to veterans. That should be completed and the report made in December, 1932, before these revisions are effected.

With all other parts of the measure we are in full accord. It

With all other parts of the measure we are in full accord. It achieves economies aggregating about \$200,000,000 per year. In addition, broad power is conferred upon the President to consolidate, merge, and coordinate departments, bureaus, and commissions. Through the exercise of this power, additional savings of stupendous proportions can, and we have no doubt will, be effected. Rigid economy must be practiced in every department of Government. That can be done only through a comprehensive program of curtailment in departments, bureaus, and commissions, with sharp retrenchment in appropriations.

KENNETH MCKELLAR. SAM G. BRATTON.

Mr. ASHURST. Mr. President, I believe I did not secure permission to print in the RECORD certain matter relative to the names of those persons who are drawing emergency officers' retired pay. I have consulted with the Printing Committee and am advised that it will cost \$900 to print the list of names of those emergency officers. Therefore I will withdraw my request to print the list, and will say that Senators may find the list of the names of emergency officers drawing retired pay by consulting the Record of March

The VICE PRESIDENT. The Senator from Arizona withdraws his request

Mr. SMOOT. Mr. President, it is very refreshing indeed to hear a Senator even think about saving some money by refraining from having matter printed in the RECORD, and I congratulate the Senator from Arizona with all my heart.

Mr. ASHURST. I am always willing to receive congratulations

Mr. SMOOT. Day after day the practice goes on here of printing in the Record matter costing \$100 in one case, \$200 in another, \$300 in another, \$700 in another, and so on. It is wicked; that is all.

The VICE PRESIDENT. The question is on the motion of the Senator from New Mexico [Mr. Bratton] to strike out Title VII of the bill.

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GLENN (when his name was called.) I have a general pair with the junior Senator from Louisiana [Mr. Long], who is necessarily absent, and therefore withhold my vote.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. Not knowing how he would vote if present, I withhold my vote. If permitted to vote, I should vote yea."

Mr. McNARY (when his name was called). On this question I have a pair with the junior Senator from Oklahoma [Mr. Gore]. Not knowing how he would vote, I with-

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. I understand that if he were present he would vote as I expect to vote. Therefore I feel free to vote, and vote "yea."

Mr. SCHALL (when his name was called). I have a pair with the Senator from Alabama [Mr. Black]. In his absence I withhold my vote.

Mr. WATSON (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH]. In his absence I transfer that pair to the Senator from Connecticut [Mr. WALCOTT], and will vote. I vote " yea."

The roll call was concluded.

Mr. LA FOLLETTE. I have a pair for the day with the Senator from North Carolina [Mr. Balley]. I am unable to secure a transfer, and I am uninformed as to how the Senator from North Carolina would vote on this motion. I therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. HATFIELD. I find that my general pair, the Senator from North Carolina [Mr. Morrison], would vote as I intend to vote on this question. I therefore feel at liberty to vote, and vote "yea."

Mr. SCHALL. I am informed that the Senator from Alabama [Mr. Black], with whom I am paired, would vote as I shall vote. Therefore I am at liberty to vote. I vote "yea."

Mr. JONES. Making the same announcement as heretofore as to my pair and its transfer, I vote "yea."

Mr. McNARY. I wish to announce that the Senator from Ohio [Mr. Fess] has a general pair with the Senator from New York [Mr. COPELAND], and that the Senator from Delaware [Mr. Hastings] has a general pair with the Senator from Missouri [Mr. Hawes]. I am not advised how these

Senators would vote on this question. Mr. SHEPPARD. I desire to announce that the Senator from Oklahoma [Mr. Gore] and the Senator from Missouri [Mr. Hawes] are necessarily detained on official business.

Mr. WAGNER. I desire to announce that my colleague [Mr. COPELAND] is detained because of illness.

The result was announced—yeas 63, nays 14, as follows:

YEAS-63

Barbour Barkley Blaine Ashurst Bratton Byrnes Austin Bankhead Broussard Bulkley Capper Caraway

Carey Cohen Connally Coolidge Costigan Couzens Cutting Dale Davis Dill Fletcher Frazier	Goldsborough Harrison Hatfield Hayden Howell Hull Johnson Jones Kean Kendrick Keyes Lewis	McGill McKellar Neely Norris Nye Oddie Patterson Pittman Robinson, Ark. Robinson, Ind. Schall Sheppard	Shortridge Steiwer Thomas, Idaho Thomas, Okla. Townsend Trammell Tydings Wagner Walsh, Mass. Walsh, Mont. Watson Wheeler
George	Logan	Shipstead	Wheeler
- 12000000000000000000000000000000000000	N.	AYS-14	
Bingham Borah Bulow Dickinson	Glass Hale Hebert King	Metcalf Moses Norbeck Reed	Vandenberg White
	NOT '	VOTING-19	
Bailey Black Brookhart Copeland Fess	Glenn Gore Hastings Hawes La Follette	Long McNary Morrison Smith Smoot	Stephens Swanson Walcott Waterman

So Mr. Bratton's motion was agreed to.

Mr. JONES. Mr. President, I ask unanimous consent that the clerks may be authorized to correct the numbers of the titles and sections.

The VICE PRESIDENT. Without objection, it is so

Mr. LOGAN. Mr. President, yesterday I made a motion to reconsider the vote whereby the provision cutting salaries was adopted. It is perfectly evident that the Senate has not changed its mind, and I see no necessity of taking up the time of the Senate; so, if I may do so, I will withdraw the motion.

The VICE PRESIDENT. Without objection, the motion will be withdrawn.

Mr. GLASS. Mr. President, I renew the motion to reconsider the vote by which the Federal employees were reduced 10 per cent, with a view to having the whole problem referred to a committee of three to report next January.

The VICE PRESIDENT. The Senator may enter his motion.

Mr. LA FOLLETTE. Mr. President, I intend to move to reconsider the vote whereby the amendment offered by the Senator from New Hampshire [Mr. Moses], the so-called furlough plan, was rejected. May I ask the Senator from Washington if it would be agreeable to him for me to make that motion now, or does he prefer to conclude the committee amendments?

Mr. JONES. I should like to conclude the committee amendments first.

The VICE PRESIDENT. The Senator enters the motion at this time?

Mr. LA FOLLETTE. I enter the motion.

Mr. JONES. Mr. President, there is a committee amendment on page 113.

The VICE PRESIDENT. The amendment will be stated.

The next amendment of the Committee on Appropriations was, on page 113, line 7, after the word "Sec.," to strike out "801" and insert "709"; in line 8, after the word "of," to strike out "seven" and insert "five"; in line 10, after the word "and," to strike out "seven" and insert "five"; and in line 21, after the word "the," to strike out "first Monday in December, 1932," and insert "1st of January, 1933," so as to make the section read:

SEC. 709. There is hereby created a joint congressional committee which shall be composed of five Members of the Senate, to be appointed by the President of the Senate, and five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. Such committee shall conduct a thorough investigation of the operation of the laws and regulations relating to the relief of veterans of all wars and persons receiving benefits on account of service of such veterans and report a national policy with respect to such veterans and their dependents, and shall also report and recommend such economies as will lessen and shall also report and recommend such economies as will lessen the cost to the United States Government of the Veterans' Administration. The committee shall report to the Senate and the House of Representatives not later than the 1st of January, 1933, the results of its investigation, together with such recommendations for legislation as it deems advisable.

The amendment was agreed to.

The next amendment was, on page 114, line 12, after the word "Title" to strike out "IX" and insert "VIII," so as to make the heading read:

TITLE VIII-SPECIAL PROVISIONS

The amendment was agreed to.

The next amendment was, on page 115, after line 2, to insert:

PROVISIONS OF PART 2 APPLICABLE TO APPROPRIATION ACTS FOR FISCAL YEAR 1933

SEC. 803. The provisions of part 2 herein are hereby made applicable to the appropriations available for the fiscal year 1933, whether contained in this act or in acts prior or subsequent to the date of the approval of this act.

The amendment was agreed to.

The CHIEF CLERK. Returning to page 58, a committee amendment passed over—

Mr. JONES. Mr. President, I have here a committee amendment which I should like to offer first.

The VICE PRESIDENT. The Senator from Washington offers an amendment, which will be stated.

The CHIEF CLERK. On page 54, line 18, strike out the word "section" and insert in lieu thereof the following:

act, and by the act of February 14, 1931 (Supp. V, U. S. C., title 5, sec. 73a).

The amen, nent was agreed to.

Mr. JONES. I have another committee amendment that I desire to offer.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. Also on page 56, line 16, after the word "automobile," it is proposed to insert a colon and the following proviso:

Provided, That where a change of station involves travel by Government transport, the private automobile of the individual may be transported on Government transport when space is available and it will not interfere with the normal operation of such transport service.

Mr. REED. Mr. President, I take it that the committee amendment just offered requires a reconsideration of the vote by which section 208 was agreed to.

The VICE PRESIDENT. It does. The Senator is correct. Mr. REED. In that case I want to ask the Senate to consider seriously whether section 208 should be adopted, especially as qualified.

The VICE PRESIDENT. Consent has not been given to reconsider. Is there objection to reconsidering the vote whereby section 208 was agreed to?

Mr. BARKLEY. Reserving the right to object, what is that section about?

Mr. REED. It is the section which provides that no transportation at Government expense of the effects of officers shall be construed to include the transportation of an automobile.

That sounds like an important saving, but in the Army last year the entire amount spent on this item by the Government, including transportation on Government transports to stations overseas, was only \$3,000. The committee amendment now strikes out the provision for carriage by Government transports. It permits that to be done, in other words, and all that would be saved would be that minute amount for transportation otherwise than by Government transport.

We will suppose that an officer is ordered to duty with the regiment in Puerto Rico. No troop movements occur between continental United States and Puerto Rico, and consequently a transport would very seldom go there. The officer would have to pay for having his automobile carried for that short trip from continental United States to the island of Puerto Rico. It is in only a few cases like that where this section 208 would save any money.

I feel certain that, with the qualifications put on by the committee and through the pending amendment, the saving to the United States, as far as the Army is concerned, would be less than a thousand dollars a year; and that would come at the expense of officers whose pay and whose mileage and whose allowances are all being cut by this bill. I hope the committee will not, at the expense of that very small group of officers, see fit to put in this provision,

Understand, please, Mr. President, that in the matter of automobiles in continental United States, in 99 per cent of the cases the officer travels by automobile to his new station, and he carries in his automobile belongings and baggage for which the Government would otherwise have to pay freight. We would effect no economy there. It applies to a very small group of officers, and the saving is negligible, and I hope the committee amendment will be disagreed to.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator whether he has figures showing what would be the amount saved by incorporating the amendment?

Mr. REED. The committee is now proposing an amendment which would allow transportation of automobiles in Army transports. Without that permission the total amount saved would be \$3,000, based on last year's figures. I do not know how much would be saved after the adoption of the committee amendment, but it would certainly be less than \$3,000, and probably not as much as \$1,000. It would apply to only a few officers who are ordered to duty at places where Government transports do not go, such as Puerto Rico. It seems a pity to effect a saving of a thousand dollars at the expense of very few officers.

Mr. McKELLAR. Mr. President, if the amendment were cut out entirely, the War Department would be authorized to ship a car to any place in the United States by train.

Mr. REED. Yes; but nobody wants to do that.

Mr. McKELLAR. I know; but it seems to me that the language ought to go in, although I have no objection to the amendment which has been proposed.

Mr. REED. Mr. President, if the Senator will bear with me, at the present time the Army would have the right to send automobiles by train in the United States; and yet, although they have that right, the total spent in the whole fiscal year 1931 was less than \$3,000. So it is obvious that the right is not exercised within continental United States to any considerable extent.

Mr. JONES. Mr. President, I really think the amendment of the committee should stay in the bill. I am perfectly willing that the amendment which the Secretary of War has sent to us, with reference to the transportation of automobiles on transports, shall be adopted; but I am inclined to think that if we would hold out the inducement that they might carry automobiles here, there, and yonder the privilege would be very much abused.

Mr. FLETCHER. Mr. President, it seems to me as a practical matter that the only result of this would be to work a hardship on a few officers. They would individually have to pay for the transportation of their automobiles when they are ordered to duty, and I think the provision ought to be stricken out. I do not think it is fair, after all the reductions which have been made as to these officers, now to put them to the expense of paying for the carriage of their automobiles.

Mr. ROBINSON of Arkansas. Mr. President, I agree with the Senator from Florida. The amount involved is so trivial that it does not seem to me to justify the embarrassment and inconvenience which would result from the incorporation of the provision. It is represented that at most \$3,000 is involved and that the amendment which the committee proposes would reduce that probably to \$1,000. I do not see that it is worth while to adopt the amendment.

The VICE PRESIDENT. Is there objection to the request that the vote by which the amendment was agreed to be reconsidered? The Chair hears none, and the vote is reconsidered.

Mr. JONES. Mr. President, the Senate understands the situation pretty well, I think, and I will not offer an amendment to the amendment, but suggest that we vote directly on the committee amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 56, after line 11, the committee proposes to insert the following:

SEC. 208. Hereafter no law or regulation authorizing or permitting the transportation at Government expense of the effects of

officers, employees, or other persons shall be construed or applied as including or authorizing the transportation of an automobile.

The amendment was rejected.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The CHIEF CLERK. On page 58 the committee proposes to strike out, after line 4, the following:

(b) This section shall not apply to officers on the emergency officers' retired list created by the act of May 24, 1928, and shall not apply to any person retired for disability incurred in line of duty.

Mr. REED. Mr. President, at the time that amendment was passed over attention was called to the fact that the committee amendment dealt only with an exception to the general rule established in the first part of the paragraph, and that there were certain amendments to be proposed to the general rule.

It does not seem intelligent to work on the exceptions until we have first decided what the rule shall be. Therefore I ask unanimous consent that amendments to paragraph (a) of section 211 may be considered before the committee amendment is acted on to paragraph (b).

The VICE PRESIDENT. Is there objection? The Chair

hears none.

Mr. REED. Mr. President, I send to the desk an amendment.

The VICE PRESIDENT. The amendment will be reported. The CHIEF CLERK. On page 57, line 23, strike out "\$3,000" and the balance of that line, and strike out lines 24 and 25; and strike out, on page 58, line 1, down to and including the word "elect," and in lieu thereof insert: "the rate of pay and allowances which such person was receiving as such commissioned officer immediately before his retirement."

Mr. REED. Mr. President, a word of explanation. The provision as it was written by the House would have an effect which I will illustrate by typical cases.

In the case of a second lieutenant who was injured and retired, his retired pay would be about \$125 a month. That second lieutenant could go out and get civilian pay for another \$125 a month and he would still receive his full retirement allowance. But where a colonel is retired for wounds received in action, his retired pay would be more than \$3,000 a year, and consequently, under the committee provision, there is nothing he could do in working for the Government that would entitle him to a single penny more than his retired pay.

There are many cases of deserving officers who have been retired and are working for very small salaries to piece out their retirement pay, and they would all suffer under this provision, whereas those with the big salaries would not.

Mr. DILL. Mr. President, why does the Senator think that a man who is receiving more than \$3,000 a year retirement pay should be permitted to work for the Government and get more pay?

Mr. REED. It depends entirely on the value of the service he is rendering the Government.

Mr. DILL. Why, in the conditions which confront the country at this time, should we allow a man getting more than \$3,000 a year retirement pay to take a job away from somebody else who has no income?

Mr. REED. It may be that we could not find anybody else who could do the work competently. That is conceivable.

Take the scandalous cases that have been called to our attention in the Veterans' Bureau. Take the case of Maj. William Wolff Smith, who got a retired pay of \$187.50 a month, and that totaled \$2,275 a year. His civilian pay from the Veterans' Bureau was \$9,000 a year. Obviously, under either the House language or the amendment I have suggested, all of his retired pay would be denied him.

But, on the other hand, take some officer who perhaps has a family to support and finds his retired pay insufficient to support his family and put his children through school. He gets some humble Government job—I know one who is running an elevator in this building at this minute—to enable him to keep his wife and children. He would be

denied relief entirely by the provisions of the House text. Certainly, if a man has been disabled in line of duty in the service of his country it is not asking too much for him that he shall be permitted to piece out his retired pay so as to enable him to get a combined income equal to that which he was earning just before he was retired for disability. That is the effect of my amendment.

Mr. CONNALLY. Mr. President, may I ask the Senator a question?

Mr. REED. Certainly.

Mr. CONNALLY. Does the Senator's amendment provide that in addition to the three-quarters retired pay, the retired officer can then go outside and earn enough to bring his combined pay up to his old pay when in active service?

Mr. REED. Yes.

Mr. CONNALLY. The cases the Senator mentioned did not include such men as one of the District Commissioners. I understand the chief of police, too, is a retired Army officer drawing several thousand dollars a year retired pay.

Mr. REED. That is correct.

Mr. CONNALLY. And one of the Public Utility Commissioners is likewise a retired Army officer. It is not just that those men who are drawing all their large retired pay should be able to draw a full salary from the District government.

Mr. REED. Precisely. I quite agree with the Senator. Under the amendment I have proposed not one of those individuals would get a cent of retired pay.

Mr. CONNALLY. The amendment would allow him to get only what he was drawing from the Army before he retired. I think there is some merit in it.

Mr. REED. That is what it does. It allows the individuals spoken of their civilian pay and only denies them their retired pay.

Mr. DILL. Mr. President, the Senator's illustration of a man running an elevator in the Capitol is an illustration of what this will lead to. Here is a man getting more than \$3,000 a year retired pay, and yet he takes a job away from somebody else in order that he may get additional salary over and above the \$3,000 a year. It seems to me in these times the men drawing retired pay of more than \$3,000 are less deserving of piecing out their salaries than is the man who has not anything at all, who is out of a job and can not get any work at all.

Mr. REED. If we are going to apply that theory, we had better start with ourselves, and every one of us who has a little income on the outside had better resign so that somebody else may get elected to our jobs and draw our pay as Senators.

Mr. DILL. But we are not on the retired list yet.

Mr. REED. But we had better vacate our present jobs and let somebody else come here in our places.

Mr. DILL. But we are not supposed to be disabled.

Mr. REED. Precisely; but I am trying to apply the Senator's own logic to the Senator's own case.

Mr. DILL. It would not apply to me.

Mr. REED. If the Senator has, as I hope he has, an cutside income, then the Senator ought to resign right away and let some one of the unemployed of the State of Washington come down here in his place. That is the logic of the Senator's position. I can not imagine that the Senator would apply a stiffer rule to the man disabled in his country's service than he would apply to himself.

Mr. DILL. If I had retired pay of more than \$3,000, I would not expect the Government to give me a job in order that I might make enough additional money from my Government job to make my retired pay and my salary in that job equal to what I was drawing before I retired.

Mr. REED. This is not going to correct that condition. Neither will the amendment discharge the retired man from the job he is filling. It is merely going to cut his pay.

Mr. TRAMMELL. Mr. President, may I ask the Senator from Pennsylvania a question?

Mr. REED. Certainly.

Mr. TRAMMELL. If an Army officer receives \$8,000 a year in active service, his retired pay is \$6,000 a year?

Mr. REED. That is correct.

Mr. TRAMMELL. Therefore he would be able to hold a position in the Government, and in order to be precluded from it his salary must exceed \$8,000; that is, the combination of his salary and his retired pay.

Mr. REED. If he earns more than \$2,000 in his civilian position, and presumably a general would earn more than that, then for every cent that he earns over \$2,000 in his civilian position we would abate an equal amount from his retired pay so that if he got \$8,000 in his civilian position, as the District officials are getting who were named by the Senator from Texas [Mr. Connally], he would be denied every penny of his retired pay.

Mr. TRAMMELL. The effect of the Senator's amendment would be to enlarge the latitude of opportunities for a retired officer with a considerable amount of retired pay, because under the provisions of the bill as at present it would not affect those who were not drawing such large amounts of retired pay. Plainly speaking, the Senator's amendment is in favor of the officers drawing the larger amounts of retired pay.

Mr. REED. Oh, no; I do not think so. It would apply, for example, to any officer getting \$250 per month of retired pay. A captain with over 21 years of service would get more than that in retired pay. I am sure the Senator does not mean to penalize the captain wounded in action in France who is able to pick up a little by working now in a civilian occupation.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Arkansas?

Mr. REED. I yield.

Mr. ROBINSON of Arkansas. What difference will the Senator's amendment make in the amount that is presumed to be saved by the provisions in the bill?

Mr. REED. Necessarily it is only an estimate, but I doubt if we would save more than \$50,000 or \$100,000 from this group of disabled officers. The saving we are making on these Army officers comes principally from those in active service. Remember, please, Mr. President, that all of them are being reduced 10 per cent, and that applies to the retired officers of whom I am speaking as well as the officers on active duty.

Mr. ROBINSON of Arkansas. But the Senator has not answered my question.

Mr. REED. I can not answer it specifically, but I should estimate the saving at not more than \$100,000.

Mr. CONNALLY. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Pennsylvania yield to the Senator from Texas?

Mr. REED. I yield.

Mr. CONNALLY. The Senator is chairman of the Committee on Military Affairs. Will this bill take care of the man who retires during the pendency of these cuts, and will he be restored to his full retirement pay after the end of the one year? I had an inquiry of that kind and I am interested to know.

Mr. REED. As I understand the language of the bill, the cut in retirement pay of 10 per cent applies only to the one year, but the provisions in section 211, which I have been discussing, apparently are permanent in their effect.

Mr. CONNALLY. That is the point to which I want to invite the attention of the Senator. If an officer retires during this one year he will only get three-quarters retired pay less 10 per cent. The general law provides that he continues to draw that retired pay. I want to be sure that his right to the increase would expire with the one year. I think the Senator, as chairman of the Committee on Military Affairs, ought to investigate that.

Mr. REED. I see the burden of the Senator's question. An officer on the active list now who is retired during the course of the next fiscal year might, according to a possible interpretation, get for the rest of his life only three-quarters of his pay as reduced.

Mr. CONNALLY. I do not know whether that is covered specifically, but I wanted to call it to the attention of the Senator.

Mr. REED. I am obliged to the Senator for the suggestion, because I am sure that nobody intends that to be done.
Mr. CONNALLY. But the operation of the language of the provision may have that effect.

Mr. REED. Mr. President, I hope the Senate will agree to the amendment. An estimate of its exact effect and its cost to the Treasury can be prepared at once and can be in the hands of the conferees by the time they meet. I am sorry that in the pressure of work on the Army appropriation bill and the revenue bill I have not had time to get it, but I am quite certain it will not exceed \$100,000. But I beg the Senate to hesitate before putting that cumulative cut on this group, which is being so savagely cut by the other sections of the bill. We are cutting their active pay; we are cutting their retired pay; we are cutting their allowances for rent and subsistence; we are cutting their mileage. We are cutting them right and left. I am not going to criticize any of the other cuts made in the Army, but this is one which applies with such unequal force to the small group that I think it is most unfortunate. I hope the Senate will accept the amendment.

Mr. HALE. Mr. President, does the Senator think it will cost the Government about \$100,000?

Mr. REED. It will not increase the cost.

Mr. HALE. I think on the contrary the Senator's amendment will probably bring money into the Government Treasury. If a man has a retired salary of \$3,000, his pay before retirement would necessarily have been \$4,000. If he should get a position with the Government at an annual salary of \$4,000, under the provisions of the bill he would not be allowed to take any of his retired pay. In other words, he would not take the job. But if he were allowed to get an additional \$1,000 to add to the \$3,000 of retired pay, he probably would take the job and the Government would save \$2,000.

Mr. REED. I think it likely that in some cases it would work out that way. In any event, whether it is a saving or a cost, it is very slight in either event. It comes with exceptional hardship on a small group that deserve our gratitude and not our punishment.

Mr. FLETCHER. Mr. President, I think the statement of the Senator from Pennsylvania is quite clear and that his amendment would accomplish what is reasonable and just and fair to the officers who would come within the provision. I hope the Senate will agree to the amendment.

Mr. DILL. Mr. President, the Senator's amendment is simply a proposal to allow these retired Army officers to work for the Government in some capacity after they have retired from their regular work on three-quarters pay and to earn enough money to bring back to them their regular pay when they were in the active service, and this in a time when there are millions of people in the country who have no income at all because they can not get work.

I have no criticism of the men who have retired from the Army on three-quarters of their regular pay going out and making money wherever they can in civilian life, but I certainly am opposed to having those officers who have reached that position where they have retired from the Army service, going back into the Government service and taking jobs away from people who have no incomes whatever. I think when the Government provides for them after their retirement to the extent of three-quarters of the pay they received on active duty, we are doing a great deal for them in a time like this when so many millions of our people have not any income whatsoever.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania.

On a division, the amendment was agreed to.

Mr. BARKLEY. Mr. President, I desire to call the attention of the Senator from Washington [Mr. Jones] and of

in the amendment at the bottom of page 49 and the top of page 50, which has already been adopted by the Senate, and which will be in conference between the House and the Senate when this bill shall pass. I am informed that the Senate committee in making this proposal that on and after June 20, 1932, no officer or employee of the Federal Farm Board, and several other boards mentioned in the amendment, shall receive more than \$10,000 per annum, acted on the theory that, notwithstanding at various times heretofore Congress has fixed a different and in some cases a higher salary than that received by Members of Congress, it was the desire of the committee to limit all public salaries so that no public officer would receive a larger compensation than that drawn by a Member of the United States Senate; but that out of that list the Administrator of Veterans' Affairs was eliminated so that he may be the only public officer in the United States who will draw more salary than does a Member of the Congress.

In the first place, I seriously doubt whether that is a wise criterion by which to fix the salaries of public officers. Men who come to this body come in order to gratify an ambition or to make a career. Some of us are deluded into the belief that we are rendering public service which compensates for the loss of income which the same amount of work in private life would undoubtedly bring to us. But many of the men who are drawn into the public service do not come into it with that particular motive. I happen to be acquainted with the circumstances under which the chief counsel, for instance, of the Federal Farm Board came to Washington. He is an able lawyer; he did not apply for the position; but, because of his previous experience as an attorney for cooperative farm organizations, he was invited to come here as assistant at the time to the chief counsel of the Federal Farm Board with the understanding that he would be made the chief counsel. At the time he came he was earning more than \$20,000 a year in the practice of law, and had a retainer from one firm amounting to \$12,000 a year, all of which he had to give up; all of which he did give up. Since he came into this position his compensation has been increased by the Farm Board, under the authority which it had, from \$10,000 a year, which he at first received, to \$20,000 a year.

I do not know what really would be a fair criterion of compensation for the Government to establish in the case of men who give up private business or private law practice in order to engage in a service for the Federal Government. but under this amendment it is proposed to cut by 50 per cent the amount of compensation that is being drawn by the chief counsel, for instance, of the Federal Farm Board, which, whatever we may think of the wisdom of its activities, has dispensed \$500,000,000 of the people's money in an effort, at least, to bring some relief to agriculture. The extent of the success of that effort is not a question for me to discuss now, though it may be a subject for legitimate discussion in another form later.

Mr. WALSH of Massachusetts. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Massachusetts?

Mr. BARKLEY. I yield.

Mr. WALSH of Massachusetts. Does the Senator from Kentucky know whether the committee made any inquiries in regard to the matter or took any steps to abolish the Farm Board?

Mr. BARKLEY. I do not know about that; I have not heard whether or not they did so; but I assume they did not.

Mr. WALSH of Massachusetts. I have a more insistent demand from my State and that general section of the country for such action than for action cutting salaries and reducing the compensation of veterans.

Mr. BARKLEY. That question has arisen in the Congress and the effort to abolish the Federal Farm Board was defeated on a roll-call vote in another body.

I have offered no amendment to the committee amendment, and I, of course, have no intention now of doing so;

Members of the Senate generally to the provision contained and of members of the Appropriations Committee, in the hope that when this amendment shall go to conference between the other House and the Senate they may be able to work out a provision that will make it possible for able men who have made sacrifices in order that they may serve the Government to continue in the service of the United States. I understand that this whole problem will be a matter of conference between the two Houses, and I hope that the chairman of the committee and members of the Committee on Appropriations, especially members of the conference committee, will consider whether they have acted with wisdom in bringing about a situation where it may be necessary for a man who did not apply for a Government position. who was, in a sense, drafted for public service, who is not a politician, who did not seek any appointment but sacrificed at least half his annual income in coming here, may be retained in the public service, especially where it does not involve any great amount of money on the part of the Government but does involve quite a sacrifice on the part of the official.

Mr. SHORTRIDGE obtained the floor.

Mr. FLETCHER. Mr. President, will the Senator allow us to complete the matter we had under consideration with reference to the limitation as to retired pay?

Mr. SHORTRIDGE. I will yield the floor if I may be recognized later.

The PRESIDENT pro tempore. The pending amendment will be stated.

The CHIEF CLERK. On page 58, the committee proposes to strike out lines 5 to 8, inclusive, and the Senator from Florida offers an amendment, on page 58, beginning at line 5, to insert:

(b) This section shall not apply to any person retired for injuries received in battle or disability incurred in line of duty.

Mr. FLETCHER. I suggest instead of the word "battle," that the word "action" be inserted, so that it will read received in action." That might be more appropriate.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Florida, as modified.

Mr. GEORGE. It is difficult to see any reason for that amendment now when an officer may receive the full amount of the pay he was receiving before retirement in any event.

Mr. FLETCHER. I do not see why an officer who has been actually wounded in action should not be permitted to get his retired pay, and, at the same time, if he can find some work outside to help out, may not be permitted to receive compensation for that also.

Mr. GEORGE. Under the section as amended, I will say to the Senator from Florida, the officer would receive his retired pay and the Government salary provided the two combined did not exceed the active pay which he was receiving before his retirement.

Mr. FLETCHER. Yes; but that might be quite small. He might not be an officer of high rank getting a very large retired pay; he might be a junior officer who received wounds in action, and his retired pay may be very small, not enough to live on.

Mr. GEORGE. It does seem to me that it is wholly unjustified to give to an officer retired on account of disability or age a Government position and full retired pay without any limitation whatever on it or on the amount of the two combined compensations that he may receive.

Mr. REED. Mr. President, if the Senator will permit a suggestion, I think the Senator from Georgia is right with regard to the senior officers, but to a youngster, a lieutenant, who was wounded in action-and there are many, many of them—the change made by my amendment to the preceding paragraph would not be of any substantial help, whereas the amendment offered by the Senator from Florida would take care of those young men. I hope it will be adopted. It will not make things any worse from anybody's standpoint for the older officers and it will help the deserving youngster.

Mr. GEORGE. I think it is not justifiable to permit officers to retire on three-quarters pay and then bring them but I am calling the matter to the attention of the Senate | into the service of the Government without any limitation or restriction whatever upon the combined compensation that they may receive. I recall that when a Commissioner of the District of Columbia was appointed some of us opposed his confirmation, and I dare say now that his confirmation was in the direct teeth of the statute governing the case, but he was given a high salary here in the District and permitted to enjoy his full retired pay.

Mr. REED. All of those cases will be cured by the section as it stands. Those officers will not receive a penny.

Mr. GEORGE. That case was affected by general act applicable to officials of the District of Columbia, and yet that officer was confirmed because he happened to have been a good officer and popular, notwithstanding the fact that, in my judgment, a statute was directly applicable to him. I concede that in some instances there might be an officer of minor rank who was wounded and retired on account of disability actually incurred in battle who should have an opportunity to come into the employment of the Government; but if the salary attached to the office was very high he could afford to forego his retired pay, and if that salary is not high he can draw an amount that will not exceed the salary he was receiving before retirement.

Mr. FLETCHER. The point is, Mr. President, that in the case of the higher salaries and the higher officers getting over \$250 a month, for instance, they can only get the original pay, which perhaps would be enough to support them; but in the case of a lieutenant who has had his leg shot off or his arm shot off, who has been wounded in action and retired on \$125 a month, I see no reason why he should be prohibited from getting more than \$125 a month.

Mr. REED. Mr. President, will the Senator yield for a suggestion?

Mr. FLETCHER. Yes.

Mr. REED. I hope the Senator's amendment will be adopted. I think we are in danger of being misled by giving our attention too much to high-salaried officials. They do not constitute the great mass of the officers who would be affected by this section. As far as the high-ranking officers go, we are taking away every cent of their retired pay; and what we are doing to these humbler men is, I think, something we ought to think about. In our civil service law we give a preference to veterans in the matter of getting into the Government employ; and that certainly is something we do not want to discourage. If we adopt the same policy and the same generous attitude toward officers in the humbler ranks, we ought not to make it impossible for them to get the pay for the work they do if they are retired for wounds received in action or disability incurred in line of duty.

Mr. FLETCHER. I think there can be no question about that.

Mr. SHORTRIDGE. Mr. President, I wish to have taken up for consideration the motion I have made, although if there is an amendment pending which ought to be disposed of I will yield.

The PRESIDENT pro tempore. There is an amendment pending proposed by the senior Senator from Florida.

Mr. TRAMMELL. Mr. President, I wish to say a word about that amendment.

I am sure that it was not the intention of the Senator from Pennsylvania to make even more harsh the restriction upon an officer of the lower rank than as applied to him in the text of the bill; but, as I construe his amendment, it circumscribes to a greater extent his opportunity to hold a public position at a salary of as much as \$3,000 a year than did the text before his amendment was adopted.

Mr. REED. Exactly, and that is why I am anxious that the amendment of the Senator's colleague should now be adopted.

Mr. TRAMMELL. I say that for this reason: Under the text of the bill a second lieutenant or a first lieutenant could have a combined salary, before he was inhibited from drawing his full amount of retired pay, of as much as \$3,000; but under the amendment which the Senator from Pennsylvania proposed we will say that he was receiving a salary for active service of \$200 a month. His retirement pay

would be \$150 a month. He obtains a Government position. Under the amendment offered by the Senator from Pennsylvania his total salary could not exceed \$200 per month, because the combined salary of his governmental employment and his retired pay is not to be in excess of his active pay in the military service, which was \$200.

Mr. REED. That is exactly what I want.

Mr. TRAMMELL. So the operation of the amendment which has been adopted heretofore will militate in favor of the officer with high rank upon retirement at a considerable sum, and will militate to the disadvantage of the low-ranking officer.

Mr. REED. If the Senator will yield to me-

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Florida [Mr. Fletcher].

On a division, the amendment was rejected.

The PRESIDENT pro tempore. The question now is on agreeing to the amendment proposed by the committee.

Mr. TRAMMELL. Mr. President, a parliamentary in-

The PRESIDENT pro tempore. The Senator will state it. Mr. TRAMMELL. The amendment which was proposed by the Senator from Pennsylvania, and which has been adopted, instead of accomplishing the purpose for which he contended, is going to have directly the opposite effect on all retired officers who are not of high rank and drawing a large salary in active service. I do not think we ought to let an amendment of that kind stand. If it is in order, I desire to make a motion to reconsider it.

The PRESIDENT pro tempore. Did the Senator from Florida vote in the affirmative?

Mr. TRAMMELL. I am not sure how I voted. That is immaterial where there is no record vote.

The PRESIDENT pro tempore. That is correct. The Senator enters a motion to reconsider.

Mr. REED. Mr. President, if the Senator will withhold his motion a moment, may I suggest that exactly the same result will be secured by disagreeing to the committee amendment striking out the House language in paragraph (b); and I hope that will be done.

Mr. FLETCHER. Mr. President, all of my colleague's argument supports the amendment which I offered, and yet he did not vote for it.

Mr. TRAMMELL. I dislike very much to disagree with my colleague; but, as I understood my colleague's amendment, he sought to lift out of the class of officers at whom this amendment was directed only a favored class, and leave the others in the same situation in which they were theretofore.

Mr. FLETCHER. No; the amendment I offered was to equalize the situation so as to take care of the lower-paid officers, relieving them from that limitation.

Mr. TRAMMELL. I rather agree with my colleague in one respect. Most of the officers who were wounded were second lieutenants or captains. I do not think very many officers of higher rank were wounded in active duty.

Mr. FLETCHER. Anyhow, as the Senator from Pennsylvania has suggested, if we disagree to the committee amendment we will accomplish the desired result.

Mr. GEORGE. Mr. President, that is exactly what we voted on. If Senators want to take a long time in discussing this matter now, I merely wish to say that that is exactly what we voted on.

Mr. FLETCHER. No; we have not voted on that.

Mr. GEORGE. Yes; that is exactly what it means. It will mean precisely what the amendment meant which was offered by the Senator from Florida and which has already been voted down, except that it would be a little broader. Not only would it take in officers who suffered from actual battle wounds, but it would take in officers who suffered from any other disability which arose in line of duty.

Mr. FLETCHER. I hope the committee amendment will be defeated.

The PRESIDENT pro tempore. The question is on the amendment proposed by the committee.

Mr. REED. Mr. President, I am perfectly certain that | the Senate does not understand the issue here.

The amendment on which we are now voting will benefit those junior officers who were retired for real disability. The Senate somehow got the impression that it will benefit only some of them. It must benefit them all. A second lieutenant can not be retired for age. There are not any 64-year-old second lieutenants. All of the arguments about giving this to these men who retire for something other than disability incurred in line of duty can not apply to these junior officers. They have to be disabled in order to be retired. So to reject the committee amendment, as urged by the Senator from Florida, will directly benefit only those junior officers who are retired for real disability.

Mr. DILL. Mr. President, what amendment are we about to vote on now?

The PRESIDENT pro tempore. The pending question is on the committee amendment on page 58, beginning with line 5, to strike out lines 5 to 8, inclusive.

Mr. DILL. If we agree to that amendment, then this provision does not apply.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

On a division the amendment was agreed to.

Mr. JONES obtained the floor.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator from Washington yield?

Mr. JONES. I desire to make a statement, Mr. President. We can not finish this bill to-night.

Mr. McKELLAR. Why not?

Mr. JONES. For reasons which I do not care to state publicly, I think we ought to adjourn now.

Mr. McKELLAR. Adjourn or recess?

Mr. JONES. I have an engagement with the President to-morrow at 11 o'clock which I made two or three days ago. I think we want a morning hour and I think the Senate will be glad to adjourn until 11 o'clock.

Mr. McKELLAR. We are within just an amendment or two of finishing the bill.

Mr. JONES. No; we can not finish the bill now when we want to get away. I can tell the Senator something about it privately.

Mr. COSTIGAN. Mr. President, will the Senator yield for a minor amendment?

Mr. JONES. I would rather let the minor amendment go until to-morrow. We can not finish the bill to-day.

Mr. BINGHAM. Mr. President, will the Senator yield to me?

Mr. JONES. For what purpose?

Mr. BINGHAM. I desire to offer an amendment and have it printed and lie upon the table.

Mr. JONES. Very well.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie upon the table.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

"INVESTIGATIONS PAY"

Mr. ASHURST. Mr. President-

Mr. JONES. I yield to the Senator from Arizona.

Mr. ASHURST. Since I have been commended for withholding from the RECORD a matter that would have cost the Government some \$900 for printing it, I ask to have read by the clerk a short editorial from the Washington Daily News entitled "Investigations Pay."

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

[From the Washington Daily News of Tuesday, June 7, 1932] INVESTIGATIONS PAY

Senate investigations pay. Hostile propagandists for several years have been trying to persuade the public that these investigations are not only unnecessary interference with business and

with more-sinned-against-than-sinning citizens, but that they are also a great waste of Government money in a time calling for economy

A check on Treasury Department collections resulting directly from the Senate Nye committee disclosures—a by-product of the original oil scandals inquiry—shows that these investigations have been profitable financially as well as morally.

First, there was an estimated Government saving of three-fourths of a billion dollars in recapture of oil resources in the

fourths of a billion dollars in recapture of oil resources in the Teapot Dome inquiry.

Now the Treasury has collected \$3,669,784 from Henry M. Blackmer, self-exiled oil magnate, for evaded income taxes; \$60,000 from Blackmer for contempt of court; \$606,097 from Blackmer and the three other principals of the illusive Continental Trading Co. for corporation income taxes, and \$1,398,910 from an unnamed individual not connected with Continental whose income was discovered in the course of the investigation. In addition the Government is about to collect approximately \$1,250,000 of personal income taxes from Harry Sinclair, Robert W. Stewart, and the James O'Neil estate. O'Neil estate.

The cost to the taxpayers for this Continental investigation by the Nye committee was only \$25,000.

ADJOURNMENT

Mr. McNARY. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Oregon?

Mr. JONES. I do.

Mr. McNARY. In view of the statement of the Senator from Washington, I think it is desirable to have a morning hour to-morrow; and I therefore move that the Senate adjourn until 11 o'clock to-morrow morning.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The motion is not debatable. The question is on the motion of the Senator from

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, June 8, 1932, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 7 (legislative day of June 1), 1932

PROMOTIONS IN THE NAVY

Commander Ronan C. Grady to be a captain in the Navy from the 1st day of May, 1932.

Lieut. Commander Rivers J. Carstarphen to be a commander in the Navy from the 1st day of December, 1931.

Lieut. Commander Robert A. Hall to be a commander in the Navy from the 1st day of June, 1932.

Lieut. Harry R. Hayes to be a lieutenant commander in the Navy from the 4th day of December, 1931.

Lieut. Andrew Crinkley to be a lieutenant commander in the Navy from the 1st day of February, 1932.

Lieut. Arthur H. Cummings to be a lieutenant commander in the Navy from the 1st day of March, 1932.

Lieut. (Junior Grade) John D. Kelsey to be a lieutenant in the Navy from the 1st day of March, 1931.

Lieut. (Junior Grade) Joseph E. Chapman to be a lieutenant in the Navy from the 30th day of June, 1931.

Lieut. (Junior Grade) Philip H. Jenkins to be a lieutenant

in the Navy from the 13th day of February, 1932.
Lieut. (Junior Grade) Paul C. Treadwell to be a lieutenant in the Navy from the 1st day of March, 1932.

Lieut. (Junior Grade) David L. Nutter to be a lieutenant in the Navy from the 1st day of April, 1932.

Lieut. (Junior Grade) William J. Mullins to be a lieutenant in the Navy from the 1st day of June, 1932.

The following-named ensigns to be lieutenants (junior

grade) in the Navy, from the 6th day of June, 1932:

Leslie E. Richardson. Charles E. Trescott. George H. Wales. Delos E. Wait. Robert A. Heinlein. Leonard T. Morse. Robert B. McCoy. Mathias B. Wyatt. Frank Novak. Thomas P. Wilson. Caleb B. Laning.

Joseph B. Berkley. Claude V. Ricketts. Richard C. Lake. William H. McClure. George W. Ashford. Laurence C. Baldauf. MacDonald C. Mains. Howard R. Garner. Harold E. Karrer. Ralph C. Lynch, jr. Carl A. Peterson.

Charles T. Fitzgerald. David T. Ferrier. Oliver G. Kirk. Roy Jackson. Guy P. Garland. Earl T. Schreiber. Roy L. Johnson. John A. Collett. John F. Davidson. William W. White. Reynold D. Hogle. William H. Watson, jr. Harvey D. Akin. Edwin P. Martin. Goldsborough S. Patrick. Granville C. Briant. Charles H. Crichton. Loyd H. Jones. Seraphin B. Perreault. Frederic S. Keeler. Robert N. S. Clark. Harry N. Coffin. Gustave N. Johansen. George K. Carmichael. Frank P. Mitchell, jr.

Daniel Carlson. Edward J. Burke. John P. Rembert, jr. Allan McL. Gray. Robert W. Denbo. John Raby. Alexander H. Hood. Roderick S. Rooney. Edward C. Stephan. Jacob W. Britt. Emery Roughton. Carl A. Johnson. Charles E. Brunton. George L. Kohr. James L. Foley. George A. Sharp. John V. McAlpin, jr. Leroy C. Simpler. Thurlow W. Davison. Claude W. Stewart. Carl G. Christie. Albert H. Wotton. Milton C. Dickinson. Awtrey L. Bond.

Ensign Robert W. Coffey to be a lieutenant (junior grade) in the Navy from the 7th day of June, 1932.

The following-named surgeons to be medical inspectors in the Navy, with the rank of commander, from the 1st day of November, 1931:

Howard A. Tribou.

Thomas A. Fortescue. Ruskin M. Lhamon.

The following-named passed assistant surgeons to be surgeons in the Navy, with the rank of lieutenant commander, from the 30th day of June, 1931:

Francis H. Webster.

Colvin B. Childs.

Radio Electrician Philip R. Zimmerman to be a chief radio electrician in the Navy, to rank with but after ensign, from the 3d day of March, 1932.

Midshipman Thomas M. Fleck to be an ensign in the Navy, revocable for two years, from the 2d day of June, 1932.

Commander Hamilton F. Glover to be a captain in the Navy from the 1st day of June, 1932.

MARINE CORPS

First Lieut. Paul A. Lesser to be a captain in the Marine Corps from the 1st day of June, 1932.

Second Lieut. William D. Saunders, jr., to be a first lieutenant in the Marine Corps from the 1st day of June, 1932. Second Lieut. David M. Shoup to be a first lieutenant in

the Marine Corps from the 1st day of June, 1932.

Lieut. Col. Chandler Campbell to be a colonel in the Marine Corps from the 29th day of October, 1931.

Capt. Roswell Winans to be a major in the Marine Corps from the 1st day of June, 1932.

Ensign Henry T. Klinkseik, United States Navy, to be a second lieutenant in the Marine Corps, revocable for two years, from the 2d day of June, 1932.

POSTMASTERS

ALABAMA

James A. Fant to be postmaster at Crossville, Ala., in place of H. T. Graves, deceased.

ARKANSAS

Glaucus P. Russell to be postmaster at Grady, Ark., in place of J. E. Bittinger. Incumbent's commission expired April 23, 1932.

CALIFORNIA

Morgan J. Kavanagh to be postmaster at Trona, Calif., in place of G. N. Purington, resigned.

FLORIDA

Harry R. Moyer to be postmaster at Fort White, Fla., in place of R. F. Persons. Incumbent's commission expired April 2, 1932.

Esther M. Stewart to be postmaster at Graceville, Fla., in place of Sallie Brook. Incumbent's commission expired April 2, 1932.

William O. Lester to be postmaster at Zephyrhills, Fla., in place of M. M. Maner. Incumbent's commission expired December 21, 1930.

GEORGIA

William R. Chapman to be postmaster at Crawfordville, Ga., in place of R. B. Edwards, resigned.

Thomas M. Goodrum to be postmaster at Newnan, Ga., in place of W. C. McBride. Incumbent's commission expired February 14, 1931.

ILLINOIS

Ernest D. Graeff to be postmaster at Elkville, Ill., in place of Mercy Thornton, resigned.

IOWA

George E. Missildine to be postmaster at Galva, Iowa, in place of William Molloy. Incumbent's commission expired December 19, 1931.

KANSAS

Luella Meredith to be postmaster at Hill City, Kans., in place of Luella Meredith. Incumbent's commission expired December 19, 1931.

Susie J. Gibbons to be postmaster at St. Paul, Kans., in place of S. J. Gibbons. Incumbent's commission expired May 12, 1932.

KENTUCKY

Annie C. Justice to be postmaster at Allensville, Ky., in place of A. M. Coleman. Incumbent's commission expired February 27, 1932.

Willard Gabhart to be postmaster at Harrodsburg, Ky., in place of S. C. Beardsley. Incumbents' commission expired February 11, 1931.

Myra B. Grimes to be postmaster at Millersburg, Ky., in place of T. H. Brown, deceased.

LOUISIANA

Nettie Sojourner to be postmaster at Amite, La., in place of Nettie Sojourner. Incumbent's commission expired May 2, 1932.

MARYLAND

Stanley M. Barrett to be postmaster at Havre de Grace, Md., in place of H. A. Carroll. Incumbent's commission expired March 20, 1932.

MICHIGAN

Hugh S. Dodge to be postmaster at Comstock Park, Mich., in place of Dana Stowell. Incumbent's commission expired December 15, 1931.

Joseph W. Greenhalgh to be postmaster at Pontiac, Mich., in place of C. A. Harris, deceased.

MINNESOTA

William G. Early to be postmaster at Eyota, Minn., in place of W. G. Early. Incumbent's commission expired January 15, 1931.

Emil C. Kiesling to be postmaster at Murdock, Minn., in place of E. M. Ashbaugh, deceased.

MISSISSIPPI

Mamie Z. Lewis to be postmaster at Fayette, Miss., in place of B. F. Truly. Incumbent's commission expired December 17, 1931.

Louie D. Minter to be postmaster at Piave, Miss., in place of B. J. Smith, resigned,

MISSOURI

Fred Robinette to be postmaster at Bolckow, Mo., in place of Fred Robinette. Incumbent's commission expired May 26, 1932.

NEBRASKA

Adam McMullen to be postmaster at Beatrice, Nebr., in place of Robert Pease. Incumbent's commission expired December 19, 1931.

Frank Ainsworth to be postmaster at Exeter, Nebr., in place of H. V. Ingram. Incumbent's commission expired May 12, 1932.

NEW YORK

Arthur L. Harvey to be postmaster at North Syracuse, N. Y., in place of H. J. Thorp, removed.

John A. Scheuermann to be postmaster at West Albany, N. Y., in place of W. S. Frischknecht, removed.

NORTH CAROLINA

Wade H. Kinlaw to be postmaster at Lumberton, N. C., in place of W. H. Kinlaw. Incumbent's commission expired February 1, 1931.

Joseph M. Carstarphen to be postmaster at Tarboro, N. C., in place of J. M. Carstarphen. Incumbent's commission expired March 3, 1931.

NORTH DAKOTA

Nelson M. Chamberlain to be postmaster at Page, N. Dak., in place of N. M. Chamberlain. Incumbent's commission expired December 19, 1931.

OHIC

Orea P. Brown to be postmaster at College Corner, Ohio, in place of J. R. Williams, deceased.

Hosea A. Spaulding to be postmaster at Delaware, Ohio, in place of H. A. Spaulding. Incumbent's commission expired May 10, 1932.

Harold E. Woolson to be postmaster at Laurelville, Ohio, in place of E. L. Alstadt. Incumbent's commission expired February 17, 1932.

John F. Adams to be postmaster at Lisbon, Ohio, in place of J. F. Adams. Incumbent's commission expired April 9, 1932.

William D. Dunifon to be postmaster at Van Wert, Ohio, in place of O. W. Priddy. Incumbent's commission expired May 29, 1932.

OKLAHOMA

Otto S. Allred to be postmaster at Boynton, Okla., in place of O. S. Allred. Incumbent's commission expired December 15, 1931.

Milus C. Mhoon to be postmaster at Durant, Okla., in place of M. C. Mhoon. Incumbent's commission expired March 3, 1931.

Opal M. Ham to be postmaster at Jennings, Okla., in place of C. F. Ham, deceased.

PENNSYLVANIA

Roland H. Wright to be postmaster at Lincoln University, Pa., in place of J. S. Gillingham, deceased.

John J. Mack to be postmaster at Philadelphia, Pa., in place of Thomas McLeister, deceased.

RHODE ISLAND

Thomas D. Goldrick to be postmaster at Pascoag, R. I., in place of T. D. Goldrick. Incumbent's commission expired February 28, 1932.

SOUTH CAROLINA

Jacob M. Bedenbaugh to be postmaster at Prosperity, S. C., in place of J. M. Bedenbaugh. Incumbent's commission expired February 14, 1931.

SOUTH DAKOT

Benjamin D. Kidman to be postmaster at Big Stone City, S. Dak., in place of B. D. Kidman. Incumbent's commission expired May 26, 1932.

Louis E. Castle to be postmaster at Britton, S. Dak., in place of L. E. Castle. Incumbent's commission expired December 17, 1930.

Hattie L. Meyer to be postmaster at Florence, S. Dak., in place of H. L. Meyer. Incumbent's commission expired May 26, 1932.

Lucy Wright to be postmaster at Hoven, S. Dak., in place of Lucy Wright. Incumbent's commission expired May 26, 1932.

Charles E. Dieter to be postmaster at Pierpont, S. Dak., in place of Clarence Mork, removed.

John W. Rydell to be postmaster at Rosholt, S. Dak., in place of J. W. Rydell. Incumbent's commission expired May 10, 1932.

Leroy F. Lemert to be postmaster at Spencer, S. Dak., in place of L. F. Lemert. Incumbent's commission expired May 26, 1932.

John F. Whittemore to be postmaster at Yankton, S. Dak., in place of Olof Nelson, deceased.

TENNESSEE

Filbert G. McIllwain to be postmaster at Holladay, Tenn. Office became presidential July 1, 1929.

James A. Horn to be postmaster at Sharon, Tenn., in place of R. W. Simmons. Incumbent's commission expired March 3, 1931.

TEXAS

William H. Craddock to be postmaster at Cisco, Tex., in place of F. A. Blankenbeckler, resigned.

Buford E. Robertson to be postmaster at Gilmer, Tex., in place of J. R. Melvin. Incumbent's commission expired February 10, 1932.

Robert F. McDermott to be postmaster at Goldthwaite, Tex., in place of A. J. Harrison. Incumbent's commission expired January 11, 1932.

John D. Fatheree to be postmaster at Hebbronville, Tex., in place of E. M. Briscoe. Incumbent's commission expired March 21, 1932.

John P. Howe to be postmaster at Midland, Tex., in place of M. S. Ray. Incumbent's commission expired March 25, 1930

Clara Sitton to be postmaster at Pyote, Tex., in place of A. J. Sitton, removed.

Herbert W. Scott to be postmaster at Throckmorton, Tex., in place of H. W. Scott. Incumbent's commission expired April 20, 1932.

Chester L. Lewis to be postmaster at Wheeler, Tex., in place of J. K. Clarke. Incumbent's commission expired December 11, 1930.

VERMONT

Porter F. Hunt to be postmaster at Derby Line, Vt., in place of G. S. Heath. Incumbent's commission expired December 21, 1929.

Lucy W. Gaul to be postmaster at North Bennington, Vt., in place of Ralph Gaul, deceased.

VIRGINIA

Charles G. Thomas to be postmaster at Fork Union, Va., in place of E. P. Burgess. Incumbent's commission expired January 29, 1931.

Frank G. Jones to be postmaster at Montvale, Va., in place of F. G. Jones. Incumbent's commission expired May 14, 1932.

Amos L. Cannaday to be postmaster at Pulaski, Va., in place of A. L. Cannaday. Incumbent's commission expired April 13, 1932.

Herbert C. Bolton to be postmaster at St. Paul, Va., in place of H. C. Bolton. Incumbent's commission expired May 14, 1932.

WEST VIRGINIA

Walter C. Price to be postmaster at Huntington, W. Va., in place of C. R. Varnum. Incumbent's commission expired May 19, 1930.

Charlie F. Baldwin to be postmaster at Madison, W. Va., in place of C. F. Baldwin. Incumbent's commission expired February 17, 1932.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 7, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, we beseech Thee to hear us as we approach the altar of prayer. Increase our faith in the illumination of Thy Holy Spirit and in the life of the soul given by the power of God. In this way we shall become superior to the circumstances and the influences which deteriorate life. Crown us with that persuading directing might that shall lead us in the ways of wisdom and justice. Enable us to stand in all things patriotically and do the things which all patriotic citizens should do. Go before us, our Father, and guide us with liberty of conscience. In the heated ways of public life, in the conflict of affairs, O let Thy brooding Spirit hang over us. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed concurrent resolutions and bills of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 29. Concurrent resolution authorizing the printing of the letter of the Administrator of Veterans' Affairs of May 12, 1932, in response to Senate Resolution 412, Seventy-first Congress, as a Senate document;

S. Con. Res. 30. Concurrent resolution authorizing the printing of 41,000 additional copies of the revenue act of 1932;

S. 4667. An act to amend the act approved March 3, 1927, entitled "An act to permit the granting of Federal aid in respect of certain roads and bridges"; and

S. 4759. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr.

The message also announced that the Senate had agreed to the amendment of the House to a bill of the Senate of the following title:

S. 432. An act granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy.

MEMORIAL PRESENTED TO THE SPEAKER

The SPEAKER. The Chair desires to make a statement to the House. This morning, from 10.30 until 12 o'clock, there was a conference in the Speaker's office at which the gentleman from Illinois [Mr. RAINEY], the gentleman from New York [Mr. Snell], and myself received the representatives of the mayors of the leading cities of the United States. They presented a memorial to the Congress and the Chair asks unanimous consent that the Clerk may read the memorial at this time. Is there objection?

There was no objection. The Clerk read, as follows:

I. PREAMBLE

The world and the Nation are at war. The enemy is hunger. We have it on reliable authority that the extent of unemployment in the United States now equals that of all Europe combined—which means all the rest of the industrial world. This has precipitated an emergency unprecedented in modern times. has precipitated an emergency unprecedented in modern times. Such a situation calls for the prompt, vigorous, and intelligent measures which war always makes imperative.

We do not in any sense retreat from the position, fundamental in our democratic system, that in normal times municipal governments

in our democratic system, that in normal times municipal governments must maintain themselves, perform their proper functions, and solve the social and economic problems incident to such normal activity. But these are not normal times. It is a crisis, imminent and terrifying. The long period during which unemployment has continued and increased has created conditions of suffering and need nothing less than appalling.

The cities of the Nation, large and small, have met these conditions with resourcefulness and courage. But all their resources of money and credit are nearing exhaustion. Relief must be found or nation-wide insolvency will result. Tax delinquencies have increased to an alarming extent. Our industrial cities are staggering under the burden of debts incurred as a result of the wast expansion of prosperous years. The interest and sinking

charges on these obligations represent a wholly disproportionate

charges on these obligations represent a wholly disproportionate burden at the present time, due to the greatly increased purchasing power of the dollar. Even those municipalities which have instituted the most rigid economies in operation are now in a precarious situation. Not only welfare relief, but essentially governmental services are now threatened, and the very foundations of our social order are imperiled.

In the face of this threat against human welfare and human life itself, measures must be employed as drastic as those of military authority in times of actual physical warfare.

The problem is now a national one. The Federal Government is the only agency that represents all the people and is able to deal adequately with the emergency. It has the unlimited credit of the Nation, and by intelligent planning it can provide for the human welfare and security of its citizens. The measures we are advocating are entirely consistent with a sound fiscal policy and need not in any way disturb our national credit or stability. Hence the Federal Government is the one remaining source to which we can turn in this emergency, and we do so with confidence that wise and adequate assistance will not be denied.

II. RECOMMENDATIONS

II. RECOMMENDATIONS

We, therefore, mayors, city managers, and representatives of 31 leading cities of the United States, called into conference at Detroit, Mich., June 1, 1932, after careful consideration of the facts set forth in this preamble, submit the following as a remedy, in whole or in part, for the critical conditions described:

1. We recommend that a \$5,000,000,000 prosperity loan be made

1. We recommend that a \$5,000,000,000 prosperity loan be made available immediately for national projects to effectuate the employment of millions of men, and in this manner to provide work for our jobless, redistribute purchasing power and thereby stimulate industry. We recommend that this be done by Congress declaring war, not figuratively but literally, against unemployment and depression; and that to this end a work-army be mobilized, as armies were mobilized in 1917–18, for work on national projects throughout the United States

2. We recommend the immediate enactment of such relief legislation as may be necessary to conserve the welfare of the American people during the present industrial depression.

3. We recommend an amendment to the congressional act incorporating the Reconstruction Finance Corporation, or such other corporating the Reconstruction Finance Corporation, or such other legislation as may be finally determined advisable, to permit such corporation to invest its assets in notes, debentures, bonds or other faith and credit obligations of cities for public welfare, to provide money for delinquent tax obligations and the refunding of bonds and obligations to release funds necessary to maintain the adequate and proper operation of municipal government.

4. We recommend that copies of these resolutions be presented to the President and the Congress of the United States and be made available to the press of the Nation.

THE REVENUE BILL

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. No. 30) providing for the printing of 41,000 copies of the revenue bill, and concur in the Senate concurrent resolution. There is an enormous demand for these copies. The type is all set, and we want to get the printing done at once.

The SPEAKER. The Clerk will report the Senate concurrent resolution.

The Clerk read as follows:

Senate Concurrent Resolution 30

Resolved by the Senate (the House of Representatives concurring). That there be printed 41,000 additional copies of Public Law No. 154, known as the revenue act of 1932, of which 13,000 copies shall be for the use of the Senate document room, 25,000 copies for the use of the House document room, 1,000 copies for the use of the Committee on Finance of the Senate, and 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives.

Mr. STAFFORD. Will the gentleman yield? Mr. STEVENSON. I yield.

Mr. STAFFORD. As I understand the form of the resolution, it provides for the printing of this bill in bill form.

Mr. STEVENSON. It is for printing the tax act as approved by the President.

Mr. STAFFORD. Would it not be advisable to have the bill printed in document form rather than bill form, in order to save expense?

Mr. BLANTON. That is what is going to be done.

Mr. STEVENSON. We are providing for printing the bill in the cheapest form, and the cost will be \$1,600.

Mr. STAFFORD. If the resolution provides for printing it in document form, although the resolution does not so state, I shall not object.

The SPEAKER. Is there objection?

There was no objection.

The Senate concurrent resolution was agreed to.

POST OFFICE INVESTIGATION

Mr. SABATH, from the Committee on Rules, submitted the following report, accompanying the resolution (H. Res. 226), which was referred to the House Calendar and ordered printed:

The Committee on Rules having had under consideration House Resolution 226 reports the same to the House with an amendment striking out all of the preamble and following the period on line 15, page 3, insert "For such purposes the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned; to hold such hearings, to employ such experts, and such cierical, stenographic, and other assistants; to require the attendance of such witnesses and the production of such books, papers, and documents; to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary, not exceeding \$10,000," with the recommendation that the amendment be agreed to and that the resolution as so amended be adopted. The Committee on Rules having had under consideration House amended be adopted.

[H. Res. 226. In the House of Representatives, Seventy-second Congress, first session]

Mr. Sabath submitted the following resolution; which was referred to the Committee on Rules and ordered to be printed.

Resolution

Whereas the deficit in the Post Office Department of late years has increased beyond all reason; and
Whereas it is charged and evidence has been submitted before several committees that these deficits are due to excessive air mail, railroad, and steamship transportation, as well as to the reckless and extravagant prices paid for land and leases for post offices; and

Whereas it is also charged that collusion exists between

Whereas it is also charged that collusion exists between contractors and the bonding companies which makes it virtually impossible for independent contractors not in the combination to obtain bid bonds and thereby prevents competitive bidding; and Whereas it is charged that collusion exists between architects, contractors, and others, whereby changes in plans and specifications have been made after contracts have been let and whereby inferior materials and equipment contrary to those originally specified have been substituted; and

specified have been substituted; and

Whereas it is charged and evidence has been submitted to the
effect that it is proposed to purchase power, light, and heat for
Government buildings and additions thereto at exorbitant rates
and under unjustifiable economic conditions, which if carried out
will result in further increases in the postal deficit; and

Whereas it is further charged that plans and specifications covering engineering work for Government buildings are at times
poorly drawn, which results in contractors placing higher bids
than they would have otherwise placed, in order to protect themselves against the uncertainties occasioned by the said poorly
drawn plans: Therefore be it

Resolved. That for the purpose of obtaining information neces-

Resolved, That for the purpose of obtaining information necessary as a basis for legislation the Committee on the Post Office and Resolved, Time for the part of the Resolved, Time for the Post Office and Post Roads, as a whole or by committee, is authorized to investigate (1) if the contracts entered into for carrying mail, whether by air service, railroad, or steamship, are excessive and to what extent they should be reduced; (2) if the prices paid for land or sites acquired for post-office buildings in the last 10 years are reasonable or exorbitant and to ascertain the actual amounts paid for each site in excess of \$10,000, and the names of those who reasonable or exorbitant and to ascertain the actual amounts paid for each site in excess of \$10,000, and the names of those who have negotiated the purchases as well as the leases; (3) all contracts entered into for the construction of all post-office buildings wherever the cost of such buildings was in excess of \$100,000 and to secure the names of all contractors; (4) to what extent collusive agreements have been sanctioned by the Treasury and Post Office Departments; (5) to what extent collusive agreements have been sanctioned by the Treasury and Post Office Departments; (5) to what extent collusive agreements, if existing, have affected Government work from financial, architectural, and engineering standpoints; (6) prices paid and contracts entered into for power, light, and heat and, in addition thereto, estimated cost for generating power, light, and heat in buildings now under construction and contemplated where plans have been drawn and where the cost of building is above \$500,000; and (7) the first costs and the operating costs for generating power, light, and heat for all Government buildings.

The committee shall report the results of its investigations to the House with such recommendations for legislation as it deems advisable.

CLAIMS OF THE SEMINOLE INDIANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5846) authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians, now on the Consent Calendar, be recommitted to the Committee on Indian Affairs for further consideration.

Mr. SNELL. Is this a bill that comes from the gentleman's committee?

Mr. HOWARD. Yes.

Mr. CHINDBLOM. Of course, it is on the House or Union Calendar first and then on the Consent Calendar.

The SPEAKER. It would have to be on one of those calendars.

Is there objection to the request of the gentleman from Nebraska?

There was no objection.

EXTENSION OF REMARKS

Mr. WILLIAMSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing an address delivered by my colleague the gentleman from South Dakota [Mr. Christopherson] at Manassas on national prohibition.

Mr. DYER. I think it is useless to waste the Record on such things now, Mr. Speaker, and I object.

Mr. KELLER. Mr. Speaker, I ask unanimous consent to extend my remarks on the bank guaranty bill. I have been waiting for some statistics from the department which only arrived this morning.

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, objection has just been made to the extension of remarks in the RECORD by one Member of Congress, something that never has been done before to my knowledge. If there is going to be objection to the extension of remarks of one Member, I am going to take the initiative and object to all requests for extension of remarks.

Mr. BLANTON. That was a wet objection to a dry extension.

Mr. DYER. Mr. Speaker, I withdraw my objection to the request of the gentleman from South Dakota.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. WILLIAMSON] to extend his remarks in the RECORD, as indicated?

There was no objection.

Mr. WILLIAMSON. Mr. Speaker, under the leave granted I wish to extend my remarks by inserting a speech relating to national prohibition delivered by my colleague, Hon. C. A. CHRISTOPHERSON, on Monday evening, June 6, 1932, before the Woman's Christian Temperance Union, at Manassas, Va.

As Mr. Christopherson has membership on the Judiciary Committee, which has jurisdiction of the prohibition question, I feel that his analysis of the problem and his conclusions will be of interest.

The speech is as follows:

I am pleased to have the opportunity to be with you on this occasion and to discuss the all-important question now agitating the minds of the people—prohibition and the eighteenth amendment.

ment.

Frequent references to this question carry the inference that prohibition dates from the eighteenth amendment and that 12 years is ample time for trial by which to gage final results. Attempts to regulate the liquor traffic date back far beyond the days of our Nation's history. Four thousand years ago a Babylonian king sought to regulate and curtail the use of intoxicating liquors by his subjects, and ever since the earliest days of our Government intoxicating liquor has been a subject of legislation and regulation.

Why? Because it was early recognized as an element that

Why? Because it was early recognized as an element that deprived man of his normal senses, destroyed his efficiency and responsibility and generally brought about the decline of the people who indulged in liquor to excess, and invariably, even its moderate

So it is not strange that for ages efforts have been made to control this traffic and finally the attempt to completely outlaw the manufacture and sale of intoxicating liquor in our land through the adoption of the eighteenth amendment to our Constitution. This amendment became a necessary step in the effort to control the liquor traffic and largely because of our dual form of government.

For many years the contest was carried forward by organizations such as yours. This included the dissemination of information as to the destructive elements of intoxicating beverages, the enactment of license laws, local option, and State prohibitory laws. The temperance and prohibition forces were making fine progress and no thought was given to a national prohibitory law until the courts so interpreted the interstate commerce clause of our Constitution as to override and set at naught State and local laws.

as to override and set at naught State and local laws.

The question of the respective rights and constitutional powers of State and Nation in the regulation of the liquor traffic came before the United States Supreme Court in 1847. This arose in what is known as the License Cases, and the question was whether the State license law would govern as to shipments of liquor in interstate commerce. The contention of the State was upheld, to the effect that a State could prohibit the importation and sub-

sequent sale of intoxicating liquor where Congress had not expressly authorized such importation. The court laid down the doctrine in this case that Congress having falled to exercise the power it possessed in relation to transportation of this commodity in interstate commerce, the States in the exercise of their police power could prohibit the importation and sale of intoxicating

liquor.

Had this decision been adhered to there would have been no eighteenth amendment, but courts have a habit of overruling prior decisions, and so on this momentous question. For in 1888, in Bowman v. Chicago, etc., the Supreme Court overruled the doctrine laid down in the License Cases and held void a statute of Iowa which prohibited the importation of liquor into the State. Two years later, in 1890, in Leisy v. Hardin, the same court went one step farther and held void a statute which prohibited the sale of liquor imported from another State.

These two decisions set at naught the State prohibitory laws and thenceforth prohibition became a national question which was frequently and violently agitated in Congress. And as one reflects on past events it is apparent that these two decisions thrust this vital problem of prohibition into the vortex of national affairs,

vital problem of prohibition into the vortex of national affairs, and State control and regulation became of secondary importance. Had the License Case of 1847 been upheld each State under its police power would have had full authority to regulate this traffic in accordance with public sentiment within the State. It should be said that certain justices strongly dissented from the doctrine of the Bowman case in 1888. Justice Harlan in dissenting said, "It is inconceivable that the well-being of any State is at the mercy of the liquor manufacturers of other States."

These decisions led to resentment and a demand upon Congress

for legislation to overcome the effect thereof. As a result, in August, 1890, there was enacted what is known as the Wilson law, which sought to subject all intoxicating liquor brought into a State to the laws of that State. This law was first upheld, but by a later decision its force was practically nullified. This further accentuated the difficulty of proper control of this traffic under our complex system of government, which led to further efforts for Federal control.

This finally resulted in the passage of the Webb-Kenyon law in 1913. This law prohibited the transportation of intoxicating liquor into a State in violation of the laws of that State. The bill was vetoed by the President because, in his opinion, it violated the interstate commerce clause of the Constitution. It was repassed over the President's veto and finally upheld, but by a divided

Prior to this decision and because of the persistent resort by the liquor interests to the courts with constitutional objections to State regulatory laws, the prohibition organizations had come to the definite belief that the only solution of this vexatious question of the rights of State and Nation in reference to the control of this commodity was through an amendment to the Federal Constitution. To put into effect this conclusion an amendment was offered in Congress in December, 1913, only a few months after the passage of the Webb-Kenyon law. The amendment which finally became the now famous eighteenth was submitted by Con-

gress in December, 1917, and ratified by the required number of States by January, 1919. Subsequently, the Volstead law for its enforcement was enacted by Congress.

We have now been under Federal prohibition for more than 12 years, and of late insistent agitation for the resubmission of this amendment has been current throughout the land. It is, therefore, fitting and proper—yes, prudent—for those who favor prohibition to take account of the present trend of public opinion, and I shall endeavor this evening to discuss the situation as I view it, both in and out of Congress.

with the adoption of the eighteenth amendment and the enforcement act, many assumed the fight for prohibition was over; that it was a settled fact and in the future would take care of itself. Not so. In fact I believe we have a long course of real work before us in the way of an educational program for prohibition and law enforcement to bring the people to a realization of the necessity for every citizen to respect, obey, and observe the law of our land. That is essential, and this program must be carried forward by your and allied organizations which have borne the brunt of the battle in the days gone by.

In carrying forward this program, let us ever be alert to the present and look into the future with a discerning eye that we may anticipate and be ready to meet the new problems as they arise in connection with this question of intoxicating liquor. First let me say that prohibition is not a party question. It cuts squarely across both political parties, and therefore should be considered a national problem rather than political. Over many years of effort by you and others, we have the eighteenth amendment; it is part of the Constitution.

We also realize there is a very pronounced clamor for its repeal. Personally, I do not believe the amendment will be repealed—at least not until some one offers a better method of dealing with the problem. But are we, who are dry and who favor this constitutional provision, to take the position that this amendment is sacred, and shall not be subjected to either a repeal or amendment? No; to my mind that attitude on the part of the dry forces will simply stimulate a hostile sentiment toward our cause and hasten the day for its overthrow.

Let me analyze the status of this as I see it now and the out-With the adoption of the eighteenth amendment and the en-

day for its overthrow.

Let me analyze the status of this as I see it now and the outlook for the future. The vote in Congress in this session shows a majority for retention of the amendment, but also discloses an increase in the number of those who favor a repeal or modifica-

tion. Therefore, the question which now directly presents itself to the prohibition leaders is, in view of present-day sentiment, what is the sane, sensible, and logical course to pursue?

to the prohibition leaders is, in view of present-day sentiment, what is the sane, sensible, and logical course to pursue?

The Constitution has definite provision for amending the same, hence it was assumed by those who prepared the document that, from time to time, changes therein would become necessary. These changes may be, by the addition of new subjects in amendments thereto, submitted and ratified as this eighteenth was, or may be by way of repeal or amendment of any part thereof, if submitted as the Constitution provides. In other words, we can not logically take the position that because the eighteenth has been ratified, it has a charmed status and can not be repealed or modified. Such a contention will only tend to alienate even friends of the prohibition cause. Nor should we assail the sincerity of purpose of those who seek to repeal or amend so long as they pursue the method laid down in the Constitution itself.

On first thought some will say, "Oppose to the last any submission for repeal or modification of the eighteenth amendment," and for the time being this can be done successfully, but for how long? The two major political parties meet in convention in Chicago this month. In the party platforms they will make their declarations upon public questions and problems. They will speak upon the question of national prohibition. What will these declarations be? I can not say definitely, for I am not so close to those who will outline these party principles as to assume to say, but my belief is, based upon thoughts expressed by party leaders from time to time, that both platforms will contain planks to the effect that the people have the right to have the amendment in question resubmitted in accordance with the provisions of the Constitution.

This will be embellished with phrases having reference to law Constitution.

This will be embellished with phrases having reference to law enforcement, etc., but in it all will be a tacit promise that in response to popular demand, a resubmission is favored. True, I

response to popular demand, a resubmission is favored. True, I may be in error in my prophecy, but I am basing my subsequent suggestions on that assumption of platform declarations.

What then will be our position in the Seventy-third Congress? Members of both House and Senate, elected on such platform pledges, will not be in the best position to resist a repeal resolution, for by so doing they will be subject to the criticism of voting against the party's declarations, as well as the one already leveled at those who vote against resubmission, viz, refusing to let the people pass upon this question again.

leveled at those who vote against resubmission, viz, refusing to let the people pass upon this question again.

In the light of this analysis it is clear that our position will not be as strong in the Seventy-third Congress as the present; and should the Members of the Seventy-third Congress hold out against resubmission, it is not a far stretch of the imagination to believe that the gain in the Seventy-fourth Congress would perhaps be enough to enable the resubmission forces to write a repeal amendment in the form they may wish. We should also remember that in the recent redistricting the larger cities were given an increase in membership, commencing with the Seventy-third Congress. This will add to the strength of the resubmission forces in the House.

There are two methods by which Congress can submit amend-

forces in the House.

There are two methods by which Congress can submit amendments to the Constitution. One is by submission to the State legislative bodies and the other to State conventions, for ratification. The eighteenth amendment came via the legislative-body route and had a 7-year limitation. It is my belief that when the eighteenth amendment is resubmitted it should be in the same manner as originally submitted, viz, to the legislatures of the States and with the 7-year limitation for ratification.

It is also my firm conviction that when this is done it should be by the friends of the eighteenth amendment rather than by those who seek to destroy it. Therefore would it not be the part of wisdom for us to recognize the sentiment as it prevails, take charge and submit an amendment to the eighteenth amendment, referring it to the legislative bodies of the States for ratification, with the 7-year limitation, in the same manner in which it came to the Constitution?

As a suggestion, I would say that the amendment to the

As a suggestion, I would say that the amendment to As a suggestion, I would say that the amendment to the eighteenth should provide that any State may, by a two-thirds vote of each house of its legislature, refer to the voters of the State the question of whether intoxicating liquor shall be manufactured and sold within the borders of such State, after enactment of a State law regulating the manufacture and sale, which law shall include a provision making illegal the maintenance of the open sales.

law shall include a provision making illegal the maintenance of the open saloon.

If such an amendment to the eighteenth should be ratified by the legislatures of three-fourths of the States, then and thereafter any State could by a two-thirds vote of its legislature submit the question to a referendum of the people of that State. Personally, I doubt if such an amendment would be ratified by 36 States if submitted to the legislatures of the States; but, if ratified, and the provisions of the Webb-Kenyon law are reenacted, dry territory will be protected from the States that permit the manufacture and sale of liquor within their borders. borders

borders.

I realize there are many who sincerely believe that no approval should ever be given to the sale of intoxicants in any place; and if it could be forever banished, that would be the ideal situation. But we must not ignore facts which tell us that in States which have repealed their own enforcement statutes the Federal Government is utterly unable, with its limited force, to properly police those areas where no local cooperation is given.

Therefore, is it not possible that if the traffic were legalized in such States, under regulatory laws enacted by the people of those States, it would lead to a greater respect and regard for the law not only in such States but others as well?

The concurrent jurisdiction clause of the eighteenth amendment has not proven ideal. Some States have repealed all State enforcement statutes, thereby leaving the entire burden of enforcement upon the Federal Government. Other States are inclined to shift to the Federal Government the burden of enforce-

ment, thereby saving the State the cost of prosecution.

It is easy to understand that the Federal Government can not undertake to build up a force sufficient to police the entire Nation. No; not even the large cities of our land. We must have State and local cooperation. The Federal Government should be

Nation. No; not even the large cities of our land. We must have State and local cooperation. The Federal Government should be concerned chiefly with the importation, exportation, and transportation in interstate commerce of liquor; and State and local officers should do the policing; not the Federal Government.

I believe the plan suggested would help to bring local sentiment favorable to the Government. That is, if the proposed amendment were adopted; and if not ratified by 36 States in the 7-year period, then certainly the clamor for resubmission should cease and all agree that the eighteenth amendment is to remain a part of the Constitution, should be upheld, and observed by all citizens. In my humble opinion, the eighteenth amendment will be a bone of contention until it has been resubmisted; and let me repeat that the resubmission thereof should be by the friends of the cause rather than those who oppose prohibition in any form. Further, it should go to the State legislatures, being the route by which it found its way into the Constitution.

Now, my friends, in this expression of my views on the present status of national prohibition and the course of procedure which I believe would be sound and sensible under all the circum-

status of national prohibition and the course of procedure which I believe would be sound and sensible under all the circumstances, I do not wish to be understood as having changed my position on the question of temperance and prohibition.

Intoxicating liquor has ever been a problem, a home-destroying blight, and because of its use mothers and children, unnumbered,

have faced want and starvation. Let me quote from the com-mander of the Salvation Army, Evangeline Booth, whose knowl-edge of the liquor traffic was gained by personal contact with the wrecks upon life's highway caused by intoxication. She said: "War is not responsible for one-half the broken homes and shattered spirits that have been caused by alcoholism. With whatever false reasoning, the fact remains that with the inception of prohibition, nine-tenths of the drunkenness in this country (the United States) disappeared. You ask why I say it. I say it because I know it."

because I know it."

There is no sound argument against the move to outlaw intoxicating liquor as a beverage; but as to national prohibition, we have arrived at a crossroad, and it is necessary that the friends of the cause consider the facts as they are and do some serious and straight thinking as to the proper course to pursue.

The thoughts I have expressed to you to-night are my personal views upon this controversial question. It is my hope that such

action may be taken as will bring about a more united support for prohibition, encourage temperance, and thereby promote in-dustry, frugality, and the happiness that comes to a sober and law-abiding people.

BANK GUARANTY BILL

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. Keller] to extend his remarks in the RECORD, as indicated?

There was no objection.

Mr. KELLER. Mr. Speaker, I am going to vote for the bank guaranty bill as already amended here in the House. I should have voted for it without amendment. But, even in my short experience here, I have learned that not only as a theory but as a hard-headed fact most bills involving new applications of ideas, even of old ideas, are greatly improved by the free, open discussion which they receive here on the floor of this House. And they are further benefited by the consideration and still freer discussion to which they are subjected in the Senate.

The two branches of Congress serve a splendid purpose. It is not at all likely that this bill will get through the Senate in its present form. It is practically certain that it will come back to this House in an amended form. But it is most vitally important that the idea contained in this bill shall be given full consideration, shall be threshed out and applied. It is for this reason that I take great pleasure in sending it on its way by my vote.

But in doing this, I should not be doing my full duty if I did not present my own ideas in justification of my vote.

Our whole monetary system rests entirely upon the power and authority granted to Congress by the Constitution. Congress has the full power, right, and duty to form, direct, and control our whole monetary system in the interest of all the people. We have no right to work for or to permit any special group to use or profit by that system except as that use and profit may be incidental to the service of the people.

The national system of banking only exists properly by authority of law which Congress enacts. This banking sys-

tem is the most convenient and satisfactory way we have so far discovered of justifying the extension of credit to individuals, to business, to industry, even to government itself, though I sincerely question the necessity or wisdom of this latter function.

No association of individuals can properly exercise the many privileges granted to banks under the law without complying in spirit and letter with the law. These banking laws are all written around the idea that the whole banking system is the servant of the people as a whole. Profit in banking must be and remain incidental to this service.

Wherefore it is necessary often to check over the accomplishments and the services of banking to protect and strengthen these in the interest of the people as well as in the interest of the banks. At the same time it is equally necessary that we search as diligently to find the mistakes and abuses of banking and bankers, that these may be corrected and the people protected in future against these shortcomings. Let us understand fully that our banking system as a whole is the key to our entire industrial system. It is not a part of it, as other business is. It must be the servant of all other business, not the controller nor director of it. The control of our monetary system must be and remain in the hands of the Government. The banking system is only the agency which Government sets up for administering the monetary system. It must, therefore, be also and remain no less under control and direction of the General Government. Profit is necessary, but is necessarily incidental to the profit that shall come to the whole people through our banks.

It is for these reasons that the individual bank is primarily a trustee licensed by the Government for handling the money belonging to individuals who make up the Government. All banks making up the banking system therefore become the general trustees of all the people's money, whose money taken together is and must be considered a national matter. Money and the credit based upon it are the life blood of all industry, the servant of all labor, the keystone of our capitalistic system. The establishment and maintenance of the stream of credits flowing evenly through our banks is the absolute vital necessity to the carrying on of the whole system of producing wealth. Without that unmolested credit stream there can neither be successful business nor successful banking.

What I mean by the credit system is this: On May 1 all our banks together contained \$884,000,000 in cash. The deposits subject to check in those same banks on the same day were \$18,500,000,000. As is perfectly clear, if checks were issued all on the same day demanding payment of all deposits in cash, our banks would pay less than 5 per cent of the amount of the deposits. Nevertheless, where checks are issued and redeposited continuously, together with the cash flowing along in regular business channels in an unbroken stream, every check in due course would be paid in full in cash. The system is entirely safe and sound if the credit stream is not seriously disturbed.

But as is perfectly evident, the credit stream was broken in the stock panic of 1929 and has not only not been reestablished but has been constantly disintegrating, and its great power for service being continually dissipated. The first practical general step for restoration of industry is the reestablishment of the national credit stream.

Success in banking does not depend on the capital invested in the bank by its stockholders at all. No bank could pay its overhead expense out of the returns on its capital investment, much less a profit to the shareholders. The entire profits of all commercial banks depend on the interest derived from reloaning the money belonging to the depositors. It therefore follows that without depositors no profit could be made by any bank. That is exactly what is the matter with our banks and with our credit stream.

From October 24, 1929, to May 1, 1932, there have been 4,341 bank failures in the United States. With 1 bank out of every 4 failing all over the United States, is there any wonder that people should take their money out of banks or that they are afraid to put their money into banks? Some millions of our people have lost or had their money tied up in these failures. The result has been that the banks still left have lost many billions in deposits. If through the losses of these millions of depositors, the rest of the people have suffered to a sufficient extent to justify guaranteeing against such loss in the future then there should be no hesitancy in giving that guaranty.

A review of events will indicate very clearly that withdrawal of deposits is a progressive paralysis. The stock debacle was a cyclone that tore securities into shreds. Its result, disastrous in the extreme to security prices, was primarily much less destructive to bank deposits in themselves. But as the loss to the banks on the stocks and bonds which the small banks had been induced or compelled to buy became known it was clear that many would be endangered unless some new means could be provided to tide them over. The big banks, whose affiliates had unloaded these stocks and bonds on the smaller banks, made no move to protect their victims. If the bank deposits could have been maintained, most of the banks would have successfully weathered the storm. But since nothing stood between the depositor and the loss of his money except the largely depreciated bonds he very naturally began withdrawing his deposits. A run on a bank, whether occurring in a day or running over a year, is ultimately fatal. When one bank fails all banks are suspected. When many banks fail the security of all the rest is at once brought into question. If when the first bank had failed following the stock panic, the depositors had been promptly paid in full, withdrawal of deposits would have ceased.

There could only have been one ill effect: The few really weak, incompetently and dishonestly managed banks would have collapsed. If the depositors in these banks had been promptly paid in full, there would have been no further withdrawals. By retaining their deposits the banks of the country would have found it easy to go on furnishing the credit necessary to carry on the legitimate business of the country. If at the same time the Federal reserve system had announced that it stood ready to supply the banks of the country with the currency necessary to restore any credit losses which the business of the country had sustained, the prices of the bonds of legitimate concerns would have reacted and the robberies perpetrated by the big banks and their affiliates would gradually have been absorbed by the country and the severity of this depression would have been largely alleviated.

This is a case in which the old saying that an ounce of prevention is worth a pound of cure is especially applicable. Because there was no guaranty provided beforehand we have the following condition: Total bank failures from October 31, 1929, to May 1, 1932, were 4,341, divided as follows: National banks, 691; State banks members of Federal reserve, 162; State banks not members of Federal reserve, 3,488.

The total deposits in the failed banks was \$2,929,000,000. This was divided up as follows: National banks, \$708,000,000; State member banks, \$535,000,000; State nonmember banks, \$1.685,000,000.

The losses to the banks themselves that failed was:

 Paid capital, surplus, and undivided profits

 National banks
 \$82,592,000

 State member banks
 70,324,000

 State nonmember banks
 214,392,000

Total _____ 367, 592, 000

The actual loss when final settlement is made is figured at about 50 cents on the dollar, or a total net loss to depositors of a billion and a half dollars.

Large as this loss is, it is only a drop in the bucket as compared with the losses to which these bank failures con-

The losses through property values, through unemployment, through deterioration from nonuse in mines, factories, mercantile establishments, banks, and farms is not less than \$200,000,000,000. Guaranty of bank deposits and the proper use of the powers of the Federal reserve system would have saved all but the shameful stock robberies which the Government permitted.

The sins of the New York stock market were permitted to be passed on to the American Nation. The American Nation must take the proper steps to prevent a recurrence of this terrible national destruction before property values can be made permanent. Two of the laws necessary to restore prosperity have already passed this House—the emergency currency law known as the Glass-Steagall bill and the Goldsborough bill. This bank guaranty bill is a third one, part and parcel of the other two. The Glass-Steagall bill, being only for one year's duration, will have to be made permanent. In that process the automatic feature as I originally wrote in the original bill from which the Glass-Steagall bill was taken should be made the law, instead of hamstringing the idea by turning it over to the tender mercies of the present reactionary Federal reserve system.

The objections against this bill as so far presented on this floor are principally objections to any change. Just why present conditions should be continued nobody seems to know. Still less does anyone attempt to say why these conditions should be permitted to repeat themselves. Yet it is perfectly clear that unless something is done to prevent it, these conditions will come back to curse us hereafter. We ought to get and hold this clearly in mind. The same arguments against change were presented against the Federal reserve law.

One objection oft repeated is that a bank guaranty law would give an advantage to the incompetent or dishonorable banker over the competent and strictly honorable banker. If this were true, it would have little to do with the case, because the bankers are not the ones principally interested. The security of the money of all the people is paramount and is a national responsibility. But this bill raises the requirements in relation to all these things and will help to eliminate the incompetent and dishonest bankers.

It is universally admitted that something ought to be done to protect depositors. Some of my colleagues seem to think that the depositors themselves ought to insure their bank deposits "as they do their homes." The difficulties in the way of such a process with the constantly varying amounts and conditions of deposits, quite outside the time and expense, makes this entirely impractical if that were the only or principal question involved. But it is not. The difference is fundamental. If a house burns down the community as a whole is not greatly affected and adjoining communities not at all. But if a bank fails, the banks in all the surrounding territory and every business and every individual depositor in those banks is endangered. It affects the credit stream; and if we are to understand the import of our monetary system, we must understand the necessity of establishing and maintaining the credit stream at a constant, even flow. Our national prosperity, our ability to carry on our business on a national scale, depends on that very credit stream, and we must prevent in every way any disturbance of it. But let us make a direct illustration of the insurance idea: Bill Jones steps into an honest banker's bank with a thousand dollars to place on deposit. The enterprising cashier says, "Do you want to insure your deposit, Bill?" Bill asks, "Against what?" "Oh, ah, well, a—against incompetency and a—a—dishonesty." Now, Bill knows that the bank is insured against robbers; that the cashier and all who handle money are bonded in favor of the bank itself against loss. Bill also knows that the bank has large deposits of United States Government, State, county, and school money, and he knows the bank has given security to the United States Government, because the law requires security of deposits for the State, the county, and the schools. Whether they require security or not, their claims are preferred claims. All these deposits take preference over Bill's deposit, and if the bank should break all would have to be paid in full before Bill would get a penny. And Bill Jones knows that is not fair, but the bank whose cashier should offer to write an insurance policy for Bill Jones would not get far. But the banks can not do otherwise than they are now doing until we understand the banks are trustees of the Nation's credit,

The cheapest insurance in the world would have been the guaranty of bank deposits, even if \$2,000,000,000 had been required, when this panic came on. Very little of it would ever have been used, deposits would have remained, and business would have survived the shock and revived in the natural course of business. And we must certainly do this very thing-insure, guarantee, make secure every depositor against loss in bank deposits. The United States Government is the only agency that can do this, and it is the duty of the Government to do it.

The objections to this bill as presented on this floor are, in my opinion, not tenable. These objections consist principally of the following:

The good conservative banker—the successful banker—should not be compelled to carry the burdens of the incompetent or dishonest banker.

The palpable answer to that is that banks are the agents for carrying out the law in relation to our monetary system in the interest of all the people; that it is not a competitive business into which all may enter without reputation, ability, or honor: that certain requirements are already demanded; that both incompetency and dishonesty must in so far as possible be eliminated, and that the much more stringent requirements set out in this bill will greatly reduce if not eliminate the incompetent and dishonest banker.

The second answer to this objection is the unanswerable fact that when a national debacle takes place there is no such man as a successful banker. The 4,400 bank failures since the stock crash in October, 1929, do not by any means indicate that number were all or any considerable part incompetent, dishonest, or unsuccessful bankers. Nine out of ten of the officers who ran these banks that failed were as competent, honest, and successful bankers as those whose banks were saved by the Reconstruction Finance Corporation. It was and is a disgrace that the very great majority of these 4.341 banks were not also saved.

Through that corporation the failure of a still larger number of banks was prevented. In short, the Government guaranteed the banks still remaining. No banker objected to that. This Steagall bill offers to guarantee the depositors, and who should object to that? The guaranteeing of banks was a national duty, and the guaranty of bank depositors is equally a national duty, because security to the whole monetary system is the primary duty of government. The credit stream can not be reestablished nor maintained unless the National Government guarantees the stability of the banks and the safety of the deposits in those banks. It is a community interest in which the whole American people constitutes the community, and the members of that great community are simply not going to deposit their money in banks to the extent necessary to reestablish and maintain the national credit stream unless and until they are guaranteed against loss.

There is another objection that deserves a frank answer and that is that several States have tried the bank guaranty law and that all have signally failed. It is true that eight or nine States have tried the guaranteeing of bank deposits and all have discontinued it. That all, or any of them, signally failed does not seem to be borne out by the evidence. It rather appears to be shown that for considerable periods all these States were clearly benefited by the bank guaranty law. All the States trying the plan were agricultural States. Some failed because of general crop failure in the State; some failed because the "deflation of the farmer" by the Federal reserve system broke the farmers, and the farmers' banks broke. All failed to provide sufficient funds to stand the strain which these cataclysms wrought. None provided a close system of examination and supervision.

Insurance companies do not do all their insuring in one locality or one State. They all spread their risks so as to arrive at a general average condition. While banks were failing rapidly in South Dakota, North Dakota, and Nebraska, most of the rest of the country was quite prosperous and bank failures very infrequent. If the whole United

and protect all of them for the benefit of all the people. | States is taken into the plan there can be no question of its success because the risks will be spread abundantly. The fund can be as large as required and the unlimited credit of the Nation will be behind it. The examination of the banks will necessarily be much more frequent, thorough, and stringent. The large banks being party to the guaranty, will be less ready to unload rotten "securities" on small banks. The experience gathered from all these State guaranty laws has been gathered and used in formulating this national bank guaranty law and that experience is sufficient to permit the writing of this entirely practical bill guaranteeing bank depositors. There is, however, one feature of this bill over which there is much confusion. The position taken by the author of the bill in trying to harmonize the functions of government and the duty of the banks themselves to make depositors safe has in my judgment resulted in an unfortunate and entirely mistaken position, in relation to the ownership of the surplus earned by the Federal reserve system already paid over to the Treasury and the present surplus on hand.

The claim is made that this surplus does not actually belong to the people but to the banks which are members of the Federal reserve system.

By this fiction it would be made to appear that in taking part of this surplus for a guaranty fund the banks of the country would be providing their own guaranty of bank deposits. By this same fiction it is argued that the Government will not be engaged in guaranteeing bank deposits. This is a pious and futile concession to the silly plea that we "keep Government out of business." It is also a plea to the cupidity of the member banks to indorse the guaranty of bank deposits, so they can participate in the constantly accumulating surplus.

Now, the fact is the Government owns in law and in equity the entire surplus of the Federal reserve system already paid over to the Treasury; it owns the large surplus-\$257,000,000-now in hand; it will own every penny accruing hereafter to that system. There is no possible reason to pretend to the contrary. There is no reason why the United States Government should not guarantee bank deposits if it is to the interest of the people to do so.

Nevertheless, on these accounts the bill provides that 45 per cent of the profits arising from the operation of the Federal reserve system shall be added to the bank guaranty fund, 40 per cent to be distributed to the member banks, and 10 per cent to go to the reserve.

This is wrong in principle, wrong in inception, unnecessary and fatal to the idea involved in the guaranty of bank deposits. This provision arose from the insistence of certain member banks that they are the actual owners of the surplus arising over and above the 6 per cent profit on the capital of the Federal Reserve System which the Federal reserve act provides for in the original law. This contention of some of the member banks of the Federal Reserve System arises from the fact that member banks are compelled to keep in deposit with the Federal reserve banks a certain reserve fund on which no interest is paid, and these member bankers want interest on every penny.

This attitude overlooks completely and entirely the object and necessity in the operation of a central bank which, taken as a whole, the Federal reserve system constitutes.

The first requirement of any central bank or Government agency for the issuance of currency and control of credits is that there shall be no profit beyond a fixed normal on the actual investment or capital furnished by the individuals or banks making up the system. Any profits in excess of this fixed maximum must of necessity revert to the people, because it is their system and their profits.

And, second, because the justification of individual participation in this national power relating to our currency and credits must depend solely on the idea that participation be a limited participation. Because the profits that might and surely would be made to arise if the power to issue currency and thereby control credits was in the hands of individuals and for their benefit alone. All industry, all labor, all profits in business as a whole would be within their hands to exploit as they please. While, if the possible profit is limited and the excess paid to the people, the temptation and the power to exploit are both removed. This was wisely provided for in the Federal reserve act and must under no circumstances be abrogated.

The wise provision would and doubtless will be to devote the entire surplus now in the Federal reserve system to the bank guaranty fund—\$257,000,000 and the full amount of the surplus as it arises—until a billion dollar fund is accumulated. That would actually permit the American people, out of their own money arising from the operation of their own Federal reserve system, to guarantee all their people against the loss of money deposited in the member banks of their Federal reserve system. We must awake fully to the all-important fact that the whole American monetary system belongs to the American people for their sole use.

ECONOMY

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

There was no objection.

Mr. MANSFIELD. Mr. Speaker, our country is passing through a financial crisis never before equaled in our history. The people are burdened with taxes that can not be paid. The cost of government has become so great that it is striking at the heart of our most cherished institutions of organized government.

I am one of those who believe that we have entirely too much government. I think more of my country as a whole than I do of any particular department or branch of it. If it is to the interest of the people as a whole to abolish one-half of the Government activities that we now carry on, why not abolish them?

I am in favor of eliminating not only a large number of the independent bureaus we have but also of abolishing one or more of our governmental departments. Why not abolish the Department of Commerce and transfer such necessary activities as it now functions over to the Department of the Interior?

It is thought by many that the Department of Labor might be abolished and its necessary activities transferred to the other departments. Only a few years ago we had neither a Department of Commerce nor of Labor. We got along then just as well as we do now. The cost of these two departments is now about \$75,000,000 per annum. A very large proportion of this cost could be eliminated by abolishing the departments and transferring their necessary activities to some other existing department.

In addition to the cost of running these Departments of Commerce and Labor we are now just finishing a gigantic building for the Commerce Department, covering 8 acres of ground, and said to cost \$17,500,000. This building has 56 acres of floor space and should be sufficient to house all the independent bureaus and commissions that are necessary to be retained.

By abolishing the Department of Commerce and consolidating the Army and Navy Departments under one head, and then to eliminate a dozen or more of the independent bureaus with which we are now afflicted, at least \$100,000,000 could be saved to the taxpayers of the United States.

Furthermore, Mr. Speaker, I am in favor of salary reductions far more drastic than any that have yet been proposed. I believe that every Member of Congress should be willing to serve his country for the next two years for an amount sufficient to pay his actual living expenses. Many thousands of people are not making enough to pay their expenses.

I have voted for every proposed cut in salaries that has been permitted to come to a vote in Congress. I have introduced bills for more drastic cuts. I have voted to abolish every bureau and Government activity that has come to a vote. I have introduced bills for more drastic consolidations than any that have been voted on.

I voted to consolidate the Army and Navy under one head. I would be glad of an opportunity to vote to abolish the Department of Commerce, or any other department that might possibly be eliminated. It is far better to drop a few branches of our Government than to destroy all of them.

So far as I am aware, this is the first time in half a century that Congress has been compelled to levy excise and nuisance taxes except in time of war. It is true that these taxes are to last for only two years. But the very fact that such a condition became necessary at all is the best evidence that something is radically wrong, and, if possible, should be righted.

It is not my purpose to criticize the President, nor anyone in authority. It is not my purpose to criticize any political party. I am willing to join with all persons in an effort to leave nothing undone in the program for cutting Government costs.

I must, however, compliment the Congress, and especially the Committee on Appropriations, for the accomplishments already achieved in reducing appropriations for the coming year. Our 10 regular appropriation bills have passed the House, and result in total reductions from last year's appropriations of \$571,106,955.95. These facts do not seem to be generally known to the country.

The reductions in the several bills are as follows:

Department of Agriculture appropriation was re-	
duced	\$60, 255, 880.00
Department of Interior appropriation was re-	
	18, 896, 174. 00
Department of State appropriation was reduced. Department of Justice appropriation was re-	3, 314, 158. 01
duced	487, 426, 00
Department of Commerce appropriation was re-	
duced	10, 489, 988, 00
Department of Labor appropriation was reduced.	647, 373, 00
Department of Treasury appropriation was re-	011,010.00
duced	7, 391, 125, 00
Department of Post Office appropriation was re-	1, 331, 120.00
duced	37, 417, 602, 00
Independent offices	320, 265, 346, 00
Legislative Department	7, 903, 517, 94
District of Columbia appropriation was reduced	5, 797, 728.00
Navy Department appropriation was reduced	33, 748, 134, 00
War. Department appropriation was reduced	64, 492, 504. 00
m	
Total reduction	571, 106, 955, 95

I want to commend my good friend, Congressman John D. Clarke, of New York, for having these figures published in the New York Times for the information of the people of his State. I hope the figures will be made public throughout the country.

RULE FOR THE CONSIDERATION OF H. R. 12280, FEDERAL HOME-LOAN BANKS

Mr. POU. Mr. Speaker, by direction of the Committee on Rules I submit the following privileged report.

The Clerk read as follows:

House Resolution 253

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 12280, a bill to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

The resolution was referred to the House Calendar and ordered printed.

H. R. 12445

Mr. CANNON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

There was no objection.

Mr. CANNON. Mr. Speaker, the rule before the House provides for the consideration of the two billion dollar building bill. It is the most drastic rule that could be written. It deprives Members of all rights and requires them to sign on the dotted line a bill to spend more than \$2,000,000,000 we have not got. I regret that I can not vote for the rule or for the bill. I am pledged to the people of my State to oppose all Federal expenditures not absolutely essential to the economical administration of the Government. I have com-

mitted myself in thousands of letters written since the opening of Congress to insist on rigid economy, and I can not support this bill without violating every promise I have made.

National revenues are at the lowest point in years, while national expenditures are higher than they have ever been before in this or any other country. Retrenchment is imperative. We must cut expenses to the bone to balance the Budget. And yet here is a bill authorizing the expenditure of millions of dollars for luxuries—for monumental marble buildings and expensive river revetments.

The business which such buildings would house has decreased 25 per cent in the last year, and the waterways to be improved are serving absolutely no business at all. There is less need for them to-day than there was 10 years ago. If 10 years ago we could let them wait when the Nation was prosperous and there was a large and growing surplus in the Treasury, surely we can let them wait a little longer when there is a deficit of \$3,000,000,000 and half the Nation is bankrupt.

But it is urged that this is an emergency measure; that it will relieve unemployment. Unfortunately, that contention is not borne out by the facts. Official statistics show that if this entire program could be put into effect at once it would employ only one out of every thousand unemployed men. Furthermore, the bill can not be put into effect in time to be of practical service. It appropriates no money. It only authorizes appropriations. Congress is ready to adjourn; and even if the bill is passed, the money would not be made available until after the elections. And after the money is ready, a year or more will be required for selection of site, drawing of blue prints, and other preparations for construction. So in any event the work could not be provided in time to be of material service in the present emergency. And the same situation applies to appropriations for river improvement.

Nor could Missouri take advantage of the section authorizing loans to States for direct aid, as our State constitution expressly prohibits the State from borrowing money.

In short, the bill fails to provide for immediate or practical aid of any kind. It would merely authorize a raid on an already depleted Treasury. It would destroy national credit and increase the tax burden. It would force down the value of Government securities and deplete the reserves and the loaning power of every bank in the country. It would defer indefinitely all hope of early economic improvement.

After a desperate struggle we have just managed to balance the Budget. The President signed the bill yesterday. And to-day we propose to unbalance it again by bringing in a bill to spend millions of dollars for ornamental buildings and elaborate river improvements we can do without. The new revenue bill taxes every man, woman, and child. It increases the cost of necessities and reduces the standard of living of every family in the United States. And yet we are bringing in a bill here to spend a greater amount than all the money raised by the new tax bill.

It is the familiar spectacle of a family managing by close scrimping to pay the rent and then ordering a new automobile and a diamond necklace. After such a struggle to balance the Budget, elementary common sense demands that we keep it balanced.

Mr. Speaker, I would like to support this bill. I would like to see these buildings erected and these aids to navigation provided for our rivers and harbors. But the condition of the Treasury and the welfare of the country will not permit them at this time. I have just returned from a brief trip home. Economic conditions are deplorable. Farm products are selling at shameful prices—far below the cost of production—and stores and factories are idle because the farmer is unable to buy. Armies of unemployed are seeking employment which can not be provided by this bill. Interest and taxes have gone unpaid so long that fore-closures and dispossessments are the order of the day. Business men in every community are making a last stand to

fight off insolvency. I can not bring myself to fire upon them from the rear by voting for a bill authorizing billions of dollars of unnecessary expenditures and increasing their burdens in a crisis like this.

The whole theory of the bill is wrong. There is nothing in it either for the farmer or for the thousands of small towns dependent on farm patronage. If you really want to relieve unemployment and alleviate distress, give the farmer a fair price for his products, a fair wage for his labor, and a fair return on his investments. If you will pay him what he earns, every dollar of it will immediately flow back through the channels of trade and your factories will open. labor will be in demand, and the wheels of industry will start moving. He needs every commodity you produce. Pay him even a part of what he is entitled to receive, and the smoke of your factories, the clamor of your exchanges, and the flashing shuttles of your railways will be his answer. Prosperity must start with the farm. There is no alternative. Stop the robbery of your basic industry, and busy cities will draw once more from the boundless resources of a smiling land of plenty.

But this bill provides no such program. It can not afford real relief and the country realizes it. Stop the next man you meet on the street and ask him what Congress should do first. He will tell you the first thing Congress should do is to economize and quit spending money for nonessentials. Whether you ask the question in Maine or California, in New Orleans or Chicago, the answer is the same, "Congress must stop passing pork bills."

You can not put out a fire by drenching it with gasoline. You can not cure a deficit by spending more money. And in this acute crisis—the most tragic in the history of the Nation—I can not deliberately vote money when there is none to vote. I can not mortgage to-morrow for to-day's extravagance. I can not chain future generations to a treadmill of debt in order to enjoy present luxuries at their expense. I can not vote for a bill which, under a promise of relief, bankrupts the National Treasury and national integrity as well.

GENERAL RELIEF BILL

Mr. BANKHEAD. Mr. Speaker, I call up House Resolution 251 and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 251

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 12445, a bill to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, and any points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, I presume the gentleman from Indiana desires the usual time on the rule.

Mr. PURNELL. That is correct.

Mr. BANKHEAD. I yield the gentleman from Indiana 30 minutes, and I ask to be recognized for 6 minutes.

The SPEAKER. The gentleman from Alabama is recognized for six minutes.

Mr. BANKHEAD. Mr. Speaker, I think if ever there was a time in the history of legislation when we should employ the language of candor that this is certainly the time. In the beginning I desire to say that it will be unnecessary for

gentlemen who are opposed to this rule to charge or undertake to establish that it is a very strong-arm and drastic rule [laughter], because I frankly admit it. I have never found it necessary, as one who believes in party organization and party government, to make any apology for exercising the instrumentalities of the House and of the party, in an effort to effectuate legislation that has been put upon the party's program. I frankly state that this is a rule, rather extraordinary, in that it only allows the offering of amendments by the Committee on Ways and Means, and prohibits the offering of any amendments to such amendments as may be offered. The provisions of the resolution have been read in the hearing of the House, and it is unnecessary for me to repeat the provisions of the rule.

Gentlemen, I think that certainly within the history of modern times there has not been a tenser moment in legislation affecting the welfare and real interest of the American

people than this very moment.

You have just listened to a memorial read from the Clerk's desk addressed to the nonpartisan patriotism and loyalty of the American people in the House of Representatives. It was unnecessary in fact for the statements in the memorial to have been recited, because there is not a man in this Chamber who is not thoroughly familiar with the very desperate economic and social situation which to-day confronts the American people.

This Congress is apparently drawing to a close of its session. The number of unemployed men and women in America, on account of the depression, is constantly increasing, and although it is felt that before many days at least this Congress will adjourn sine die, there has not been placed on the statute books, or received the approval of the President any real bold, courageous legislation on the part of the American Congress to meet this desperate unemployment situation. [Applause.]

My party, the Democratic Party, as represented in this House, although I must confess that maybe it is somewhat belated in the performance of its duty, has undertaken to bring before you for your approval a bill that will meet the desperate emergency of unemployment with which so many millions of our people are confronted. It is not a bill, admittedly, that meets with the approval of all of the members of my own party. It is a bill that will probably meet with the opposition of a great majority of the Republican Party in this House, but let it not be misunderstood as to what is the real purpose lying behind the legislation. It is emergency legislation; it is legislation that would not have been presented to this House in ordinary or normal times. The purpose of it, the great humanitarian purpose lying behind it, is to undertake to give temporary stimulation to the unemployment situation by the use of Federal funds and Federal credits.

We are proposing to give to the Chief Executive of this Nation \$100,000,000 to be used by him as he sees fit, if the emergency becomes sufficiently desperate, to be expended by agencies that he may select or set up, if necessary, to meet the emergency arising from actual starvation on the part of the American people. We have done that thing before in time of war and in time of emergency. Republicans joined with Democrats in giving President Wilson the sum of \$100,-000,000 to be used at his discretion in time of war. I say to you to-day that the conditions by which we are surrounded in this country are more desperate in their possibilities than were the conditions that surrounded us when we drafted 5,000,000 of our young men to preserve the Republic. [Applause.]

The SPEAKER pro tempore (Mr. KELLER). The gentleman has consumed six minutes.

SEVERAL MEMBERS. Take six minutes more. Mr. BANKHEAD. Under my promise to other Members of the House, I can not consume any more time, although I would like to do so and argue this question further. It is a question of whether or not you are going to use the instrumentality of this rule to get quick action, we trust effective action, on this measure of emergency relief. [Applause on the Democratic side.]

Mr. PURNELL. Mr. Speaker, I am delighted to have the admission of the gentleman from Alabama [Mr. BANKHEAD] that this is a gag rule. Otherwise we might not have suspected it. We learn too often from the press of the Nation that the present Congress is in disrepute. This is something that has not been said of the House of Representatives for many, many years. If that be true, it is because of performances such as you are about to witness in this Chamber this very day. For weeks and months the Nation, as well as the Congress itself, has been demanding a balanced Budget; and only last night at 5 o'clock the President of the United States signed a bill which assures the financial integrity and solvency of this Nation. It is worthy of note, therefore, that the first official act of the House of Representatives following the signing of that tax bill should be the dragging into the House, under an unprecedented gag rule, of a bill which, if enacted into law, will certainly insure for an indefinite period of time the unbalancing of that Budget. We Republicans can stand this procedure if the gentlemen on the Democratic side who have heard their master's voice can stand it. I suppose we should not complain. After all, it is perfectly consistent that you who are in the majority should, first of all, "hog tie" your Members before you bring in a "pork barrel" bill. That is exactly what you have done. Many of you will to-day stultify your own consciences and your own good judgment in supporting this measure.

No fish in brook or sea ever had dangled before it in all the world's history more tempting bait than that which is hanging in front of the eyes of the Members of this House to-day, and I undertake to say that no one but a sucker will bite it. The benefits that will be derived, and there will be benefits derived from the expending of millions of dollars upon unnecessary public improvements, will soon evaporate and be forgotten, but the damage that will be done by wasteful expenditure of public funds will remain as a permanent blot on the country and further haunt us in our effort to restore economic stability. The Nation can not stand the further increase of taxes that will be required to again balance our Budget if this bill should ultimately be enacted into law. Therefore, in the name of economy and in the interest of our common country, I sincerely hope that the previous question will be voted down. If that fails, then I urge that the resolution be not adopted. [Applause on the Republican side.]

Mr. BANKHEAD. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, in view of the unprecedented condition in which we find ourselves in this country, and in reply to the gentleman from Indiana [Mr. PURNELL], this country of ours has just got "to stand it" whether it means more taxes or not. We can no longer permit the pitiable conditions in this Nation to continue as they are. So I have no reluctance in standing here to advocate the adoption of this rule, call it a "gag" rule or what you will. Incidentally it is no worse than many rules that the Republicans brought in here when they were in power for the consideration of the Hawley-Smoot and other tariff bills, for instance. Under those rules you made all the "suckers' bite; you dangled before their eyes all of the protective "benefits" to their local communities. This rule may be on a par with yours of the past, but whether it is or not, I have no hesitancy and no apology to them when I look at the Republican side of this House and advocate the adoption of this rule.

Why, Mr. Speaker, because our country was never in the stressful condition in which we are now, the Democratic Party offers this bill as the first real relief measure the benefits of which will filter down to the people of the Nation.

Under its terms we place in the hands of a Republican President \$100,000,000 to dispense as he sees fit, without any accounting for it. Our failure to be partisan surely surprises you. I am happy to intrust this huge sum to the Chief Executive, confident he will administer it without partisan favor. The bill adds a billion dollars to the Reconstruction Finance Corporation fund so that more help may be

given to business and to pry loose the frozen credits. The bill further authorizes \$375,000,000 for public buildings, \$378,000,000 for river and harbor work, \$101,000,000 for roads, \$180,000,000 for flood control, and \$22,500,000 for military construction. Surely this vast undertaking of public improvements should greatly relieve the army of unemployed.

Now, we read in the papers every day that the Chief Executive says no money should be expended on any public improvement that is not income producing or "self-liquidating." I would like to know just what sort of public improvements such are. I would like to know what public buildings or what public improvements are "self-liquidating," except possibly a few toll bridges. "Self-liquidating" is just a phrase that has grown up in the mind of the Chief Executive somewhat similar to that old bromide about "balancing the Budget."

Furthermore, in the bill we hope to increase employment by providing for a 5-day week on all these public improvements. The bill also will expedite the building operations by speedy condemnations and the use of standard plans.

Why, Mr. Speaker, we have taken no more than a leaf out of the President's own proposals of the past. Up to 1928 and in the campaign of 1928 the President was the most outspoken advocate of public improvements to relieve unemployment. He never then mentioned "income-producing" or "self-liquidating" improvements. That distinction did not concern him then. He stressed as the chief measure of relieving unemployment in this Nation the building of public buildings and other public enterprises. Now, why this about face? I am sincere in it when I say that I believe certain opposition to this bill, not only here but in other high places, is politics, politics, and nothing but politics. [Applause.]

It has been and will be shouted that this measure will unbalance a now balanced Budget. Why, you can not crush the truth by such an absolute misstatement. This bill provides for a tax of one-fourth of 1 cent a gallon on gasoline, which will meet all interest charges and amortize the entire expenditure. The country should know the truth, and we propose to bring it home to them.

I regret that many votes cast here to-day will be cast because this bill is a Democratic measure, advocating the very things that Republicans have advocated for years, and I will just close my appeal to you by quoting a phrase used tome time ago by your President and my President, "do not "play politics with human misery." [Applause.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, yesterday when I asked unanimous consent that the rule as presented by the gentleman from Alabama might be read to the House for the information of the House, and the Speaker himself objected, I certainly was a little surprised, although I knew it was within his prerogative to object if he wanted to, but since I have read the rule I am not at all surprised, and I think the Speaker did the proper thing, because I know that no man at the head of the party which had brought out a rule like this would want it to come to the light any quicker than was absolutely necessary. [Applause.]

Since I have found out the way in which the Democratic majority party operates in the way of special rules, notwithstanding some experience on the Rules Committee, I feel that I owe an apology to my Republican brethren for not using the power as it should have been used. Our friends, the Democrats, have spent much time talking about the liberality of the rules, and what they would do when they had an opportunity. Some of our brethren on our own side who never had been here when they were in power, put some confidence in what they said; but, of course, some of the older Members who had been here for some time paid no attention to it.

The situation is that this is one of the most drastic rules that has ever been brought onto this floor, as the gentleman from Alabama said, but neither of the gentlemen on the majority side has said one word about what the rule provides. It goes farther in limiting the hog tying this House

than any rule that has ever been presented during my membership in this House. [Applause.]

It contravenes the rules of the House in five specific particulars. First, that the points of order against said bill are hereby waived. The bill shall be considered as having been read for amendment. They are not even going to allow the bill to be read. It was never read in the committee and it will never be read in the House. I do not blame them for that.

No amendment shall be in order except amendments offered by the direction of the Ways and Means Committee, and such amendments shall be in order, any rule of the House to the contrary notwithstanding.

In addition to that, no one is to be allowed to offer any amendment to the amendments offered by the Ways and Means Committee.

Gentlemen, you have gone farther in this rule than I ever dared to go at any time. When I consider what your own Speaker has said on the floor of this House during this very session, and your other leader, the distinguished gentleman from Georgia, has said about the liberality of the Rules Committee and the Democratic Party in connection with important legislation before the House, some one ought to apologize for the Democrats here to-day.

When we had before this House the important tax measure, the important economy measure, something that you gentlemen should have caucused on for the protection of the people of the Nation, you did not dare do it, but when it came to the real, genuine "pork" measure, you caucused and brought all your men in to protect your bill. That is typical of the Democratic Party.

One more thing: Unless we vote down the previous question and are able to amend this rule, the average Member of this House will not be able to present a single amendment, and the bill itself will never be read. A proposal will be made to vote against the previous question and give the House an opportunity to express itself, as the distinguished leaders of the Democratic Party have always said, "We Democrats will give you that opportunity."

Now, if you believe in that, I ask you to join with us in voting down the previous question, so that we may have an opportunity to present amendments and also have an opportunity to read and consider the entire bill on the floor of the House. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. BANKHEAD. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. Greenwood].

Mr. GREENWOOD. Mr. Speaker, I feel that under the circumstances there is no apology needed for this rule, as a great emergency exists in the unemployment condition of our country. This rule may look as though it had been prepared by Snell, Purnell, and others, but in this emergency, in the closing days of this Congress, something must be done to relieve unemployment. The Democratic Party has cooperated on most of the measures put forward by the President, but we have waited in vain for the President and his administration to bring forward a constructive measure that will meet the requirements of unemployment.

This bill proposes to satisfy that situation.

Title I puts \$100,000,000 in the hands of the President to be used at his discretion in order to prevent hunger, in order to prevent what will happen this coming winter, because there is more unemployment now than there was when Congress convened. Municipalities and civic organizations have exhausted their resources. The citizens who are unemployed and hungry are citizens of the United States the same as they are of the States and of the municipalities. It is the duty of Congress to make—and we dare not adjourn without making—some provision to take care of hunger and destitution throughout the coming year.

Title II enlarges the powers of the Reconstruction Finance Corporation and meets the requirements of the provisions recommended by the President. We want credit provided to the private individual, the smaller man, who wants to borrow money for construction which will put people to work.

Title III is the one to which the greatest objection has been raised. This section provides for public improvements. The President has many times advocated that this is the way to solve unemployment, to build permanent public buildings and to improve our rivers and harbors. Many times he has offered his observations in approval of these provisions. I voted for the Elliott construction building program. It was said at that time that it would remove these projects from the "pork-barrel" operation of the previous bills and place them in the hands of the administration of the departments, to be determined on the basis of postage returns and the necessities for buildings that were known to be needed in certain places to take care of public service. That is what this bill does in that particular title.

Mr. HOPKINS. Mr. Speaker, will the gentleman yield? Mr. GREENWOOD. I can not yield; my time is limited. The first provision under Title III is \$174,000,000 to build the very projects that have been approved by the Treasury and Post Office Departments under the present administration, not based upon the theory that they are in my district or in your district, but on the theory that they are needed to meet the necessities of public business.

The second section provides \$90,000,000 for projects that have been approved by the departments of this administration. These projects are now approved and on the waiting list. In voting for this bill you are not voting for any "porkbarrel" proposition. We are presenting the same projects that have been approved by the Treasury Department and the Post Office Department and putting them in places where they say they are needed. I voted for the Elliott bill on the theory that it would remove these projects from politics. This bill proposes to continue that policy.

In the new tax bill we have levied additional postage on first-class mail to the extent of \$160,000,000. That amount is four times as much as is needed to pay the interest on the bonded indebtedness of these projects and provide a sinking fund. When the people are paying additional postage they have the right to have service; and if ever there was a time in the history of our Nation when we should indulge in a program of public-building construction and river and harbor improvements, it is this hour, when more than 8,000,000 people are walking the avenues of this Nation looking for work. If the Nation does not furnish the work, it will not be furnished.

This is a constructive measure. This meets the requirements of the Government's need for improvements; and if you believe in cooperation, as you say you do, support the only constructive measure that has been advocated and been presented to either House of Congress up to this hour and that will meet the emergency and furnish employment for the unemployed. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield four minutes to the gentleman from Illinois [Mr. Sabath].

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, I concede that the rule before the House is a drastic rule, but conditions are desperate and relief must be forthcoming without delay. For months I have called your attention to the serious and critical conditions that confront us. A few moments ago the Speaker submitted and read a memorial presented this morning by the mayors of the leading cities of America who appeared lately in person before the Speaker and the majority and minority leaders, expressing grave concern in regard to the existing conditions. All of you who have heard the resolution must concede, if you have any sensibilities at all, that immediate action on our part is necessary to relieve the nation-wide distress. The gentleman from Indiana stated that Congress is in disrepute. I grant that people who hear and read statements made by some of you Republicans and by the Republican press, and who are not informed, are being made to believe that this Congress is indifferent to the needs and wants of the Nation. But what are the facts?

Although we have been in session only five months, the Democratic membership of this House—though having only

a slight majority—has adopted and passed not only all of the appropriation bills but many other important measures and has acted favorably upon every one of the President's recommendations. That we have not adopted before this real relief legislation—legislation which we are proposing in this bill—is attributable to the President's and your own dilatory tactics. In fact, it is to overcome these tactics that we were compelled to bring in what you designate as a "gag" rule and what I concede as a drastic rule.

The reason for our action is plain; we have waited for the President to present a constructive program, but he has failed to do this, and now we can no longer ignore the country-wide demand to provide employment and food for the millions of hungry men, women, and children. The seriousness of the conditions, that have again been called to your attention to-day, have been known to the President and the Republican administration for the last 18 months. But the President, like Nero of antiquity, who fiddled while Rome burned, "fiddled" around while this present conflagration has increased. He continued to ignore the appeals of the 8,000,000 unemployed people and the business men of the Nation.

As it has been stated by the gentleman from New York and by myself several times on this floor, there are many who charge, and I believe justly, that the President and the Republican Party are playing politics with human misery—with the fate of 40,000,000 American people—by delaying and refusing to take steps that would restore commerce, create employment, and reestablish confidence—so as to reap benefit of any relief measure passed shortly before the election. I repeat, your dilatory tactics are predicated upon the assumption that political benefit and advantage will come to the Republican Party if it can be made to appear that the relief legislation was brought about by the administration.

But, instead of deriving any benefit, I believe that you will be held to account and receive the condemnation of all thinking and well-informed citizens, notwithstanding that you are utilizing the press of the Nation to discredit the Democratic membership of Congress, and therefore the Democratic Party, by condemning every measure which we present and vaingloriously praising your own measures, no matter how vicious they are. However, it will not avail you; it will not help you and the greedy interests that you represent to reelect Hoover.

Though you have been in power for 12 years, through the Harding, Coolidge, and Hoover administrations, during which time the revenues of the Government and great surplus in the Treasury, turned over to you by the Democratic administration, have been squandered by criminal extravagance and willful disregard of economic conditions, notwithstanding the introduction and use of the Budget system, you have brought about a deficit for this fiscal year of approximately three thousand millions of dollars; and you are endeavoring to maneuver to such a position that the responsibility for this criminal negligence will appear to rest upon the shoulders of the Democrats. You are using a countrywide publicity to create this impression in the minds of the people, and are forcing us to make up the deficiency which you brought about in order to balance the Budget. But notwithstanding the many misleading articles and statements that have been made, I still have confidence that the majority of the people will place the blame where it properly belongs—that is, on President Hoover and the Republican administration. And to-day, after you have been in complete control of all the branches of Government, executive and legislative, and notwithstanding that we have an overabundance of food and raw materials, we find that there are over 10,000,000 unemployed; 40,000,000 destitute and in want; plants, factories, and stores closed; and 95 per cent of the American people in despair because their life savings and, in many instances, fortunes have been swept away, and many of our outstanding men driven to commit suicide.

I hold in my hand a Chicago newspaper of May 30, 1932, and what do I read? On the first page alone there are eight announcements of suicides, representing not unemployed men in despair, as you might be led to suspect, but men of

high standing, leaders in financial life, who were unable to stand the strain any longer and who made an end to it all. Here are the names of Edward F. Swift, the packer; G. W. Page, an industrialist; F. P. Shickler, merchant leader; and E. D. Shaw, retired broker. Yes, gentlemen; statistics disclose that there have been in the last two and a half years of Hoover's administration over 60,000 suicides in this country, and nearly all of them have been caused by reverses brought about by the financial and economic debacle-a debacle that you in a great measure are responsible for and that could have been avoided if the President had listened to the appeals of those who had the interests of the country at heart. This terrific cataclysm, which has caused these thousands of suicides, destroyed \$150,000,000 worth of property values, brought about the long and tremendous unemployment, and completely wrecked the commerce of the Nation, could have been avoided.

As I have stated on the floor of this House in November, 1929, I had appealed to the President to stop the criminal debauchery that was taking place in Wall Street and pleaded for the prohibition of bear raiding, stock manipulation, and for the time being, short selling. But he refused to act. Within the last few weeks these crooked manipulations, to which I called your attention on many occasions, have been exposed and all of the fears and apprehensions which I entertained in 1929 have been justified. But, gentlemen, these vicious manipulations that have been disclosed are only an infinitesimal part of what has been going on in the New York Stock Exchange, and if the committee acted in good faith, instead of playing contemptible politics by trying to give undue publicity to two or three Democrats, notwithstanding that all of these vicious activities have been carried on and practiced by the most outstanding industrial and financial leaders of the country, all of whom are Republicans, it could have rendered a valuable service to the country by exposing the countless manipulations and the leading manipulators.

In my telegram to President Hoover on November 12, 1929, I appealed to him as follows:

His Excellency HERBERT HOOVER,

President of the United States, Washington, D. C.: To-day's New York press dispatch states that the professionals are still selling short. I am satisfied that 99 per cent of the American people feel that this outrageous destruction of the small investors has gone far enough and that immediate steps are needed to save the Nation from the disastrous conditions that bound to follow. It is the consensus of opinion of wellare bound to follow. It is the consensus of opinion of well-informed men that you, Mr. President, should call upon the financiers of this Nation to stop profiteering and formulate and carry out a plan to save the Nation from dire calamity.

A. J. Saeath.

On December 26, 1929, I again appealed to the President, as well as to the Secretary of the Treasury, Mr. Mellon, and the Attorney General, Mr. Mitchell, and pleaded that these destructive and dishonest activities be stopped. I also introduced a bill which I believe would have restricted short selling and bear raiding, but I could receive no consideration in a Republican House or from the Republican administration.

I continued these appeals and supplications throughout 1930. On September 23 and October 16 of that year I addressed letters to the President suggesting that if he personally was unable to deal with the situation, to request Congress to pass legislation against this greedy manipulation. Not being able to secure any action and sensing the approaching danger, I made strenuous efforts to secure the President's aid, knowing that he has the absolute control over the Federal Reserve Board, to request the Federal Reserve Board to accept for rediscount finance-corporation paper, which the board was legally able to do, and which would have released \$2,000,000,000 worth of commercial paper for legitimate purposes. But again the President refused to act.

I then turned and appealed to Eugene Meyer on December 12, 1930, and in my letter set forth the necessity for rediscounting finance-corporation paper, as well as short-term municipal bonds and securities and mortgages on homes. The letter reads as follows:

DECEMBER 12, 1930.

Hon. EUGENE MEYER,

Governor Federal Reserve Board,

Governor Federal Reserve Board.

Treasury Building, Washington, D. C.

Dear Mr. Meyer: Without going into the other causes responsible for the present alarming situation, I feel that the terrific stock inflation and the unloading during the past two years of millions and millions of shares of such inflated, and in many instances worthless, stocks upon the masses by means of high-power methods, has contributed more than any other cause and is responsible to a greater degree for the ingressingly descripte condition of ble to a greater degree for the increasingly desperate condition of our country to-day. Such inflation has drained the working cap-ital required for legitimate business and has resulted in a tre-mendous stagnation of the commerce of the Nation, which in turn has led to nation-wide unemployment, thereby creating not only

want and misery but alarming discontent.

I believe that it is within the power of the Federal Reserve Board to accept for rediscount purposes—in addition to notes, drafts, bills of exchange, and Government bonds—the paper of finance corporations secured by automobiles, radios, refrigerators, and other like commodities. But, in addition thereto, because of existing conditions, I feel that the Federal Reserve Board should be authorized to accept for rediscount municipal, public utility, and rail-road bonds, as well as real-estate securities—but only under safe and sane regulations—and propose to offer a bill that will grant

and sane regulations—and propose to their a six such additional power.

I feel that you will agree with me when I say that, with the exception of the few extremely large banking institutions, the major portion of our banks are to-day greatly handicapped, and for no other reason than the fact that they have on hand a very large amount of good but unliquid assets. Already this has caused the closing of a dangerously large number of banks and threatens to close an even still greater number. threatens to close an even still greater number.

Since the Federal reserve system was created for the purpose

of aiding our business, industry, and agriculture, its powers should be expanded so that it may successfully cope with the

situation confronting us to-day.

Although I know you to be familiar with the basic causes of the conditions existent to-day, nevertheless, I now take the liberty of submitting to you certain important facts in this matter, derived from careful investigation and survey.

a fact, that billions upon billions of dollars of worthless stock, in 1928 and 1929, were unloaded upon people in every walk of life, who, as I said on the floor of the House in 1929 and again just the other day, were inveigled by the alluring pictures painted by some of our most prominent financiers and industrial leaders. Then came the inevitable crash, and in order to comply with the demands of the banks for additional securities or for a reduction and payment of their loans, these small investors were obliged to heavily withdraw from their business the very capital necessary for the successful conduct of said business. In addition, many were unable to meet the demands of the banks, and a large num-

were unable to meet the demands of the banks, and a large number of these, in order to ald the small business man, have been and still are carrying on these very loans, secured by collateral which, though good, can not be disposed of without great loss.

Therefore it is my firm belief that if at least some of such collateral held by these banks could be utilized for rediscount they would be tremendously relieved. This in turn would enable them to extend to our businesses and industries much-needed aid,

and business would thus be permitted to resume its uncurtailed activities, which would bring about a resumption of employment.

I well recognize that a few powerful financiers will object to my plan on the ground that it will result in inflation. Yet it must be conceded that expansion will not now be detrimental but, on the contrary, will be very helpful. For example, you know that brokers' loans have been reduced from above \$6,000,000,000 to \$2,000,000,000, and these loans were on collateral securities not as

safe as contemplated in my plan.

That money is plentiful can not be denied. Thus, for example, money can to-day be obtained in New York for gambling purposes at rates as low as $1\frac{1}{2}$ and 2 per cent. Why not make at least some of it available to the smaller borrowers in need of money for legitimate purposes? I am aware that the few powerful financial institutions have in their vaults approximately \$7,000,000 worth of securities available for rediscount purposes. Our aim, however, should be to give aid to the banks which, through no fault of

Such extension can do no possible harm but may, and in all likelihood will, revive business activities, which will result in employment for at least some of the 7,000,000 of men and women now

Knowing your splendid record and your ability as a financier and man of vast experience, I have here humbly set forth my plan, and do hope to hear from you to obtain your views.

Very sincerely yours,

A. J. SAEATH.

But my appeal again fell on deaf ears, for I received the following reply:

FEDERAL RESERVE BOARD, Washington, December 29, 1930.

Hon. A. J. SABATH,

House of Representatives, Washington, D. C.
DEAR Mr. Sabath: This is the first opportunity I have had to acknowledge your letter of December 12 in which you suggest that paper secured by municipal and railroad bonds, etc., be made eligible for rediscount at the Federal reserve banks. I notice that

you interpret the existing law as giving the Federal reserve banks discount paper of finance corporations secured by various commodities. This is not in accordance with the law and the regulations of the Federal Reserve Board, which do not permit the

regulations of the Federal Reserve Board, which do not permit the rediscount of finance paper, with certain minor exceptions specifically provided for in the act, such as the paper of cotton factors. I believe that it may be of service to you to see an article on paper eligible for rediscount at the Federal reserve banks in the bulletin for July, 1930, of which I inclose a copy.

You will notice from this article that of the 8,522 member banks there were 99 that had no eligible paper; 1,749 that had between 0.1 and 10 per cent of their paper eligible for rediscount; 4,813, including 4,427 country banks that had between 10 and 40 per cent; and 1,861, including 1,806 country banks, that had 40 per cent or over. This indicates that there are very few banks that do not have enough eligible paper to use at the reserve banks when the need arises. I am not inclined to believe, therefore, that enlarging the class of paper eligible for rediscount at the reserve banks would help the credit or the business situation. Sincerely yours,

Sincerely yours,

EUGENE MEYER, Governor,

Perverseness, if you will, and the knowledge that conditions were growing worse compelled me to respond on January 19, 1931, to his reply. But he could not be moved, and as far as I know can not be moved, even in face of the appalling conditions.

During all of these crucial times I have been encouraged by many outstanding legitimate business men and bankers in the Nation to continue with my activities for relief, and I, in turn, have asked them to bring to the attention of the President the immediate need for relief legislation. Mr. Speaker, ladies and gentlemen, I do not exaggerate when I say that I have received at least 5,000 communications informing me that the writers have recommended to the President the need for the legislation which I was advocating.

Realizing that the Federal Reserve Board was under the influence of Wall Street, I began to advocate the creation of a Government finance institution, which I designated the "National Relief Finance Corporation," an institution capitalized for \$1,000,000,000, and possessing the power to issue bonds to the extent of five times its capital structure.

This institution was to be uninfluenced by the avaricious interests of Wall Street and utilized, in a manner similar to the War Finance Corporation, to safeguard the small banks from bankruptcy and in other ways to help reestablish business. I conferred with many bankers, business men, and financiers, and, with the exception of a few, they all approved my plan; whereupon I called the President's attention, early in June, to the need for such an institution. And at the same time I not only requested, but demanded that a special session of Congress be called, to enact legislation that would save the Nation from complete ruin, suggesting that, in addition to the creation of a finance corporation, the power of the Federal Reserve Board be broadened so that Federal reserve banks would be able to accept for rediscount good commercial paper, short-term municipal bonds and anticipation warrants, and small mortgages on

On June 13 I received the following letter from the chairman of the Federal reserve district of Chicago, Mr. Eugene Stevens:

JUNE 13, 1931.

Hon. A. J. SABATH.

Chicago, Ill.

DEAR MR. SABATH: I understand that you have recently sent a vire to the President at Washington relative to the banking situation in Chicago, which has been referred to me through the Federal Reserve Board.

should like very much to have an opportunity to discuss this matter with you, and wonder if you could find it convenient to come into my office the early part of the week. There are some things about this situation which we might be able to discuss to our mutual advantage.

Very truly yours,

EUGENE M. STEVENS, Chairman.

After conferring with Mr. Stevens, and being asked by the press for a report, I issued this statement on June 16, 1931:

After prolonged conference with Mr. Stevens, the chairman of the Federal reserve bank in Chicago, Congressman Sabath is working on a plan to save, as he states, approximately one-half million homes for their owners and their families from foreclosure. He is preparing a bill creating the Federal home-loan bank similar to the Federal land bank, but with additional safeguards against any possible losses. He maintains that the unfortunate existing conditions require that relief be worked out that will save these homes for approximately one-half million families, and that without any cost to the Government.

He argues that the subscription of the last \$800,000,000 Govern He argues that the subscription of the last \$300,000,000 Government loan, oversubscribed by nearly \$5,000,000, demonstrates that money is plentiful, and by the further fact that call money is only 1½ per cent, and that the large banks in the United States are suffering from too much cash; but due to the fact that all small banks are working to the end to make their assets the liquid kind and will not extend these mortgages on the homes or make any new loans, he reasons that the moment the institution he is advocating is established and takes over only a small percentage of the overdue mortgages confidence will be restored in this line of securities and demand created for them, as, after all, he claims it is the best possible security that anyone of small means can obtain.

Congressman Sabath made several efforts in Congress to induce the Federal reserve bank to recommend or approve of broadening their scope of rediscount to make possible rediscounting the mortgages on homes as well as municipal bonds and finance cormortgages on homes as well as municipal bonds and finance corporation paper but could not secure favorable action at that time from Congress or from the Federal Reserve Board. Consequently, after a conference with Mr. Stevens, the Congressman claims he realizes the threatened danger to the small-home owners and taking advantage of Mr. Stevens's views, feels that there can be no justifiable objection to his plan as his plan will find an outlet for the idle millions of dollars in the strong boxes of the banks as well as in assets as people are still fearful of investing the money in professionally fluctuating stocks and bonds and at the same time will save over one-half million of the most reliable and deserving citizens from losing their homes and all and deserving citizens from losing their homes and

He argues that the city home owners are entitled to the same consideration and aid and relief that has been provided for the farmers, and with the experience with the land banks he feels that the Government as well as all others who join in the subscription of capital stock for such home bank can and will be safeguarded and other investments made secure and unfortunate owners

On July 11 I again sent the President an urgent request to call a special session of Congress and pointed out the need for this legislation; at the same time I urged him to use his high office to put an end to the incessant bear raiding on stock exchanges, which was forcing down the value of stocks and bonds, and which was impairing stability, liquidity, and even solvency of a great portion of our banks and insurance companies. But, as usual, all I received was an empty acknowledgment from the President thanking me for the suggestions.

THE WHITE HOUSE Washington, July 13, 1931.

Hon. A. J. SABATH,

Chicago, Ill.
My Dear Mr. Sabath: I have your letter of July 11 and am very much obliged for the information it contains.

Yours faithfully.

Finding my efforts of no avail and receiving no encouragement from the President, I began a personal campaign for the enactment of the relief measures that I had been advocating. I mailed out over 5,000 letters to bankers, business men, and leaders in industry, not only in Chicago but throughout the country, submitting my plan to them, asking, if they approved of it, to use their influence with the President to have him call a special session of Congress to consider the various relief measures. But so far as it concerned the President it had little or no effect, for he was too preoccupied at his Rapidan camp with foreign representatives and international bankers and ignored the general demand for a special session.

Therefore, I was very much delighted when, on October 6, 1931. I noticed in the press reports that a conference was to be held at the White House and that the President had invited Speaker Garner and several other Democrats. Having no confidence in any plan that would be agreed upon by President Hoover and the international bankers and fearing that by connivance the Speaker, Mr. GARNER, might be inveigled into agreeing with the plan, I immediately tele-

graphed to him as follows:

CHICAGO, ILL., October 6, 1931.

Hon. JOHN N. GARNER

Washington, D. C.

I read in to-day's papers that after a secret conference with the Wall Street bankers the President is calling a conference of some Democrats for the purpose of binding them to the Wall Streetformulated program. As you know, the Federal Reserve Board, under the domineering influence of Wall Street, has miserably failed and was in a great measure responsible for the complete

demoralization of our industries and banking institutions. I therefore suggest that you do not bind the liberal and progressive Democrats to any Wall Street-formulated program.

Demand that a special session of Congress be immediately called for the purpose of relieving conditions and to reestablish confidence. People have lost faith in President Hoover and his administration and are clamoring for action to save millions of people out of employment and out of food. Will demand the establishment of a \$5,000,000,000 prosperity finance corporation to be managed by financiers uncontrolled by Wall Street destructive forces. Will also demand increase in large income and inheritance taxes and immediate liberalization of the Volstead Act.

ADOLPH J. SABATH.

ADOLPH J. SABATH.

And was gratified to receive on the following morning, October 7, 1931, the following reply:

WASHINGTON, D. C., October 7, 1931.

Hon. A. J. SABATH,

Chicago, Ill .:

Telegram received. Greatly appreciate your clear-cut analysis of situation. Have no intention of binding myself nor of attempting to bind Democratic Members of House. Concur fully in your view that situation justifies calling special session.

JNO. N. GARNER.

Please remember, during all this time it was conceded that the Republicans had control of the House, and it was not until a few days before Congress convened that fate made it possible for the Democratic Party to organize the House. But no sooner had we secured control than the President began to bombard the House with messages asking for action, and this notwithstanding the fact that for over nine months, when there was ample time to consider relief legislation, he remained deaf to the appeals coming from every section of the Nation. And ever since this House has convened, he has, by special messages and well-prepared interviews and statements, endeavored to transfer the responsibility for his own lethargy to the Democratic small majority. It is true that in his opening message to Congress he did recommend the creation of the Finance Corporation, the extension of the power of the Federal Reserve Board, and the creation of a system of home-loan banks.

Yet, notwithstanding that I have advocated this legislation for over two years, I gladly laid aside whatever credit I was entitled to in order to speed up the enactment of this legislation. And though I have been a Member for 25 years, I have never seen more efficient or speedier action in passing any legislation than I have seen in regard to the bills that were passed creating a Reconstruction Finance Corporation and broadening the power of the Federal Reserve Board. The home loan bank bill also has been favorably recommended, and, I believe, will be passed very shortly. Unfortunately the President has made no other recommendations to relieve the present conditions, except to demand that we balance the Budget, make up the \$3,000,000,-000 deficit, or find \$1,250,000,000 in new revenue, and reduce the expenditures by about \$500,000,000 so as to balance the Budget.

In conclusion, I am going to ask you Republicans who are trying to score us for bringing in this drastic rule, what you have suggested or what has the President suggested, in addition to the measures which we adopted and which I have advocated, to relieve the terrific unemployment and the desperate condition of the country. Though the President in 1929 recommended the construction program, which, however, he abandoned upon the demand of the Wall Street financiers and the big tax evaders, and though I myself have suggested other measures which would reestablish confidence and credit, the majority of the real economists believe that vast reconstruction on the part of the Government is absolutely essential to bring about reemployment, and therefore, I have yielded and the Democratic leaders have yielded and have followed the judgment of the students of economics and men who have the interest of the Nation at heart; and I feel confident that this program will receive almost unanimous support of the Democratic Members and that of a few independent Republicans who can not be controlled by the vicious Republican machine

I am satisfied, moreover, that the accusations and the charges that this is pork-barrel legislation will not be se-

I | riously taken by the American people. My own district is not receiving a single cent, and the city of Chicago hardly nothing; still, I am in favor of the bill, because I feel it is the only thing that has a chance of being passed. Oh, I realize that if you Republicans did not know that the President was controlled by the Anti-Saloon League and that he would veto any legislation, if passed, to repeal or amend the Volstead Act by permitting the manufacture and sale of beer, we could have had sufficient votes to amend the act, which would have given employment to 200,000 directly and 500,000 indirectly and would have netted from \$300,000,000 to \$500,000,000 revenue annually, and which, to my mind, would have been instrumental in aiding employment, reestablishing confidence, and allaying discontent.

It is clear to everyone that you have retarded every move to relieve conditions; and realizing this, we have brought in this resolution, for which I would never have voted if conditions did not make it obligatory upon us to relieve the critical conditions without delay and which gives the President \$100,000,000 to use for the relief of the needy and provides for an increase in the bond issue of the Reconstruction Finance Corporation, and which also extends aid to the States and municipalities who no longer are able to feed their hungry people. [Applause.]

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. HOPKINS]. [Applause.]

Mr. HOPKINS. Mr. Speaker, by the use of the most partisan gag rule used in modern times the Democratic leaders are attempting to force the Members of this House to swallow this indefensible "pork barrel" bill. If this bill should become a law, it would provide for the most scandalous squandering of the public money ever known. Of course, it can not become a law. Even the Democratic leaders know this. No President with any sense of public trust could possibly sign such a bill for the plunder of the Treasury. Knowing this, why do they insist on making this a party measure and binding their membership by the ancient caucus pledge? The answer can only be, "to play politics and put the President and the Republican Congressmen in a hole."

One hundred and seventy-five post-office buildings in the State of Texas; 210 in the State of New York; 166 in the State of California; 63 in the State of Missouri. I am told, "You dare not vote against this bill; it gives you 9 or 10 post-office buildings in your section of the State." This same type of "pork" is held out to every Congressman here.

I believe I can give you the best illustration of the iniquitous methods used to get votes for this bill by giving you the facts from my own section of the State. The first Garner bill that was printed placed 10 post offices in my district, with a total cost of \$720,000. I announced my opposition to this bill because such a program would make an added expense of \$42,000 annually for upkeep and interest over present rental costs. The present average rental is less than \$1,200 in each town or city, but under this public plunder bill the annual upkeep would be increased from 300 to 500 per cent in each case.

After I had announced my opposition to this squandering of public money in this needless fashion, let me tell you of the change that was made in this bill.

St. Joseph is the largest city in my district. Our post office in this city has had receipts of \$602,000 in 1929, but this year they will be less than \$500,000. In 1929 there were 133 employees, but there are now 130. The post office certainly is not overcrowded. If run by any private business, or by the city or State government, no consideration would be given to its enlargement. Yet this bill suddenly appears here with a \$220,000 authorization for an addition to this building. Neither the Post Office Department nor the Treasury has recommended such an addition, and, therefore, the only possible reason for including it in this bill is to try to force me to accept this bill with its "pork" for Texas and elsewhere.

Of course this bill is only an authorization bill, and the authors of it no doubt know that no appropriation would ever be made for St. Joseph post-office building. It is included, as doubtless many hundreds of other buildings are, simply to "garner" votes.

Let me give another illustration of the type of indefensible methods used to try to get votes for this measure. South St. Joseph at present has a post office, although South St. Joseph is not really a city, and as a matter of fact has no population whatever. In South St. Joseph are found the livestock exchange, the packing plants, and other similar industries. The post office for this industrial community is of value largely because it is in the Live Stock Exchange Building, where the patrons of the office in almost their entirety have their headquarters. A post office in any other building would be almost useless. Yet this "public plunder" bill recommends a \$70,000 post-office building. Of course no one expects it to ever be built, even if this bill is passed, but it is put in, as doubtless hundreds of other buildings were, to get votes so that we could build buildings in Texas. New York, and so forth.

The people are not going to be fooled. They realize that in the long run any building built in their community must be paid for by that community. They know that in the end it all comes out of the pocketbooks.

Think of it, with scarcely an exception, the authorization for post-office buildings in these thousands of small towns are larger than the cost of the high school in such towns. You can not fool the people in any such manner.

This is no time to be increasing the cost of running the Post Office Department by many millions of dollars annually. The demands coming from all over this country are to reduce Government expenses. This bill provides for great increases instead. During the past two decades, during the war, and since then there has been a gradual extension of regulatory and controlling arm of the Federal Government. It is time that this is stopped, and that all Government, Federal, State, and local expenditures be deflated back to pre-war basis. We have just passed the huge tax bill. The rates in this bill are in many instances discriminatory and unfair. They are going to bear heavily on the people of this country. Certainly, at a time when we are passing such tax rates it is no time to launch upon a public-building program. particularly when a great majority of the projects are not only not needed but will add millions of dollars to the cost of the annual burdens of the taxpayers of this country. [Applause.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. Luce]. [Applause.]

Mr. LUCE. Mr. Speaker, six months ago to-morrow the President of the United States sent to this Congress the usual message at the opening of a session—six months ago to-morrow. I would I had the time to analyze his recommendations for measures of relief, and point out the treatment they have received from this House.

Lest some gentlemen may not have heard what I said I want to repeat that six months ago to-morrow the President of the United States laid before this Congress his program to meet the distressing needs of the hour. Although I have not the time to describe in detail the treatment that program has received, I would call your attention to one thing the President said bearing upon the first title of the bill before us:

I am opposed to any direct or indirect Government dole. The breakdown and increased unemployment in Europe is due in part to such practices. Our people are providing against distress from unemployment in true American fashion by a magnificent response to public appeal and by action of the local governments.

On the following day, with the very first opportunity the party that had gained control of the House had to engage in general debate, the very first speaker they put on advocated the dole. This advocacy was so obnoxious to so many of the gentlemen on his own side of the House that they disclaimed the suggestion and gave us the impression that the dole would never get united Democratic support. Yet here it is in this bill—the dole, charity given by the Federal Government. Every argument against the dole that Democratic gentlemen had in their minds that day six months ago still exists.

Let me hasten on to the third title in the bill. The second title is not objectionable, but the third title can be best characterized if you will let me recall a picture I saw years ago I find it described to this effect, beginning—

Why does a donkey pull a cart?

The donkey being the symbol of the party presenting this bill, perchance its members here may find the question pertinent. The answer is:

Because there's a pole running over his head; and hung from the end of that pole, a foot in front of his nose, is a bundle of hay. Because that's just ahead of him, he pulls his cart all day long and doesn't care what they give him to eat while he's doing it. Why should he care? He has hopes. But, of course, he's only an ass.

Do not think the metaphor stretched if I suggest that as out there in Statuary Hall you may see the statue of a cleric carrying around a church in his arms, so some of you may hope to have your statues in Statuary Hall representing you as carrying around post offices in your arms.

I apply "donkey" to only one side of the House. I accept the term "ass" for both sides of the House. From personal experience I may inform you to that effect, for I have had a bundle of post-office fodder in front of my nose ever since I have been a Member here. A bill authorizing an appropriation for a post office in my city was passed in 1910—22 years ago. It has dangled in front of the noses of five Congressmen since that time. I pray you forswear the temptation of the post-office fodder dangling under your noses. [Laughter and applause.]

A site for that post office was presently bought. No action had followed before we entered the World War. Then public building was suspended for a period of years. Meantime the cost of building so rose that the appropriation would not suffice. Changes in local conditions made a different site desirable. The citizens would not agree as to what location should be taken. At last, 20 years after the original appropriation, agreement was reached. Then condemnation proceedings proved necessary, and they have not yet been finished. Plans have been drawn. The money is available. And now I find this very post office listed in the bill before us. On every hand I am told of like situations. The bill teems with absurdities that can have been put into it only through carelessness or to delude the uninformed.

Specific appropriation for post offices brings little but trouble to all of us. The quarrels over sites and the delays for which we are in fact not responsible worry and vex. Politically these buildings are as a rule far more a debit than an asset.

If, however, such of the appropriations here proposed as in fact have not already been made would really give quick employment in appreciable degree to any considerable number of men out of work, we might well sink our individual interests. That is not the case. Though my own experience in my own city may be exceptional, it is the fact that structural work on few of these buildings could begin before next spring and few would be finished within two years. Actual relief quickly would be negligible.

In greater or less degree the same argument applies to all proposals that involve appropriation. Anyhow that should be confined to projects which will not increase the tax burden-those that will return the investment, and so can be looked on as loans. Such has been our policy in all the programs we have taken six months in advancing. This should be better understood. It ought to be made common knowledge that the President has stood consistently and firmly for lending rather than spending. The Reconstruction Finance Corporation is working with borrowed money, part lent by the Government, part by investors. The additional capital advanced to the Farm Loan Board is all to be repaid. That to be lent to the home-loan banks about. I am sure, to be created, is all to be repaid. If we are to lend to States and their subdivisions-counties and municipalities-that is to be repaid. There lies the path of prudence, the best path by which to help. Let lending, not spending, be the national duty in this crisis.

Mr. PURNELL. Mr. Speaker, I yield the balance of my time to the gentleman from Michigan [Mr. Michener].

Mr. MICHENER. Mr. Speaker, so far as the rule is concerned, I think it is pretty generally understood. The rule is a rule, the like of which—and I say this without fear of successful contradiction—so far as limitations are concerned, has never before been presented to Congress. The only right left in the individual Member is his constitutional prerogative to vote yes or no. If this rule passes the House it will be because of the party lash effectively wielded by our affable Speaker.

Under this procedure the House is asked to pass this bill carrying over \$1,000,000,000, building hundreds of new post-office buildings, developing numerous river and harbor projects, and imposing additional taxes on the people without the bill ever being read to the Congress. Indeed, the rule provides that the bill shall not be read and that all amendments offered by the proponents of the bill from the Ways and Means Committee shall be in order, while not a single amendment may be offered by the general membership of the House.

We are assured that this is strictly a Democratic relief bill. The gentleman from Alabama [Mr. Bankhead] tells us, "My party has attempted to bring in a relief bill and my party assumes responsibility." Conceived in the mind of the gentleman from Texas [Mr. Garner], incubated in the committee room of the Democratic policy committee, exposed to view for the first time in a Democratic caucus, and finally christened and adopted by a bare majority of that caucus.

The gentleman from New York [Mr. O'CONNOR] has told us that, if we on this side of the aisle oppose this bill, we are doing it for political reasons. The gentleman surely has forgotten the history of the bill, otherwise he is too careful a debater to mention politics. I say the Member who serves his country first in this tribunal at this time is serving his party best. There should be no politics in legislation of this kind, and I am sure that, so far as this side of the aisle is concerned, there will be no politics.

The bill has some good features, yet the awfulness of the pork-barrel provision will not permit many to vote for the bill without amendment.

It is refreshing to note that many of the unworthy projects have been eliminated in the final draft. The people of the country do not want more taxes now or in the future. They want economy in Government and expenses reduced. They want the Budget balanced. On yesterday the President signed the tax bill which went to the country, and we announced that Congress had balanced the Budget; and here we are before another sun sets adding additional expenses which will undo all that has been done. Every Member of Congress is "taken care of" in this bill. Postoffice buildings are authorized in towns where there are few people. Roads are to be built where they are not needed. Creeks and streams are to be dredged where they can be of no use at this time.

The initial cost is only the beginning. If this building program is carried out, there is placed upon the backs of our people additional annual expenses that they will be required to meet through taxation as long as the Republic endures. This bill will not only add additional expenses to people of our own day and generation but is mortgaging the taxes of generations yet unborn. The author of this bill in his generosity has seen fit to reward my district with a number of projects, some of which can be justified, and some of which can not under any conditions be justified in a day when prosperity is not with us and when we must limit ourselves to the necessities to the exclusion of luxury.

I plead with you, as the gentleman from Missouri [Mr. Hopkins] has pleaded with you, to permit amendments to this bill, so that it will not be necessary to needlessly spend \$220,000 of the people's money in St. Joseph, Mo., where that money is not needed. The gentleman from Missouri says that this city does not need and does not want a post office at this time which will cost more than their local high-school building, yet by this drastic measure the author of this bill is forcing upon this community this building, and

the local Representative of the community is prevented from an opportunity to explain and from the opportunity to offer an amendment in behalf of his own district. On yesterday the gentleman from South Dakota [Mr. Johnson] told us of a building which was to be erected in his district which no one in the community wanted, which was not needed, and, as I remember it, he suggested that the cost of the post-office building contemplated would be greater than the value of the two townships adjoining. If this is Democratic relief and Democratic economy, as claimed by my friend from Alabama [Mr. Bankhead], then we are perfectly willing that you should have the credit.

Those on this side of the aisle are not opposing the consideration of a relief bill, but we are opposing this method of consideration. No one will claim that this bill represents a mature judgment of anything like a majority of the House. The printed hearings were not available until an hour ago. The report of the committee was printed last night. All we are asking is that we be given an opportunity to propose amendments to strike out some of these provisions, and add other provisions if, in the opinion of the majority of the House, they are deemed advisable.

The distinguished gentleman from Missouri [Mr. LOZIER], who is at present occupying the chair of the Speaker, has given to the press a statement that he would not vote for this iniquitous bill, and that he was going to oppose this rule. Oh, yes; I can see the fine Italian hand of that splendid politician, the Speaker, in his strategy in putting the gentleman from Missouri in the chair to preside during the consideration of the rule. [Laughter and applause.]

I am not reflecting upon the very able gentleman from Missouri. He is a man of courage, an outstanding Member of this House. He refuses to subscribe to this kind of tactics, and he has the courage of his convictions, and there is no doubt but that statesmanship rather than political expediency is his dictator in this instance. His conscience is his guide, and if he had not been honored by being placed in the chair this afternoon I feel sure that he would be joining with me in protest.

Now I want to say just a word to my good friends who designate themselves as the "progressive group" on this side of the aisle. Many times you have expressed your views on gag rules. In personal conversation you have indicated to me that you would not vote for such rules; that you did not believe in being bound by caucus, much less bound by a rule which takes away from you your right to function as a representative of your people. The vote which you are about to cast will attest to your sincerity in this behalf, for you never have and you never will have an opportunity to vote for a more objectionable rule from your standpoint. Let me make it clear that those who feel that there should be an opportunity to strike out some of the pork-barrel provisions of this bill and amend the bill in accordance with the views of the majority of the House should vote against the previous question. This will not be a vote against the rule and will not prevent consideration of the bill, but it will make it possible for the House to decree that the bill must be read and will be subject to amendment. I say to those who conscientiously believe that there should be relief legislation of some kind that by voting for this rule, which means the adoption of this bill without any change whatever, that you are not helping relief legislation but hindering it. The President has stated through the press and to the country that he does not favor and will not support this pork-barrel bill as presented, and even though the bill should pass the House and the Senate it could not become a law. If this is true, then, at the most, this is only a gesture toward relief. It may serve a political purpose, but it will not in the end feed the hungry or bring about employment. Let us broaden the rule and write a sound, logical, effective relief bill. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. LaGuardia].

Mr. LaGUARDIA. Mr. Speaker, in deciding between the relief for human suffering and my preference to a parlia-

mentary procedure, I must decide in favor of alleviating human suffering. [Applause.] The gentleman from Michigan [Mr. MICHENER] states that the like of this rule has never been offered to the House of Representatives in the history of the country. That is true. But, gentlemen, the like of the misery and distress that exists to-day has never been before the American Congress in the history of the country. [Applause.] It is apparent that every gentleman who has opposed this rule has opposed it on base political grounds. Has there been any constructive suggestion made as to what the opponents to the rule would offer in place of this bill? Clearly the opposition seems to be not so much against the rule as against the plan for immediate relief. The gentleman from Michigan [Mr. MICHENER] said, and I took down his words, "Forget party." Yes, Mr. MICHENER, this indeed is the time to "forget party"; this is the time to put country ahead of party, and I for one am willing to "forget party" and cross over the line and join with the Democrats in passing this much-needed relief measure. That is the concrete way to "forget party." There is no other bill for immediate relief of the unemployment situation before us. This bill provides the legislative vehicle to obtain a real, constructive, effective relief measure satisfactory to both Houses and the Executive. We must start somewhere.

Let us analyze the bill. What is the opposition to the bill? Why, the \$100,000,000 for immediate direct relief. If the rule were not as it is, the first amendment would be to strike out the \$100,000,000 of direct relief. Gentlemen, direct relief is imperative, people are hungry, and the number of the needy is growing so rapidly that local government and private charity can not take care of them. You can not accuse Speaker GARNER or the gentleman from Illinois [Mr. RAINEY] or the Democratic Party with playing politics with this item when they take \$100,000,000 for direct relief and place it in the hands of a Republican President of the United States. My only objection is that \$100,000,000 is not sufficient. I am sure the Senate will increase the amount. This is no time to indulge in academic discussions on constitutional limitations when American men, women, and children are in want, in dire distress.

Let me pause for a moment to say, in reply to many statements, that the contents of the bill are unknown, that if any Member admits that he does not know what is in the bill and is waiting for the Clerk to read it in order to find out, that such Member is not doing his legislative duty properly.

Every opportunity was offered to the membership of the House to appear before the Ways and Means Committee. Many of us appeared before that committee. I appeared before the committee. I had time to study the original draft of the bill and so had every other Member of the House. I suggested to the Ways and Means Committee a proposition to authorize the Reconstruction Finance Corporation to provide loans for housing to limited dividend corporations, so that we might in this period of depression provide sanitary, cheerful dwellings at reasonable ratesthereby permitting the tearing down of the slums in many cities that are a disgrace to American civilization. I understand that the chairman of the Committee on Ways and Means will offer an amendment providing for housing in this bill. I am grateful to the committee. [Applause.] The home loan bill has already been reported out favorably by the Committee on Banking and Currency and to-day a rule for its consideration has been reported by the Rules Committee. That is part of the general relief program.

We come now to all this protest about Title III of the bill and the hypocrisy of the opposition to Title III. No one contends that the public-works program may be placed under the scrutiny of necessity and urgency. That is not the purpose of this program. The purpose of Title III of the bill is to stimulate industry, purchase material, provide employment. It is an artificial stimulus to industry. Only the extreme necessity of a most critical national condition prompts this vast program of public works, public buildings that otherwise would not be necessary. If we were living in

normal times, if we had no unemployment, if we had no tottering banks, if our industries were not on the brink of bankruptcy, we would not be considering this public-buildings program. This public-works plan is in keeping with the suggestions of the President of the United States, not once stated, but repeatedly urged upon the country. must do something. We must attempt to place part of the unfortunate unemployed to work. We must be daring in our efforts to artificially stimulate industry and provide employment. If there is any gentleman here who has any objection to any post office in this bill, I suggest he give the page and line to the chairman of the Committee on Ways and Means, and he will strike it from the bill. The slightest intimation of opposition will prevent the building of any post office provided in the bill. The condition of industrial and financial depression, unemployment, and poverty, is such that it makes no difference where any new building or public work is located.

No one can put up a building out of nothing. It takes steel and iron and stone and cement and wood and paint and glass and hardware. All that goes into building. That is all the product of human labor. Men take the floor and in one breath say they are against a dole and also oppose indirect relief by creating employment. If one is against the dole, here is the indirect way of affording relief. How can anyone say that he is against the dole and at the same time oppose a program of public works as a relief measureunless there is absolute indifference to the condition of the country and existing distress? At this very time while some are playing politics here there is misery all over the country. Misery in every city, in every State of the Union. The gentleman from Massachusetts [Mr. Luce] referred to the statement of the President of the United States made six months ago as to the obligation of each community to care for its own needy. Six months ago the municipalities and the local authorities and private charity were taking care of and feeding the unemployed. True. For more than six months millions of unemployed have been partially cared for by local authorities and private charities. But nearly all funds are now depleted. They can not be replenished and therefore it is necessary that Congress take heroic measures to-day in order to meet the situation. Talk about balancing the Budget. What good is a theoretical balancing the Budget to-day if industry continues to go down and if unemployment continues to go up? A balanced Budget under such conditions will be of no avail.

I appeal to my fellow progressives in this extreme moment to stand together courageously in order to compel legislative action for immediate relief. This is no time for quibbling. The progressive vote in this House will decide this important vote. I am confident my progressive colleagues will measure up to the occasion. [Applause.]
The SPEAKER. The time of the gentleman from New

York has expired.

Mr. BANKHEAD. Mr. Speaker, I move the previous question upon the adoption of the resolution, and upon that motion I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were-yeas 205, nays 189, not voting 36, answered "present," 1, as follows:

[Roll No. 89]

	IR	AS-203	Entra Control of the State of t
Adkins	Bulwinkle	Cox	Driver
Almon	Burch	Crisp	Ellzey
Amlie	Busby	Cross	Eslick
Arnold	Butler	Crosser	Evans, Mont.
Auf der Heide	Byrns	Crowe	Fernandez
Bankhead	Canfield	Crump	Fiesinger
Barton	Carden	Cullen	Fishburne
Beam	Carley	Davis	Fitzpatrick
Black	Cartwright	Delaney	Flannagan
Bland	Cary	DeRouen	Fulbright
Blanton	Celler	Dickinson	Fuller
Bloom	Chapman	Dickstein	Fulmer
Boenne	Chavez	Dies	Gambrill
Boileau	Clark, N. C.	Dieterich	Garrett
Boland	Cochran, Mo.	Disney	Gasque
Brand, Ga.	Cole, Md.	Dominick	Gavagan
Briggs	Collier	Doughton	Gilbert
Browning	Condon	Douglass, Mass.	Gillen
Brunner	Connery	Doxey	Glover
Buchanan	Cooper, Tenn.	Drewry	Goldsborough

Granfield Green Greenwood Gregory Griffin Griswold Haines Hall, Miss. Hancock, N. C. Hare Harlan Hastings Hill, Ala. Hill, Wash. Hornor Huddleston Jacobsen James Jeffers Johnson, Mo. Johnson, Okla. Johnson, Tex. Jones Karch Keller Kelly, Ill. Kemp Kennedy Kerr Kleherg Kniffin Kunz

Kvale LaGuardia Lambeth Lamneck Lanham Larrabee Larsen Lewis Lichtenwalner Lindsay Linthicum Lonergan Ludlow McClintic, Okla. McCormack McDuffle McKeown McMilian McReynolds McSwain Major Maloney Mansfield Martin, Oreg. May Mead Miller Milligan Mitchell Mobley Montet

Moore, Ky. Norton, N. J. Steagall Stevenson O'Connor Oliver, Ala. Stewart Sullivan, N. Y. Oliver, N. Y. Overton Sumners, Tex. Sutphin Palmisano Swank Sweeney Swing Parks Tarver Taylor, Colo. Taylor, Tenn. Patman Pittenger Thomason Tierney Pou Prall Underwood Vinson, Ga. Vinson, Ky. Ragon Rainey Ramspeck Warren West Whittington Rayburn Reilly Rudd Sabath Sanders, Tex. Williams, Mo. Williams, Tex. Sandlin Wilson Schneider Schuetz Withrow Wood, Ga. Woodrum Sinclair Sirovich Wright Smith, Va. Smith, W. Va. Somers, N. Y. Yon

Schafer

Shott

Shreve Simmons

Seger Seiberling

Selvig Shallenberger

Smith Idaho

NAYS-189

Spence

Kendall

Dyer Eaton, Colo. Eaton, N. J. Aldrich Allen Andresen Englebright Erk Andrews, Mass. Andrews, N. Y. Estep Arentz Evans, Calif. Finley Bacharach Bachmann Bacon Fish Bohn Frear Bolton French Bowman Brand, Ohio Garber Gibson Gilchrist Brumm Golder Goodwin Burdick Burtness Goss Guyer Hadley Campbell, Iowa Hall, Ill. Hall, N. Dak. Campbell, Pa. Cannon Carter, Calif. Carter, Wyo. Cavicchia Hardy Hartley Chindblom Chiperfield Christgau Hawley Hess Hoch Christopherson Hogg, Ind. Hogg, W. Va. Holaday Clague Clarke, N. Y. Cole, Iowa Colton Hollister Holmes Connolly Hooper Hope Hopkins Cooper, Ohio Coyle Crail Crowther Jenkins Johnson, Ill. Culkin Curry Dallinger Darrow Davenport Kading De Priest Doutrich

Ketcham Kinzer Kopp Lambertson Lankford, Va. Lehlbach Lovette McFadden McGugin McLaughlin McLeod Maas Magrady Manlove Mapes Martin, Mass. Michener Millard Hancock, N. Y. Moore, Ohio Morehead Mouser Nelson, Me. Niedringhaus Nolan Norton, Nebr. Parker, N. Y. Parsons Partridge Perkins Person Pratt, Harcourt J. Houston, Del. Pratt, Ruth Purnell Howard Hull, Morton D. Ramseyer Ransley Reed, N. Y. Johnson, S. Dak. Johnson, Wash. Rich Robinson Rogers, Mass. Kahn Kelly, Pa Romjue Sanders, N. Y. NOT VOTING-36

Snow Sparks Stafford McClintock, Ohio Stokes Strong, Pa. Stull Summers, Wash. Swanson Swick Taber Thatcher Thurston Tilson Timberlake Treadway Turpin Underhill Wason Watson Weeks Welch White Whitley Wigglesworth Williamson Wolcott Wolfenden Wolverton Woodruff Wyant Yates

Hull, William E. Corning Douglas, Ariz. Igoe Knutson Dowell Drane Lankford, Ga. Lea Murphy Freeman Nelson, Mo. Nelson, Wis. Gifford

Owen

Patterson Peavey Rankin Reid, Ill. Rogers, N. H. Stalker Sullivan, Pa. Weaver

ANSWERED "PRESENT"-1 Polk

So the previous question was ordered. The Clerk announced the following pairs:

Collins

Hart

Horr

Abernethy

Allgood

Ayres Baldrige

Cochran, Pa.

Beedy

Mr. Reed of Illinois (for) with Mr. Ayres (against).
Mr. Boylan (for) with Mr. Beck (against).
Mr. Patterson (for) with Mr. Beedy (against).
Mr. Tucker (for) with Mr. Knutson (against).
Mr. Allgood (for) with Mr. Murphy (against).
Mr. Rogers (for) with Mr. Freeman (against).
Mr. Drane (for) with Mr. Gochran of Pennsylvania (against).

General pairs:

Mr. Corning with Mr. Dowell.
Mr. Abernethy with Mr. Gifford.
Mr. Rankin with Mr. Baldrige.
Mr. Weaver with Mr. Horr.
Mr. Nelson of Missouri with Mr. Stalker.
Mr. Hart of Michigan with Mr. Nelson of Wisconsin.
Mr. Lankford of Georgia with Mr. Chase.
Mr. Collier with Mr. Sullivan of Pennsylvania.
Mrs. Owen with Mr. William E. Hull.
Mr. Douglas of Arizona with Mr. Peavey.

Mr. COLLINS. Mr. Speaker, I desire to vote "aye." The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. COLLINS. No, Mr. Speaker. It was impossible for me to get here in time.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded. Mr. RAINEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12445), to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12445), with Mr. Cooper of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. RAINEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this morning in the Speaker's room a committee of mayors and representatives of the great cities of the United States assembled and presented a resolution which has been read from the Clerk's desk, and discussed with the Speaker and the committee selected by the Speaker, the question of relief for the cities of the United States.

The mayor of the city of Detroit made the astonishing statement that in the United States at the present time there is more unemployment than there is in all of Europe. This condition has been brought about under an administration which prides itself and which loudly proclaims that it brings with it always prosperity. At the present time, under the policies of this administration and on account of its failure to accept the method of disposing of surplus crops suggested by the nonpartisan farm bureaus, there is accumulated one year's supply of wheat, and another crop coming on; two year's supply of mohair and another crop coming on; one year's supply of cotton, and another crop coming on; one year's supply of tobacco, and another crop coming on. This is the situation under the party which to-day opposes this bill.

Under the policies of that party, and as a direct result of a bill which was put through the House two years ago, levying the highest tariffs in history, retaliatory tariffs have been built up, and international trade is paralyzed, and our ships are rusting in our harbors. This is the kind of statesmanship provided by the last three administrations, and this is where it has landed us. It is time now to substitute a different brand of statesmanship [applause], and we are doing it in this bill.

This is the kind of bill proposed by the President in his campaign addresses more than once. This is the kind of bill that was suggested in the Republican Party platform. This is the kind of bill which was proposed by the President since his election, and he started to carry it out. There was another election in the middle of his term, and subsequent elections in Congressional districts, and the complexion of this House changed, until the responsibility of initiating remedial measures in this time of depression depends upon the Democratic side of the Chamber. So the Speaker of the House of Representatives inaugurated this method of relief, and as soon as he did, the President and his Cabinet and all of his satellites and nearly all of the Representatives, most of them, on the Republican side of the Chamber. denounced it as a "pork-barrel measure." This is the method of relief proposed by all economists who have ever written upon this subject for a depression like this. I challenge the gentlemen on the Republican side to call attention to any economist in this world who has ever written upon this subject who does not advocate retarding public works and public buildings in times of prosperity and accelerating them in a time of depression. [Applause.]

This is the greatest depression this country ever had. No other country in the world was ever subjected to the depression under which we are now struggling along. At the present time no other country in the world has a deficit so large as ours. In the last three years we have expended over \$3,500,000,000 more than we collected at our ports, and that money is wasted, all of it; we might as well have taken it to the top of this Capitol and thrown it to the winds.

If, following the theories of all economists and of all real statesmen who have ever lived in this world—I am sorry you do not have more of them in your party—this program of public works had commenced when this depression commenced, there would have been no depression [applause] and this measure would not now have been necessary. Of course we are putting it through under a rule. We are putting it through under a rule because we have got just a meager majority on this side, and we do not propose to let you gentlemen who are enemies of the bill ruin it on the floor. [Applause.] The rule against which you complain so much we borrowed from you when you refused to permit amendments except committee amendments to the Hawley-Smoot tariff bill. [Applause.] That is your precedent, and we have adopted it now in piloting this bill through the House.

This bill simply carries authorizations; that is all. Congress makes appropriations hereafter. None are authorized in the bill. The interdepartmental committee selects the buildings from this list which are to be built in the near future; they have that discretion. The Appropriations Committee of the House appropriates and it can accept the suggestions of the interdepartmental committee or not; and if any of you heroic patriots on the Republican side of the House do not want any of these public buildings built in your districts, all you have to do is to go to the interdepartmental committee and say you do not want them. Take that responsibility and I will guarantee you that as long as the Appropriations Committee is a Democratic committee you will not get them. [Applause.]

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, on Monday, June 6, the President signed the revenue bill intended to balance the Budget during the next fiscal year and to restore and maintain the credit of the United States.

To-day the Senate proposes to vote on the economy bill for the reduction of Federal expenditures, which is part of the plan for balancing the Budget.

To-day the House is to vote on a bill under a special rule that not only will have an adverse effect on credit, public and private, but will negate the effects of the tax bill by adding tremendous burdens on the Government. Previous legislation during this session has made a promise of better things to the ears of the American people, but this bill will break it to the hope so induced in one grand assault on the Treasury. It is a shrewdly constructed machine, intended to run into every State and district, delivering a diverse and sundry assortment of projects, including a large quantity of half-grown and underdeveloped Federal buildings. I can imagine Mr. Congressman returning to his district, proudly carrying a sack over his shoulder and saying to the friends assembled to greet his return, "Well, I have brought home the bacon." Seeing in the throng an elderly citizen affectionately called Uncle Matt by his fellow townsmen, he opens the sack and takes out an undersized public building and says, "Uncle Matt, I brought this one to this town in your honor." Uncle Matt turns it over with the toe of his boot and says, with a sigh, "Well, I didn't know I was respected so little."

The fuel to be used to make this machine go is a vast amount of the people's dollars, however it may be attempted to disguise that fact.

The proclaimed purpose is that of relief for the unemployed, a laudable purpose. But the tragedy is that so little relief will be afforded, only a comparatively small proportion of the unemployed, even if those indirectly as well as those directly employed are included, and there is also added some circulation of the moneys expended. The employment will be temporary. Thus we have the picture: Some employment for a time, and then inactivity and an increased burden of debt. And that is not the solution of the problem.

During the hearings it was repeatedly asked how many persons would be employed under Title III of this bill. The answers afforded no definite information, and if taken at the maximum that might be inferred, indicated but a very minor fraction of the total unemployment. Large classes will not be aided at all. There are tens of thousands of localities that will not be included in this expensive scheme, and no opportunity is provided whereby they can obtain relief.

Mr. Speaker Garner, in his statement before the Committee on Ways and Means, said that he estimated the amount that could be expended the first year would be \$400,000,000. When asked how many persons he thought could be employed by the expenditure of that amount of money, he was not prepared to estimate, and we do not know to this good day whether 500,000 or 600,000 people can be employed or not.

A motion to recommit will be offered to strike out and substitute proposals that will enlist all available agencies-State. county, municipal, or other agencies constituted by State or Federal laws-in a nation-wide movement for relief, on a self-sustaining basis. The Reconstruction Finance Corporation will be given added powers; its authority to sell its debentures will be increased by \$1,800,000,000. It will be authorized to loan to States the sum of \$300,000,000, to be dispensed by the State, and \$1,500,000,000 to States, municipalities, or other agencies created by State or Federal law to engage in self-liquidating operations, in useful works affording employment of labor, that will be of permanent benefit. The public debt will not be increased; the credit of the United States will not be attacked; and the Budget, which after great labor we have balanced at an enormous cost to the taxpayers, will not be again unbalanced.

What will we have accomplished if after requiring on the one hand in the tax bill great sacrifices by the people on the other hand we nullify it by this pending bill, which is the longest rake ever thrust into the Treasury of the United States. a \$2.500.000.000 rake.

I now give an analysis of the proposed substitute.

Sections 1, 2, and 3 of the foregoing proposed substitute for H. R. 12445, for the relief of distress arising from unemployment, authorize the Reconstruction Finance Corporation to make emergency loans or advances to the various States up to an aggregate sum of \$300,000,000. States which can show, first, the necessity for funds to relieve unemployment, and, second, that all reasonable means of obtaining funds otherwise have been exhausted, may borrow from the corporation upon such terms, including interest, as the corporation may require, for periods not exceeding five years. A loan under this authorization must be made upon the unconditional obligation of the State, and the application therefor must be accompanied by proper authorization of the State legislature.

Should any State find itself unable to repay any such emergency loan in accordance with the conditions under which it was made, provision is made in the substitute to withhold sums, not exceeding annually one-fifth of the unpaid indebtedness, out of moneys due from the United States for the use of the State. These deductions would be made ordinarily from Federal appropriations in the nature of grants to the States for other purposes.

In the case of a State which is unable to provide needed funds because of constitutional inhibitions against borrowing for the purpose, emergency advances may be made by the corporation under such terms and conditions as the corporation may determine, and upon the assurance of the governor of the State that he will recommend the necessary legislative action to fund such advances into loans. Under

this plan for emergency advances, the State is given 18 months in which to remedy its inability to borrow. At the end of the 18 months' period, moneys may be withheld from funds payable to the State for other purposes, in the same manner as in the case of emergency loans.

Sections 4, 5, and 6 of the substitute would amend the Reconstruction Finance Corporation act for the principal purpose of providing for additional employment through the construction of economically sound projects. For this purpose the corporation would be authorized to make loans to States or municipalities, or public agencies such as port authorities, or to private corporations such as bridge companies, for the financing of the construction or replacement of economically sound and useful projects which will provide employment at an early date for a substantial number of persons. These loans would be subject to the same limitations as other loans of the Reconstruction Finance Corporation in respect to the period within which they may be made and the amounts which may be granted to any one corporation, and they could be made for periods not in excess of five years upon such terms and conditions as the corporation may require as to the repayment of principal and interest. The substitute would require that each loan be fully and adequately secured, and that there be a showing that the borrower is unable to obtain sufficient funds for the purpose upon reasonable terms through other channels. In addition, the project for which funds would be required must be one which when completed would yield sufficient income to be self-sustaining, including repayment of principal and interest on the loan.

The corporation would also be authorized to make loans to aid in the carrying and orderly marketing of staple commodities produced in the United States.

In addition to these powers, the corporation would be directed to allocate \$50,000,000 to the Federal Farm Board to make additional loans under its existing authority to cooperative associations and stabilization corporations. Sums up to \$50,000,000 are also allocated to the Secretary of Agriculture to enable him to finance the exportation of agricultural commodities produced in the United States, under limitations as to periods within which loans may be made and the maturities thereof similar to those applying to loans made by the Reconstruction Finance Corporation. A corresponding reduction of not exceeding \$50,000,000 is made in the amounts otherwise to be allocated to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation act.

The limitation in the Reconstruction Finance Corporation act which prevents the corporation from financing new enterprises is removed by this proposed substitute, and the power of the corporation to borrow is increased from three times to six times its subscribed capital stock. [Applause.]

Mr. RAINEY. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. Ragon].

Mr. RAGON. Mr. Chairman, I shall try to take up certain features of this bill that have been more or less under fire this morning in the general debate on the rule. I think, perhaps, I could approach the subject in a better way if I would get rid of the rubbish first, and I think, perhaps, that which apparently disturbs the Republicans more than anything else is what they have been pleased to term the "porkbarrel" provisions of the bill wherein a program of public buildings in this country is provided.

I might say that under the four provisions which provide for public buildings in this country that every project in the first three sections has been authorized by the Interdepartmental Committee.

The first provision carries an authorization of \$174,000,000. The second authorization in section 302 carries \$5,000,000. Section 303 provides \$90,000,000 for projects authorized by the Interdepartmental Committee.

In section 304 is carried those offices that have postal receipts from \$10,000 to \$20,000, and the original bill carries an appropriation for the construction of these buildings of \$70,000,000.

Then section 305 provides for the construction of buildings that have postal receipts of between \$3,000 and \$10,000, and the original bill calls for an appropriation of \$22,500,000 to carry out that provision. The total of these two sections amounts to \$105,000,000.

Now, it is well for you to remember that in section 304, which originally carried an appropriation of \$70,000,000, the Interdepartmental Committee has already made a survey of each and every one of these projects. The only projects that have not been surveyed have been those with postal receipts between \$8,000 and \$10,000.

The Ways and Means Committee has reduced the amount carried in these two sections—and I hope the gentleman will get this-from \$105,000,000 to \$73,000,000. In other words, the maximum amount that may be spent for a post office authorized under section 304 has been reduced from \$70,000 to \$50,000, and the maximum amount under section 305 has been reduced from \$55,000 to \$35,000. So the amounts in the so-called pork barrel feature of the bill, about which so much Republican clamor has been heard, amount now to the sum of \$73,000,000 in place of \$105,000,000. How many people will be given employment under this public-building program? It is difficult to estimate just how many will be employed. You can best estimate this by taking the amount in each dollar of the appropriation which goes directly and indirectly to labor. The best authorities on labor statistics estimate that between 75 and 80 cents of every dollar spent for public buildings goes for labor. You can figure fairly accurately the number to be directly employed, but it is difficult to estimate the number employed in manufacturing the brick, timber, steel, and so forth, going into these buildings as indirect labor.

These buildings at some time will be built, so why not stimulate business all over the country in this time of depression by constructing them now?

Mr. SANDLIN. Would it interfere with the gentleman if I asked him a question?

Mr. RAGON. Not at all.

Mr. SANDLIN. Under the provisions of this bill, could any money be furnished for the purpose of extending loans to those people who have mortgages on their farm, having borrowed from the Federal land banks?

Mr. RAGON. I will say to my friend it is my construction that money could be furnished for that purpose. The only question there is the question of adequate security, and remember, gentlemen, there can not be one dollar of this money borrowed save and except upon adequate security. I will get to that a little bit later.

Mr. SANDLIN. However, a farmer who has his farm entirely mortgaged does not have adequate security.

Mr. RAGON. That is true. But the Federal land bank can borrow money on that mortgage as adequate security, and that will enable the bank to extend the loan to the farmer and prevent foreclosing on his farm. So, gentlemen, the question of pork barrel finally resolves itself to the small item of \$75,000,000 in this bill, unless you are disposed to call rivers and harbors projects pork barrel, and whenever you do that you are condemning a bunch of projects that have been passed upon, after careful consideration, by the Army engineers in the War Department, and also projects that have been passed upon by the Rivers and Harbors Committee of the House. What better authority you could have for that I do not know.

If there is anything in this bill that does not come within that yardstick, then the gentlemen upon whom we have relied have improperly checked it. In every dollar spent for rivers and harbors and flood control, 76 cents thereof goes to labor directly and indirectly. We have provided \$150,000,000 for road construction, and 80 cents out of every dollar goes for labor. We have provided \$22,500,000 for Army housing, and 75 cents out of every dollar goes for labor. While all this will not give employment to all the idle, it will stimulate a purchasing power which will be felt by every one.

Now, gentlemen, it is a question as to whether or not you want to go into the matter of giving some relief to the unemployed of this country. Cabinet officers and officers of the

American Federation of Labor and other organizations came before our committee and the statement was made there that to-day there are out of employment in this country over 8,000,000 of men. Is this Congress going to adjourn and make no provision whatever for the employment of that great multitude of men in this country? The President said in his acceptance speech, as I recall it now, that the public-buildings program and rivers and harbors program would furnish employment to a great army of men. He has reiterated that time and again on up to the present day. He said in 1923 we should let up on building programs in prosperous times in order to do this work to help unemployment in times of depression.

Now, gentlemen, I want you to remember this: That everything in this bill is a capital investment and most everything. I believe, will be what you might bring under the technical definition of a profit-bearing institution.

Mr. DYER. Will the gentleman permit a question?

Mr. RAGON. Yes.

Mr. DYER. Title II, on page 3, refers to loans to States. What will be done in the case of a State like mine, which, under its constitution, is prohibited from borrowing money or taking a loan of that kind?

Mr. RAGON. I would say to the gentleman from Missouri that I intended to take that up later, but I will get to it right now. Let us take our good common horse sense and look at this proposition of extending the powers of the Reconstruction Finance Corporation.

The Reconstruction Finance Corporation has been a good thing, but its chief purpose has been to merely serve as a stop-gap. There is no doubt in my mind but what it has saved from utter ruin multiplied thousands of farmers and hundreds and hundreds of business concerns. I might use my own State as an illustration. We were having bank failures of big and little banks almost daily, but there have been no failures, with the exception of one small bank, in my State since this corporation began its work. [Applause.] Thus it has been a great protection to the directors, the stockholders, the depositors, the employees of the institutions, credit-business men, and the laborers, who suffered most from a contraction of credit as a result of bank failures. It has saved from bankruptcy other institutions which employ many thousands of men, supporting many different communities in this country. In my own State it has loaned to different institutions approximately \$9,000,000. In the same act which created the Reconstruction Finance Corporation there was made available for crop-production purposes to the farmers a sum of \$200,000,000. In my State 47,443 farmers have taken advantage of this provision and have borrowed \$4,102,428. Throughout the country the Government has loaned under this act to farmers for cropproduction purposes over sixty-five millions of dollars. This money has gone to that tenant farmer who could no longer get credit from his friend in the mercantile business, or his friend the landlord, or his friend the banker. In this dire extremity his Government has beneficently come and supplied his most urgent needs.

If you will notice, there is a great gap of American citizens who can not avail themselves of the provision of the Reconstruction Finance Corporation, and in this gap is represented the man who stands between the small farmer and the banks and other industries helped by the Reconstruction Finance Corporation act. There is the landowner, the small business man, and the small industry that can not participate in these Government loans. Then there is the State. the municipality, and even the school district which have perfectly good bonds on their hands which, if salable at all. must be sold at a great sacrifice. Under the provisions of the bill we are now considering the purpose of the Reconstruction Finance Corporation has been extended so as to advance loans to individuals, industries, and States and subdivisions thereof when and if adequate security can be given for these loans. We must not lose sight of the needs of the average man in America.

Secretary Mills the other day in the Ways and Means Committee attempted to belittle this provision by saying that the directors of the Reconstruction Finance Corporation

would be deluged with resquests for loans from every little fellow in this country who had a "flivver." Well, I asked the Secretary to take the case of the average man who might want to borrow several thousand dollars and could put a number of men to work in a profit-producing industry. He thought that might be a fine thing. I am afraid the Secretary is looking too much to the aid of the big fellow and is losing sight of the needs of the average man. We find owners of large and small business concerns, owners of large and small farms, and owners of large and small industries who could start beating it back to prosperity if they could but find a little finance. Their home banks can not provide it.

If the Government can loan to the great railroads and the large banking and insurance institutions of the country, by what argument can you deny the average farmer and business man the same opportunity? We are trying to stimulate business conditions, to bring back prosperity, and rehabilitate the broken economic conditions of this country, and in this we must not forget the average man. Certainly we can trust the directors of the Reconstruction Finance Corporation to see that this provision is not abused.

Now, in answer to the gentleman from Missouri [Mr. Dyerl I will say that we had up the very same question he raises yesterday afternoon in committee, and it was the unanimous opinion of the Democratic members of the Ways and Means Committee that this bill as it is will take care of the gentleman's situation, due to the fact that it provides for a loan to municipalities, States, and subdivisions, public and quasi-public corporations, and regardless of what the constitutional requirements of the State of Missouri may be, we feel that St. Louis and Kansas City unquestionably come within the terms of the bill.

So I think some of the wisest provisions that have been covered in the way of relief is the relief provided for under the extension of power to the Reconstruction Finance Corporation.

I want to discuss Title I, providing that the President, through such agencies as he may select, distribute in loans or gifts \$100,000,000 to organizations, States, and municipalities to provide for the necessaries of life of those who suffer for food or clothing. He may furnish money or supplies if it becomes necessary. He is enabled to furnish under this act wheat for food and cotton for clothing.

I was disappointed in my friend, the gentleman from Massachusetts [Mr. Luce], in condemning this as a dole.

You had up there this morning in the gallery seven mayors from great cities in this country. They represented the organization of the mayors of all the great cities of the country sent here to appeal to the leaders of the Congress to do something in the way of direct relief, in view of the fact they had stripped themselves bare in making provision for the poor and suffering upon their streets. They said they wanted direct relief. Well, how are you going to give it to them? The man who gets ready to vote against this bill, let him answer to the American people, the starving and the hungry, how he is going to give them relief.

Sitting in that gallery was Mayor Murphy, of Detroit, Mich.

Mr. AMLIE. Will the gentleman yield?

Mr. RAGON. I shall be pleased to yield in just a moment. That gentleman is the mayor of a city that has fed thousands of people through the last 365 days. I do not know how many he is now feeding, but the last report I had from the city of Detroit showed they were feeding 80,000 men.

Mr. CHIPERFIELD. Will the gentleman yield?

Mr. RAGON. Not now. I will yield to the gentleman in just a moment.

And yet my friend from Michigan [Mr. MICHENER] got up here, knowing conditions in that great metropolis of Michigan, when this bill carries \$100,000,000 for the purpose of aiding and assisting those starving people, and admitted that he had not even read the bill. Go to Chicago! It was stated before our committee that the city of Chicago is feeding one-half million people and the school-teachers of that city are going without their pay. The

city is bankrupt. How are you going to feed these people this winter? You had better think twice before you vote against this bill.

Then, St. Louis. We were told in our committee that 125,000 people in the city of St. Louis are being fed, and if I am not mistaken and recall correctly, they have floated some kind of bond issue to feed these people.

Mr. DYER. I do not want to interrupt the gentleman— Mr. RAGON. If I am not correct, I would like for the

gentleman to correct me.

Mr. DYER. There has been no bond issue floated. We have been able to take care of the situation, and so far as I know the mayor of my city of St. Louis is not a party to this memorial.

Mr. RAGON. I do not care what the gentleman's mayor says, I am taking this from the testimony of at least two individuals who said that the city is feeding 125,000 people and that they are not able to do it any longer.

Mr. CHIPERFIELD. Will the gentleman yield now for a question?

Mr. RAGON. Yes.

Mr. CHIPERFIELD. Notwithstanding what may be said, does not the gentleman know that the reason Chicago is not paying its school teachers is because of improper connivance of officials and taxpayers not to collect the taxes?

Mr. RAGON. Did my friend ever stop to think how little difference that makes to a man who is hungry and has a hungry wife and children?

Mr. CHIPERFIELD. Will the gentleman yield for one brief question farther?

Mr. RAGON. Yes.

Mr. CHIPERFIELD. Does that excuse the officials in not collecting that which is properly due the city for the purpose of making these payments?

Mr. RAGON. I do not know anything about the gentleman's politicians out in Chicago. I am talking about the people on the bread lines in Chicago. How are you going to feed them?

Mr. CHIPERFIELD. They are not my politicians and I repudiate them just as the gentleman does.

Mr. RAGON. I certainly do not care for them and I will repudiate the politicians with the gentleman, but I do not want him to repudiate the pleas of hungry men and women.

Mr. SCHAFER. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. SCHAFER. I want to obtain some information. If the large cities, which pay the biggest burden of taxation to the Federal Government, can not feed their hungry to-day, how can they expect to feed them by paying additional taxes and only getting a small percentage of such taxes back with which to feed them? Are you going to get your money from the League of Nations, or some place of that sort?

Mr. RAGON. I will let the gentleman answer to the hungry and the starving in the city of Milwaukee. The gentleman can answer them in November; and let me tell the gentleman something: They will not appreciate all this kidding and heckling about their condition that the gentleman is doing on this floor to-day. [Applause.]

Mr. SCHAFER. Will the gentleman yield further?

Mr. RAGON. No; I can not yield further.

Mr. CHIPERFIELD. We ought to be able to carry on the affairs of this House without the assistance of the galleries, and I object to the applause that comes from the galleries in this connection.

The CHAIRMAN. The Chair sustains the point of order, and admonishes the galleries that the rules of the House prohibit any expression of approval or disapproval from the galleries, and any repetition of such conduct will result in the galleries being cleared.

Mr. RAGON. The gentleman from Missouri [Mr. Horkins] complains against this bill because it has a post-office building in his home town which is not needed. He overlooks the provision for feeding the hungry and clothing the naked, and the provision for helping the average fellow all because some building is provided in the bill of which he

disapproves. The gentleman could have talked on the telephone to any member of the Ways and Means Committee and this objection would have been removed. In that event he could have supported the finer purposes of the bill.

Mr. Chairman, you not only have these needy in the cities, but you have them as well in the countryside—men, women, and little children underfed and underclothed, existing on a mere pittance of food and raiment. The greatness of their citizenship is attested by the patience and restraint with which they have held themselves in these conditions.

Oh, but some of my friends say this provision is a dole. There is the great city of New York, whose hungry people it can not feed—Chicago, Detroit, St. Louis, and many other cities the same way. If the Government of the United States advances to them on adequate security half a million dollars to assist in feeding those hungry people, how can it become a dole? When did we ever get so distasteful to a dole of this character?

I remember about the first session of Congress when I came here Mr. Newton, of Missouri, got down here in the aisle, stained his cheeks with tears, and told about the starving women and children in Germany.

[Here the gavel fell.]

Mr. RAINEY. I yield the gentleman three minutes more. Mr. RAGON. And when he was through his speech this House, Democrats and Republicans alike, opened the purse of the United States and voted \$20,000,000 worth of wheat to Germany. Who hollered "dole" then?

We have opened the granaries of the Federal Farm Board and contributed 40,000,000 bushels of wheat to the starving people of this country. Who called that a dole?

Just before I came to Congress old communistic Russia, or some of her emissaries, appealed to us to relieve the starving people of Russia, and we did so by giving them \$20,000,000 to help feed the 100,000 starving people of that country.

What is new about this character of legislation anyway? As far back as 1812 we gave a contribution of \$50,000 to the earthquake sufferers in Venezuela; in 1909 we gave \$800.000 to Italy as a relief to the poor and suffering; in 1911 we gave a generous appropriation to China for the starving in that country; in 1919 we gave to the President of the United States \$100,000,000 as a relief against suffering in Europe outside of Germany. Who cried "dole" when we were opening our Treasury to these foreign countries? What magic is it that permits contributions to Europe without a complaint, and then condemns a "mercy" fund to the starving men, women, and children in America as a "dole"? The President does not have to spend one penny of this unless it is needed. But who would have the President withhold this sum or any additional sum if it meant to keep the pangs of hunger from the tender body of childhood and the innocent and unoffending men and women out of employment?

Mr. CLANCY. Will the gentleman yield? He talks about the starving people in Detroit. I want to say that we are feeding people from Arkansas.

Mr. RAGON. Yes; and we are feeding fellows from Michigan down in Arkansas. That is what I am trying to get you to see, so that we can get the money to feed them all.

Who dispenses the money? The President of the United States, and he may select any agency he sees fit to disburse the money to the relief of the needy. Who is there who does not trust the President of the United States to properly disburse this "mercy fund"? If it is not needed, he does not have to use it. If more is needed, we will be here in December and we can supplement the amount provided for in this bill if necessary.

We have sat here through seven months and no adequate relief for unemployment has ever been suggested by the administration until the Garner plan broke into action.

We have got to do something. I think it is in the heart and in the mind of every Member of Congress that we can not wait for Congress to adjourn to do this thing. I say let us not adjourn and leave the possibility of some little child in this country, under the protection of that flag, suffer from the pangs of hunger during the coming winter. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield four minutes to the gentleman from Michigan [Mr. Mapes].

Mr. MAPES. Mr. Chairman, this day will go down in history as marking the passage in the House of Representatives of the "gaggiest" gag rule ever known in the history of parliamentary procedure and the consideration at least of the greatest pork barrel bill ever known in the history of the American Congress.

This bill reminds me of the chorus to a song my father used to sing to me when I was a boy as he jounced me on his knees. It was popular in the days when the Government land in the West was thrown open for settlement. It ran something like this:

Come along, come along, don't be alarmed, Uncle Sam is rich enough to give us all a farm.

To make it apply to the present situation the word "post office" has only to be substituted for "farm." It would then read:

Come along, come along, don't be alarmed, Uncle Sam is rich enough to give us all a post office.

The only trouble with it is that Uncle Sam is not rich enough now to give us all a post office, and the passage of this bill will tend to put him into bankruptcy, but the Democrats must have adopted some such slogan the other day when they voted in caucus to bind themselves to vote for this legislation without the crossing of a "t" or the dotting of an "i."

The only possible justification for the building and river and harbor improvement program in this bill is the work which it may furnish to the unemployed. It violates every principle of sound economics. The expenditures of the Government are already greater than its receipts. The Government is having all it can do, if not more, to raise enough revenue to pay for the necessities of Government, to say nothing of luxuries such as this bill provides.

Yesterday the President signed the revenue bill, by which it is hoped to raise enough revenue, after radical reductions in expenditures are made, to balance the Budget. If this bill should pass, it would more than undo everything Congress has done in its effort to balance the Budget.

What this bill proposes to do is well illustrated by the statement of the Secretary of War, Mr. Hurley, before the Committee on Ways and Means in describing his experience. He said:

I have just gotten through with another committee of the House of Representatives, a most staggering fight, in which they cut my department \$80,000,000, \$61,000,000 on my own suggestion. In fact, I finally agreed to \$19,000,000 more on top of the \$61,000,000. We have cut that appropriation to the bone. * * * Now another committee calls me here and tells me not only to spend the amount of that saving that we have made at the expense of the national defense but to spend more than \$537,000,000.

In other words, if this bill passes the War Department alone will be compelled to spend, in addition to the regular appropriations for that department, nearly as much as the most optimistic estimates of the total savings in appropriations for the next fiscal year provided for in the appropriation bills already passed and to be passed, to say nothing of the additional expenditures which this bill will require other departments to make.

This bill provides for five new post offices and an addition to another in my congressional district. Some of them are urgently needed, but the people do not want the Government to go farther into debt to build them at this time. The number of unemployed that would be relieved by putting this program into effect is insignificant as compared with the total number of unemployed. It is more essential to the communities affected that their factories be opened up and that they be enabled to furnish employment to the unemployed in the normal way. The number of men who could be put to work in building a new post office at Grand Rapids, for example, is insignificant as compared to the number that could go back to work by the opening up of a

single furniture factory now closed which employs from 400 to 1,400 people in normal times.

The passage of this bill will retard the ultimate recovery of the country and delay by just that much the recovery of private industry, the opening up of our local factories, which, after all, must be depended upon to furnish employment to the great body of our people. The harm which its passage would do would be infinitely greater than any good it could possibly do.

This is no time for anyone, let alone the Government, to be spending money which he has not got on nonproductive and uneconomic enterprises or projects which will not pay for themselves. The Government can not spend itself back into prosperity any more than an individual can. It is only a collection of individuals. It can not pull itself out of this depression by borrowing money to put into nonproductive enterprises any more than an individual can. Who would think it wise to build a bigger and better home or to enlarge his old one when he was unable to pay for the upkeep of the old one? What banker would be foolish enough to loan him money to do so?

One of the first essentials to the recovery of prosperity in this country is that the Federal Government keep its credit good. If prosperity is ever to return to the country, the Federal Government at least must keep solvent. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield four minutes to the gentleman from Indiana [Mr. Woon].

Mr. WOOD of Indiana. Mr. Chairman, at the beginning of this session of Congress the leaders on both sides of the House gave a statement to the public that they were going to use, so far as possible, their influence against the reporting of any bill carrying an appropriation that was not recommended by the Budget. The Committee on Appropriations has kept that agreement. We have not reported a single appropriation which was not recommended by the Budget; and, in addition, every appropriation bill that has come before this House has been cut under the Budget estimate, so great was the desire of the Committee on Appropriations to save money to the Treasury of the United States. Now, for the first time and in the closing days of the session, this agreement, had at the beginning of this Congress, is violated by the leaders on the Democratic side. This bill was not submitted to the Budget for its consideration, because gentlemen on the Democratic side knew full well that they never would obtain the recommendation of the Budget. Another thing I wish to impress on the committee is that this is the first time a caucus has been held on a legislative matter by the Democrats since the Underwood tariff bill was passed 19 years ago. When we have had bills up before this House during this session the purpose of which was to put money into the Treasury, there was no caucus held by the Democrats; but now that you propose to take more than \$2,000,000,000 out of the Treasury, you hold a caucus for that purpose. When the tax bill was under consideration and ably presented by the gentleman from Georgia [Mr. CRISP], there was no caucus to help him carry that bill, which would have been far better than the bill finally passed. When that bill came to final vote in this House it received more votes on the Republican side than it did on the Democratic side, so far as the policy advocated by the leaders on the Democratic side is concerned. When we had the economy bill under consideration, reported from the Economy Committee carrying \$260,000 .-000 of saving to the Treasury, no caucus was held on that bill on the Democratic side which was responsible for either its passage or its defeat. What was the result? It went out of here carrying a measly \$32,000,000 of savings. The gentleman from Illinois [Mr. RAINEY] said to the gentlemen on the Republican side, "If you do not want any of these post offices, all you have to do is to tell the interdepartmental committee that you do not want them." The Members on the Republican side do not have to do that. The people back home already are doing it.

I have before me now a dispatch from Bryan, Ohio, where the citizens of that town and the surrounding country notified their Democratic Congressman that they did not want the post office, provided for them in this bill, at the expense of the Treasury under present conditions, and urged him not only to vote against it but also to vote against all of these wasteful proposals embodied in this measure.

Mr. SCHAFER. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. SCHAFER. When the Interior Department appropriation bill came before the House the leader of the Democratic Party, Mr. Byrns, led the fight to cut out millions of dollars for public works to give aid to unemployment.

Mr. WOOD of Indiana. That is correct. And that is not all that Mr. Byrns, the able chairman of the Appropriations Committee, has done to save the Treasury of the United States. He has worked day and night in his efforts to reduce appropriations, and to his tireless efforts may be largely accredited much of the reduction that has been made in the several appropriation bills.

When we had the Treasury-Post Office bill on this floor for consideration the gentleman from Wisconsin [Mr. SCHAFER] inquired of Chairman Byrns why it was that the sixth installment of the building program from the Treasury Department was not included in that appropriation bill. Mr. BYRNS replied as follows:

Because it has not been submitted, in the first place, and in that I heartly commend the Secretary of the Treasury, because he thought even though not elected as the gentleman and I are, that the burden which confronts the people of exceeding \$1,400,-000,000 threatened deficit in June, 1933, should be taken into consideration. That is the only answer that I can give the gentleman. I thoroughly and heartly commend the Secretary of the Treasury in his endeavor to conserve the public money.

That has been the attitude of Chairman Byrns from the beginning, and if we had more Members on the Democratic side standing as Mr. Byrns has stood-for economy-I dare say we would not have before us to-day for consideration this "pork" bill.

I think the question propounded by the gentleman from Wisconsin [Mr. Schafer] to the gentleman from Arkansas [Mr. Ragon], while he was occupying the floor, as to where we are to get the money to carry out the provisions of this bill most pertinent. Yet the gentleman from Arkansas did not give an answer. If this bill should, perchance, become a law, we will undo all that we have done toward balancing the Budget. But yesterday the country was made glad when the news went over the wires that the President had signed the tax bill and the Budget had been balanced. They will not be glad, however, if the news goes over the wires that this bill has become law and that it has created a new deficit of more than \$1,250,000,000. What estimate will the country have of us if we should be guilty of such action?

The gentlemen who are advocating this measure seem to have paid no heed as to where and how the money is to be raised to carry it into effect, and apparently they care but little how this should be done, else they would not be supporting it. The taxpayers of this country are groaning under the weight of taxation. Are we to continue to make that tax heavier until it becomes unbearable? God forbid!

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CHINDBLOM. Mr. Chairman, I yield four minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I desire to supplement the remarks of the gentleman from Indiana [Mr. Wood] relative to the attitude of the people back home with reference to these appropriations. This bill calls for the expenditure of \$1,330,000 on public buildings in my district. I can provide the Democratic majority of this House with word from every one of those places that they do not want the money expended there at the expense of the Public Treasury at this time, as much as some of the buildings may be needed.

There are two elements entering into this proposal. One, that of economy, and the other, that of extravagance. Today the Republican minority in this House stands for economy in governmental appropriations, and we have stood there right through this period of depression.

Under the roads appropriation this bill asks for an appropriation of \$233,000,000-extravagance again-for which \$137,000,000 was appropriated but a few weeks ago, when the evidence proved you could not spend a dollar of it satisfactorily or fairly to the American people. This is pyramiding extravagance upon extravagance.

Now, the gentleman from Illinois [Mr. RAINEY] said you are establishing a new brand of statesmanship. I am delighted to know that this bill represents Democratic statesmanship. We want less of it, and we will have less of it after November. What is that type of statesmanship that the gentleman from Illinois is advocating? Speaker Garner said before our committee: "You know if there is one thing of which I am jealous, it is the financial integrity of this Republic." Fine. We all believe in that theory, and, therefore, in order to finance this bill appropriating \$2,000,000,000, the gentleman from Texas, under the bill which you have voted out of the Ways and Means Committee, under the gag rule of your caucus, and now under gag rule of the House, places a tax of one-quarter of a cent on gasoline. That is all the financing the bill provides. Therefore if the gentleman is a good financier, which we mightily doubt, that is all it is going to cost this country-one-quarter of a cent on every gallon of gasoline that is bought. What a ridiculous proposition. In the tax bill, which was signed yesterday, we put on a tax of 11/2 cents, 1 cent in one section and one-half cent in another section. The States put anywhere from 2 cents to 7 cents a gallon on gasoline. It would not be a great while before we will have to find a new kind of power in order to operate automobiles over the highways which you propose building under this extravagant building program.

Mr. GILCHRIST. Will the gentleman yield? Mr. TREADWAY. I yield.

Mr. GILCHRIST. What about the tractors which the farmers use?

Mr. TREADWAY. They are useful, but they will be paying that big gasoline tax under the method of financing such a bill as this.

The public-buildings scheme, the road scheme, the rivers and harbor scheme are all extravagances conceived in political ambitions.

I again say that I congratulate the gentleman from Texas on his ability as a financier, when he can show a method of spending \$2,000,000,000 and not affect the Public Treasury. It is as ridiculous as any proposition that has ever been before this House. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. CLARKE].

Mr. CLARKE of New York. Mr. Chairman, once upon a time there was in the dear old United States of America a great big party; it was called Democratic.

Under our 2-party scheme of government, that Democratic Party has had a mighty, if rather traditional history, and has made admittedly valuable contributions in the cause of better government. The distinguished names of Jefferson, Jackson, Cleveland, and Wilson have adorned its roster.

For many years the Democratic policies were triumphant until "evil days drew nigh," when it took the leadership of Lincoln to lead our country from degrading chattel slavery into a larger freedom and stronger unity.

After a period of Republican control the Democratic cohorts again won victory under the leadership of Grover Cleveland, honest, fearless, patriotic.

Again in 1912, owing to a split in the Republican ranks, the Democrats came into power, and Wilson was chosen President and reelected President largely by the skillful use of the slogans "He kept us out of war" and "Watchful waiting," but, Mr. Chairman, once we had entered the conflict under our President's leadership, no partisan spirit was allowed to interfere with the successful prosecution of that war.

There was no Republican Party striving for selfish advantage; on the contrary, we were all loyal Americans, supporting to the utmost our President; and we went along 100 per cent in our devotion to the common cause under President Wilson.

With prodigal hands, we poured out of our immense wealth in order to win the World War. Railroads were built, harbors were dredged, and a multitude of ships sprang into being for the purpose of carrying endless supplies to the fighters. Above all, our priceless youth were fighting in the front-line trenches, endeavoring to "make the world safe for democracy." The final triumph was a splendid testimonial to the unselfishly contributed man power and wealth of America. There were no party lines drawn then; there should be none now. Either enthrone good government now or chaos is around the corner.

With the war ended, the Democratic leadership, filled with grandiose ideas of an absurd and impossible world-wide imperialism, tried to hook up the United States to a supergovernment called the League of Nations-or exterminations. The people of the United States, however, having recovered their sanity, rebelled at the notion of "foreign entanglements" that Washington admonished us to avoid, and the Republican Party was returned to power by an overwhelming vote

Eight happy, prosperous years followed. It seemed that the dreams of the founders were being fulfilled, and heaven on earth for our people was being developed; but we were like the children of Israel who, in sight of the promised land, fell and worshipped the golden calf, and then were forced back into the wilderness to ponder on their sins.

Governments, National, State, and local, entered upon an orgy of spending. Extravagant, uneconomic schemes were launched that were not "self-liquidating." Individually and en masse, the people were bent on gambling. Baal was enthroned; Wall Street, Florida real estate, Brownsville, Tex., orchards took their toll in the hard-earned savings of the people. Our banking system extended credits on gambling rather than investment values to countless thousands of people, and the worship of Baal continued with the Democratic Party too ill and the Republican Party too oblivious of all that was inherently wrong going on.

In times less critical, politics and pork could be forgotten. Why not now?

Our Government is being put to the supreme test now. We need patriots, not partisans now.

We need one general now, not a lot of self-appointed, political generals.

Business or pork? Sound finance or pork barrelitis.

> Odor of pork is in the air. A Democratic Speaker in the chair. Hog callers, calling in despair. Pigsties, post offices everywhere.

Mr. Chairman, ladies and gentlemen, I wish earnestly and solemnly to urge the sane, constructive, patriotic program as advocated by our chosen leader in the White House, as is embodied in the Hawley bills.

Our President knows the whole situation far better than any Congressman can possibly understand it, for he has a large and able corps of trained investigators to advise him as to national and international conditions. Let us rally, then, to his standard of common sense, sound business, and decency; defeat the Garner plan and follow our President.

This country is not going to the "demnition bow-wows." or to the pork trough, either. It is your job and mine, as patriots, to save it from any such contemptible and unworthy fate.

Thou, too, sail on, O Ship of State! Sail on, O Union, strong and great!

[Applause.]

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I do not think I shall require the full time that has been accorded me.

I say without any hesitation to every Illinois Member in this House that I know my State-Illinois-as well as any man on the floor of this Chamber. I do not think you will deny that. For more than 30 years I have gone into every section and portion of the State.

By the bill that has been introduced in this House there have been thrown to Illinois certain sops for the purpose of seducing the State of Illinois to vote for this measure. I do not wish to take the time to read the various appropriations that have been proposed for Illinois, but I ask of my colleagues on both sides of this Chamber the privilege of inserting as a part of my remarks the various provisions that have been made for various portions of Illinois, out of consideration for saving the time of the House.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to revise and extend his remarks as indicated. Is there objection?

There was no objection.

Mr. CHIPERFIELD. Mr. Chairman, such appropriations and projects as provided by the bill for Illinois are as

and projects as provided by the bill for lilinois are as follows:

Illinois: Abingdon, post office, \$70,000; Anna, post office, \$75,000; Barrington, post office, \$70,000; Berokne, post office, \$70,000; Centralia, post office, \$100,000; Charnage, post office, \$190,000; Centralia, post office, \$100,000; Charnagin, post office, \$105,000; Centralia, post office, \$400,000; Charnagin, post office, \$120,000; Decatur, post office, \$400,000; Des Plaines, post office, \$120,000; Decatur, post office, \$400,000; Est Alton, post office, \$80,000; Est Alton, post office, \$80,000; Egin, post office, \$300,000; Ellorado, post office, \$80,000; Egin, post office, \$300,000; Ellorado, post office, \$800,000; Ellorado, post office, \$800,000; Ellorado, post office, \$100,000; Glencoe, S00,000; Morrison, post office, \$100,000; Riverside, post office, \$85,000; Normal, post office, \$100,000; Riverside, post office, \$85,000; Sleibyville, post office, \$100,000; Riverside, post office, \$85,000; Urbana, post office, \$100,000; Wimette, post office, \$100,000; Wimette, post office, \$100,000; Wime Illinois: Abingdon, post office, \$70,000; Anna, post office, \$75,000;

And then I only desire to say very plainly and emphatically that Illinois hurls back into your teeth the appropriations that are made for the various portions of Illinois; and they decline to be seduced or beguiled by these appropriations.

Now, then, I want to say one thing more to the cheer leader of the Democratic side. [Laughter.] Every man from Illinois who votes for this untimely measure will receive defeat at the hands of the voters of Illinois. [Laughter and applause.]

Jeer! But the jeers of the gentleman from south of the Mason and Dixon line will be answered by the people of the State of Illinois when they go to the polls in November. ask the press to convey to Illinois the fact that when I said that the people of the State of Illinois repudiate this "porkbarrel" proposition that it was met by jeers from the gentleman south of the Mason and Dixon line who takes from, but does not contribute to, the funds that will be used for this purpose.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. CHIPERFIELD. For a brief and respectful question.

Mr. OLIVER of Alabama. Does the gentleman submit that anyone has conferred power on him to dispense offices throughout the country?

Mr. CHIPERFIELD. I thought that would be the kind of inquiry that would come. That is why I qualified my statement.

Mr. SIROVICH. What is the gentleman's answer?

Mr. CHIPERFIELD. I am going to answer it. I am saying to you that I know the people of my State, and I know what their answer will be. I do not misrepresent them, but I spoke the sentiment I know exists in the State of Illinois.

Mr. McCORMACK. Will the gentleman yield?

Mr. CHIPERFIELD. For a brief question but not for a speech.

Mr. McCORMACK. I never make a speech in another gentleman's time.

Is the gentleman opposed to Federal aid to the unfortunate in an emergency like this?

Mr. CHIPERFIELD. I am opposed to anything that fastens an appropriation on the Treasury of more than \$2,250,000,000 in the present distressed condition of the country when we have just balanced the Budget, no matter from what source it comes.

Mr. KELLER. Or for what purpose?

Mr. CHIPERFIELD. Or for what purpose at this time.

Mr. KELLER. I thank the gentleman.

Mr. CHIPERFIELD. Now let me say to the gentleman: I know your district. Go on record.

Mr. KELLER. I am going to.

Mr. CHIPERFIELD. And the gentleman will see what the people of his district will do to him.

Mr. KELLER. I am going to do it. Do not worry.

Mr. CHIPERFIELD. "Ephraim is joined to his idols; let him alone." [Applause.]

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentlewoman from New York [Mrs. Pratt]. [Applause.] Mrs. Pratt]. Mr. Chairman and members of the committee, we have passed some pretty fantastic legislation during this session of Congress. If we pass the bill that is now before us, it will be our crowning folly.

For the past six months we have presented to the country the spectacle of a Congress that has been unable to act promptly, constructively, and fearlessly in the face of a great emergency. But, in spite of that, a few hours ago, comparatively speaking, we did pass a bill, the first step on our way toward balancing the Budget. If within another few hours we turn around and begin to unbalance the Budget, we make of ourselves a laughingstock to the thinking people of this country and would seemingly become the pawns of individuals and groups of individuals who for selfish purposes will press any kind of legislation, unsound though it may be, and regardless of the consequences, disastrous as they may be.

I predict that many an insincere vote will be cast on the floor of this House in favor of this bill. I have been told by responsible members of this committee that they do not like the bill, but would be forced to vote for it as a strictly partisan measure, feeling confident it would be defeated at the other end of the Capitol. I do not think such procedure will be conducive to any renewal of confidence on the part of the people of the country who, as the gentleman from Indiana [Mr. Purnell] said this morning, have lost faith in their Congress. Perhaps it is too much to expect, but I sincerely hope that the Members of this House will have the courage of their convictions, will face their obligations fairly and squarely, and do their duty by killing this bill at its source. [Applause.]

[Here the gavel fell.]

Mr. RAINEY. Mr. Chairman, I yield three minutes to the gentleman from Illinois [Mr. BEAM]. [Applause.]

Mr. BEAM. Mr. Chairman, Illinois is glad to accept the challenge issued a few moments ago by my distinguished colleague [Mr. Chiperfield]. Illinois—which has contributed so much to the honor and glory of our country, and has dedicated to the service of the Nation the immortal Lincoln, the illustrious Grant, and the renowned Douglas.

I wonder what these statesmen would say to-day if they were alive and could visualize the unfortunate spectacle of 8,000,000 American citizens unable to find lucrative employment and see their dependent families looking hopefully and anxiously to the Congress of the United States for remedial legislation in this hour of national distress.

In the name of the great men the State of Illinois has given the Nation, and in the sovereign name of the State of Illinois, with her rolling prairies, her fertile fields, her great agricultural and industrial activities, and in the name of her countless patriotic and loyal citizens, I accept this challenge.

I want to say here and now, that my State with its illustrious past—and with its record of distinguished service to our Nation in all national emergencies, would never agree to see the citizens of our country starve or be in want—when, in a statesmanlike manner and in a true spirit of sound economics, it is possible to obtain employment for the idle and provide food for the hungry, and by so doing restore to some degree the confidence of the people of the United States. [Applause.]

Members of Congress, never before in the history of America have we been face to face with conditions as those which confront us at the present time. Unemployment with its ravenous results is growing day by day. We must do something to check its growth, to impede its further development, with its disastrous and depressing effects.

Since the beginning of Congress the people of America have been mystified with that expression, "We must balance the Budget." We have balanced it. We have passed the Reconstruction Finance Corporation act. We have declared a moratorium for Germany. We have passed legislation for the banks and the railroads of the Nation, but the statesman to my left would allow the people who are out of employment to starve rather than pass this legislation to alleviate their deplorable circumstances.

I hope that the patriotic men in the Republican Party, conscious of their obligations and realizing the distressing situation which confronts America at the present time, will meet that challenge in a true spirit of duty—of patriotism, of humanity—and pass this measure overwhelmingly. [Applause.]

Mr. RAINEY. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. Keller]. [Applause.]

Mr. KELLER. Mr. Chairman, I admit the very high moral attitude of my colleague from Illinois. I must, however, answer directly and specifically by saying to him that the campaign in Illinois is an open field. I invite him to the twenty-fifth district, and I hope I get an invitation from his district to come there.

Mr. CHIPERFIELD. The gentleman is assured of having it.

Mr. KELLER. I thank you, sir. Now I ask the gentleman not to change his remarks when he rewrites his speech.

Mr. CHIPERFIELD. I promise the gentleman I will not do that, and I will come to his district.

Mr. KELLER. I thank the gentleman, and I shall use the gentleman's statement there [applause], because the gentleman has stood here and said he thinks it is more important to balance the Budget than it is to prevent starvation in this country. [Applause.] He says that the people of Illinois, whom he knows better than anybody else, will vote to uphold such a position as that. The truth of the matter is that starvation is abroad even in the great garden of Illinois and in the great industrial center of Chicago. In the gentleman's own district there are thousands of hungry people. Go back, Congressman Chiperfield, and say to them, "We have balanced the Budget; everything is fine; that does the whole work. You do not need anything to eat because the Budget is balanced." [Applause.]

Ah, gentlemen, get clearly before you what you are facing at the present moment. I have no desire to talk party

politics. I have never raised my voice along that line in this body, and I am not going to now. But if ever there was a time when such an answer could be delivered with crushing effect, it could be given here at the present moment. But I forego that. There is something higher and better that I desire to talk to you about. I am not against the authorized appropriations here in Washington City. America is rich enough and able to stand for them and carry them out, because America is the richest country in the world and we are poor only because we are idle. Nevertheless, when the President talks about "pork barrel" he forgets and overlooks the fact that the authorized appropriations for the city of Washington alone up to the present moment already reach the total sum of \$300,000,000. Of course, that is not "pork barrel" here in Washington City; but it at once becomes "pork barrel" when you try to put a post office out among the people who produce the principal amount of wealth of this country.

Every one of my Republican colleagues who are here to-day so ardently supporting the President's charge of "pork barrel" against this Garner bill has heretofore struggled ardently for post-office buildings in his district. It was not "port barrel" then—oh, no; certainly not. It only became "pork barrel" when the President changed his mind. For be it remembered that this very building program was laid out and most of it actually authorized by Congress two years ago.

The same gentlemen who to-day are denouncing this program as "pork barrel" voted for it two years ago. It was not pork then, but it is pork now.

Now the gentleman from Kentucky challenged any Congressman who is shouting "pork" to stand up and say he will not accept post-office buildings for his district. How many stood up and made that announcement? Not a one. Why not? Because they are bluffing in the political card game. Many splendid men on the Republican side are going to vote against this bill only because the Republican caucus has bound them to "stand by the President," on the theory that when the President takes snuff they should all sneeze in chorus. But there are other Republicans and progressives who are, as I know, going to disobey the command of the caucus and vote for this bill on its merit.

Let us understand fully what we are driving at. It is to relieve unemployment—to put men to work. There are a large number of men at work on public improvements in Washington City. It is the most prosperous city in America at present on that account. Four or five large contracts have recently been let. The public improvements provided for in this Garner bill—roads, river and harbor improvements, post-office buildings—if this bill becomes the law and the departments in charge of these works carry out the plan honestly and energetically, it will put a million and a quarter men to work all over the United States. This will automatically put other very large numbers to work and actually give industry a chance to come back. And that is what we are fighting for.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. KELLER. Certainly.

Mr. HILL of Alabama. As I understood, the gentleman from Illinois, General Chiperfield, said he was against these items?

Mr. KELLER. Yes, sir.

Mr. HILL of Alabama. There is \$22,500,000 authorized for Army construction in this bill, which was reported in a bill out of the Military Affairs Committee of this House less than a week ago, and the gentleman from Illinois [Mr. Chiperfield] sent his proxy to the Military Affairs Committee and it was voted to report that bill out favorably. [Applause.]

Mr. CHIPERFIELD. I denounce the statement of the gentleman from Alabama as unfounded.

Mr. HILL of Alabama. The gentleman sent his proxy by the gentleman from Michigan [Mr. James].

Mr. CHIPERFIELD. It is not true that I authorized any such use of my proxy.

Mr. KELLER. I desire to call attention to the fact that I have in my hand a telegram from the secretary of the relief committee in Chicago saying that they have been spending \$3,000,000 a month since last February and that the requirements are increasing.

There is, as a matter of fact, gentlemen, only one trouble with this bill. It does not go half as far as it ought to go. [Applause.]

It has finally dawned upon the officials of the cities and States that there is only one agency that can prevent starvation in America, and that is the United States Government. It not only can but must and will. That is provided for in this bill. One hundred million dollars is authorized in this Garner bill for direct relief to those in need. There is one difficulty about this. It is clearly entirely insufficient. With Chicago spending \$3,000,000 a month and being entirely out of funds and looking entirely to the Federal relief, I am hoping to see the Senate increase this amount to three hundred and fifty million, as the hearings before the Labor Committee clearly disclosed is actually required.

The same gentlemen who are shouting "pork" at the public-works program are denouncing this Government guaranty against starvation as a dole. The President is against any dole, so my stand-pat colleagues are also against a dole. They all voted for the 40,000,000 bushels of wheat to prevent starvation. Wheat is not a dole, of course, but meat is, wonderful to relate.

We have this condition: The Republican Party is against any dole; the Republican Party is against public employment. What must the man out of a job think when you say to him, "You shall have no food; you shall have no work"?

If that announcement should go forth as the decision of this Congress, or if the President should veto a bill providing for food for the starving and work for the idle, what do you think would be the answer of the 8,000,000 men in enforced idleness with their families facing starvation? We must certainly see that 8,000,000 idle men are not going to remain idle. We must not gamble with misery. There is a limit to human suffering. No people on earth could be more patient and patriotically long-suffering than our own American people. For two and a half long years they have listened to promises while the gaunt form of misery and want drew constantly nearer. Every promise of returning prosperity has been an illusory dream. The people consumed their savings and fell into want. If there ever was a capital levy in actual operation, it was this compulsory consuming of the little capital of these good American working people.

I trust, in closing, I may be permitted to call to the attention of this House that on January 29, 1930, at Marion, Ill., in an address on Unemployment, Its Cause and Cure, I outlined fully a program for "a job for every man and woman who wants to work"—the first step toward which we are taking to-day in passing the Garner bill. And the people of my district, quite disregarding party lines, sent me here to preach the new doctrine of the right of every man to an opportunity to earn a living and a competency for himself and his family.

It is, therefore, with a sense of sincere thankfulness that I am permitted to record my vote to-day in favor of the ideals I held out to my friends and neighbors in Little Egypt two and a half years ago.

Mr. RAINEY. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman and members of the committee, reference has been made in this debate that the rule under which the bill is being considered is a "gag" rule. It certainly is a rule that permits speedy determination of the issues presented in the measures. Some of the gentlemen opposing the bill choose to call it a "pork barrel" measure. I challenge this statement with all my sincerity.

The only pork-barrel measures which ever came to my attention emanated from a Congress controlled by my good Republican friends at the time a Republican President was gracing the White House. It might be said that a good reason for this somewhat drastic rule—this so-called "gag" rule—was to prevent our good Republican friends from writ-

ing into this measure real pork-barrel legislation. In other words, this rule does not permit of amendments of pork-barrel nature, and consequently our friends on the left do not have the opportunity to burden it with unworthy projects or emasculate the provisions thereof.

It is a simple matter to generalize and call a measure "pork barrel." But I ask you, my friends, whether \$100,-000,000 placed in the hands of the President of the United States, to assist the hungry and the starving—if that is your idea of "pork barrel" legislation? As you know, that is what Title I does. It places this vast sum in the hands of our President to use without stint or restrictions, to feed and clothe the American citizens, when, in his judgment, it should be done. No, you can not call such legislation "pork barrel." This amount could not provide pork for the eight to ten million unemployed Americans, with their dependents needing food. It is not "pork barrel"—rather I would suggest that this sum of money is a bread-basket appropriation.

There are those who do not agree that hungry and starving Americans should be cared for by the Federal Government. I would not counsel such legislation except in extremis. The local communities, the cities, counties, and States, according to the record, have exhausted their means. They can not care for their destitute. We must care for this situation and the situation to be ere Congress adjourns this session.

Tell me that the Federal Government shall not recognize the suffering, misery, and starvation of its own. We have historic precedent for this provision, dating back to the year 1803 when our Congress appropriated for the relief of sufferers from fire at Portsmouth, N. H. Throughout the years the American Government has recognized its obligations to its own citizens and likewise citizens of foreign countries in need.

In May, 1812, we appropriated \$50,000 for the earthquake sufferers in Venezuela.

In 1871 authorization was given to use naval vessels for transportation of supplies for the destitute and suffering people of France and Germany.

In 1897 we appropriated for the relief for the poor of India. In 1897 we appropriated for the relief of citizens suffering in Cuba. This was just before the Spanish-American War.

In 1909 we appropriated \$800,000 for the relief of citizens in Italy to provide food and clothes for them.

In 1911 we appropriated for the relief of sufferers from famine in China.

In 1919 we appropriated \$100,000,000—placing it in the hands of the President of the United States—for the furnishing of food supplies and other urgent supplies for Europeans, outside of Germany and our other enemy countries.

In 1921 we appropriated \$20,000,000 to purchase foodstuff for the distressed and starving people in Russia and for spring planting and areas where seed grain had been exhausted.

In 1924, I believe it was, the House passed a bill providing for some \$20,000,000 for distressed citizens of Germany.

And throughout the years since the foundation of our Government this Congress has again and again and again looked out over its vast domain and appropriated money in various sums for distressed American citizenry. So, in this unprecedented dark hour of our Republic, we would meet the distressed condition and place this vast sum in the hands of our President to the end that American men, women, and children may not starve.

CONGRESS SHOULD STRIVE FOR RELIEF

I read from an opinion written by Justice Brandeis of our Supreme Court. It is in the case of New State Ice Co. v. Ernest A. Liebmann (March 21, 1932):

The people of the United States are now confronted with an emergency more serious than war. Misery is widespread in a time not of scarcity but of overabundance. The long-continued depression has brought unprecedented unemployment, a catastrophic fall in commodity prices, and a volume of economic losses which threatens our financial institutions. Some people believe that the existing conditions threaten even the stability of the capitalistic system. Economists are searching for the causes of this disorder and are reexamining the bases of our industrial structure. Business men are seeking possible remedies.

It seems high time that members of legislative bodies seek the cause of our economic disorders, reexamine the bases of our industrial structures, and present possible remedies.

Certain it is that the partisan political note which has been brought into this debate from your side of the aisle is to be regretted. From the first day of Congress until a short time ago, your cry was for nonpartisan, nonpolitical consideration of measures suggested for the relief of our country. In December the Democrats joined with you and passed the moratorium bill, asked for by the President as a relief measure. Democrats joined you and passed the Reconstruction Finance Corporation bill, which I think, did as much good as a "chock under the wheels."

The Democrats joined with you and passed, through the Ways and Means Committee and this House and Congress, a revenue bill. There was only one partisan vote, either in committee or on the floor of this House, in its consideration—one amendment upon which parties took definite political shape.

The Glass-Steagall banking bill, and many other bills, have been brought upon this floor and passed without political contest in an effort to relieve the situation. But, my friends, everything that has been done to this good hour has failed to start the wheels rolling in the right direction.

I do not claim for this measure that it is the panacea for all the ills that have fallen upon America in this dark hour, but I do believe that it does supplement the other legislation we have enacted and that it is a positive measure looking to relief to many who cry for work.

TITLE II. RECONSTRUCTION FINANCE CORPORATION

Title II of the bill, which broadens the base of the Reconstruction Finance Corporation, certainly can not be truthfully denominated "pork barrel." In that title the base of this institution is broadened to the extent of \$1,000,000,000.

The Reconstruction Finance Corporation in its operations has made loans to the railroads, the banks, insurance companies, and what might be designated "big business." One provision called for loans to the poorest class in America, the tenant farmers. Two hundred million dollars was set aside for that purpose. Sixty-three million dollars has been used in such loans. The point I would make is that the middle class—substantial business men, small businesses of all kinds—have received no benefits from this legislation.

This bill authorizes the Reconstruction Finance Corporation to loan money to any person in the United States upon adequate security. The term "any persons" includes "an individual, a trust or estate, a partnership, a corporation—public, quasi public, or private—an association, a joint-stock company, a State, a political subdivision of a State, and any instrumentality or agency of one or more States or political subdivision thereof."

How anybody, even in a fit of partisan rage, could think of Title II falling in the category of "pork" is more than I can see. If Title II is pork-barrel legislation, then, my friends, the act creating the Reconstruction Finance Corporation, sponsored by our President and the distinguished Secretary of the Treasury, is pork-barrel legislation.

TITLE III—PUBLIC WORKS PART I. PUBLIC BUILDINGS

This title has been subject to the severest criticism and characterized as pork-barrel legislation. I would ask you with respect to the public buildings specifically mentioned in sections 301, 302, and 303 of this bill, How many are of pork-barrel nature? It is easy to generalize, it is easy to criticize, it is easy to calumnize. The proof in this record shows that section 301 carries 948 projects. Eight hundred and ninety of these buildings appear in House Document No. 788, which the Treasury and the Post Office Departments, certainly under Republican control, have recommended, and these 58 cases, as I understand it, are being reviewed by the interdepartmental committee as likely sites for the expenditure of the moneys heretofore authorized by the past Congress, Republican in both branches, and by Mr. Hoover, who then advocated the public-building program for the relief of the unemployed.

It may be that some of you may not understand what the Interdepartmental Committee is. Back in 1926, as I recall, Congress delegated the power of selecting sites and recommending the expenditures in public buildings to the Secretary of the Treasury and the Postmaster General. Subsequent to this legislation, they created the Interdepartmental Committee-a committee representing the two departments to locate the sites where, for business reasons, public buildings should be constructed, and further, to allocate the money needed for that economic construction. So, we have in section 301, no haphazard choice of sites and no hairbrained estimates as to the amounts to be expended. The sites are taken from the interdepartmental report as well as the sums of money to be used in their construction. One hundred and seventy-four million dollars is involved in that section. Is a dime of it pork barrel? If it is, you indict two great departments of this Government, which, as yet, are under your control.

SECTION 302

This section calls for an appropriation of some \$5,000,000 due to the desires of the Executive branch of the Government to have an increase in the limit of costs for buildings under contract and under construction. It was admitted that every dime of this amount was needed by the administration in the program under way. Could anyone truthfully say that there is any pork in that section?

SECTION 303

This section carries about 246 projects. It was admitted that these are specifically authorized. Mr. Martin, of the interdepartmental committee, who appeared with Secretary Mills, so testified. This section carries \$90,000,000, and if there is a smell of pork in it, it comes from the administration.

In other words, in the drafting of sections 301, 302, and 303, the judgment of the executive branch of the Government in connection with the location of sites and the amount of money to be spent, has been transplanted to this bill. In these sections, you have \$269,000,000 that is O. K'd by the present administration, except the few projects to which reference has heretofore been made.

SECTIONS 304 AND 305

These sections carry the sum of \$73,000,000. Originally the projects in section 304 called for \$70,000 as the maximum cost, while projects in section 305 called for \$55,000 as the maximum cost. Realizing that construction costs were considerably lower than when former estimates were made, the committee has changed the maximum cost to \$50,000 and \$35,000, respectively. If the fact that the Interdepartmental Committee has not put its official O. K. on the projects set forth in these sections would condemn, then they are condemned. However, it might be suggested that it was only a few short years ago when Congress used the power itself of locating the post offices and allocating the money for them.

In section 304, the postal receipts run from \$10,000 to more than \$20,000. In section 305, the postal receipts are from \$8,000 to \$10,000. No project is listed in any city with a population less than 1,500 under the 1930 census. As a matter of fact there are many projects within few persons of that number that presented strong cases of considerable population adjoining the corporate limits. However, the ironclad rule adopted by the committee was a population of 1,500 with postal receipts exceeding \$8,000.

PART II. RIVERS AND HARBORS

This portion of the bill has been attacked and the country has not been told by its critics that every single project looking toward the improvement of the rivers and harbors set forth in this bill has been O. K'd and approved by the Chief of Engineers and the Congress of the United States, or in a few instances, by the Rivers and Harbors Committee of the House. There are no projects in this bill which have not been approved and recommended by the Chief of Engineers; there are no projects in this bill that have not been approved and recommended by the Rivers and Harbors Committee of the House of Representatives and in many instances by Congress itself.

The Secretary of War appeared before our committee and suggested that some 33 projects carried in the original bill should not be authorized at this time. These projects are admitted to be approved and recommended by the Chief of Engineers, and had been adopted and recommended by the Rivers and Harbors Committee, and in many instances, by Congress itself. However, the Secretary stated that on account of certain conditions that obtained, it was not advantageous to begin their construction this year. He made it very clear that he did not intend to state that even these projects were not worthy of construction. Conforming with his request 31 of these projects were stricken. It was thought that the conditions on the other two could be met. I would suggest that there is no "pork" in the rivers and harbors section unless you believe that all appropriations for river and harbor improvement might be so characterized. In any event, these projects in the bill received the approval of the executive branch of this Government, as well as its legislative agency.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. LaGUARDIA. Is not the real issue a justification of whether or not there is unemployment to such an extent and under such circumstances in this country that there is no hope of relief without the passage of the bill?

Mr. VINSON of Kentucky. Undoubtedly that is an issue. I take it that there can not be any question as to the serious extent of the unemployment and their need for relief. However, I do feel that the manner in which this bill has been prepared would be presented, so that those who care to know will understand that it is not a slipshod, ill-considered, uneconomic affair.

We have waited since December for some plan for substantial relief. None has been forthcoming. We have waited because we recognize the fact that another body as well as the Executive chair is occupied and controlled by our Republican friends. But with no substantial program presented by the President, it was necessary for us to submit this program, which certainly will provide employment for hundreds of thousands of American citizens.

This portion of the bill carries \$246,327,409 with the adoption of the committee amendment to be offered.

SECTION 12

This embodies the Missouri River project and the Miami Harbor project. Each of these projects has been approved by the War Department and by Congress.

The Missouri project calls for \$20,070,000 and provides for the improvements between Kansas City and Sioux City. The President of the United States, particularly about four years ago, was an ardent advocate of these projects between these points. In one utterance he tried to show the people of that section that these improvements would mean an increase of 10 cents per bushel for their corn and wheat. Five hundred thousand dollars was recommended by the War Department for the next fiscal year for this improvement. According to that rate, many more years would pass before the farmers in that section could procure that extra 10 cents per bushel saved by water transportation. This bill merely accelerates that work, as it does that which has been heretofore referred to.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. COOPER of Ohio. Can the gentleman give the House any information as to how many men will be employed? I read in the hearings that the Secretary of the Treasury said that there would be 30,448 men employed to spend \$233,000,000 over a course of years. Surely 30,000 men will not make very much of a dent on the question of unemployment at the present time.

Mr. VINSON of Kentucky. The gentleman can take those figures and see whether they prove themselves. Maj. Gen. Lytle Brown said that 54 per cent of every dollar that went into river and harbor work went to labor direct on the job. The other proof before our committee showed that about 20 per cent in addition to this 54 per cent went to labor in-

take 75 per cent of it, he will find how many million dollars go to labor directly and indirectly, and then he can see just how accurate the conclusion of Mr. Mills is in respect to his statement that only 34,000 men would be employed.

However, considering the gentleman's question further, I take it that his question related to the amount of labor that would be utilized in the public-buildings program. I think that you will find the percentage of the money that goes into labor directly and indirectly to be approximately the same.

I recall distinctly that Mr. MacDonald, Chief of the Bureau of Roads, testified that 85 per cent of every dollar that went into roads found its way to labor directly or indirectly. It is a hard matter to determine the exact number that would be employed if this full program were put into effect. It must be remembered that the 5-day week must be used in this work. It has been estimated that 1,000,000 men, directly or indirectly, would be put back to work.

PART III. ROADS

Subsection (a) of section 321 authorized \$67,400,000. We found that this had been heretofore authorized. In consequence whereof we struck it from the bill in committee amendment.

We added a new section in lieu of it, which increases the 7 per cent of the total mileage of the States to 8 per cent. This will permit 14 States to take advantage of this Federalaid money and thereby have its proportionate share of the work for the unemployed.

Subsection (b) authorizes \$150,000,000 for Federal-aid

Subsection (c) carries-

Total ___

Forest roads	\$5,000,000
National forests	5, 000, 000
National-park roads	3,000,000
Indian-reservation roads	1,000,000
Public-land roads	2,000,000

PART IV. FLOOD CONTROL

_____ 16, 000, 000

This is carrying out the flood-control program, heretofore undertaken by the present administration. Accelerating the work, the Mississippi River project carries \$176,-226,223 and the Sacramento River \$4,466,245.

MISCELLANEOUS

SECTION 341

This section deals with the acquisition of sites for post offices.

SECTION 343

This section provides for the 5-day week.

For post offices costing \$55,000 or less, the postmaster will see to it that the building be given custodial care and janitor service without additional cost to the Government.

SECTION 351

Provides for the sinking fund.

SECTION 361

Imposes a tax of one-quarter of a cent a gallon upon the sale of gasoline in the United States.

Mr. MOUSER. Will the gentleman yield?

Mr. VINSON of Kentucky. Yes, sir.

Mr. MOUSER. I for one, do not suggest that the hundred million dollars for the relief of unemployment is a pork-barrel proposition. I regret that the bill does not include a larger amount than that. I do not think those who suggest that there may be pork-barrel provision in the bill are including the money appropriated for direct relief.

Mr. VINSON of Kentucky. It has been suggested by the gentleman from Oregon [Mr. Hawley] that this is a raid of \$2,200,000,000. To reach that figure you must use every project in the bill, all authorizations, including the \$100,-000,000 for direct relief.

Mr. MOUSER. But does the gentleman think \$100,000,000 is enough to relieve the unemployment?

directly. If the gentleman will take the figure he used and I is authorized to relieve the needy citizens of this country who may suffer with hunger and cold.

CONCLUSION

With conditions so appalling, were it not for the presidential election I do not believe there would be a dissenting voice to the authorization of \$100,000,000 for relief to our citizens. Were it not for a presidential year I can not conceive of objection being made to broadening the loaning power of the Reconstruction Finance Corporation. As a matter of fact, the press would have us understand that the President contemplates broadening the base of the Reconstruction Finance Corporation \$1,500,000,000.

Were it not for the presidential situation, I do not think that any of our Republican friends would hesitate to accelerate the public-building program, the rivers and harbors program, and the road-building program. Our Government has called upon the private citizens to start the wheels forward. This proposition simply practices for the Government what it has been preaching. The wheels of industry must turn. They can only turn when they have a market for their products. The purchasing power of our people must be increased. It can only be increased when they can find wage-paying jobs. It is the belief of the sponsors of this measure that this is a step in the right direction; that the wheels of industry once started may continue to turn; that the work done hereunder heretofore approved and O. K'd by the governmental agencies affected will simply be accelerated; that labor will have opportunity to secure an opportunity for a living; that the farmer will have an increased market for his product and thereby have an increased buying power for the article manufactured by industry. In other words, it is hoped that this measure will be of direct benefit to the people of this country. We beg nonpartisan, nonpolitical help in its passage.

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Chairman, nothing is gained in this discussion by trying to justify all of these appropriations by the existence of depression, want, misery, and distress among the people of this land. Any one of us, I think, can make the tearful plea that we heard a while ago for the suffering millions of the United States, and say, as did one of the gentlemen in this committee:

If you want to show that you have no heart for the suffering, if you are out of sympathy with methods for alleviating distress then vote against this bill.

That is a purely demagogic appeal and is unworthy of any Member of the House. There are other ways and there will be other opportunities for treating the unemployment and the starvation question by the present Congress during the present session than by passing this bill. After all, only the sum of \$100,000,000 in the bill applies directly to that proposition. One billion dollars of the money in this bill is to be applied to public works, and I think it was conclusively demonstrated to the Committee on Ways and Means that the public works provided in this bill will not relieve unemployment to a sufficient extent to justify the expenditures that are involved. For instance, it is uncontradicted in the Record, and it was shown by the figures of the War Department itself, that under the present Budget there are employed upon river and harbor projects 29,264 persons per annum, and that the maximum number under this bill will be raised only to 63,442. The public-building program in this bill, when used to its greatest capacity, will give additional employment only to something like 30,500 men per year. When do you think these projects will be ready for construction?

Of course, we are told that the purpose is that the department shall go out and take sites without condemnation, that we shall seize sites without prior purchase. Then they tell us that we can proceed with this construction by standard plans. I can see Members of the House going up to the counter in the office of the Supervising Architect of the Mr. VINSON of Kentucky. The \$100,000,000 is not authorized as the sole method of relief for unemployment. It saying, "Let us see, Congressman Go-Getter, you get 25

buildings? You have 5 of such a class, 3 of such a class, and 10 of such a class; here are your sets of plans, all standardized, the buildings of each class will be all alike, there will be nothing individual about them and they will not mean anything in the particular locality where they are located, but you will get quick construction, and then we will send some of our traveling force out to pick out a site for you, and some time within a year or two we will bring condemnation proceedings to get title."

Mr. Chairman, we will not have these buildings started within much less than a year from the time that we pass this bill and none of these building operations will be started before the snow flies in the Northern States this year. Some of your Southern States may get a little bit of work before that time.

We balanced the Budget yesterday, or we hope we did, and we think we did. What are we doing in this bill? We are adding \$1,100,000,000 to the national indebtedness immediately. What are we doing on the other side? Talk about balancing the Budget! We are putting a new tax of a quarter of a cent on every gallon of gasoline, and we are adding $2\frac{1}{2}$ per cent per annum to the sinking fund to be carried for 40 years hereafter, to pay the expenses of this public-works program.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CHINDBLOM. Mr. Chairman, I have referred to Title I of this bill, which proposes to place \$100,000,000 in the hands of the President for distribution by him to the needy throughout the land. That places the Federal Government directly in the field of furnishing direct relief, alms, or the dole, or whatever you choose to call it. It moves this purely local function to the National Capital, and changes our whole past history and our system of Government from local to national responsibility for the individual citizen. Most certainly, if the Federal Government must furnish funds, they should be administered by local authorities. It is not enough to give the President discretion in the use of a fund of this kind; we should ourselves define the national policy as a part of our legislative function.

As to Title II of the bill, the new powers granted to the Reconstruction Finance Corporation are too general and indefinite in authorizing the corporation to make loans "to any person," even as that term is defined later in the bill.

In my opinion, the proposal to extend the authority of the Reconstruction Finance Corporation to include the granting of loans to any individual or corporation, public or private, for almost any purpose would broaden the scope of the corporation's activities to include the conduct of a general banking business on a nation-wide scale.

Such action would change entirely the principles upon which the organization of this corporation was based. This agency was created in order to provide a large pool of resources which could be brought to the support of the existing credit structure through advancing funds at crucial points in our financial and business organization. By the proposed action, it would be converted into a banking organization with all the administrative detail and all the responsibility and risk that go with the extension of credit to individual borrowers.

It is inconceivable that individual credit needs throughout the entire country and throughout the full range of our vast and complicated business and commercial structure could be handled by this single emergency organization with full effectiveness. Clearly it would involve a needless duplication of the machinery for analyzing and assuming risks, supervising collateral, effecting collections, and eventually even of managing business and enterprise.

The difficulties attending such an undertaking should be apparent upon consideration of the tremendous complexity of the problems which are presented by the credit requirements of individuals and corporations engaging in an almost infinite variety of business pursuits under conditions that are by no means uniform.

It would be impossible to indicate the magnitude of the demands for credit with which the Reconstruction Finance Corporation would be confronted were its authority and responsibility thus increased. Since the autumn of 1929 credit liquidation has been reflected in a reduction of more than \$10,500,000,000 in the loans and investments of the banks of this country. This decline obviously does not reflect the shrinkage in nonbanking credit, such as bond issues and direct loans by individuals and corporations. It follows from the liquidation that has taken place and from the decline in individual and commercial activity that the demand for additional credit consequent upon business recovery will be extremely heavy. If adequate support can be given to maintain our present banking structure during the period of the emergency, there is no question but that this structure will be able to provide adequately for the needs of the recovery period. The Reconstruction Finance Corporation, as now constituted and as affected by such legislation as the proposed motion to recommit the pending bill contains, in lieu of that proposed in Title II, will provide such necessary emergency support without putting the Reconstruction Finance Corporation in the general banking business. There is neither need nor justification for an attempt to set up an emergency organization charged with responsibility for the conduct of general banking business which it can not hope to discharge with full effectiveness and which should properly be assumed by our existing banking institutions.

Enough has probably been said about Title III. It proposes an expenditure of \$1,000,000,000 upon a public-works program which is not needed for the public service and which will entail large maintenance and administration costs forever hereafter. For instance, it contemplates the erection of a post-office building in every village and hamlet having a population of 1,500 persons and an annual income of postal receipts as low as \$8,000. It proposes the immediate completion of all the river and harbor and flood-control projects contemplated by existing legislation originally calculated to extend progressively over a period of years. In the beginning of an ordinary depression a reasonable expansion of public works might help to stimulate industry and create a hopeful psychology, but under conditions such as now exist the expenditure of large amounts upon projects not selfsustaining or revenue producing is virtually an extravagant and wasteful dissipation of capital whose very protection and preservation will necessitate further outlays until complete replacement will again become imperative. There is no element of soundness in the argument made in this debate that we should prosecute public works merely to give employment without reference to the necessity or utility of such works themselves. And this argument loses more of its force when it appears, as has been shown in this instance, that large expenditures of capital bring an actual minimum of return to the labor necessarily employed, a return out of all proportion to the capital expended and to the permanent tax burden laid upon all the people.

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentleman from Pennsylvania [Mr. TEMPLE].

Mr. TEMPLE. Mr. Chairman, several Members favoring this bill have asked, "What do you propose to do if you vote against this bill?"

We propose to offer a substitute for it in a motion to recommit, which is a wiser and better proposal than the bill. We do not expect that to pass; but when the Garner bill has passed the House and gone over to the Senate, we do expect the Senate to strike out everything after the enacting clause and insert a better bill that we will vote for. [Applause.]

This bill is a "pork barrel" bill. I wonder how many men in the House know what trot-line fishing is? One strong line of light rope is tied to a tree on the bank of a river, carried across the river, kept on the surface by floats, and every few feet a short line with a hook at the end of it is dropped with bait. This bill is a line from the Atlantic to the Pacific, with a hook dropped in every district, and in some districts as many as 50, baited with "pork-barrel" post offices. A caucus of the Democratic Members of the House

I never knew any fisherman that had the gall to call a caucus of the fish to make them take the bait. Poor fish. [Applause and laughter.]

Mr. HARLAN. Will the gentleman yield?
Mr. TEMPLE. I yield.
Mr. HARLAN. I wonder if the gentleman can give us some reason why this satisfactory and better bill, with all the assistance of the executive department and the Cabinet, has not been presented to this House within the last six months, so that we might have the benefit of it?

Mr. TEMPLE. We have been working out a program that was agreed upon not by the President alone but by the President, by business men from all over the country, by leading men in both political parties. We have been working out the entire program, and if there had not been delay on the part of the Democratic committees of this House, we would have been to the end of this program before this time. [Applause.]

This bill is one of many proposals, all of which are intended to improve general business, and especially to give employment to the very large number of our people who are idle through no fault of their own and are earnestly trying to find work. If nothing more were needed than merely an opportunity for the Federal Government to pay wages, then this bill might be favorably considered. We could even build pyramids like those of Egypt, and such construction would do much that is claimed for this bill. It would "put money in circulation," it would give employment, but also it would lay heavy burdens on the taxpayers and sink in unproductive works the capital that is needed for the revival of wholesome, normal business.

Unproductive spending is one of the chief causes of the depression from which the whole world is now suffering. For four years a great part of the world gave up its ordinary business and engaged in the work of destruction. All the wealth spent in carrying on the World War produced nothing and destroyed much. The money actually appropriated by parliaments and congresses from the treasuries of the nations engaged in the war was calculated in 1919 by Col. Leonard Ayers, then chief of the statistical branch of our General Staff, to amount to \$186,000,000,000. This enormous sum is equal to the total wealth of the United States, as estimated by the Bureau of the Census, in 1912, two years before the war began. It covers only money appropriated out of the national treasuries for war purposes. If we add to that the wealth destroyed in the war and not paid for out of these appropriations—the privately owned ships that were sunk at sea, the mills and mines destroyed in Belgium and France, the ravages in Serbia, the terrible destruction in Russia by the war and the revolution that grew out of it-we reach the enormous figure of three hundred and fifty billions, as estimated by careful statisticians, as the total direct and indirect cost of the war. This is more than the total wealth of the United States in 1922, as estimated by the Census Bureau, including the value of all mills, mines and factories, homes, business houses, railways, canals, crops and cattle on the farms, and the value of the soil itself.

If one could imagine the quick return of the ice age. and the polar ice cap moving southward, not slowly as a glacier moves, but with the speed of an express train, if one could imagine it dipping into the earth at our northern boundary and, like a huge steam shovel pushing before it everything above bedrock and shoveling the whole of the United States into the Gulf of Mexico, leaving nothing behind but bare rock, such an unimaginable castastrophe would not destroy more wealth than the World War destroyed. That is a measure of the magnitude of the calamity that befell the world. Is it any wonder that the world is still staggering from the blow? Most of this calamity fell on Europe, but the world is so knitted together that we suffer with our neighbors across the Atlantic.

This destruction of wealth is enough by itself to account in large part for the present suffering of the world, but

has bound the members of that party to vote for the bill. I there were other influences of the war which, while they partially postponed the result, intensified the trouble when the full effect was developed. There were 65,000,000 men in uniform during the war-or to be exact, 65,038,810, according to the figures compiled by our War Department. These men were taken from their ordinary peace-time employment, and the goods they would have produced in their ordinary work were not produced at all. The men who remained at home were not engaged in their ordinary employment, but were manufacturing munitions of war. Everything else was neglected. We got along with nothing but essential things, but demand for war supplies was imperative and business boomed with high wages.

Then came the armistice and the canceling of war contracts. The armies were demobilized, munitions were no longer needed, and there was an interruption of business with consequent depression in 1920, until the men who had been in the armies were sifted back into the industries.

The depression of 1920 did not last long, however. The world was demanding the things that it had been doing without, the things not manufactured while all our energies were directed toward carrying on the war. Factories were enlarged, capacity was increased to supply the accumulated demand. Wages remained high and business again boomed.

The one hundred and eighty-six billions of destroyed capital had not been replaced, however. There was little saving. The world was following the habit developed during the war. It was living and working on credit. The United States, the least exhausted of all the great nations, was called on to furnish capital to the rest of the world. The Government had already loaned more than ten billions to European Governments to carry on the war, and now the American people (not the Government) were asked to make loans both to European Governments and European industrial enterprises. Foreign bonds were floated in America by our great banking institutions, and the people of the United States were in the mood to buy them. The American people, in buying these foreign bonds, not only financed the German Government and enabled it to make heavy payments upon its reparations but also financed industrial corporations in Europe which were our competitors and were doing all they could to recapture the markets that we were hoping to

The illusion of credit still led us on. High prices prevailed, and there was extravagance beyond imagining. Halfbaked economists were saying that a new economic era had come to the world; that prosperity was permanent; that there would never be depression again. Individuals and families spent their incomes and bought on the installment plan. mortgaging their future. Cities, counties, and States sold bonds for public improvements that were desirable but could hardly be called necessary. Taxes without precedent were the inevitable result. The Federal Government likewise yielded to popular demands that it furnish to the people services which it had never furnished before, and larger and still larger appropriations were made for everything that could show a plausible claim.

This bill would repeat the error, would erect post offices which are not needed, would improve for navigation streams upon which there is no commerce—and it is proposed to do this in spite of the experience we have had in the immediate past, when the country was still living on its future and when stocks went up to unheard-of heights because it was expected that sometime earnings would justify the prices paid.

Then came the collapse. Factories had extended their capacity, increased their power of production to supply the demand accumulated during those years when peace-time goods were not made, but the time came when the things that the world had been doing without were made up. The artificial market was at an end, and the normal demand was not sufficient to keep the enlarged factories going.

During the war the scarcity of labor and during the period that followed the war the high wages had stimulated the invention of what are called labor-saving devices. Men were replaced by machines, and the output of almost all kinds of goods exceeded the demand. This was perceptible even before the collapse of the stock market in October, 1929. Men were being discharged from the factories, and the problem of unemployment was coming upon us.

Conditions were almost intolerable in the latter part of 1929 and 1930, but in the summer of 1931, when the United States, the treasure house of the world, found its loans in Europe of doubtful value and when the rebuilt and enlarged industrial plants in Europe, which had been developed with the capital borrowed from the United States, found themselves in trouble, came the collapse which intensified throughout the world the depression that still troubles the statesmen of all lands.

The Members of this House and the Senate are familiar with the program for reconstruction that was worked out at the White House conference of last fall, when business men of all sorts-manufacturers, merchants, and bankers-in consultation with economists, with the heads of labor organizations, and with the leaders of both political parties, were summoned by the President to consider with him a reconstruction program. Some of the bills prepared in accordance with the plan suggested there have been passed and have had a wholesome effect on the country. Some of them are still to be passed. It is very certain that the most effective relief for unemployment will be the revival of general business so that men may be employed in their ordinary occupations and receive their ordinary wages, but such results can not be obtained speedily, and until the more general effect can be obtained it is necessary that some effective measure for the immediate relief of unemployment should be adopted. It is my firm conviction that the "pork barrel" bill now under discussion would not produce that effect, but would consume in unproductive works the capital needed elsewhere, but I again express the conviction that before this session of Congress closes a better bill than this will be passed. There are differences of opinion, but these differences will be ironed out, and before we adjourn we must have a relief measure which will give promise of results and provide for the immediate necessities of the unemployed until such time as normal business can be restored.

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, we have to-day an unequaled opportunity to demonstrate whether or not we shall reassure a rather nervous country in this hour of stress or shall again shake its confidence as we have shaken it a number of times in the last few weeks. It is too clear for argument that before we adjourn we must pass a bill to aid unemployment and guarantee every citizen of our country against starvation. We are all agreed on this. We disagree solely on the way in which this aid shall be offered and these guarantees given.

We must admit that there is very little in the setting of the picture to-day which tends to give the reassurance to the country to which I have referred. We have had submitted to us wrapped up in the appealing cellophane of relief a larger package of pork than this Hall has ever seen offered at one time; and when I say package I speak advisedly, for it is tied up tight in a rule, a harder and faster rule than the barons of the steam roller ever attempted to propose. We are invited to swallow the whole mess under pain of appearing to oppose relief if we refuse, and we are not to be given an opportunity to say what part we favor and what we oppose.

The glaringly inconsistent part of the whole proceeding is that this bill, which certainly contains many different and highly controversial items, is presented to us in this way by the same group, the same individuals, the same party which brought in a revenue bill and an economy bill wide open, with no restrictions whatsoever, with the result that both measures suffered parliamentary murder at the hands of the very individuals who should have been pledged to support them.

Perhaps the leaders of the majority have learned their lesson and will never again show how little leading and how little following there is in their ranks. We can well

understand why those who are attempting to perpetrate the present bill do not wish it to be open to attack, for it contains as one of its chief decorations a measure so outrageous as to justify unanimous defeat of the bill, no matter what other beneficial provisions may be included.

Think of it, ladies and gentlemen! This bill actually provides for proceeding with public works, chiefly post offices, roads, rivers and harbors, to the tune of more than a billion dollars. I sometimes think that here in Congress we get so used to talking in large numbers that a zero more or less matters very little; but what earthly reason can justify the waste of such a large sum at a time like this, for from the point of view of the kind of relief the country needs this amount would be practically wasted.

Do not the sponsors of this measure know how long it takes to prepare for most of the work of this kind? Do they not know that the great majority of the work would be done by machinery with a minimum employment of labor? Do they not know that a few contractors would be the chief beneficiaries of such a scheme?

Do they not know that this means the employment of only about 200,000 men when millions are demanding employment?

There is something grotesque in the desperate attempts which we have made to balance the Budget and to bring about sound measures of governmental economy when on the very eve of success along these lines the leaders of the majority party present to us a measure completely unbalancing the Budget and casting economy to the winds in an orgy of wasteful spending. Perhaps we have hoped for too much. When we saw the chairman of the Appropriations Committee state on the floor of the House not many weeks ago that he saw no particular need of balancing the Budget during the coming year we should not be surprised to see the Speaker and the majority leader sponsoring a bill which contains the greatest general grab of all times. It has been a distinct shock to many of us; but, oh! what a shock it must be to a country which was just beginning to be hopeful again.

Has there not been some little criticism of this House recently from the Nation at large? Have we not recently heard prominent leaders of the majority party taking the floor to protest this criticism and give assurances that it was unfounded? But if we pass this bill, what answer can we ever make to these criticisms? How can we reply to accusations that we are bargaining the welfare of the country for a few post offices which are not necessary and which the people of the selected communities in most cases never expected to get for many years and do not now want?

Others will go into the figures in detail and show how impossible it would be for the corps of Army Engineers to expand the rivers and harbors work beyond a certain point, or for the Treasury Department to go ahead with the projected buildings at more than a certain speed. They will point out the unnecessary future annual expenses which these public works will entail. I shall not go beyond a solemn warning to beware of the false appeal of this measure. The man who votes to secure a few post offices or a dredged channel for his district will not be able to appease the cry of outraged protest over the fact that his vote also fastens a billion-dollar load on an already suffering country, a load which his constituents and their children's children must help carry for many years.

Ladies and gentlemen, the important and appealing subject of relief should not be made in any way a party matter, though the majority party, in its attempt to jam this obnoxious measure through under an air-tight rule binding its members by caucus to support it in its vicious whole, has done its best to bring about such a result. I trust that the line of cleavage will not be that of party, but that a great majority of the Members of this House will be able in this emergency to rise above such considerations. We are squarely faced with the question of whether we are to be guided by sound and constructive ideas of relief or good old-fashioned "pork-barrel" cupidity. The issue is clear-cut and there should be no doubt of the result. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield four minutes to the gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Chairman, it is my belief that the American people want the Congress first to reduce Government expenditures to the minimum whenever it can be done without materially affecting essential activities. I have consistently followed such a course. The plan means the discontinuing of activities, the dismissal of employees, the reduction of salaries.

The American people realize that the stability of our whole economic structure rests upon the stability of the economic structure of the Government. After we have cut the expense of government the American people want a tax bill sufficient to put the Treasury on a pay-as-you-go basis—they want the Budget balanced. The American people do not want one cent of additional expenses beyond that point.

A billion dollar bond issue means that the Government of the United States must borrow that much money, and that means that the taxpayers must pay it. Our people do not want more taxes. During the past two or three years practically every community in my district has rejected proposed bond issues for needed public improvements-bond issues for courthouses, schoolhouses, parks, sewers, and so forth have all been rejected because the people do not want that added tax burden. If our people locally refuse to bond themselves for public improvements, if our people locally are reducing governmental expenses, if our people locally are demanding decreased taxes, why should the National Government issue bonds, increase expenses and taxes in order to do that which the people themselves have refused to do? Personally I believe that tax money belongs to the people, that taxes should be levied for essential public purposes, but that beyond that it is better for America that the money be left with the people to whom it belongs, in order that they may spend it for productive enterprises as they see fit rather than take it away from them in order that it may be spent for productive or nonproductive enterprises as some Government official or Congress sees fit. I believe that a greater efficiency, less waste, and a more satisfactory expenditure can be had by letting people spend their own money rather than have Congress take it away from them and spend it for

So much for the general situation. What of the details of the bill?

Section 321 (a) authorizes the appropriation of \$67,400,000 for public roads in the next fiscal year. This is another example of the fallacy and misleading features of the bill. This \$67,400,000 has already been authorized; it has already been apportioned by the Bureau of Public Roads to the States. Nothing remains for Congress to do but appropriate the money. May I here again point out that the House Committee on Appropriations reduced the President's Budget for this purpose \$19,000,000. That \$19,000,000 is part of the \$160,000,000 of alleged savings Chairman Byrns talks about quite often as a proof of Democratic economy. Having denied the \$19,000,000 to the States that the President asked for for roads, the Speaker makes a show of willingness to appropriate to the States \$67,400,000 more. That section 321 (a) does nothing but reenact existing law and the only accomplishment is to waste the paper upon which it is printed.

Section 321 (b) authorizes \$150,000,000 for construction on the Federal highway system to be performed before June 30, 1933. The bill provides that that money shall be "reimbursed" to the Federal Government over a period of 10 years commencing in 1938 by deductions from Federal apportionments to these States. Pure chicanery that! For under that provision the States will never reimburse the Federal Government one red copper cent. The proposal means that beginning in 1938 States that continue the Federal-aid program will not get as much from the Federal Treasury as they otherwise might, depending on not what this Congress does but on what Congresses from 1933 to 1948 may do. That \$150,000,000 is a proposed direct gift by the Federal Government to the States for road-building purposes. The States will neither match nor repay one cent of it.

The Interior Department appropriation bill took \$1,000,000 from the President's Budget that was asked for for national park roads and trails. That amount is included in the savings claimed by Chairman Byrns, of the Committee on Appropriations, as a part of the claim that the Democrats wanted to save more than the President. Now that they have been fully publicized on that Speaker Garner proposes to appropriate \$3,000,000 to accomplish the same purposes for which they refused the \$1,000,000. On this item they propose to spend three times as much as they claim to have saved.

In the Department of Agriculture appropriation bill \$595,000 was deducted from the appropriation for forest roads and trails. That sum is included in Chairman Byrns's total of alleged savings. That amount was deducted largely from proposed expenditures in Alaska for forest roads and trails and constituted what the five of us on the Agriculture Appropriation Subcommittee considered a wise and justified reduction of expenditures in Alaska. Section 321 (c) (1) authorizes \$5,000,000 to be appropriated for forest roads and trails. Should it become a law it will be mandatory that \$500,000 of that amount be spent in Alaska. Having deducted \$595,000 from Alaska's forest roads, and justified it and claimed it as a saving, Congress is now asked to back up and appropriate \$500,000 to Alaska.

This bill, by its title, is supposed to be a bill "to relieve destitution," "to create employment" by a "public-works program." This bill is built up on the basis of an assumed public-improvement need in the country and is entirely fixed and inflexible. "To relieve destitution" the bill should be built on the basis of the employment need and should permit the shifting of funds and expenditure from one locality to another. This bill does not and can not be made to do that. But some one may answer that the unemployment need is uniform throughout the country, and that the money should be spent uniformly throughout the country. There again the bill is wrong, for it is not built on a basis where it can be of uniform benefit to all of our population.

I have not studied all the States, but take, for instance, the authorized appropriations for public buildings and roads. On the basis of this set-up, Nebraska, from the appropriation for those two purposes, would get \$4.20 per capita "relief"; Colorado would get \$4.50 per capita relief; Kansas, \$5.10 per capita relief; Wyoming would get \$11.10 per capita relief; and Alaska, \$22 per capita relief.

The public-project part of this program is reported to cost in excess of \$1,200,000,000—or a cost to our people of over \$10 per capita. For Nebraska that means \$13,770,000 as our share of the cost. In return for that expenditure we are to receive a possible \$2,645,000 for public buildings and \$3,197,000 for roads, or a total of \$5,842,000. This does not include possible expenditures on the Missouri River. It is readily admitted that all of the money allocated to our State for buildings and roads will not be spent in the State and that all of it will not provide labor for our people. Assuming that the people of our State would ultimately pay their share of the cost of this proposal, it follows that as a State we would lose in excess of \$3,000,000 in the transaction.

The situation in Alaska illustrates the inequalities and the injustices of the bill. There are less than 60,000 people in Alaska. They are entitled to the same relief accorded the rest of our citizenship—but see what they get—a \$425,000 post office for Anchorage, a town of 2,300 people, an expenditure for that community of \$185 per capita for a post-office building; Ketchikan, a community of 3,800 people in southeastern Alaska, gets a post office and courthouse to cost \$425,000, a per capita expenditure of \$112.

Alaska is so situated that no great part of that proposed expenditure of \$825,000 will inure to the benefit of the balance of her citizenship. In addition to that \$825,000 it is proposed to spend \$500,000 on Alaska's forest roads and spend an undetermined number of hundreds of thousands of dollars on five harbor projects in Alaskan waters. The fundamental error in the structure of the bill is illustrated by the undue favoritism shown to Alaska. I am sure that

Speaker Garner did not so intend it—but it can not be spend \$2,200,000,000 more money. Is it not time that the helped when a bill is built as this one is.

Section 331 (a) authorizes the appropriation of \$176,226,-223 for expeditious prosecution of the Mississippi flood-control work and \$4,466,245 for the Sacramento River flood-control work. Congress has already authorized those appropriations. It is a waste of printing to include them in this bill—but the States in the lower Mississippi must not be overlooked.

Section 303, which authorizes the appropriation of \$90,-000,000 for public-building projects which have not yet reached the contract stage is also a reauthorization. Their authorization already exists. Its futility is illustrated by the reference to Sidney, in my district, where the bill directs the Secretary of the Treasury to proceed as "expeditiously as possible" with a building. That building is expected to be under contract by July 4, and no further action by Congress is necessary.

Section 312 directs the appropriation and expenditure of \$140,000,000 on 138 different river and harbor projects. This is again a proposed reauthorization where authority to appropriate already exists. There is a total of \$478,000,000 in this bill proposing to authorize expenditures where Congress has already authorized expenditures and in many instances actual appropriations have been made.

These river and harbor appropriations again throw this bill out of balance so far as a fair and evenly balanced relief bill is concerned. All States get road and public-building expenditures, but on a basis that does not permit of an equal distribution of funds. The Coast States and Alaska all get river and harbor expenditures running into millions, while the interior States do not. In addition to public buildings and roads and river and harbors, a favored few States in the lower Mississippi flood area get \$176,000,000 on top of their other allocations of Federal funds. All States get one layer of relief in an unequal spread, the Coast States get a second layer in an unequal spread, and the lower Mississippi States get the third layer, or \$176,000,000, on their pork pie.

The impossibility of expanding the Government organization sufficiently to take care of this proposed expansion program is self-evident. Construction programs hastily conceived and hastily executed during the World War were accompanied by mistakes, waste, and unheard-of extravagance. I can not conceive that this program could be carried out with sufficient speed so as to be of any appreciable benefit as a relief measure without the same objectionable mistakes, waste, and extravagance.

My State levies a 4-cent tax on a gallon of gasoline. I voted against the revenue bill when it passed the House partly because it levies a gasoline tax of 1 cent per gallon. Now this bill proposes an additional tax of one-fourth of a cent on gasoline. Is there no limit in the tax burdens that are to be imposed upon the users of gasoline? This is just one additional reason for opposing this bill. I can not support this bill on principle, but waiving that, it should not be supported because of its obvious inequalities and injustices, and manifest waste expenditures.

I think it fair, also, to consider that this program includes increased interest charges against the Treasury, several millions of dollars annually increased operating charges against an already money-losing Post Office Department, and loss of taxes and payment of rents in those communities where buildings are proposed to be built.

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. Taber].

Mr. TABER. Mr. Chairman, in presenting this bill to the House the Democratic majority has demonstrated its absolute incapacity to learn anything from experience.

For three years this country, by its corporations spending big money and getting in debt, by its municipalities and its States spending big money and getting in debt, has made greater deflation. We have by these means created unemployment, and we have stopped the natural processes of recovery so that the depression has been made worse. After that has been clearly demonstrated the Democratic majority in the House comes in here and brings in a bill to

spend \$2,200,000,000 more money. Is it not time that the people of this country came to the realization of what the Democratic majority is trying to foist upon the public? The public back home knows this situation. They do not want it.

For the purpose of pork barrelling this bill through they included an item of \$315,000 for a new post office and a new courthouse in my home town. I know we do not need it. I wrote home to the papers there that we did not need it, and the independent paper in that town came out with an editorial supporting my position. That is just a sample of the items throughout the bill. They will not create employment because on these post-office buildings only one man is put to work for each \$5,600 expended. In highway construction only one man is put to work for each \$3,600 expended.

Nobody wants to get away from taking care of relief. The proposition of the gentleman from Oregon [Mr. Hawley] provides for loaning the money necessary to take care of those who are suffering. We have already turned over 40,000,000 bushels of wheat for the relief of suffering, and there are 90,000,000 more bushels in the possession of the Farm Board that can be used in the same way if we need it.

Let us do things in an intelligent way and not destroy the confidence of the people which we have gained a little bit by the action of last week, and give the country a chance to recover, and employment a chance to get back. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentleman from Michigan [Mr. Clancy].

Mr. CLANCY. Mr. Chairman, this bill has been called throughout the afternoon a "pork barrel" bill, but I think it is sort of a combination pork barrel bill and gasoline drum or cask bill. The bill carries at least \$42,000,000 of taxes additional on gasoline, although gasoline is now being taxed 125 per cent, and there is the greater portion of a billion dollars of taxes on automobiles which burn gasoline, and you have recently added \$150,000,000 more in the revenue bill to the gasoline tax. Every time you beat the gasoline drum you squeeze a little "pork" out of the "pork barrel."

I want to make a deal here. I want to give back, temporarily at least, \$2,000,000 in items in this bill for Detroit. I want to forego the two items for the city of Detroit and make a deal with the gentlemen on the other side to give my Detroit people back \$2,000,000 in gasoline taxes.

I do not see how any Member of Congress with an idea of responsibility to his people can vote for this bill. It is too wasteful.

There is in the bill \$1,700,000 for a parcel post office station in Detroit near the Michigan Central Railroad. Now, all the railroads have notified the Post Office Department and the Treasury Department that in the future, 5 or 10 years from now, they are going to build a union station several miles from where you want to put up this building. So, you would then have to tear down this building and remove it several miles. The union-station project is probably 5 to 10 years in the future. There is this \$1,700,000 item which we present to you to keep in the brine for five years or so.

There is another item in the bill of \$300,000 for an appraisers' stores building in Detroit. I know this is absolutely not needed in this period of terror and desperation, because I was customs appraiser in Michigan for five and a half years. I know the present building is good for some years. With the collapse of world trade, with the collapse of imports the building that we have in Detroit will do, also because a large new Federal building is being completed now in Detroit, and more room can easily be obtained in the present appraiser's building.

The gentleman from New York [Mr. LaGuardia] said that those of us who did not want the building projects could deposit them on the Democratic table. Speaking purely for myself and not for the other Members from the city of Detroit, I desire to deposit the \$2,000,000 on the table over there, to be held until a more auspicious time.

I can compliment the House on passing out yesterday a bill providing for distributing 50,000,000 additional bushels of Government wheat. We are suffering in Detroit, but nobody is starving to death there yet. The gentleman from Arkansas said to-day, I believe, that our people in Detroit are starving. We are not allowing anybody to starve. Most of our needy are not native sons. They are people who come from other States; but we are feeding them just as generously as our own people. These needy come from every State and every country.

Detroit has been most anxious to see that no man, woman, or child within its borders starves; and I say this to contradict rumors and newspaper stories both in this country and in Europe that people have starved to death in Detroit. We have taxed our people to the absolute limit to feed the hundreds of thousands of strangers from other States and countries within our gates, who have been rendered destitute by the fact that one out of every three workingmen and working women are without jobs. Tens of thousands of our working people have been without employment for two years, and one can appreciate the destitution and suffering in Detroit.

No community in the world has been more generous with its public welfare and private welfare funds than Detroit, but we are now reaching the breaking point.

We have had to lay off thousands of city employees, including firemen and policemen, who are absolutely necessary for the safety of life and property in the city. Our school teachers have had to go without pay for periods. We want help and we want it badly; but it is no help to us to have a wasteful "pork barrel" bill like this go through the House and assess the cost of it upon the chief industry in Detroit—the automobile industry.

Autos were assessed three-fifths of the billion dollars plus revenue bill, which was signed by the President yesterday afternoon. Now, this bill proposes an additional \$42,000,000 to \$88,000,000 assessment in gasoline taxes. Ninety per cent of these gasoline taxes will be upon autos. If the interest on the bonds is 4 per cent, the cost per year will be \$88,000,000.

Nearly everybody in this House knows that many of these public buildings and other public works provided for in this bill are entirely unnecessary at this time and constitute a tremendous waste.

A steady stream of protests has been waged to-day against individual buildings by Members who speak of building projects in this bill proposed for their districts and of which they had intimate knowledge. For the past few days numerous other individual instances of waste in this bill have been demonstrated.

The evidence is absolutely incontrovertible. May I bolster up what I have already said about the \$1,700,000 item for a parcel post office in Detroit, by testifying that Assistant Secretary of the Treasury Ferry K. Heath has said that this project would go through "only over his dead body."

Mr. Heath is the high-class official who has charge of the Federal building program, and he has intimate knowledge of the Detroit situation because he is a native of Grand Rapids, Mich. He says he knows that because of the depression causing a considerable decrease of post-office business that the new building is not required at the Michigan Central Railroad station near the present Roosevelt sub post office. Formerly the item was approved by the Treasury Department.

But since the railroads have requested that the new parcel post office be not built until they have determined upon the site of their downtown union station, which they are proposing, Mr. Heath says it would be pure insanity to put \$1,700,000 into a new modern building which would have to be abandoned or torn down in the near future when the new union station is built.

Amplifying what I have said about the wisdom of the House passing immediately the bill appropriating 50,000,000 additional bushels of Government wheat to make flour and bread for the needy in Detroit, I recall to the House that I

I can compliment the House on passing out yesterday a made several speeches demanding that the former bill be providing for distributing 50,000,000 additional bushels of passed providing for the first allotment of 40,000,000 bushels.

Indeed, it was the concentrated effort of Mr. Fish, of New York, Mr. LaGuardia, of New York, and myself which forced this bill out of a reluctant committee, and it was passed out after we made threats to employ a discharge petition with the signatures of the 145 Members thereupon.

Detroit's allotment of this Government wheat has prevented tens of thousands of our people from going hungry, and it came just at the right time, when our public and private welfare agencies were going broke. It was administered very efficiently by a committee of which County Auditor John C. Cowan was the chairman.

We had a riot in Detroit yesterday morning in which 3,000 unemployed attacked a factory in which 18,000 people were employed.

We have had riots in the past and may have riots in the next few months and also during the coming winter. We will need this additional Government flour very urgently to relieve acute suffering and to help prevent disorders and riots.

May I also congratulate the House Rules Committee and the House Banking and Currency Committee for passing out favorably the home loan bank bill to aid home owners and home builders in Detroit? I have worked very hard for this bill both before the Senate Banking and Currency Committee and with the two House committees.

It is a relief bill which will do us a great deal of good in Detroit and there is tremendous sentiment in Detroit for it.

In the Hawley bills, H. R. 12409 and 12410, there are provisions which will allow Detroit to borrow from the Reconstruction Finance Corporation either directly or through the State of Michigan, which is specifically given the right in these bills to borrow.

I was assured in the Republican conference yesterday afternoon that these bills would give Detroit the right to borrow from the Federal Government and help carry my city over its present crisis.

I was told time and again by the sponsors of the bill that it provides for an extension of Reconstruction Finance Corporation credit to cities and that it will allow the purchase of refund bonds by the corporation and that the bill will provide openings for welfare help.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield two minutes to the gentleman from Wisconsin [Mr. Stafford].

Mr. STAFFORD. Mr. Chairman, every endeavor of this Congress for economy and balancing the Budget is cast to the winds when you pass this greasy "pork-barrel" bill. It is generally understood that the condition of unemployment is greatest in our large industrial centers. I challenge the distinguished leader of the majority to point out in this bill where there is one dollar of expenditure for public buildings in the 20 largest cities of the country. No. You propose to distribute in little agricultural communities where there is little or no unemployment. You propose to expend \$176,000,000 for flood relief on the Mississippi River, where there is no destitution. You propose to spend money for good roads, and we are surfeited with good roads, merely to pile up taxes on the present overburdened taxpayers of the country.

Mr. RAINEY. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. RAINEY. I will tell you one. They are contemplating a bridge-

Mr. STAFFORD. I said public buildings. I am in favor of the proposal of the administration as incorporated in the motion to recommit whereby the Reconstruction Finance Corporation will be authorized to build tubes in New York City and bridges in New York City, and public and private works in our other large industrial centers, but you are standing up against that very constructive policy which the President is back of, and favoring an expenditure of over a billion dollars in communities where the pangs from unemployment are wanting, and mostly on public buildings, roads,

and rivers where the expenditure is pure economic wastefulness. [Applause.]

[Here the gavel fell.]

Mr. WELCH. May I ask the gentleman from Illinois a question in regard to the subject of what he was about to speak when interrupted by the gentleman from Wisconsin?

Mr. RAINEY. Yes.
Mr. WELCH. By reading a telegram addressed to me:

San Francisco is looking to you to vigorously support amendments to Reconstruction Corporation financing bills to include San Francisco-Oakland Bay Bridge. Am advised these bills, unless amended, will exclude this vitally necessary project. Under our State law bills should be amended to provide that Finance Corporation may purchase bonds of public agencies of States. Inclusion of transbay bridge would greatly aid economic conditions

ANGELO J. ROSSI, Mayor of San Francisco.

Mr. RAINEY. Title II of this bill fully meets that case. In that case, as I understand it, arrangements have been made to issue bonds, and that this is a \$75,000,000 proposition. That is the kind of proposition we will be looking for if this bill passes, and it is fully covered.

Mr. WELCH. May I say to the gentleman this refers to the transbay bridge, which is a \$75,000,000 project. Section 2 also covers what is known as the Golden Gate Bridge, a \$35,000,000 project, for which contracts have already been let. Like inquiry is also made by Ossian E. Carr, city manager of Oakland; by Marshall Hale, president of the Down Town Association; and Joseph R. Knowland, vice president of the California State Chamber of Commerce.

Mr. RAINEY. This bill meets the situation. Mr. WELCH. I understand that under the provisions of the gentleman's bill those projects are fully covered.

Mr. RAINEY. They are fully covered. Mr. WELCH. I am satisfied that the bill sponsored by the gentleman from Oregon does not cover them as completely as the bill sponsored by the gentleman from Illinois. The telegrams referred to are as follows:

OAKLAND, CALIF., June 6, 1932.

Hon. RICHARD J. WELCH,

Member of Congress, Washington, D. C.:

In behalf of city of Oakland, urge your earnest support to necessary amendments making possible inclusion San Francisco-Oakland Bay Bridge under Reconstruction Corporation financing. This project would greatly stimulate industry and relieve unemployment and is vital to bay-district development.

Ossian E. Carr, City Manager of Oakland.

SAN FRANCISCO, CALIF., June 6, 1932.

Hon. RICHARD J. WELCH,

House of Representatives, Washington:
Understand amendment necessary to Reconstruction Corporation finance bill to permit authorization to buy securities issued by public agencies of State; and as such action necessary to have our bridge projects considered, we earnestly urge your support to amendments making such provision.

DOWN TOWN ASSOCIATION. MARSHAL HALE, President.

SAN FRANCISCO, CALIF., June 6, 1932.

RICHARD J. Welch,

House Office Building, Washington:
California State Chamber of Commerce earnestly requests your
active support to amendments to be submitted by Kahn and
Johnson (H. R. 12410, Hadley), (S. 4755, Wagner), which will permit purchase of bonds by Reconstruction Finance Corporation of
revenue-producing and self-amortizing California projects, including bonds of revenue-producing public water districts, of which
the Metropolitan Water District of Southern California is an example, and also such projects as the San Francisco-Oakland Bay
Bridge. This we understand to be in line with President Hoover's
program to assist in financing of self-Bridge. This we understand to be in line with President Hoover's program to assist in financing of self-supporting projects.

JOSEPH R. KNOWLAND, Vice President.

SAN FRANCISCO, CALIF., June 7, 1932.

Hon. RICHARD J. WELCH,

Hon. Richard J. Welch.

House Office Building, Washington, D. C.:

In order that proposed projects to be eventually publicly owned, such as proposed San Francisco Bay bridges, may be included in permissible financing of Reconstruction Corporation, it is necessary that pending bills be amended to provide that corporation may purchase revenue bonds of public agencies of States. You are urged to support such amendments in interest economic conditions, this area. ditions this area

CALIFORNIA STATE AUTOMOBILE ASSOCIATION, D. E. WATKINS, Secretary-Manager.

SAN FRANCISCO, CALIF., June 7, 1932.

Hon. RICHARD J. WELCH.

House Office Building, Washington, D. C.: City about to offer \$6,000,000 Hetch Hetchy bonds for sale. Newspapers here carried Washington dispatch to the effect that Federal loan bill would make money available to municipalities for public improvements, making loans therefor on municipalities for public improvements, making loans therefor on municipal obligations voted by the people. Please wire me if this is correct and when money would be available and prospects of the Government taking our Hetch Hetchy bonds.

JOHN J. O'TOOLE, City Attorney.

Mr. RAINEY. Mr. Chairman, I yield one minute to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Chairman, a few minutes ago, when the gentleman from Illinois [Mr. Keller] had the floor, I made the statement that the gentleman from Illinois [Mr. Chiperfield] had voted by proxy in the Committee on Military Affairs for the favorable report of the Army housing bill, which was reported by the Military Affairs Committee less than a week ago and which is incorporated in the pending Rainey public works bill. I also stated that the proxy of the gentleman from Illinois [Mr. CHIPERFIELD] was held by the gentleman from Michigan [Mr. James].

The gentleman from Illinois [Mr. CHIPERFIELD] questioned my statement. The facts of my statement are correct, but my friend the gentleman from Illinois [Mr. CHIPERFIELD] states to me that he did not know that the Army housing bill was coming up for action by the Committee on Military Affairs on the day that the bill was reported, that he was not familiar with any of the items in the bill, and, of course, the gentleman's statement is correct.

[Here the gavel fell.]

Mr. RAINEY. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. Dickinson]. [Applause.]

Mr. DICKINSON. Mr. Chairman, with some reluctance and hesitancy I am taking the time of the committee for a brief few minutes. I want to say a few words with reference to that section of the country in which I live and as to which the charge is made that the erection of public buildings, standardized and at reasonable prices, is "pork barrel," while we are spending millions in the great cities without any protest. Population, wealth, and power are going from the agricultural sections into the great cities and centralization encouraged to the detriment of the small cities.

We are asking in this bill to carry out a program in accordance with the utterances of the President as delivered time and again. In this Garner relief bill there are five cities named in the sixth district of Missouri, which I have represented for 18 years-Windsor, Pleasant Hill, Holden, Rich Hill, and Eldorado Springs. For 15 years I have been trying to secure Federal post-office buildings for these cities. Hon. Thomas Halsey, who served from this district during the last term, also introduced bills for these same cities, all worthy measures and earnestly desired by these communities. These were not "pork barrel" propositions then, nor are they now. If worthy then, they are worthy now. Why should I not support these now which I have cordially supported in the past? Why should the building programs in the small cities be abandoned or delayed when hundreds of millions are being spent in the erection of expensive Federal buildings in the great cities? I make no complaint but ask that all be treated alike. For 15 long years these communities have asked for reasonably priced Federal buildings and that the surplus revenues of these communities be applied to the erection of post-office buildings there and not taken into the great cities. We are inviting these building projects in the small cities and hoping that the labor that is centered and congregated and is now idle in the great cities may come back to these communities. Let us all build together, cities and small towns alike, and let all the country have the benefit of these appropriations and let employment be provided in all sections. Let us think about the agricultural communities. The country outside of the cities is entitled to as much consideration as our great cities, where millions of dollars are spent with approval of the administration and of the Congress, but in the district where I live I hear no word of protest and no word of "pork barrel." They want these buildings that they have been asking for for 15 long years, and they do not understand why Congress continues to appropriate only for public buildings in the large cities. Why should small cities in the agricultural sections be drained of their surplus revenues to be expended elsewhere?

In the foreword of the Book of Washington the statement is made that \$400,000,000 for the District of Columbia, covered by the city of Washington, have been authorized in four years, one building alone, the Commerce Building, costing seventeen and a half millions, beside the grounds upon which it is erected of equal or greater value; twenty-two and a half millions recently authorized for Federal building in Chicago, seven and a half millions in St. Louis, and multiplied millions in the aggregate for all the great cities. No cry of "pork barrel" there, but when a program is proposed for public buildings throughout the country to take care of needed and long-delayed projects, where labor can be employed not only in their erection but in securing the material therefor, and the cry of "pork barrel" is heard to create opposition.

I regretted to hear an injection of sectional appeal in this debate and an attack on those who live south of the Mason and Dixon line, who want public buildings in the South. When I heard these words injected into the debate, I recalled the fact that the Civil War, or the War between the States, ended 67 years ago, when I lived in the Southland, south of the then Mason and Dixon line and near the village of Appomattox Courthouse, Va., where Robert E. Lee, commander of the Confederate forces, surrendered to the great Federal general, U. S. Grant, who uttered the long remembered words, "Let us have peace." I recall again when several years ago a then Senator from a Western State, who grew up after the war, offered a resolution in the Senate to remove the statue of Robert E. Lee from Statuary Hall. That resolution received one vote alone, the vote of the author of the resolution, and the statues of Lee and Jefferson Davis and Alexander Stephens remain in Statuary Hall as evidence to the world that the passions of the Civil War are forgotten and that there is no longer any Mason and Dixon line dividing our country. Let all those born after the war remember that the spirits of Lincoln and Lee and Grant all call for peace, and not sectional prejudice.

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentleman from Tennessee [Mr. Lovette].

Mr. LOVETTE. Mr. Chairman, ladies, and gentlemen, to me this proposition is the most inconsistent I have ever come in contact with in my life. We have been working all winter in an effort to balance the Budget. The appeals have come from every section of the country insisting that Congress balance the Budget. This effort on the part of the Congress culminated yesterday in the President signing the tax bill, which is supposed to bring about that result; and now, before the ink is dry on the President's signature to the tax bill, you propose to unbalance the Budget by forcing through the House a \$2,000,000,000 obligation of the Government, without the right to offer an amendment, and with only three hours' consideration, or even without reading the bill.

It seems that after you have concluded that you had the Budget balanced that you have absolute license to do anything. The strange thing about the whole proposition is that you gentlemen on the other side of the House have just now found out that it is necessary to do something for the relief of the unemployed. You say that being in the majority you take the responsibility; and that is true, the responsibility being yours. You should have found out before this time that the country was in great distress in many sections and needed relief. One gentleman, in discussing this proposition this afternoon, made the statement that no step had been taken for relief in this Congress until now. I call your attention to the fact that I introduced a bill on the 8th day of February, four months ago, seeking relief for those who are in distress and which provides much more adequate relief than is proposed in this bill.

It was a bill to provide \$375,000,000 to be immediately available for allocation to the several States by the Secretary of the Treasury, Secretary of Agriculture, and the Secretary of Labor, constituting a board for that purpose, and

provided that it should be allotted upon the applications of the governors of the States, showing in their applications that such an emergency existed as required aid from the Federal Government.

There is no doubt that there is great need for help in many cities and localities of the country. There is no doubt but that the charitable organizations have exhausted themselves in many sections, and that the burdens of the States, counties, and cities, in some instances, have become too great to be borne by them; and if that is true, and direct relief is needed, then we should not shirk the responsibility but should grant it.

This bill is not a relief measure; at any rate, if it could be called a relief measure, it is a poor one under the circumstances. With eight to ten million people out of employment, and in view of the fact that it is admitted that the public works in the proposed bill would only furnish employment for a very few, and in comparatively few localities, it would be impossible to scarcely make a dent in the unemployment situation. This terrible situation has existed all winter, and even before that, and yet the majority comes in now, for the first time, to relieve the situation with this wild and extravagant proposition. To build post offices where they are not needed, and to dredge rivers, which would be considered an extravagance even in prosperous times, and at the same time proposing to add to the tax burden by a bond issue of \$1,000,000,000 with no adequate provision to meet it-coming as it does at this late date I want to lay down this proposition to the majority on the other side, that from your action in connection with this matter you would not vote for real relief if it were not for the pork barrel that is in it. [Applause.]

The reason I say this is because you have been here six months, and you have not offered any relief measure. You have taken no steps for relief. What you ought to do, and what this Congress ought to do, is to pass a relief bill, a genuine relief bill that would relieve the distress in this country, and not raid the Treasury with a dubious proposition which can not stand the test even in prosperous times.

The distress that is prevalent in the country to-day may go on for some time, and it probably will, and the Government may be called upon to grant relief beyond anything which you have yet conceived, and when the time comes to give that relief the Government should be able to do it, and you can not do it if you break down the credit of the Government with "pork-barrel" propositions like this.

Mr. KUNZ. Will the gentlemen yield for a question?
Mr. LOVETTE. I have only three minutes, and I do not yield.

If the time does come when you want money for relief of distress, it may be said, "We have spent \$2,000,000,000. we have built post offices that were not needed, we have dredged rivers that could have been postponed, we have engaged in a wild orgy of spending money in reckless and wasteful expenditures that were not needed." And that is where we will get to if we go ahead with the program such as is set up in this bill. And whether it is a "pork-barrel" proposition or not there is one thing that is certain—it is an unjustifiable extravagance and you can not balance the Budget, and you can not keep it balanced, with that sort of program. I will vote for any reasonable relief bill; for a bill that will carry relief to those who need food, clothes, and shelter; for a bill that will give prompt relief, but I do not want to support a bill that will so endanger the credit of the country and cripple the finances of the country that we can not give the real relief that is so urgently needed. [Applause.]

Mr. RAINEY. Mr. Chairman, I yield to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Chairman, the gentleman from New York [Mr. Snell] inserted in the Record of June 4 last a list of post offices carried in the Garner bill giving the population of the towns, the receipts, and rentals at such places. In order that the House may have full information, I ask unanimous consent to revise and extend my remarks on the rule by inserting as a part of my remarks

a list of the offices which the interdepartmental board has authorized and for which appropriations have been partially made, as well as those offices which have been approved and allocated by such board, together with the population of such places, annual receipts, and rentals paid, and the amounts recommended for buildings.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to revise and extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. Busby].

Mr. BUSBY. Mr. Chairman, I hope this bill brings a portion of the relief that the proponents of it have in mind. I want to say that I believe real relief in this country must come through a reestablishment of purchasing power in the people.

It must be evident that the Government can not furnish employment to the people who are out of employment. This must come through private business. To-day I have introduced a bill in the Congress to cheapen the gold content of the dollar by lessening the gold content so as to bring it into relation with present commodity prices.

The chief purpose of the bill is to reduce the amount of gold in the dollar from 25.8 grains to 16.5 grains to bring the dollar into proper relation to commodity prices.

The present depression is unlike any other financial panic or depression which has occurred in this country. It is unlike them for the reason that the outstanding debts of all kinds—National, State, municipal, district, personal, partial-payment obligations, and other kinds of debts—are far in excess of anything the country has ever known.

During the World War new methods of salesmanship were developed by the Government to put over the Liberty and Victory bond sales, savings stamps, and other methods of raising revenue to carry on the war. After the war these same methods were adopted by all the leading business houses and commercial concerns of the country. Out of it grew the partial-payment plan, whereby the people were told that it was good business to contract on the expectation of future earnings, to pay and make payments on every kind of property-wearing apparel, farms, homes, and investments-as well as almost everything else. This method was pursued for more than 10 years, until the people had become heavily loaded, their property mortgaged by bond issues of all kinds, and burdened by private debts. These obligations were as much as the people could bear comfortably on their earnings in their best financial days when property was at a fair value and farm commodities brought a fair price.

Partial-payment-plan purchases always bind what the purchaser hopes to earn in the future—not only does his property become mortgaged, but his future earnings burdened and his income obligated and spent even before he has it. This necessarily takes him out of the free class of consumers in the future, because he is loaded with obligations until he can carry no more.

DEBTS IN THE UNITED STATES

Debts of all kinds by 1929 had reached the staggering total of \$203,000,000,000. The amount of the debts was fixed at that sum regardless of what happens to the market value of property. Under our system of applying the unchangeable "gold-dollar yardstick," the debt figure must remain at two hundred and three billion, even though property values were cut in half by a change of circumstance.

At the time the debts were \$203,000,000,000, the wealth in the United States amounted to three hundred and sixty-two billions—the debts were 56 per cent of the wealth in 1929. Since 1929 the market value of property has greatly depreciated until a recent statement of Government departments gave the wealth of the Nation as \$240,000,000,000. So, at the present time, the debts owed by the people are about 85 per cent of the entire wealth of the Nation. We are nearing the line of national bankruptcy. I am directing your attention to this situation so that you will get the picture and clearly see the reason for the things I am about to state.

NATIONAL INCOME

In addition to property values there is another wealth in a Nation which we call the national income; that is to say, the amount that all the people earn by their wages, farming, mining, and business operations.

For the year 1929 the earnings of the people of the entire country amounted to almost \$90,000,000,000. For 1930 it was about \$75,000,000,000, or a loss of fifteen billions. For 1931 the annual income of the people was about \$54,000,000,000—a loss of \$36,000,000,000 in income when compared with 1929. This, as you see, was a loss of income of the people as a whole of \$3,000,000,000 a month, an amount equal to the total expense of the National Government, leaving out interest on the national debt. For 1932, it is estimated that the national income of the people will be no more than \$38,000,000,000. This will mean that the amount the people of our Nation are able to earn under the present conditions will be \$50,000,000,000 less than it was in 1929.

This loss is permanent—it can not "come back." It falls most heavily on the millions of laborers who are out of work. It falls on the millions of farmers who under the present arrangement must sell the things they raise at ruinous prices, making it impossible for them to pay debts contracted when the things they had to sell were at an entirely different price from what they are to-day. Farmers have to sell five times as much cotton to get a dollar as they did five years ago. They have to sell many times as much wheat, dairy products, farm products of all kinds to get a dollar as they did five years ago.

This is not just—it is not fair—it is not an honest monetary system and our Government is at fault in not correcting it.

OUR MONETARY SYSTEM IS WRONG

Our monetary system is wrong—dollars are too high. Farm products—in fact, all other kinds of commodities, are too cheap in relation to money. Legislation must be passed to cheapen the "gold-standard dollar" and to lift the things that have real value to a better relation with our "standard of value." If this is not done, bankruptcy will certainly come throughout the land—trouble of all kinds will develop from one end of the country to the other. The masses of hardworking, stable, well-meaning, liberty-loving Americans will continue to lose respect for the National Government and resolve to take their welfare in their own hands; and who can blame them, when we could correct the evil.

THE NATION SUFFERS BECAUSE OF BAD FINANCIAL GENERALS

The people of this country believe they are being oppressed by a creditor class which has been led by such great financial generals as the former Secretary of the Treasury, Andrew W. Mellon; his successor in that office, Ogden Mills; the hand-picked Governor of the Federal Reserve Board, Eugene Meyer. These cooperating with, and being advised by, the interests dominated by J. P. Morgan and his financial associates. The people believe that their deplorable financial situation has been brought about by the Mellons, Mills, Meyers, Morgans, Wall Street gamblers, and international bankers and credit sellers—and the people are exactly right in this belief.

These financial interests have made the "gold-dollar standard" everything; and with it as the standard of value, by manipulation and unfair handling of credits, the favored classes of the Nation have crushed the life out of the people who were unable to help themselves. They have made their property sell for nothing and have turned millions of honest, capable, well-meaning Americans who are anxious to work into the streets and out of their homes with their dependents—wives and even little children—to beg and starve. We can not see this course helping our Government. It would be foolish to think that the people are going to stand for this indefinitely. If Congress does not see that the end to our present conditions must come they will certainly realize it within the next few months from the uprisings of the people in protest.

REMEDY APPLIED BY OTHER COUNTRIES

How can the situation be met? It must be met by cheapening the gold-standard dollar. All leading countries of the world have taken that course. When the World War | ended the European countries were overburdened with private and public debts. The market value of the property did not meet the amount of the debt obligations outstanding. There was no other way for those countries, just as there is no other way for the United States, but to pass legislation which would cheapen the monetary "measure of value." Debts made in war times were often for little or inadequate consideration. People had promised in the excitement of the times almost any price. It was imperative that debts be reduced where they would be clearly within the wealth of the respective nations.

FRANCE

The "standard of value" in France was the gold franc, which before the war contained 19.3 cents' worth of gold. France later stabilized her franc on a gold basis, not at 19.3 cents, but instead a law was enacted whereby the franc would contain 3.91% cents' worth of gold, and this paid off debts contracted at the old price of the franc. This resulted in a cancellation of 80 per cent of the debt claims against the people. Instead of having to sell farm products and other commodities sufficient to get 19.3 cents' worth of gold to secure a franc, under the new arrangement they had to sell only enough to pay 3.91% cents' worth of gold to get the franc, which would pay off the old 19.3-cent franc debts.

The "standard of value" in Italy was the lira, which was, before the war, worth 19.3 cents also. Debts were created in Italy beyond the capacity of the people to pay. Italy, like France, stabilized her "unit of value," the lira, not at 19.3 cents but at 5.26 cents' worth of gold, and thereby canceled 72% per cent of the debts.

Germany took a little different course and printed so much paper money without relating it to commodity values, gold, or anything else that the people paid off their debts with paper marks, which were practically of no value, thereby canceling the debts of Germany. It is true this course was not desirable. It ruined the creditor classes, but it saved the masses of the people from trying to meet debts impossible for them to pay, and it left the poorer classes, in a large measure, in possession of their properties. The American financial policy is taking care of the creditor classes that we know as the "money barons," and destroying property values as well as the poorer and middle classes of our people by high money which can not be easily bought with commodities or property.

ENGLAND

England has largely taken the course pursued by other European countries in adjusting her finances, debts, and value relations to commodity prices. England is off the gold standard, and the English pound, instead of being worth \$4.86 as fixed by the English law, is to-day worth only \$3.69. It has been as low as \$3.20 in recent months.

UNITED STATES

What can be done in the United States to relieve our present situation? The year 1926 was a time when money and the things people had to sell were on a fair relation in price to each other. It was about the level at which most of our debts were contracted. Debts which to pay at present commodity prices would take, so far as the farmer is concerned, three, four, and five times as much of the stuff he raises as it would have taken at the 1926 price level. This is not right. It is not a just system of government which will heap that kind of a burden upon its people. There is no fairness in it and no common sense back of an arrangement which will place the people at the mercy of persons who are the creditors under such a system.

While farm commodities have depreciated in value much more than many other kinds of commodities, the general level of all commodities compared with the 1926 price level to-day stands 64 per cent of what it was then. The amount of gold in the "gold-dollar standard," or "measuring stick of value," should also be reduced to 64 per cent of the amount of gold contained in 1926. The dollar, or "yardstick of value," should be kept in a true relation to commodity

values and debts. The gold-standard dollar contains 25.8 grains of gold, but should contain 16.5 grains of gold.

In other words, people ought not to have to sell enough commodities at their present prices to buy the dollar that contains 25.8 grains of gold. They should only have to sell enough commodities to buy a dollar of 16.5 grains of gold. Commodities have dropped in price in relation to debts and dollars. There certainly is nothing unfair about this proposal. As I have pointed out above, this is what the leading nations of the world have done to save their people from the burdens of debts which they could not pay.

THE GOLD STANDARD

What is the gold standard? On March 14, 1900, Congress passed a law setting up what has come to be known as the gold-standard dollar. It is section 3511 of the Revised Statutes of the United States; and in order that everyone will fully understand what it is, I will quote it:

The dollar consisting of 25.8 grains of gold nine-tenths fine shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

The bill I am introducing simply strikes out the figures of 25.8 where reference is to grains of gold in the dollar and inserts the figures 16.5, and leaves the remainder of the statute exactly as it is, but brings the amount of gold in the dollar into a proper relation to present commodity prices.

I am also including provisions similar to those contained in the Goldsborough bill, reported by our committee and recently passed by the House, which directs the Federal Reserve Board and Federal reserve bank and Secretary of the Treasury to use their powers as Government officials to keep prices stable and dependable, so that the people will know that they can depend upon the American dollar as an honest dollar.

If this bill is enacted into law, as in justice it ought to be, it would immediately strike out the 36 per cent difference between commodity values and the high price of money. When the dollar is made 36 per cent cheaper it will be that much easier for us to pay our debts. In a word, it will strike down the difference between the price of the commodity and property people have to sell, and the dollar which they have to buy in order to pay their debts.

Common justice demands that this be done. The bill I am proposing is in these words:

THE BILL

Be it enacted, etc., That chapter 41, paragraph 1, Thirty-first Statutes at Large, enacted March 14, 1900, same being title 31, section 314, of the Code of Laws of the United States, be and the same is hereby amended to read as follows:

"SEC. 1. The dollar consisting of 16.5 grains of gold nine-tenths

"SEC. 1. The dollar consisting of 16.5 grains of gold nine-tenths fine shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity."

SEC. 2. It is hereby declared to be the policy of the United States that the average purchasing power of the dollar shall be 64 per cent of the purchasing power of the dollar as ascertained by the Department of Labor in the wholesale commodity markets for the year 1926, and that such purchasing power of the dollar by the Department of Labor in the wholesale commodity markets for the year 1926, and that such purchasing power of the dollar shall be maintained and kept as near as practicable at that point by the control of the volume of credit and currency.

SEC. 3. The Federal Reserve Board, the Federal reserve banks, and the Secretary of the Treasury are hereby charged with the duty of making effective this policy.

SEC. 4. Acts and parts of acts inconsistent with the terms of this act are hereby repealed.

A great many bond issues and commercial mortgages contain a clause which provides that the amount of the obligation shall be "paid in gold dollars of the present weight and fineness.'

It is estimated that \$50,000,000,000 or more of the outstanding debt obligations contain a contract that they shall be paid in gold dollars of the "present weight and fineness." Of course, it is impossible for these :lebts to be paid in gold, because the most gold that was ever in this country was little more than \$5,000,000,000. Under our present theory of redemption of money in gold, the five and one-half billions of dollars of currency outstanding and the fifty or more billions of dollars of gold debt contracts must all be paid 100 cents on the dollar in gold, but our stock of gold at present is only \$4,200,000,000. In actual practice gold is not used to redeem outstanding paper money nor is it ever required in settling these "gold-contract" obligations. The only thing for which monetary gold is actually used in any substantial way is to pay debts from one nation to another and between individuals of different countries.

The dollar mark on the gold, the French stamp on the franc, or the Italian inscription on the lire is never taken into consideration. Gold is sold and bought among nations by weight and by weight only. Even a worn \$20 gold piece in the United States, if presented to the United States Treasury, is not taken at its face value but according to its weight only.

I have called attention to this impossibility regarding the contracts to pay gold for the purpose of pointing out one of the many unreasonable things we find in our monetary set-up.

The opposition heard to reducing the number of grains of gold in the dollar is that gold-dollar contracts will have to be paid in a sufficient amount of gold to equal about a dollar and a half under the new arrangement.

I would answer that by saying that it is necessary now to sell enough commodities to buy 25.8 grains of gold in order to obtain a dollar of any kind of money, since all money is on a parity with gold.

If the bill I propose is enacted into law, it will be necessary to sell enough commodities to purchase 25.8 grains of gold in order to discharge the dollar obligations called for in the gold-dollar contracts.

The billions and billions of dollars in contracts and debts which do not require the payment to be made in gold will be reduced one-third and more. Such was the course, as I have pointed out, taken by France, Italy, and other countries of the world—and such will be the course ultimately taken by the United States, if we are to avoid wholesale bankruptcy of individuals, cities, States, and perhaps the Nation.

We can "balance the Budget" this year, but when the springs of revenue dry up, the Budget will be again unbalanced. Unless the people have buying power restored to them, business can never recover and the Government can not get revenue by taxation unless the people have something to tax and money with which to pay their taxes. The Government can not furnish employment to its citizens—this must be done by private enterprise and business.

BUYING POWER OF THE PEOPLE

I have appealed to Congress time and time again during this session to consider legislation which would restore the value of commodities and the buying power of the people. These appeals have fallen, for the most part, on deaf ears. Leaders in both of the great political parties have been more intent on making fair weather for the coming presidential election than they have on considering and enacting legislation to relieve suffering among the masses and the unemployed and in restoring financial conditions for the country.

Before we adjourn Congress should enact a law which would place at the disposal of the Federal land banks enough money to enable them to carry over payments of borrowers which have become due and which can not be paid by the farmers for a period of at least another year. Forced sales and foreclosures should not be permitted to continue any longer by the Federal land banks until the people have had a chance.

The surest way to break down and destroy this country is to permit attacks to be made on the homes and farms by the creditors who hold mortgages and foreclose them, and thereby dispossess the people who produce the food and the material from which the clothing of this Nation is made.

Such a procedure is demoralizing, weakens the morale in the extreme of the most sturdy and dependable class of our population.

If the farmer does not prosper the Nation can not prosper, and that has been the cause of the beginning of our present downfall. If the farmer does not prosper the merchant can not sell his goods and his business fails. The banker has his deposits withdrawn from the bank. Doctors and lawyers can not collect their bills.

It is not possible to have prosperity in any country unless the farmers and laboring classes of people prosper and have buying power so that they can be consumers of a reasonable amount of the necessities of life.

I say again in conclusion that the burden of debt heaped upon the people must be lessened. There must be a partial elimination of debts as provided for in the bill I have presented, which in fact does eliminate 36 per cent of the outstanding debts by cheapening the dollar and thereby raising commodity prices, or later on we will find it necessary through bankruptcy and otherwise to repudiate all debts. That is one way we can get rid of the "gold-dollar contract debts" for less than their face value. Bankruptcy will wipe them out as completely as it wipes out the common obligation.

We must eliminate extravagance in governmental expenditures. We must restore to the people the opportunity to labor and earn a living.

Mr. RAINEY. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. Collins].

Mr. COLLINS. Mr. Chairman, I fear the membership of this House fails to appreciate the magnitude of our unemployment problem.

In order to discover how many people are out of work at the present time it is necessary, first, to determine the number of unemployed persons at the time of the census of unemployment, in April, 1930, and second, how many additional persons have been laid off since that time.

First, the results of the unemployment census of April, 1930, are shown on page 2 of Unemployment—United States Summary, published by the Bureau of the Census, and are reproduced here as Table I.

TABLE I

Class A. Persons out of a job, able to work, and looking	
for a jobClass B. Persons having jobs but on lay off without pay,	2, 429, 062
excluding those sick or voluntarily idle	758, 585
Class C. Persons out of a job and unable to work	172, 661
Class D. Persons having jobs but idle on account of	
sickness or disability	273, 588
Class E. Persons out of a job and not looking for work	87, 988
Class F. Persons having jobs but voluntarily idle with-	
out pay	84, 595
Class G. Persons having jobs and drawing pay, though	
not at work (on vacation, etc.)	82, 335

Obviously not all of these persons were unemployed in the ordinary meaning of the word, particularly classes C and D, who were idle because of sickness or disability, and class G, who were on vacation or furlough with pay. Classes E and F, however, who were reported as "voluntarily idle," probably include some workers who misunderstood the questions asked by the enumerator and who were really involuntarily idle and therefore unemployed.

In this connection the census report (ibid. p. 3) states

Many persons in class E gave reasons for idleness which suggest that the reason for their not seeking work was that they felt it useless to look for work in their occupation at that time. Some of these might properly have been placed in class A if more adequate information had been available. Class F may include some persons for whom the reason voluntary lay-off was given by enumerators who misunderstood the expression.

It would probably be conservative to assume, however, that classes A and B constitute the unemployed in the ordinary sense of the term. The total of these two classes (class A, 2,429,062, plus class B, 758,585), 3,187,647, can be considered the number of unemployed in April, 1930. When it is said that this is conservative it is important to remember not only the qualifications stated above regarding classes E and F but also that there were 100,252 "omitted entries," according to the census report (ibid. p. 84). "These were cases for which there was an answer on the population schedule indicating unemployment, but no entry whatever on the unemployment schedule."

(2) Since there has been no complete unemployment census since that of April, 1930, in order to determine how many persons lost their jobs since that time it is necessary to refer to certain other information. The Bureau of Labor Statistics of the Department of Labor publishes in the

monthly Labor Review each month reports on employment from a large number of industries and occupations, including manufacturing, anthracite mining, bituminous-coal mining, metalliferous mining, quarrying and nonmetallic mining, crude-petroleum producing, telephone and telegraph, power, light, and water, electric railroads, wholesale trade, retail trade, and hotels. The Interstate Commerce Commission publishes reports on employment on class I steam railroads each month.

In agriculture the Department of Agriculture collects reports from several thousand farms on the number of hired farm workers employed and publishes a report each month showing the "average number of hired workers per farm." In the field of building there are no employment figures available for the entire country extending back to April, 1930, although the Survey of Current Business publishes an index of construction employment in Ohio. Also the F. W. Dodge Corporation compiles data showing the number of building projects undertaken each month, the square feet of floor space represented by those contracts, and their valuation. From these figures it is possible to arrive at an estimate of the changes in employment in the building industry.

By computing the percentage changes in the various indicators from April, 1930, to February, 1932—the latest month for which complete figures are available—and applying these percentages to the actual numbers at work in April, 1930, it is possible to estimate the number of workers laid off in the various industries specified above.

The results of this computation are shown in Table II. All told the compilation covers industries and occupations in which the normal number of "persons with gainful occupations" is 26,643,323, or 54.6 per cent of the 48,832,589 gainful workers as reported by the April, 1930, census.

According to this tabulation the total estimated number of persons who have lost their jobs since April, 1930, in these industries alone is 6,502,794. This figure represents an increase of unemployment over that of April, 1930. Adding this figure to the 3,187,647 reported as unemployed in classes A and B we get an estimated total of 9,690,441.

The compilation covers only a little more than half of the gainful workers of the United States. Some of the occupations for which there is no employment information, such as public service, insurance, farming, and professional occupations, have probably experienced little unemployment since April, 1930. But common experience tells us that in forestry and fishing, construction of roads, streets, and sewers, banking and brokerage, recreation and amusement, water transportation, domestic and personal service, and many other occupations there has been a considerable increase of unemployment since April, 1930. Taking into consideration all of these factors-possible error in these estimates, the stability of employment in certain occupa-tions not included in the compilation, and the probable increased unemployment in other occupations for which there is no information-it is safe to conclude that the estimated total of nearly 9,700,000 unemployed is the minimum. It is quite possible that there were more than 12,000,000 persons involuntarily idle in February, 1932. The number of unemployed has increased since February.

The present relief bill will not furnish permanent relief. I do not believe it will provide more than temporary relief. Something, however, must now be done to relieve human suffering. This bill, if passed, will be of much help in doing this.

I shall discuss later a proposal that I believe, if adopted, will go far toward preventing a repetition of our present economic breakdown.

Mr. RAINEY. Mr. Chairman, I yield to the gentleman from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Chairman, I believe in party responsibility. With it the people may hold that party responsible that is guilty of wrongs or is derelict in its duty. Without party responsibility the people are helpless.

The Democratic Party speaks only through the voice of a two-thirds majority of its members. When it so speaks it has the right to expect that its members will uphold its party plans and policies. My party organization in this

House has spoken. It has indorsed this bill. I am a Democrat.

When last summer President Hoover wired us asking that we support his \$250,000,000 moratorium to Europe, I refused to agree to it. And when it was brought up in this House for ratification I voted against it, because I felt that we had done enough for Europe, and that our first concern should be the best interests of the American citizens.

When President Hoover asked us to support his \$2,000,000,000 Reconstruction Finance Corporation I could not do it. I spoke against it. I voted against it. And what I then predicted about it has come true. He has placed on the pay rolls of the Government an army of high-salaried employees, drawing salaries up to \$16,000 per year at a time when we are reducing the \$10,000 salaries of Senators and Congressmen. It is squandering huge sums of money in wasteful overhead. It will continue to do it. It has not yet helped a single farmer in my district to stop a foreclosure or to prevent his farm being sold at sheriff's sale,

When President Hoover asked us to pass the Steagall bill giving an additional \$125,000,000 to the Federal land banks, I could not support it. I spoke against it. I voted against it. And what I predicted about it has come true. Practically no relief whatever has been granted the farmers of my district from this big sum of money. Foreclosure suits are still being filed against farmers. Farms are still being sold at sheriff's outcry to satisfy judgments. Farmers and their families are being turned out of doors.

I am unalterably opposed to doles. The principle is wrong. It sets a bad precedent. It destroys initiative. It makes men shiftless. It destroys self-respect. I am willing to do everything possible to help and assist men to find jobs, so that they may earn an honest living. Earning one's own living is what satisfies.

If it were left to my individual judgment, I would never vote to place \$100,000,000 in the hands of President Hoover to be doled out.

If it were left to my individual judgment, I would never vote to give an additional \$1,000,000,000 to the Reconstruction Finance Corporation. And I would never vote for any proposition which might involve governmental waste and extravagance.

Mr. RAINEY. Mr. Chairman, I yield to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, following the publication of the so-called Garner-Rainey relief bill, which is now being considered by the House, there emanated from the executive department under the supervision of the President's "political secretary" a flood of adverse criticism. As a result of that publicity, I have received from some constituents letters, practically all of which are in the same wording, urging me to "follow the policy of the President."

Mr. Chairman, how I should like this afternoon to be able to say that I could follow the policy of the President—how proud I should be this afternoon to be able to say that we have a President who, during this calamity, had marked out for his legislative department a real definite policy, instead of the flood of propaganda, consisting of abstract phrases and truisms which have meant nothing on the real controversial issues before Congress, but which have all been designed to sell the President to the country just as stocks in a Chinese mining project have undoubtedly been many times sold. A policy does not mean platitudes which state both sides of every public question, with a solemnity and weight that give them the appearance of deep wisdom and yet do not contain specific remedies for any of the evils outlined.

The policy of our Executive in dealing with the problems confronting this Congress has been of uniform consistency. It has been to wait and do nothing, no matter how crying the need, until Congress acted of its own initiative, then to deluge the country through the press with destructive criticism and finally to offer a program which in practically no instance received the real support of his own party.

In the matter of reorganization of governmental departments, our Executive was elected on that platform, with specific promises to use the wealth of experience and the unlimited intelligence which his supporters informed the | cities in which all forms of machinery have been prohibited, country he possessed, to accomplish this great good. Yet he allowed our Appropriations Committee practically to complete their program, with all governmental departments in status quo, and then when it became apparent in the third year of his administration that the majority of Congress was going to take the task in their own hands, he proposed a bill without any definite program except the employment of four new secretaries with their staffs.

He has talked to the press about balancing the Budget. Yet on the raising of revenue there were no specific recommendations made by the Executive or his Cabinet, and it was not until the last day of the hearing of this bill before the Senate, when it was apparent to everyone that the formation of the bill was a concluded affair, that the President. in a half-hearted way, indorsed the manufacturers' excise

On the question of economy the President and his Budget commission recommended certain expenditures, and then, if we are to believe the press, stated that there were many places where economies could be effected in his own bill. If this were true, and if our Executive were a leader, if he were laying out a policy which the Members of Congress could follow, why not, in the name of reason and fairness, stipulate to Congress what portions of his own recommendations ought to be rejected.

And now we have this relief bill. We were told this afternoon by the leader of the minority, evidently expressing the decision of their caucus, that after the debate on this bill is closed they will submit an alternative bill; a bill which must have the indorsement of the President because it is officially sponsored by the organization of his party; a bill which has not been submitted to any committee; a bill which has received no bipartisan consideration; and a mysterious bill with which none of us are familiar.

This depression started in the fall of 1929. The Executive had absolute control through his party of both Houses of Congress until March, 1931. During all that time no policy of relief, no evidence of foresight, was exhibited by our national leader. Following the convening of this Congress the Democratic majority enacted into law, in a nonpartisan spirit, practically everything that the President recommended, while he temporarily assumed the rôle of leadership in this country. Now, in the closing days of this Congress, we have come to the place where some relief must be given to the animal needs of the human beings who occupy this continent. To say that we have balanced the Budget, that we have aided the railroads, that we have salvaged banks. and helped the insurance companies are all fine accomplishments; but they will not relieve hunger during the ensuing winter. We must do something now; we ought to have done it six months ago; and if we had had executive leadership in our Commander in Chief after the manner of a Roosevelt, a Wilson, or a Lincoln, we would not be waiting until the last days of Congress to perform the most important act of

They tell us that but 30 per cent of the money involved will go toward the payment of labor on the job. In final analysis we know that practically every cent will be consumed either in labor or interest charges. If not on the job it will be in the quarries, in the factories, and on the farms and in the mines, where the raw materials are raised and the commodities manufactured. Nor is this more than the start of the help extended. The money thus spent for labor will be used by those laborers to buy other material for food, clothing, and shelter coming from other farms and factories, thus multiplying by manyfold the benefits that these improvements will bring if constructed. They tell us this is a "pork-barrel" proposition. Did you ever hear of a pork-barrel" program in which one party in the legislature turned the entire expenditure of the money and the complete determination as to where the money should be spent over to the opposition party?

In extending relief we have two methods of procedure-one is to give the money out directly and the other is to give the individual employment. If we give employment we can supply unnecessary work, such as has been done by a number of

or we can give necessary work, done by modern methods, resulting in permanent improvements. In the final analysis the amount of money to be given must be adequate to supply the need, and I doubt very much whether there would be a great deal of difference in the amount required, whether it be an outright gift or invested in valuable public work. For my own part, I do not like an outright gift. It produces no permanent benefit and demoralizes the recipient. I do not like the creation of unnecessary jobs, because the worker realizes that he is doing a useless, silly job. His self-respect is not maintained, and the public receives no benefit. There is only one way to extend relief, and that is to afford work on useful public improvements.

It is remarkable, the lack of real information given to the public about this bill. In 1926 the Congress of the United States, carrying out, no doubt, the recommendations of the Secretary of Commerce, who at that time was one Herbert Hoover, to the effect that public construction should be planned for in advance and that it should be carried on in times of depression, enacted a law which authorized the Secretary of the Treasury and the Postmaster General to survey the United States and determine where buildings were needed. An interdepartmental committee was appointed and a list of needed buildings prepared by this committee after investigation, together with the funds needed for those buildings. We now have before Congress this bill which simply reenacts the former legislation and formally approves the recommendations of this interdepartmental committee. No appropriations are made in the Garner-Rainey relief bill; there is no obligation upon any official to spend one cent of our money in construction work unless the Secretary of the Treasury and the Postmaster General approve such expenditure.

In 1926 President Hoover did not criticize the action of Congress, yet in 1932, in the midst of the very depression for which the act of 1926 was designed, out of his department emanates the cry of "'pork-barrel' legislation." If there are any "pork-barrel" tactics employed in the administration of this law, it will have to be under the direct supervision of the Executive of the United States and he will be chargeable therewith.

Are we unwilling to follow the "policy of the President," when we are turning over to his direction \$100,000,000 for him to disburse as public relief during this winter or not, as he so desires? This is far greater confidence expressed in him by a Democratic majority than a Republican majority were willing to give to him at the time he had supervision over the Belgian relief.

They tell us that this money should not be lent except in self-liquidating investments. This would automatically eliminate all highway construction, harbor improvement, and, in fact, every form of public works conceivable except in cases where municipalities enter into the construction of power plants.

They tell us that this bill will unbalance the Budget. It has certainly been my conception that the balancing of the Budget referred only to recurring expenditures and not to capital investments. It is utterly absurd to talk about balancing the Budget so far as building programs are concerned. This Government has balanced its Budget by very rigid economies, and by its revenue-raising bill. Such extraordinary expenditures as are necessary to afford relief have no place in the consideration of the operating Budget of the Government.

They tell us this is not a permanent relief, and that when this program is over, unemployment will still exist. May Heaven forbid that that condition will exist: but if it does, we are doing the best that we can do at the moment; we are carrying out the only program for direct relief that has received real consideration. Certainly it will not remove permanently the cause of this depression. Nothing less than the reestablishment of world trade and the reduction of impassable tariff barriers will ever accomplish that. We can not, by a policy of universal tariffs, load down all the civilized world with ineffective industries and expect a world that lives on commerce to be prosperous.

In the meantime, I shall cast my vote for this measure because I see nothing better proposed. Our Commander in Chief has waited from the fall of 1929 until the spring of 1932 to devise some relief methods, and I do not believe that such tardiness is conducive to confidence.

Mr. RAINEY. Mr. Chairman, I yield to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Chairman, if we did not know that our friends on the other side held a caucus we would know it by the unanimity with which they have expressed themselves here to-day. Evidently they voted last evening to dub this a "pork barrel" bill, and they have appeared here to-day following their bellwether and delivered their message.

I want to call your attention to a "pork barrel" that is

no ordinary "pork barrel." It has no bottom.

We have a Federal Farm Board "pork barrel" that has no bottom, and no less than 8 or 10 friends on the other side have introduced bills asking for fifty million to a hundred million dollars to put into this bottomless "pork barrel." The ranking minority member of the Ways and Means Committee [Mr. Hawley] has one bill, and the ranking minority member of the Rules Committee [Mr. PURNELL] has another, the gentleman from Kansas [Mr. Strong] has another one, which he says was recommended by the Secretary of Agriculture, Mr. Hyde, and President Hoover from his Rapidan fishing camp advises the Congress to pass a bill that would give a hundred million dollars to the Federal Farm Board. Having no more time, I ask unanimous consent to extend my remarks in the Record and include therein a letter from the gentleman from Kansas [Mr. Strong] to the editor of the Wichita Beacon.

There was no objection. The letter referred to follows:

> CONGRESS OF THE UNITED STATES, HOUSE OF REPRESENTATIVES Washington, D. C., May 20, 1932.

Mr. M. M. LEVAND,

Wichita Beacon, Wichita, Kans. My Dear Mr. Levand: Miss Krieselman advises me this morning that you are very much opposed to the bill I introduced yesterday at the request of the Secretary of Agriculture and the officers of the American Farm Bureau, which has for its purpose the use of \$100,000,000 from the Reconstruction Finance Corporation by the Secretary of Agriculture for purchasing and financing sales of wheat and cotton in the markets of foreign countries, in which such sales can not be financed in the normal course of commerce with exporting nations. It gives the Secretary authority to finance such sales either through an export corporation that he shall create in his own department or through any existing agencies. The term financing sales shall be held to include the purchase of domestic wheat and cotton and the sale of either for cash or on credit.

redit.

I realize that you have made a determined fight on the Federal Farm Board, and I fear your prejudice against the board is causing you to misinterpret the purpose of this bill. It was drawn so that the Secretary might, with an export corporation he himself should create in his own department, or he might, if he thought best, purchase the wheat and cotton either of the Farm Board or otherwise. About three weeks ago the President advised me that he was informed that the Secretary of Agriculture could sell wheat and cotton to certain foreign countries if he could be supplied with funds that would enable him to extend credit, taking good securities therefor. Later the Secretary of Agriculture came down to the House and had lunch with me and dictated the language of the bill, stating that he could sell much of our surplus wheat and cotton to certain countries before the new crop came in, which, he thinks and I think, would be of great advantage.

the thinks and I think, would be of great advantage.

I realize there is a good deal of jealousy as to who shall sell this wheat (whether it will be the grain trade, the Farm Board, or the Secretary of Agriculture), but somebody ought to sell it and get

it out of the country.

The argument that to sell wheat upon the market to foreign countries would interfere with the exportation of wheat by other organizations and interfere with our market does not seem to me to be sound. The wheat is in the show window now, either with the Farm Board or in storage in the countries, and to my mind the important thing is getting it out of the country before the next crop is harvested.

The argument that it will reduce the price of wheat seems to The argument that it will reduce the price of wheat seems to me could only happen if the wheat was purchased and sold at a lower price than the market. But I am informed that if this wheat could be financed to European buyers, giving them time to receive the wheat and sell it before settling for its financing, that they would be willing to pay a better price even than the market. My information is that the Secretary has been in touch with those who could sell the wheat in foreign markets at a good price; but while they have not the money to finance its purchase and ship-

ment, they have good securities to pledge until the wheat could be delivered and sold.

I looked at this thing rather carefully before I introduced the bill, and I hope that the press will not seek to prejudice the people before the facts develop.

before the facts develop.

I realize that with the national election in the offing and the Democratic leaders of a Democratic-controlled House seeking to embarrass the President that the opportunity to abuse Congress as a whole is looked upon as news. Loans made by the Reconstruction Finance Corporation are criticized. But I think I can say to you that the financial program of the President, forced through Congress not because the Democratic managers of the House wanted to go along with the President but because the true situation was made so plain to them that they dared not do otherwise, has avoided what I believe would have been the greatest financial panic this or any other nation ever experienced. While I think we have passed the crisis, so far as a great financial disaster is concerned, the greater number of unemployed, the panic that exists among bankers and business men, has developed into a fear that prevents their resuming business, and until this results conditions will not improve. conditions will not improve.

I honestly think that if we had a House that was in accord with

the Executive that the passage of suggested legislation would have greatly improved conditions. I know that they are improving, but I am afraid it will take some time.

I inclose you copy of the bill I introduced yesterday.

Sincerely yours,

P.S.—The thought has come to me that perhaps you feel that the \$100,000,000 will be turned over to the Federal Farm Board, but I assure you that such is not the purpose, because the bill especially provides that the money shall be turned over to the Secretary of Agriculture, so that he alone can control the same in the interest of exporting wheat and cotton to foreign countries. I.G. S. tries .- J. G. S.

Mr. HART. Mr. Chairman, I want to call the attention of the members of the Committee of the Whole to a circular letter which you probably all received this morning from the American Farm Bureau Federation. This outfit in my estimation is the most vicious and dishonest lobby in Washington. Vicious because they will trade or sell the welfare of the farmer, whom they have led Congress to believe they represent, to assist in creating and maintaining organizations for the purpose of high-salaried jobs. They will also trade the welfare of the farmer to the high-tariff interests of the country, thereby placing an additional burden upon the backs of sorely pressed farmers and destroy their markets abroad. They have carried this to the point where they now desire to obtain money from the Treasury to give away in Europe farm surpluses which would not be here and which would have been sold in the regular channels of trade long since, if it were not for this lot of propagandists who seek to get their hands deeper in the Federal Treasury so as to perpetuate this monstrous inequality, the Federal Farm Board, with all its costly subsidiaries.

If we have wheat and cotton to give away, let us give it to those American citizens who are now without funds, without work, through no fault of their own.

If the Federal Farm Board has squandered the \$500,-000,000 that were given them and can not deliver to the unemployed this surplus cotton and wheat, let them present this Congress with a statement and admit the facts, but not come here under the guise of exporting surpluses in order to again raid the Treasury.

Our Republican friends have dubbed this bill a "pork barrel" bill, but there is no greater "pork" than is recommended by Mr. Hoover when he asked Congress to provide more money for the Federal Farm Board, who have been paying scandalous salaries through their various subsidiaries, all of which have come from the Treasury. I charge that these \$500,000,000 have been absolutely wasted, partly because of the ignorance of those who were in charge of it but largely because of their dishonesty. I charge that the members of these subsidiary cooperatives have been speculating in the market on their own account. I charge that the Farmers National Grain Co. has purchased a bucket shop, paying \$200,000 for the stock of this same bucket shop when the stock was not worth one-quarter of this price upon the open market. This same bucket-shop subsidiary of the Farmers National has been expelled from the Chicago Board of Trade for violation of its rules and is now demanding that the board be closed by that arch politician. Secretary Hyde.

many Members of Congress have come to believe that those engaged in the merchandising of farm produce are by nature vicious and rapacious. If there has been or is any abuse in the Chicago Board of Trade, I hold no brief for them; and I have introduced a resolution to investigate and find out the facts with regard to the Federal Farm Board, the Chicago Board of Trade, and the cotton exchanges. This Congress should know the facts and not rely upon propaganda to shape their course and justify large appropriations from the Treasury.

So far as I am personally concerned I have had 30 years of experience in marketing of grain and other farm produce. I am personally acquainted with many members of the Chicago Board of Trade. There are scores of these members who never have executed an order on the board which involved any speculation upon their part. In my 30 years' experience I have never bought or sold long or short upon the board of trade, and I know that is true of scores of others of the board's members. I want to call your attention to the fact that thousands of cars of cash grain are consigned to these members every season with no price fixed, with the grade not even established, and they have handled this large volume of business in such an honest and equitable manner that small shippers continue to consign them year after year; and I make this assertion without fear of contradiction that those records can be checked and it will be found that 99% per cent of all these transactions have been handled in an honest and upright manner, that there has been no overcharge to shippers, and that they have accounted for the last cent received.

You can not condemn these thousands of merchants if there have been, and I do not admit it, some irregularities among the membership of the board of trade. This organization will stand comparison with any other business organization. I estimate that this House is composed of at least 75 per cent attorneys. Would you condemn the American Bar Association for the dishonesty of a few of its members? I do not think you would. I have many friends among your profession whom I know are honest and conscientious, and I have been so impressed with the membership of this body. However, if the handling of some bankrupt estates by the members of the American Bar Association were dragged into the light of day, and if they were investigated as this Chicago Board of Trade has been investigated, I believe that you would have a higher regard for the membership of the Chicago Board of Trade and the grain trade in general.

This attempt to obtain more money for the propagandists of the Federal Farm Board so that they might continue the existence of this institution and enjoy their fat salaries is indefensible.

Mr. RAINEY. Mr. Chairman, I now yield to the gentleman from Indiana [Mr. Crowe].

Mr. CROWE. Mr. Chairman, I believe that it is an undisputed fact that conditions in the United States are the most deplorable that have ever been known before in this country. Hundreds of thousands of men, women, and children are not just hungry, but they are really in a state of slow starvation for the lack of proper food to preserve life and health. unemployed in this country are now placed at 11,000,000, and according to the American Federation of Labor and other organizations who are in a position to give competent figures, it is stated that the unemployed increase at the rate of 280,000 a month.

This condition means ultimate disaster unless some positive, corrective measures are taken to avert it. Local institutions in cities, towns, and even villages have been nobly combating this terrible condition which is equal to, and in many instances, worse than war. But many of them have reached the end of their resources. That statement is an unchallenged statement and can not be successfully contradicted in face of the recent conference of the mayors of 31 of the leading and ranking cities of the United States. The people living in Washington hardly know that a panic is on, and they hardly know that disaster is abroad in the land. since they are mostly employees and officials of the Govern-

You have read and listened to so much propaganda that | ment, and up to this time have been drawing their regular salaries. The first real indication that the people of Washington have had of the nation-wide panic was with the arrival of the bonus army in the Capital, from all parts of the land; and in that connection, whether this army was ill-advised in assembling here or not, we should not say harsh things of them because they are part of that great army, the flower of American manhood, who went forth to save our country in the great World War.

Many people have said that this is a crisis equal to a state of war. What would this country do in time of war? What would we do if they sunk our passenger ships? What would we do if their fleets would bombard our coast cities? Would we debate and lose valuable time, hoping that maybe in 60 days or 6 months they would cease? When our Government is threatened in time of war, do we say that we do not have the money, and that we have to balance our Budget? Have we ever said during war that we have to quit fighting, that our Budget is unbalanced? That is the story right now. I ask you that if our conditions are equal and amount to a state of war, then why do we consider longer to take a chance by letting our millions go hungry? It is true that the Government voted to give and did give to the Red Cross 40,000,000 bushels of wheat to aid the starving people. I supported that measure whole-heartedly. Another 45,000,000 bushels was voted, and I supported that measure. That, however, is only a drop in the bucket to what is needed. Moreover, it is just a dole; and doles are what we have all said that we do not want, but if we do not find any better way to take care of our jobless, hungry people before this winter, I am of the opinion that the Government will have to appropriate hundreds of millions of dollars which will be used as an outright dole in some form or other.

For six months this Congress has been nobly working, and both sides of the House cooperating for measures to relieve the distress of the country. Chief of these measures is the Reconstruction Finance Corporation. I supported this measure whole-heartedly, along with other relief measures. I knew that they would help some, and they have given tremendous relief. They have saved hundreds of banks and helped in many ways along that line. However, they are and can only be of a temporary nature, as far as relief is concerned. They have hardly given a job to the working men, they have not relieved the distress of the common men and the poor people, they have not fed any widows or orphans, they have not furnished a home for the poor who were ejected from their homes, because they were unable to pay their rent. Foreclosure on farms and homes in the city have continued by the thousands, and families are being grouped in small residence and small apartments with distress increasing. The poor of this Nation have been patient and have waited for some relief actions to be taken, which is to their everlasting credit. Is the Government going to take such action, or is it going to continue to overlook all of these hungry, homeless people? Will Congress adjourn and go home, without making a provision for the common people, or the poor people of this Nation?

The Congress must support a relief of proportions adequate to meet the occasion, or hundreds of millions of dollars will of necessity be appropriated by the next session of Congress and signed by the President. Why longer delay?

STOCK EXCHANGES

The financial heads of the stock exchanges, the international bankers, and big interests, in my opinion, have more to do in continuing the distress in this country than all other agencies combined. It has been reported in Congress that \$30,000,000,000 worth of worthless foreign bonds have been sold to innocent purchasers in the United States. That money has gone to Europe and other nations and it has been the cause of the breaking of hundreds of our banks. It has taken the life savings of millions of people, but do you see much editorial comment by the metropolitan press concerning it? No; you do not; it is passed by almost un-noticed by them. Just as soon as an investigation was started, these big money interests began at once to train their guns on Congress. When certain Congressmen and

certain Senators recommended that to relieve this terrible distress there be \$5,000,000,000 prosperity bonds issued for construction of Federal buildings, highways, rivers and harbors, reforestation, and other needed Federal improvements, it is at once called "pork barrel."

A \$5,000,000,000 prosperity loan would only be one-sixth

A \$5,000,000,000 prosperity loan would only be one-sixth of the amount of the worthless European securities sold to

innocent purchasers in the United States.

Three hundred millions of South American Chilean securities sold here through New York stock exchanges, without a word of warning by the administration, are worth fifteen millions or less to-day. Two hundred and fifty millions Kreuger securities were sold here worth practically nothing. And on and on the piracy continued until some \$30,000,-000,000 of securities were sold here to our people. The big interests raked in hundreds of millions of dollars. When an attempt is made to rehabilitate small business, farmers, workingmen, immediately the guns of Wall Street, the stock exchanges, and the metropolitan press is turned against Congress, throwing up a smoke screen. A relentless Federal investigation by men capable, honest, and fearless to uncover and break up those groups is needed. Things are winked at when committed by these pirates that would send men of lower estate to the penitentiary.

The manipulations of the financial bandits who have no regard for the welfare of the Nation should have their entire transactions gone into and collect all back income and other taxes from them which is due the Government, together with proper fines and charges. This will no doubt go a long way toward helping in a relief program for many thousands who have lost their life savings to these leeches.

These financial leeches are to-day profiting by untold millions by the continuance of this panic. They are determined to squeeze to the last drop, and for that reason they do not want this panic to end until they have the resources of the

country within their grasp.

I mention the legislation which we have joined with the President to restore prosperity in the country. The legislation will give temporary relief, but something must be done to give permanent relief. One must go to the root and not to the top of the tree. Something must be done for the workingman in this country, which in turn will give him money with which to buy food and clothing and other necessary things in life. There is no telling how much longer this panic will last, but it most likely will last until the big interests have squeezed everything out they possibly can, and then they will release their hold and business will start to resume, but that will be after millions have lost all of their life savings, their homes, and so forth. Let us act while there is time and do something to promote the return of prosperity in this country, and give relief to the millions of unemployed.

The farmer must have aid, reduction of his tax burden and other relief. If this panic is to be allowed to run its course, hundreds of thousands of additional farmers will lose their farms. Unless progressive steps are taken more millions of jobless workers will be added to our army of unemployed now placed at 11,000,000. In times of war we spend many billions of dollars to preserve our country and its national honor. Now, because of the manipulations of the wealth of the country in the hands of a few, are we to refuse aid to those who by no fault of their own are losing their farms, their homes, and everything that they own in this world? For my part I intend to work for and vote for the interest of the common people, the farmer, the workingmen, the small merchant, and all of that great army of common people, who are the backbone and life of this country.

Mr. HAWLEY. Mr. Chairman, I yield six minutes to the gentleman from New York [Mr. Snell].

Mr. SNELL. Mr. Chairman, I appreciate the very serious condition that confronts the country at the present time and that is the reason that this character of legislation is before the House. No man has a deeper desire to do what is best for every part of the country and the people than I have, and I really take it for granted that the average Member of the House feels the same toward this general

relief legislation. While of course we have a little banter back and forth in regard to the adoption of rules and one thing and another, yet away down deep in his heart every Member here desires to do his duty and do something to relieve the present situation. As far as I am concerned, and I think I speak for the majority of the Members on my side of the House, there is no real politics in this bill. As far as I am concerned in my opposition there is absolutely no politics, not a particle. There are two titles of the GARNER bill that I am opposed to in principle at this time, and the Republican administration has opposed this principle from the very beginning. Title I provides for \$100,-000,000 to be placed in the hands of the President to be distributed as a gratuity to anyone needing it and asking for it. That is going farther than the Federal Government has ever gone in any matter of relief as far as I know in the history of this country. The reason I am opposed to that primarily is that the minute you start that you are never going to stop it. In my judgment the \$100,000,000 will probably be used before next fall, and by the time we get back here we will be asked to put up two or three or four hundred million dollars more, and you will have a heavier tax burden than ever placed on our people.

Furthermore, the minute that you hang up the advertisement that we have a \$100,000,000 fund here which any man can get who says he is in need, you absolutely stop all sources of private contribution to charity. That has been the experience even in local communities.

Mr. BANKHEAD. Mr. Chairman, will the gentleman vield?

Mr. SNELL. For a short question.

Mr. BANKHEAD. In naked principle what is the difference between the Federal Government spending money directly for destitution and lending it to the States to spend it?

Mr. SNELLi. In lending it to the States you put the responsibility nearer home for the spending of the money, and you are not getting as far away from normal process of government and where you actually give away money, and if the State itself is not interested in its individual citizens who are suffering, why should the Federal Government be interested in them?

As far as Title II in the Garner bill is concerned, I have no great objection to it. It is not materially different from the bill introduced by the gentleman from Oregon [Mr. Haw-LEY], H. R. 12410, but it is probably a little more liberal, and is not so specific in regard to its loans. But when you come to Title III of the bill I am absolutely opposed to issuing a billion dollars of new Government bonds to provide for uncalled-for and unneeded public improvements at the present time. I think that is the most vicious part of this whole program. When you stop to consider that we have spent six months of time trying to do this job and every energy and resource of every man on both sides of the Capitol has been appealed to in order to do something to balance the Budget-we accomplished it on paper only yesterday-and now to turn around and vote in this House to issue a billion dollars more Federal bonds and undo the work of the whole session would, I think, make us the laughingstock of the entire world. The thinking people back home will lose what confidence they now have in the House of Representatives.

We expect to offer a program in opposition to this which, in my judgment, is absolutely constructive. We propose to lend \$300,000,000, through the Reconstruction Finance Corporation, to the various States of the Union for the purpose of meeting emergencies caused by unemployment or for any other cause. As I said in answer to the gentleman from Alabama [Mr. Bankhead], if the States themselves are not interested in individual communities and the individuals enough to have made out a certificate by their governor that they need this money and are willing to put the credit of the State behind it, I do not think the Federal Government need spend much time worrying about it. The second part of our program is, as I said before, something like Title II of the Garner bill. Individually, I would not find any fault with Title II. I would be willing to go along with that title,

even though it is more liberal than our proposition. In addition to what Garner provides in his Title II, we provide \$50,000,000 to loan through the Farm Board to agricultural cooperatives for the purpose of carrying and marketing the farm crops, and also \$50,000,000 to help export American farm products. In brief, here is the whole situation.

I want to make a straight, clean-cut comparison between the administration program that will be embodied in our motion to recommit and the program sponsored by Garner

in the bill being considered at the present time.

The Garner bill provides, first, for \$100,000,000 in gratuities to be given to individuals or communities that are in need. Second, it provides for a billion-dollar increase in the capital of the Reconstruction Finance Corporation for lending money to various communities and individuals for various projects. Third, it provides for the issuance of \$1,000,000,000 of Federal bonds for the purpose of promoting the most gigantic pork-barrel, public-works proposition that was ever presented at any time by any nation in the world.

Opposed to this, the administration plan that we are considering provides for a clean-cut proposition of lending through the Reconstruction Finance Corporation \$300,000,000 to the individual States for the purpose of meeting the unemployment conditions or any other emergencies. Second, we provide for a billion-dollar fund to be loaned through the Reconstruction Finance Corporation to States, subdivisions of States, municipalities, and corporations for the purpose of constructing income-producing projects, projects that will amortize themselves. Our program does not place any additional burden upon the taxpayers of the country while the Democratic program provides for the issuance of a billion dollars in Federal bonds immediately, and the taxpayers will have to bear the burden of the interest and amortization of the same.

Those are the two programs that are before this House to-day. Which program will you adopt? The Republicans are standing solidly for the businesslike administration program as it will be presented in our motion to recommit.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman, really, the least said about this bill, the better. [Laughter.] Of course, everybody knows its purpose. Everybody knows it was constructed so as to particularly embarrass every Member on either side of the House if they vote against it. It is just a mouse trap loaded up with cheese. [Laughter.] There has been a great deal of talk about pork, but this bill also carries a distinct odor of limburger.

On the 7th of last December my distinguished colleague and former committee colleague, now the distinguished Speaker of this House, said from this rostrum:

Ordinarily this would be an occasion when I might express the hopes and aspirations of the House of Representatives in its legislative program for the coming session of Congress, but at the moment I do not feel at liberty, in fact, I do not think it advisable that I should undertake to make a statement on that subject. At an early date, and I hope at an early date, I expect to make to you a complete statement touching that program.

Up to this good hour the most sensitive microphone in the world has failed to record a single syllable to carry out the declaration made at that time, unless we come to the conclusion that this pork and cheese bill, masquerading as a relief measure, is the final answer to this promise that was made on the 7th day of last December. [Laughter and applause.]

Oh, we used to hear our friends on the Democratic side of the aisle get up and chide us about our gag rule, but you have outgagged gagdom, and, of course, we all know who is the prime mover in all these inequities. There is a beaten trail to the office of the distinguished Speaker of this House who holds the Democratic side in the palm of his hand, and you all jump when he pulls the strings. There was no caucus called when the tax bill was brought into the House to put it through. A great deal of earnestness was manifested for it.

My dear friend, the Speaker, never was for a sales tax, but he had to be sort of halfway for it, because the strongest advocate in the country for it, Mr. Hearst, had nominated him for President of the United States. [Laughter and applause. 1 So, of course, he had to kind of go along with the sales tax, but when the final show-down came they said, "Oh, let CRISP take his licking on the sales tax in the And you administered it to him. Oh, yes; you all helped. You all slipped once or twice. Then what hap-Then our dearly beloved Speaker got up and exhorted, like a Billy Sunday, on this side, all who were in favor of balancing the Budget to stand. Do you remember how he held out his arms, and everybody arose except the gentleman from Tennessee [Mr. Byrns], who moved near that door and sat down while the rest stood up, because the gentleman from Tennessee had taken the floor the day before and attacked the Republican administration and said there was no necessity of balancing the Budget? That heartened and gave courage to the gentlemen on the Democratic side who wanted to vote against the sales tax. I could not help thinking the other day at the ball game that our dearly beloved Speaker, when exhorting, holds his arms in the same position as the gentleman from South Carolina [Mr. McMillan] when he goes after a foul fly-in just that same way. [Laughter and applause.] When he turned that ignominious flip-flop, after misjudging that foul fly and fell on the diamond with the umpire counting him cut, I could not help thinking that that was indicative of the present condition of the Democratic Party. The press said at that time "the political ball game was historically and prophetically true to form." An apparent advantage was lost when the man on the hill weakened; and divided leadership, as usual, threw the game away.

Oh, my Democratic friends, you are not fooling the people of the country. They know why the bill was written and they realize that it is but another example of Democratic incompetency. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentleman from Kansas [Mr. Hoch].

Mr. HOCH. Mr. Chairman, it is a little difficult to get much interest in discussing a bill that is brought before us under procedure such as we have here. We are told by members of the Ways and Means Committee, which reported this bill, that it was not even read in committee, and the gag rule under which it is presented to the House to-day provides that it shall not even be read in the House. It comes before us under a rule which prevents the offering of any amendments except by the Ways and Means Committee and that the amendments offered by the committee do not need to be germane to the bill. So we have no notice of what the amendments which the committee will offer are to be and we are bound under the worst gag rule I have ever seen offered in this House.

As one Member of this House, I express the keenest and most sincere regret that in a tragic hour like this, upon a question so vital as this, we should have a measure presented to us under strictly partisan procedure and in a spirit of extreme partisanship. Of all times this is no time for such proceedings. I have talked to some of my Democratic friends, and I know how they feel about the action of the Democratic caucus declaring them bound to vote for this bill, no matter what their personal views may be. I have a great sympathy for them, for I know that in a few minutes, when it comes to the vote, they are going to cast a vote, under the lash of a party caucus, which stultifies their judgment and their conscience. And yet I do not see how they can do it.

I have been a Member of this House for a number of years, and my friends on the Democratic side will bear me witness that many times I have crossed this aisle to vote for motions offered from the Democratic side, although the so-called regular vote on my side would have been to vote the other way. On other occasions, and for the same reasons, I have opposed motions made from my side of the aisle. On the economy bill which we had before us recently

I voted in every instance to protect the bill, whether the motion was offered from the Republican or the Democratic side. I believe in party organization and the need for party teamwork, but I have never believed in any blind subservience to party, and in all the years I have been a Member here I have never known any attempt in a Republican conference to bind members to vote one way or another. The Republican organization has sought to secure teamwork, but it has never, in any instance since I have been here, attempted to bind the judgment and consciences of Members. I do not see how my Democratic friends can submit to such procedure. What will your people say when you go home to them and say that you did not agree with this bill, but that you had to vote for it because the Democratic caucus bound you to do it? I think I know how far that excuse will go with the free-thinking, free-acting, independent people of that part of the country from which I come.

I wish there were time to discuss this measure, even if there will be no amendments permitted. Every man here knows that it is crowded full of pork projects that would be utterly unwarranted as a business proposition even in prosperous times, to say nothing of times like these, when the backs of the people are bending under tax burdens almost unbearable.

I could illustrate from the projects provided for my own district. Take the case of my own home town, for instance. A beautiful little town of 2,000 people, a town where I was born, where I have lived all my life, and where I expect to spend my later years. The interests of that fine little town are my interests and I am bound to it by the tenderest ties of life. But is there any sane man who thinks that under present conditions Uncle Sam should spend \$70,000 of the taxpayers' money for a building in which to transact the postal business there?

Of course, it would be handsome and we would point to it with pride. But I say to you that doing things of this sort in town and county and State and Nation, and as individuals, is one of the things that is the matter with us. The first cost would be bad enough. But that would not end the matter. The department figures that the annual cost of such a building, counting interest on investment, depreciation, repairs, janitor service, heat, and light, would be close to 10 per cent of the first cost. That would mean an annual burden of at least six or eight thousand dollars a year.

The office receipts last year were about \$14,000. The building alone would eat up every year half of the total postal receipts of the office. If a vast building program were to be put on it would be fairer and far better business sense to build smaller buildings in all the towns of any considerable size rather than just a few out of all proportion to postal needs.

One more illustration. Emporia, in my district, already has a substantial building, which, with the extension to the workroom now being made, serves present needs very well. And yet the bill carries a quarter of a million dollars for a new building for Emporia. That anyone should seriously consider under present economic conditions tearing down that good building and building a new one is beyond my understanding. The bill is full of projects, scattered all over the country, that have far less merit than these I have mentioned. I can not support any such utter squandering of public funds. I can not betray the policy of drastic economy which I have endeavored to follow, regardless of pressure from active and influential groups who were urging some appropriation or resisting some cut.

There is much I would like to say, but my time is limited. In these trying times the right path is hard to find and to follow, and many mistakes will be made. But one thing is sure: Adding pork under the fine name of relief will not solve unemployment or restore prosperity. That policy simply mortgages the future and puts new and lasting burdens on the backs of the people. [Applause.]

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentleman from Illinois [Mr. Holaday].

Mr. HOLADAY. Mr. Chairman, I am of the opinion that an appropriation for public construction can not be justified in an hour of emergency unless such construction can be justified from the economic standpoint under normal conditions.

In other words, as far as we may go on account of an emergency is as to the time when the appropriation is to be made. It may be possible that the immediate construction of a building intended to be built in the future can be justified by an emergency.

I do not find it embarrassing to vote against this measure, and in the moment or two I have I want to call to your attention the condition that exists in my district. Buildings are provided in my district which cost an average of \$71,000 each. The average population of all those towns is 2,599. I am frank to say to you, knowing the conditions, I do not believe there is any justification for the building of any of those offices with one exception.

To-day the average cost of operating the office in my district, including rent, heat, light, and janitor service, is \$1,225 per annum. It is proposed to construct buildings costing \$71,000. At 4 per cent the annual interest charge will be \$2,840, and janitor service will be absolutely necessary in a building costing \$71,000 and will be as much as the post office is to-day paying for rent, heat, light, and janitor service.

Mr. RAGON. Will the gentleman yield?

Mr. HOLADAY. I yield.

Mr. RAGON. Does the gentleman understand that the \$70,000 items have been reduced to \$50,000? And if he reads section 344, he will find that the janitor service for buildings of \$55,000 or less shall be done by the postmaster and no extra compensation shall be paid to him.

Mr. STAFFORD. Why not have it done by the wife of the postmaster?

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield three minutes to the gentleman from South Dakota [Mr. Johnson].

Mr. JOHNSON of South Dakota. Mr. Chairman, I believe the gentleman from Kansas [Mr. Hoch] well expressed the thought in the minds of many of the Members of this House when he said that within three days this Democratic majority had spelled the doom of the Democratic Party in so far as the Middle West was concerned when in two days it had taxed everything from radios to gasoline and voted special discriminatory taxes, when it violated every rule of the House with the most drastic gag rule that had ever been heard of in the history of any party in the United States and bound the conscience of its alleged liberally minded progressive Members who have sworn that they will abide by the wish of a majority of the Democratic Members of this body when they do not believe a majority of the Democratic Members are right.

In verse, the situation of the poor taxpayer might be expressed as follows:

While Garner and Rainey are issuing pork
For the Democrats, claiming that men can get work,
The plain common citizens know of the taxes
They'll pay, and repay, while they whet up their axes
For men who dump money in building and rivers
And don't give a cuss for the taxpayer's shivers.

In the Tombigbee River and at the crossroads
They dump our good money in trucks and in loads,
While they tax the poor voters who furnish the trucks
And take from them billions and billions of bucks,
Just to fill the "pork barrel" and make it smell sweet
For the prostrate taxpayer at Democracy's feet.

[Applause.]

And this is exactly what the Democratic House is doing. At this time I wish to again point out what has been proposed in the bill for the second congressional district of South Dakota. In that district there is the little country post office, town of Stephan, which is a little cross roads 25 miles from a railroad and served only by a rural mail route. There are not 20 families living there, but there is a Mission Indian school. That Mission Indian school is a fine institution and is receiving only \$450 a year for post-

goes back and forth is what comes to and from some Indian students. The post-office receipts are only \$8.800 per year. yet in this "pork barrel" bill the Democrats wish to spend \$35,000 for a post office in Stephan.

The bill is replete with these outrageous expenditures. [Here the gavel fell.]

Mr. RAINEY. Mr. Chairman. I expected to yield to the next speaker much longer time but it is impossible. I have only 16 minutes left. The next speaker has an important message and wants to discuss a matter to which he has given a great deal of attention. I hope Members will find it possible to read his message in his extension of remarks because I can yield him only 10 minutes. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. LEWIST.

Mr. LEWIS. Mr. Chairman, ladies and gentlemen of the committee, my theme is the right to work. I am proposing that Congress provide this right with legal sanctions, with the same legal protection accorded to rights of property.

On returning from Europe about a year ago I was often asked, "How did you find things over there?" My answer was that in Holland, Belgium, Switzerland, and in France things looked about normal, but in England and in Germany conditions resembled those prevailing in the United States, but the agony was taken out of it for the workers by their social-insurance systems.

The prime ministers do the worrying over there-and why should they not? Certainly governments have been doing everything they could to create unemployment. They have supported the sciences; they have subsidized the inventors with exclusive patents; they have promoted labor-saving devices; they have chartered great industrial machines for mass production-all to lessen the labor necessary in production for the benefit of society. And their reduction policy has succeeded. Eight men now do the work of ten men a generation ago. And millions are disemployed. Then who should do the worrying when these men, willing to work, find their jobs taken away? Let the prime ministers find jobs for the men their policies have disemployed or compensate them. The prime ministers of Europe have accepted this duty, and the dole is their method of indemnifying the disemployed. Indemnification is due. But is the dole a necessary or the best method?

A large part of our unemployment is due directly to the reduction of labor achieved in this way. For this economy in labor we have to thank the sciences, invention, our patent systems, industrial organization, and efficiency engineering. And we do thank them! Yes; we thank them for these great contributions to human progress. It is doubtless true that in the long run it is desirable that the work of society should be accomplished with the minimum of labor. But it is only desirable, I affirm here to-day, on one condition, and that is that no fundamental right of the human being shall be denied in doing it. [Applause.]

EQUALITY REFORE THE LAW

The world does not owe a man a living; but just as surely as the principles of righ are essential to civilization, the world does owe a man a chance to make a living. plause. I

For he has a right to work, a right as binding on the conscience as the rights of property. If as a matter of state policy the prime minister, by chartering large corporations for mass production, by subsidies to the inventor and support of science and engineering, has encompassed society's desire to cheapen products by reducing the amount of labor essential, then he ought to accept responsibility to the workers which his policy disemploys. Equality before the law! We boast of our "equality before the law," but do we give it to such disemployed workers?

Gentlemen, your home-city government finds it necessary to cut a new street across from one avenue to another. The property owner objects, but you override his sentiment in the matter with the argument that the convenience of society must prevail over his desires; and so you evict him from the property, but you do not evict him until you have

office rent, heat, and light. Practically all the mail that | made just compensation for the rights taken away. Shall we be less just to the worker evicted from his job for the convenience of society? Shall he be evicted from his livelihood without any compensation? What, then, becomes of our guaranty of equality before the law?

> Are the rights of the workman to hold his job to earn his living less sacred? Are they less to be respected by the lawmaker than these rights of property? Who can say that this disemployed worker is without a just claim upon society? Should society take all the gains of industrial progress and unload the incidental losses on this worker?

> Mr. Chairman, may I say that legal institutions to protect and effectuate this right of the workman, to provide him legal sanctions for this right, are practicable and not too difficult. They do not now exist only because of the neglect of the lawmaker just as workmen's accident compensation laws were long neglected. [Applause.]

> Are the neglected rights of these disemployed of sufficient moment? Well, even in 1929, in the midst of our supposed great industrial success, we had 2,000,000 "men at the gate." able and willing to work, denied their share of opportunity to earn their bread.

EQUAL RIGHT TO SHARE OF AVAILABLE WORK

If men have a right to work, it follows, of course, that they have an equal right to work and to an equal share of the employment available.

Data supplied by the Department of Labor now nearly a year old, make it clear that by introducing a 5-day week of 8 hours in the cotton-goods industry, 34 per cent more employees could be taken on. In the same way, in the woolen and worsted goods industry, 21 per cent more men could have been taken on; and embracing a total of employees of 8,778,156 in different trades, a 5-day week would have permitted the employment of 2,402,818 additional persons.

Mr. ESLICK. Mr. Lewis, may I ask one question?

Mr. LEWIS. Yes.
Mr. ESLICK. The legal right to regulate the number of hours and the number of days-have these questions ever been passed on by the Supreme Court of the United States?

Mr. LEWIS. I would like to defer that part of the discussion until the end.

Mr. ESLICK. I have never had occasion to look into it. DISCRIMINATION AGAINST UNEMPLOYED WORKERS

Mr. LEWIS. We should be able to rely on the natural instincts to apply this humane principle of equal rights, and often we can. But, unfortunately, its violation is rather general. A depression occurs, cutting down normal work demands by one-third, that is, from six days a week to four. The management in many cases furloughs one-third of the men, that is, gives 4 men 6 days a week instead of giving its 6 men 4 days a week. The management has no moral right to discriminate in this way against one-third of its men; no more right than it has to discriminate among its stockholders. If the net income of the company should fall short one-third, it would not pass the dividend as to one-third of its stockholders in order to pay a full dividend to the others. But the stockholders are protected; their rights have been granted legal sanctions. The lawmaker has legalized the moral principle of equipartition of the available income for their protection. In former times you remember an insolvent debtor could give all his assets to the creditors he preferred, ignoring the others. But the social conscience rebelled against this discrimination, and the insolvency laws now compel a proportional partition of the assets among the creditors.

Mr. Chairman, why not divide the available employment equally? Unfortunately, while a number of industrial leaders accept the obligation and apply it scrupulously, perhaps a majority of them do not.

The President's Unemployment Commission some months ago so reported. Sometimes the violation is at the instance not of the management but of a faction among the employees. I have such a case before me. Railway-enginehouse men took a secret ballot. The senior employees were able to outvote the juniors, and demanded of the company a reduction of forces rather than a reduction of hours. The

company, perhaps feeling a kind of duress, yielded. Thus the seniors pushed the juniors off the raft, four seniors getting a 6-day week and two juniors being outlawed. It became necessary for me to take up this subject of discrimination in awarding the available employment with the president of one of the premier railway systems of the United States. Since I come from Maryland, I should say that it did not happen to be the president of the Baltimore & Ohio Railroad. We had quite a frank correspondence. The significance of the correspondence may be stated as follows:

Mr. Chairman, the manager admitted such discrimination in awarding the employment available. The traffic of the railroad was down about one-third. It was necessary that the management restrict expenses. Sometimes meetings of the men were held as to distributing the employment. Where open meetings of the men were held, the principle of equality was recognized. But on occasions there were secret meetings of the men. Then what happened? The seniority rule figured, a rule of wide application in the railroad industry. At secret meetings the seniors prevailed; and when the employment was off one-third, instead of the vote being to give 6 men 4 days a week, the vote was to give 4 men 6 days a week.

UNEMPLOYMENT AND SENIORITY

Gentlemen, I am informed that even now it frequently happens under this seniority rule that engineers and conductors are realizing from 36 to 40 days in the month, while the wives of their brother engineers and conductors may be vainly seeking for the last pound of flour in the barrel. The rule as to seniors and juniors is not justly applicable to such a situation. It was intended as a protection, and justly, too, to prevent boss favoritism in determining promotions. But applied to deprive a minority of their equal rights to work, it is indefensible. I am informed that employees have always voted for an equal division of work when assembled in open session. In secret session the larger faction was willing to outlaw a minority.

I have two observations to make about the parties to this incident:

First, as to the workmen who did it, they started a new form of blacklist, a blacklist against their fellows, and their blacklist is not a bit less odious than the blacklist of an employer. And second, as to the employer who yielded to their discrimination, the minority thus outlawed was entitled to his protection at any cost. This manager missed a chance for real glory by refusal to stand up and take punishment; to stand up like Prime Minister MacDonald. Besides, these workers who voted their fellows out of their jobs actually received more than six days a week. The cost of the household budget has dropped some 18 per cent because of the depression, so that people now enjoying full-time work may, in effect, be receiving seven days' pay.

LEGAL ANALOGIES

Mr. Chairman, I repeat, this manager had no more right to discriminate against one-third of his employees than, if his net income were falling short, to outlaw one-third of his stockholders in favor of two-thirds of the stockholders on the ground that they were the oldest or biggest of his stockholders. The moral principle is the same in both cases. Why should not the legal principle be made so?

Now, why is the minority stockholder not discriminated against when the dividend fund runs short? Obviously, because there are rules of law, and there are courts with jurisdiction to apply those rules of law to the subject matter. More recently this principle of equal partition has been recognized by Congress and applied in industrial affairs. I refer to the equitable distribution or partition of coal cars on railroads in the coal-mining field.

Mr. VINSON of Kentucky. Yes; I have a family reason to remember the necessity for enacting the coal-car distribution law. I think the law may also be applied to other cars.

Mr. LEWIS. Now, gentlemen, our duty, as it seems to me, is to apply this principle of equal partition to the employment field, so far as it is legislatively practicable. And when I say "legislatively practicable," I am thinking of a real parliament, a national parliament, which has power to act

on national subjects and on national problems; of a parliament of not less power and purpose in the world than the House of Commons of Great Britain; and the object of this discussion is to see to what extent we can apply the principle already applied to stockholders, to bankrupt debtors, to the distribution of the car service of the country, to legalize the worker's right to his share of the employment asset.

EMPLOYMENT ASSET MOST IMPORTANT ASSET OF SOCIETY

Mr. Chairman, again I repeat: The most important asset which society possesses to-day is its employment asset. It is far the most important asset, gentlemen. The employer may naturally assume that this employment asset wholly belongs to him. It does not belong to him wholly. It belongs also in equity to the worker who, under modern conditions, must rely upon it to sustain his family. The owner is a trustee with regard to this attribute of his property, the employment attribute. He holds the property, it is true, for other equally important purposes-his own right, for example, to secure a fair return on his investment and to compensate him for his own efforts. But our present industrial system must now give recognition to the fact that it stands under obligation to provide the means of support for the human family. No such institution can deny this obligation. Feudalism provided a place for every human being. Even slavery accepted the obligation, for it undertook to feed and clothe and doctor the slave, whatever might happen to crops or markets.

LEGAL SANCTIONS NECESSARY

It is evident, gentlemen, that the moral sanctions alone are not sufficient to protect the worker in his right to work. And legal sanctions have not yet been given this right. What an incongruity, what a contradiction. Here is a right, the oldest in the world, a right which no one has ever disputed; and yet this right will not assure a single laborer a loaf of bread to-morrow. How does it happen that a right so undisputed is so ineffective in the hands of its possessor? Well, after all, our modern industrial system is a newcomer in the world. Our great-grandfathers knew it not. Perhaps it has not had time to perfect itself in all its important human relations. The individualism which it supplanted evolved through thousands of years to fit the human being. It takes time, especially in the United States. I think of an incident in my own life that illustrates this lag in the development of legal institutions.

When I was a lad about 12 years of age, working in the coal mines of Pennsylvania, I witnessed an accident that left an indelible impression on my mind. The driver was starting into the mine with his mule and a couple of empty cars. The mule suddenly took a crazy spell and ran away into the lightless mine. There was no method of control. The runaway mule and cars continued until they came to a prop at a switch that was sustaining a lot of loose rock; the cars struck the switch, jumped the track, knocked out the prop, and down came the overhanging roof, smashed the cars, killed the mule, and ended the earthly career of the driver.

What happened in the office of the board of directors of the company at its next meeting? This accident was reported. They naturally said that they could not run coal mines without killing mules, without smashing cars, and so they charged up the price of a new mule and of new cars to the cost of running the business. But how about the value of the driver's life? He was not a slave, but an American citizen. That was different. His widow had no legal rights. His life had no legal value. But, gentlemen, if his face had been blackened by an African sun, if he had been a negro slave in the Alabamas before the war, then a thousand dollars at least would have been charged up to the company's operating expenses to cover the human value contributed to the cost of running a coal mine. And now let me add that the first workmen's accident compensation law passed on this side of the Atlantic Ocean was passed by the General Assembly of Maryland in 1902, and-pardon my possible immodesty-that bill was prepared by the hand of the man who, as a boy, witnessed the accident in the coal mines of Pennsylvania.

Mr. CHINDBLOM. To complete that story, if I may ask, do you know whether anything was done for the family of that driver?

Mr. LEWIS. Yes. In those days the mines closed until after the funeral. I do not think the mines stop now. A collection was taken. The village probably buried the man. The company may have done something. But nothing of real economic consequence was done, as is now done under our accident compensation laws.

Mr. CHINDBLOM. Was there no legal theory existing then under which compensation for the loss to the dependents might be obtained?

Mr. LEWIS. No. The truth of the matter is that these accidents, which we lawyers endeavored to impute to some negligence of the employers, were accidents only. They represented the risque professional. So many miners are going to get killed; so many are going to get hurt. Now, as lawyers, stimulated by sympathy and our professional ambitions, we always endeavored to stretch the negligence laws to the very utmost, to reach the employer in the widest number of accidents; but even with the sympathy of a jury aiding us, only a small percentage of the accidents were compensated. For the others the industry escaped obligation; and who was to blame? Not the industry. The law-makers of the country were to blame for neglect to clothe moral rights with just legal sanctions to match these industrial conditions.

Mr. VINSON of Kentucky. How many States in this country have workmen's compensation laws now?

Mr. LEWIS. All but four now, I think.

Mr. DICKINSON. What four States are those?

Mr. LEWIS. They are Florida, South Carolina, Mississippi, and Arkansas.

THE PURPOSES OF THE BILL

Mr. Chairman, let me say bluntly that it is intended by the institution set forth in the bill to give the competent workman, willing to work, a legal and enforceable right to his share of the employment, or compensation in lieu thereof. Section 1 of the bill H. R. 7448 reads as follows:

SECTION 1. (a) That it is hereby declared as a principle of social justice that (a) the citizen possesses a right to work and is entitled to the protection of the laws in maintaining such right and in demanding an equal share of the employment available in the trade; and (b) it is also declared to be the duty of the trade association concerned to provide him with an equal share of the employment available for which he is competent; and in default to render just compensation in lieu thereof.

Mr. Chairman, I will append a brief analysis of the whole bill to my remarks.

Mr. CHINDBLOM. Mr. Lewis, I wonder whether you would care to have two or three questions interposed in the very interesting statement you have made?

Mr. LEWIS. Yes; I will be glad to answer questions.

THE MEN AT THE GATE

Mr. CHINDBLOM. Do you think that the 2,000,000 men, or thereabouts, who were unemployed and have been pretty generally unemployed in this country even in times when we do not know of any general depression, lack employment because there is no employment for them, or have lacked it because there was no employment for them?

Mr. LEWIS. Your question goes to the heart of the problem—chronic unemployment. I am glad you have asked that question.

Mr. CHINDBLOM. I may amplify it in this way: Do you not think there are many other conditions which render it impossible to avoid having a certain number of persons out of employment even in ordinary times? A good many people are not wanting employment; a good many people are moving from one place to another.

Mr. LEWIS. I am speaking of the men "at the gate," who are out of work and on the employment-seeking list.

Mr. DICKINSON. Those who want employment?

Mr. LEWIS. Those who are looking for it.

Mr. CHINDBLOM. You say there were 2,000,000 men looking for employment prior to—

Mr. LEWIS. In 1929, before the great break in the stock market. I am not presenting a remedy for the present depression. I am under no illusion that applying this rule of equipartition will "restore prosperity," but it was made evident before this depression that we had a chronic unemployment problem. Two million people were out of work in 1929 because they were denied their rights. The bill is designed as a specific remedy for these disinherited "men at the gate."

COMPETENCY OF WORKMEN

Mr. CHINDBLOM. In this matter of equal partition of employment, you will not lose sight entirely of the matter of personal capacity?

Mr. LEWIS. The bill requires that the workman must be competent. But who is competent to work? Must the worker be an athlete? Are only athletes entitled to live? Driven by the forces of competition, employers are applying gladiatorial tests to the workers. But the workshop is not a Roman arena, even if it does sometimes call for equal courage and sacrifice. Only men who are virtually athletes are now acceptable as new employees; men over 40 are sentenced to beggary without a trial or appeal. This order of things can not stand-"A man's a man for a' that." Our industrial system must recognize each competent worker, and he is still competent if he can work well enough to support himself or his family. Let his competency be determined under reasonable rules by boards in which worker, management, and the public are represented. Let boards similarly constituted in each industry periodically determine the number of days' work per month available, and let an excise tax be imposed on the employer granting a favored employee more than his share. The bill makes provision for all this in paragraphs (b), (c), and (d).

ADMINISTRATION BY NATIONAL TRADE ASSOCIATIONS

Gentlemen of the committee, in proposing his plan of oldage and unemployment insurance, and so forth, which are also carried in this bill, Mr. Swope suggested the establishment of national trade associations to administer them. His thought was that only through such a national trade association could the mobility of persons in the national trade be secured; that, if the worker disconnected with one employer, he should begin where he left off as to these benefits to which he would be contributing.

I want to stop a moment to pay my compliments to Mr. Swope and say that he is one of the industrial leaders of the country who has accepted his full responsibility in the world. He has recently declared after reviewing the industrial situation since the advent of the factory system that—

Society should have seen to it that justice was rendered for each individual and group without building up class consciousness and destroying unity and solidarity. What is really desired is some definite assurance of employment—but in the absence of this, unemployment benefits should be provided jointly by employer and employee.

The bill begins with the acceptance of the trade association as the method of administration as proposed by Mr. Swope. Here is a trade, let us say, with a million competent persons ready to work. A hundred thousand of them are "at the gates" seeking employment in their trade. Nine hundred thousand of them are fully employed. How are we going to escape a flat dole in that situation, and give the man what he is entitled to—his share of the work?

Well, the trade association will have a national administrative board of nine members. Mr. Swope suggested that 3 be selected by the owners, 3 by the employees, and that 3 should be selected to represent the public. This board, under the bill, makes monthly estimates of the amount of employment available per listed workman for the coming months.

Now, this estimating will not be a new function. These employers must now make such estimates; and organized in this national fashion, their ability to make such monthly estimates as to the probable employment should be greatly enhanced.

Continuing the illustration, if it be found that in the coming month 25 days will be available for 900,000 men, and there are 1,000,000 men on the list, the trade association divides the amount of available work by the number of available employees; and instead of each of the 900,000 getting 25 days, each of the 1,000,000 workers would be entitled to his quota of 22½ days.

THE EXCISE TAX

Now, having thus ascertained the quota of the worker, how can the industry be induced to give him his quota or share of the work? Well, the bill employs two methods. (1) An excise tax is imposed on the employer who employs any man more than his quota—an excise tax equal to the wages of the excess work granted, which would go into the quota compensation fund provided in the bill. The duty to "place" him or compensate for his quota denied is on the trade association. Then (2) any worker denied his quota can sue the trade association for the wages lost before the workmen's accident commission of his State.

PROOF OF COMPETENCY—QUALIFICATION

I found that it would be difficult to say to a particular employer, "You, sir, have got to employ this particular man." So the freedom to hire or discharge which now obtains, is not denied individual employers by the bill.

If John Smith is out of work, and nobody in his trade will employ him, he has a right to go to the workmen's accident compensation board of his State to prove his competency in the trade. Notice is served on the trade association, which may contest his application through its representatives. Two kinds of questions may be raised before the compensation board. (1) Is the workman actually competent? (2) Is he qualified? Suppose he was competent and had been employed until a month ago, but was dismissed for habitual drunkenness. Here you have a case of a man, competent, who disqualified himself.

Mr. CHINDBLOM. Or, let me say, for an irascible temper. Mr. LEWIS. Yes; or, if it were on the railroad, disqualified for his failure to go out and plant a signal, which involved the safety of life and property.

Now, the trade association itself is placed under the duty to develop the rules for determining competency and qualification. As to an irascible temper, Mr. Chindblom, suppose he had been discharged for it two years ago, and they still wanted to deny him employment. Manifestly two years of deprivation would be excessive. One or two weeks might be appropriate. Industrial organizations have already worked out more or less reasonable routine to cover such matters, and the compensation boards would have all these to apply as the cases arose.

WORKER'S RIGHT TO SUE-COMPENSATION FUND

Let us suppose that these questions have been passed on in the worker's favor. His quota entitled him to 22½ days' work last month, on the basis of the estimate, supported by the month's experience. Still, no employer in the trade would give him his share of the work, and the trade association failed to place him. Then the right is given him to sue the trade association before the State accident compensation board for the wages lost and the quota compensation fund of the trade association will be responsible for such wages. Moreover, that judgment will be a continuing judgment until the trade association places him.

Mr. HAWLEY. How would you raise the funds sufficient for that work?

Mr. LEWIS. First, by the excise taxes already referred to, imposed on the employer who gave other workers more than their share of the work; second, by any necessary additional excise taxes on the trade on a per capita basis which had failed to give him his adjudged share of the employment available

Mr. HAWLEY. Would you have the same principle that the Government has adopted, that the employees themselves should contribute part of this fund?

Mr. LEWIS. To the unemployment-insurance fund, yes; half and half; that, however, is another feature of the bill.

But as to this compensation for denial of his share of the work, no. The employers there should be responsible. The employers, supposedly, have denied him his birthright—his share of the work available. If they prefer to give him compensation rather than his share of the work in their control, that would be their own affair. Theoretically, the excise receipts derived from employers giving excess employment should equal the quota claims of those denied employment.

Mr. VINSON of Kentucky. Is that the only source from which the fund would be acquired?

Mr. LEWIS. Yes. Each trade would have to take care of its own disemployed. The penalty excise tax, theoretically, if fully collected, would be equal to the needs of the quota compensation fund.

Mr. VINSON of Kentucky. But assume that they would obey the law and would not employ men more than 22½ days in a month; then their judgment would be worth nothing.

Mr. LEWIS. Additional excise taxes would be levied under the bill. But if they fully obeyed the law—such perfection is not expected, of course—every man would have gotten his share, and there would be nobody demanding compensation.

Mr. VINSON of Kentucky. No.

Mr. LEWIS. Each one would have gotten his share theoretically.

Mr. VINSON of Kentucky. As I understood you, you said that the excise tax would be paid when the employer violated the law in employing men more than 22½ days.

Mr. LEWIS. Yes. Now, then, if no employers employed anybody in excess of his time, everybody in the trade would be employed their share of the time. There would be no disemployed to sue.

Mr. VINSON of Kentucky. Now, you might have in one locality a large number of men in that trade who were unemployed, and the trade in that section of the country would be within the law in employing a man 22½ days a month?

Mr. LEWIS. Yes. You have raised an important point. The theory of the legislation is that a man disemployed in Connecticut should go to Virginia if the work was only available there. Special provisions as to transportation expenses should be considered.

EXCEPTED EMPLOYEES

Mr. CHINDBLOM. Let me ask another question: Suppose a manufacturing establishment is engaged 12 hours, 18 hours, or perhaps even 24 hours a day; then, of course, the employment will have to be divided up into shifts for the employees? But the employer has in his employ some men—they are key men to him—that he needs all the time.

Mr. LEWIS. Yes.

Mr. CHINDBLOM. Or that he thinks he needs all the time?

Mr. LEWIS. Yes.

Mr. CHINDBLOM. In his judgment they are needed all the time?

Mr. LEWIS. Yes.

Mr. CHINDBLOM. Do you provide for that?

Mr. LEWIS. Yes. In other words, supervisory persons, a secretary—

Mr. VINSON of Kentucky. Persons particularly skilled?

Mr. LEWIS. Persons particularly skilled, who are indispensable, are not placed under the act. The act applies only where it can be reasonably said that the employment is substitutable. One driver in the coal mines for example would be easily substitutable for another. Paragraph (i) of section 1 of the bill provides:

The right to quota compensation shall not apply to the general officers or supervisory agents of any member corporation, nor to professional employees, secretarial employees as such, or to such positions of employment as the Federal Trade Commission shall find are not susceptible of substitution of employees because of the special skill or responsibility necessary.

VANISHING INDUSTRIES

Mr. McLAUGHLIN. What would you do in a case of this kind? There is a motor-manufacturing company that I am somewhat familiar with. In a long building they had machines all along the wall and each machine required two men to operate it. Some time ago the company took out all of those machines and put in new ones. One man could operate two of them. Of course, a good many men in that way lost their employment. What would you do in a case of that kind?

Mr. LEWIS. The plan is as I have stated. Each man in that trade is registered on the pay rolls of the company, or is listed as an applicant with the State accident compensation board. Both lists are combined in making up the divisor of the hours of labor available in the trade in the coming month. Each of these registered workers has a right to his quota of employment-little or great. The trade association is responsible to place him or to make compensation to him for his quota of employment.

Mr. HAWLEY. That is, if the development of machinery, in the case of these million men, displaced, we will say, 75,000, the result would be a diminution in the number of hours each person would be entitled to work?

Mr. LEWIS. Yes; just as in the case of the net income dropping the dividend must fall.

WORKERS' RIGHT TO SELECT TRADE

Mr. CHINDBLOM. In the particular case mentioned by Mr. McLaughlin, where, instead of 2 men on each machine, 1 man is employed for 2 machines, it would cut down the hours of labor for each one to one-fourth of the former number of hours?

Mr. LEWIS. Yes. Changes in industry are quite conceivable that would reduce the work time to one-fourth. They all would still be entitled to their share, whatever it is. Of course, in the case of a vanishing industry, the workers would seek another industry. Under the bill they could enter any industry in which they proved competency. The right to work implies a right in the worker to register in a trade, or trades, of his own choice, subject only to his possessing the necessary competency. If it be objected that too many applicants may qualify in a given trade, and thus pull down the quota of work below the average of other trades, the answer is that this very result will work its own correction; the trade thus affected will become uninviting for this very reason. On the other hand, occupations hitherto less desirable will tend to afford higher employment quotas and so attract those seeking larger weekly pay. Differences in the amount of the quotas of employment should tend to act like differences in wages; that is, to stimulate or discourage the demand of workers for entry into the respective trades.

BILL APPLIES TO ORGANIZED CORPORATE INDUSTRIES

Mr. McLAUGHLIN. I would like to ask a question or two on the scope of your plan. So far as your statement has gone, it deals with the unemployed in connection with trade associations.

Mr. LEWIS. With corporate industries; corporations employing 50 persons or more.

Mr. McLAUGHLIN. Does the machinery of the plan and the bill have application to the unemployed in the clerical field, for instance?

Mr. LEWIS. No; unless employed in the trade. For example, in the electrical industry the clerical employees would come under its operation.

Mr. McLAUGHLIN. Does it have application in any way to the unemployed outside of industrial life; for instance, in professional life?

Mr. LEWIS. No.

Mr. McLAUGHLIN. Or in any other form of human effort to maintain existence and a livelihood, other than in the industrial field?

Mr. LEWIS. No. Not to individual businesses or to the professions. It applies only to corporate industries employing 50 persons or more. But these embrace the bulk of non-agricultural workers. It may be helpful to insert a table here:

Gainful workers 10 years old and over, by general divisions of occupations and sex, for the United States, 1930 and 1931

Census year and general division of occupations	Number		year and general division of
	Total	Male	Female
1930-	48, 829, 920	38, 077, 804	10, 752, 116
Agriculture Forestry and fishing Extraction of minerals Manufacturing and mechanical industries Transportation and communication Trade Public service (not elsewhere classified) Professional service Domestic and personal service Clerical occupations	10, 471, 998 250, 469 984, 323 14, 110, 652 3, 843, 147 6, 081, 467 856, 205 3, 253, 884 4, 952, 451 4, 025, 324	9, 562, 059 250, 140 983, 564 12, 224, 345 3, 561, 943 5, 118, 787 838, 622 1, 727, 650 1, 772, 200 2, 038, 494	909, 939 759 1, 886, 307 281, 204 962, 680 17, 583 1, 526, 231 3, 180, 251 1, 986, 830

The bill, Mr. McLaughlin, applies to the following industries of the above census:

Extraction of minerals	984, 323
Manufacturing and mechanical industries	14, 110, 652
Transportation and communication	3, 843, 147

About 19,000,000 employees should be affected out of a

total of about 49,000,000 gainful workers-a pretty good slice to begin with.

THE TRUST-FUND DOCTRINE

Mr. HADLEY. Your plan seems to be predicated somewhat upon the theory of the application of the trust-fund doctrine, so far as assets are concerned, as we know that doctrine in estates of insolvency where the State laws recognize that doctrine?

Mr. LEWIS. Yes; the employment trust fund.

Mr. HADLEY. A very equitable principle, perhaps the most equitable of which I know. But if the trust-fund doctrine is to be applied as a matter of equity in aid of relief of unemployment in industrial life, why should we discriminate in a legislative way by making such application in that little field and not extend it, make it all-embracing in the life of the country?

Mr. LEWIS. This is pioneer work. The lawmaker may find it practicable to make the application more general. I hope he will. In developing the institution alone I have confined it to the corporate form of industry, which presents less initial difficulties than individualistic industry.

DOES THE BILL DISCRIMINATE?

Mr. HADLEY. Well, I wanted to get that clear. Why? You predicate this whole plan upon the original premise that you want to avoid discrimination. Now, why would you limit your aid and protection to those who are in corporate industry and not to those who are embraced in private industry, other than corporate industry?

Mr. LEWIS. Well, the consideration was the principle of relative practicality. However, you will find that in the manufacturing and industrial field, excepting agriculture, of course, that corporate management means nearly the

I have not taken in under the bill, for example, merchandising houses that often take a corporate form. manufacturing, transportation, the electrical-communication industries, the distribution of gas and of electricity, coal mining, metal mining, embrace a large part of the whole industrial field.

Mr. HADLEY. In line with this discussion, I call your attention to the fact-and I think it is a fact-that owing to the imposition of various forms of what are regarded as burdens, say taxation as one illustration, and various other limitations and burdens placed upon the corporate form of doing business by law, both in the Nation and in the State, corporations are in a large degree disposed to and are going out of the corporate form and into partnerships and other forms of industry. Would not this have the direct effect of practically nullifying the corporate form?

Mr. LEWIS. I think it will have the reverse effect. Unless this step is taken, compensation to the disemployed workers will come as the dole. It is inevitable, taking the human heart as it is, gentlemen, that we are going to take] the step in the United States taken in Great Britain, Germany, and other countries. This "man at the gate" is a torment to the social conscience. He has been disemployed for the sheer selfish benefit of society. If the railroads and other employers decide against equal partition of employment among employees and disemploy a fourth of their employees; if President Hoover, that is, the Government, also decides against the dole, these decisions mean that these disemployed workers have no real rights, but may live only on the sufferance of charity. It means that they are outlaws without rights. This is anarchism; gentlemen, I reject it as monstrous. It denies the disemployed worker a place de jure within the state and leaves him an outlaw in the world. The heart of man will not stand for this even in the United States. We are slow, but we are not inhuman. Society is going to pay him a dole if the trade does not yield him his rights to work. It will follow Europe. If, on the other hand, the trade association will do its duty, will give him his share of the employment, then you will have stopped the dole; and instead of corporate industry being deterred by the measure, will it not rather be encouraged?

Mr. HADLEY. In any event there is that general tendency to-day; and whereas formerly the tendency was toward the corporate form of doing business for the benefits derived under that form, to-day there is a definite tendency to get away from it because of conditions which have grown up. Now, that being true-and this is not upon the merits of

Mr. LEWIS. No: I understand.

APPLICATION TO INDIVIDUALS

Mr. HADLEY. I do not like the appearance in the legislative field of the country of a clearly discriminating class of legislation for one type of our people as against other

Mr. LEWIS. Nor do I like it. The corporation presents advantages of practicability because of its larger numbers and therefore greater substitutibility of employees. Moreover, I think if corporate mass production had not replaced pure individualism in our industrial order this problem would not be presented. It is a problem which has come with organized industry-with the corporation. The loss of wages is not the only loss involved. Persistent industry in the individual is, after all, only an acquired virtue. It may be lost by involuntary, habitual idleness. This is the real criticism on the dole-given the worker as a substitute for his share

Mr. HADLEY. If there is not a way to reach the individual under our Constitution, and prima facie, without great consideration at this moment, I think that must be true, then going back to the very basic principle of morals, the principle of equity as between all of our people, why should we attempt to apply it in part where we can not apply it in its entirety?

Mr. VINSON of Kentucky. Oh, well, that is common in the formulation of laws. An illustration on my tongue's end is our workmen's accident compensation laws, which generally except the farm and employers having a minimal number of employees.

Mr. HADLEY. I recognize that in matters of minor application, but here you are attempting to apply this to the great field of industry common to all men, and I would say, Why should we enter a field that is strictly discriminatory in favor of one class as against those others?

THE DOLE OR EQUIPARTITION

Mr. LEWIS. It is a question of time and public education. The principle of equipartition of available employment implies such treatment as you suggest. I am ready to fix a 5-day week, or a 4-day week, to aid in such equipartition and to enforce it by a similar excise tax on all excessive employment. The opinion is widespread that society will have to resort to this method. Mr. Green, president of the American Federation of Labor, has been advocating it, and so have business men of prominence. Only recently the Sec-

retary of War, Mr. Hurley, and I had the following dialogue before the Committee on Ways and Means:

Mr. Lewis. Mr. Secretary, you speak of the dole. May I ask you a question with regard to it? Society finds it necessary in Washington here to cut a new street across from one avenue to another. The property owner protests. But society answers that its welfare must prevail over sentiment in the matter and it constructs the street. It evicts him, but it does not evict him until it makes full compensation. I am sure you will agree that that is all right

in principle.

Secretary Hurley. That is the law of this land.

Mr. Lewis. And it is justice. But now society grants subsidies to patentees to encourage efficiency in engineering and supports the sciences and the inventor constructs work-reducing mechanisms because of which men are thrown out of jobs that have afforded them livelihoods from their childhood. Do you call any payment made to such a man so thrown out of employment, on account of no fault of his own, willing to work, but unable to get employment-do you characterize a payment to him as a dole rather than compensation?
Secretary Hurley. What you need to do is to further reduce the

hours of labor so that a man can make an honest living and get his just distribution of the wealth of this Nation and so that all may be employed. Now, you may stagger at the reduction of the hours of labor. You may think that is going to upset us, but I have seen in my lifetime a greater reduction than that occur. If the hours of all labor were now reduced to six hours a day, every

the hours of all labor were now reduced to six hours a day, every one would be employed.

The answer to the employment situation is not that you shall grant anybody a gratuity. If those people to whom you are granting the gratuity had turned in an invention for the benefit of mankind, as you say, it would be proper to subsidize and pay them for that intellectual achievement. But I tell you that when, in place of giving a man an honest day's work, by which he can pay for bread for himself and his family, you attempt to give him a gratuity instead, you are insulting the very soul of labor.

Mr. Chairman, it must be remembered that this simple treatment, as proposed by Secretary Hurley and more recently in the Democratic and Republican platforms, would still leave unprotected "the men at the gate," the 2,000,000 unpreferred workers of even prosperous times which it is the fundamental object of the bill to defend during times of prosperity as well as in depressions. I am ready to add such a treatment to the bill, and will apply myself to the necessarv detail.

The bill already applies to manufacturing, mining, transportation, communication, building construction, distribution of gas, oil, and electrical energy. There are but few noncorporate employers in these fields—a negligible number.

The equipartition principle might also be applied to the clerical occupations where the employer relation obtains, representing 4,025,324 employees. But it would hardly be applied to the professions, to doctors, lawyers, clergymen, engineers, architects, and so forth, who have clients rather than employers and who numbered 3,253,884 in 1930. Nor could it be applied to ordinary farm activities, where 10,471,-998 are engaged. I am not making difficulties, Mr. Chairman, but simply recognizing them. They can be conquered. I believe, with the application of a will and intelligence worthy of the subject and the exigency.

TWO KINDS OF INVENTIONS

It is true that the early economists always said that invention need not be dreaded; that one invention would take care of another, with no deprivation of employment to the workers at length. The people who wrote that a century ago did not foresee the conditions obtaining in the present world of science, invention, efficiency engineering, and mass production.

There are two kinds of inventions when you fully consider the matter. In one kind of invention you have the laborsaving purpose and the labor-saving effect. The ditch-digging machine, with two men operating it and a hundred employees eliminated, is an extreme illustration of the laborsaving invention. On the other hand, the automobile, with the road construction and other employment it has entailed, is a mighty illustration of the labor-increasing invention in our age. I dread to think what the unemployment conditions in the United States might have been if the automobile had not made its advent here to magnify consumption demand.

Now, gentlemen, if there were some power in the sky to control the appearance of labor-saving and labor-increasing inventions as some power in nature controls the distribution of the sexes—one little girl, one little boy, one little girl, until they virtually matched each other in effect—the old view of this subject might still be the rational view. But the practical fact is that in every factory to-day you have an efficiency engineer; you also have a suggestion box in which the workman is invited to drop his suggestions for improvement—which in such cases always means reduction in the expense of operating and in the amount of labor essential. The emphasis—one can see it readily—the emphasis in industry is on the labor-saving invention. The invention to greatly increase human consumption, to develop new kinds of human demand for goods, does not have in modern times the same organization forces behind it as the labor-reducing invention.

BALANCING THE FORCES OF PRODUCTION AND CONSUMPTION

Why, it was nearly 70 years ago that Clerk Maxwell, mathematical physicist, discovered the identity of the electromagnetic field with the field of light, demonstrated physically a little later by Hertz, the German physicist; 60 years later we have the radio. So we must have one genius standing on the shoulders of another for 50 years before that new form of human consumption can be developed. It took about the same period to set the gasoline motor going on the roads. May I say that if the radio should quickly lead to effective television: if for a thousand dollars they could give me a television, enabling me to stay home, hear the music, see the picture, all without forsaking my pipe or rocking chair, the money to buy it would be gotten in some fashion. If they shall make it possible to cross the Atlantic Ocean in daylight, trips to Europe, not once in a lifetime, but every year may result. But with this one-sided invention the employment asset is going to grow smaller and smaller while fewer and fewer days in the week will be available to those who can look only to their labor for the necessities of life.

SOCIAL PROGRAMS IN THE PAST

Certainly, gentlemen, the increasing forces of production must be taken up by the increasing forces of consumption, or we may have to go to a 3-day week with this laboreconomizing progress. In the past similar social programs have been inaugurated and realized, giving employment to fill up the gaps created by invention and the increasing effectiveness of man-plus-machine methods in production. This has been the history of mechanization within the past century. The public schools are an obvious and tremendous example, with expenditures in the United States alone at \$2,184,847,000 in 1928, with 831,934 teachers. And this figure does not include the many others employed about the schools or in the construction of school buildings, the printing of schoolbooks, the training of teachers; nor does it include the employees in the prodigious printing trade, having as its supportive condition the common schools, which gives us a national population able to read and desiring the productions of the printing press. Hospitalization and medical aid to the less fortunate now present a field as worthy in the twentieth century.

Another method has been the reduction of the hours of labor, which ran about 12 hours or more per day in the beginning of the nineteenth century, and, by steps, have been diminished to 11, to 10, to 8 hours, and often to a 5-day and 48-hour week. "Man does not live by bread alone," and this method is certainly worthy of continued application.

Obviously one, probably both, of these social methods must be employed, decreasing the work day or an increasing program of consumption, if a reasonable balance between the productive and consumptive forces is to be realized.

PROVISIONS FOR EXCEPTIONAL CASES

Mr. VINSON of Kentucky. Recurring to the bill as it now stands. Assume now that a branch of a certain industry was located at a certain place where workmen did not want to live, or the management was such that the surplus employees would not gravitate toward it. The management of that industry would not have available a surplus of em-

ployees. Would you exclude them from the operations of your provisions?

Mr. LEWIS. The bill makes a special provision for such

Mr. VINSON of Kentucky. Excusing them from paying the excise tax in the event that there was not a surplus of employees?

Mr. LEWIS. Yes. The bill makes provisions for that. It is as follows: When there are no registered workmen available who are willing to accept employment with a corporation member, the employment-quota obligation shall be subject to suspension by the national trade association, with the approval of the Federal Trade Commission, as to such member corporation. In special exigencies, the Federal Trade Commission, upon application of a national trade association, may suspend operation of the employment-quota requirement for a definite period, either for an entire association, or for a specified region. The national trade association may, in case of sharp changes in the employment situation during an estimate period, revise the employment quota to be effective for the remainder of such period. But the employment quota shall not be increased for any corporation member during a strike or lockout, nor shall quota compensation be payable to any employee during the pendency of such strike or lockout. Let me also say that the restriction on excess employment does not apply to the mill hours. A successful mill may be running on four shifts a day, and every day including Sunday.

OLD-AGE INSURANCE

Mr. CHINDBLOM. Going back to the general discussion of the principles underlying your plan, and I am not now taking issue with your premises, but referring to the one premise that organized society owes a man a chance to work and an employer is a trustee for his employees, subject, of course, to his own right to earn a reasonable return on his investment and a reasonable compensation for his own labor—assuming that an employer has complied with those conditions in all good faith, and after years, perhaps a lifetime, spent in industry, he himself, by reason of conditions not any more in his control than are the conditions of labor in the control of the laborer, loses out and has no means of earning a livelihood. Does your plan contemplate any relief for a man in that position?

Mr. LEWIS. Yes; the old-age insurance provisions of Mr. Swope are carried in this plan and the pension would bear a ratio to the salary. Employer and employee each pay half to this fund.

Mr. CHINDBLOM. Of course, he has never been, in the real sense, himself an employee.

Mr. LEWIS. If he had been an officer of the company, he would fall under the purview of the insurance plan. Many provisional objections may be urged against plans like these. They are not final objections if provision can be made for them.

Mr. CHINDBLOM. Of course, these are extraordinary times, but just exactly that situation arose, for instance, in Germany, where a tremendous number of people who had not been in the real sense employees but who had been employers, and even capitalists, found themselves absolutely penniless.

Mr. HADLEY. May I observe there that I think that condition has arisen in this country in the midst of this depression in cases, not limited to those of old age, but to those who after a few years of great profit and success find themselves reduced to the point of being penniless. What would the plan contemplate with respect to them when they are not within the old-age class?

Mr. LEWIS. Well, I do not know that I can at this time answer your question, unless it be to say that like the worker they could claim their quota as workers, if competent, in any occupation covered by the law.

Mr. HADLEY. I did not mean to divert you, Mr. CHIND-

Mr. CHINDBLOM. An interesting case is mentioned in the papers this morning; one of the greatest employers of labor and promoters of industry in the United States, who I by the lawmaker. It has been unconscious, yes; I am glad apparently is going to be placed upon a pension by the industries which he has heretofore controlled.

LAWMAKERS' DUTY

Mr. LEWIS. Of course, as lawmakers, our obligation is to enact legislation to meet the general conditions, and do the best we can for exceptions. We are under obligationat least I have felt under obligation—to first provide legal protection for the fundamental rights of human beings. The bill is not offered as a panacea for depressions. It is designed to remove discriminations amounting to outlawry which have become chronic in distributing employment. Society's support of invention, the sciences, efficiency engineering, its charters to large cooperations for mass production, and the 40-year-old deadline were responsible for 2,000,000 "men at the gate" even in 1929. Considering their equal moral rights, this is mere outlawry, only to be excused because the individual employer "must meet competition," and because the insurance rates and old-age pension liability on his employees goes up with the average age of his men. Under this ruthless rule, with 10 men applying when 8 can do the work, it is not a question of the survival of the fit but "the survival of the athlete," without regard to moral rights or the ability of the discountenanced worker to serve in a competent way.

The bill strikes against these discriminations by prohibiting the imputation of incompetence on account of age or physical defect if the worker can in fact render the service, unless his age entitles him to a pension.

Mr. McLAUGHLIN. Would you find any difficulty in attempting to control the operations of corporations organized under the State laws observing every part of the State law, operating their property, and the Government of the United States coming in and directing their operations to the extent of employment and wages, and so forth?

Mr. LEWIS. To the extent of restricting the hours of employment only. It does not apply to wages. Well, you are raising a subordinate legal question.

Mr. McLAUGHLIN. Subordinate?

Mr. LEWIS. I should say a very relevant but a subordinate legal question. I think it would take another session to discuss the legal phases and implications of this subject. I may add a brief discussion of the legal questions in the Appendix.

Mr. CHINDBLOM. After all, of course, the fundamental question is whether the control of industry, of employment, and even of investment, should be attempted by law, and whether that would be an improvement over the system that has prevailed heretofore. That is the fundamental

Mr. LEWIS. The fundamental question, as I view it, is the right of the human being to a chance to earn his bread. That is the paramount question. Let the lawmaker consider what measures may be taken to defend that right. If no practical measures can be taken for that purpose, the lawmaker is discharged. If, however, the lawmaker simply ignores it, as for a generation he neglected workmen's accident compensation, then he is a miserable delinquent, indeed.

Mr. CHINDBLOM. You might concede the right and still not reach a remedy by legislation.

Mr. LEWIS. Yes; but it does not lie in the mouth of any civilized man to make that argument until he has made an earnest investigation of the subject and failed to find a

The lawmaker has not been negligent with regard to other kinds of rights. It would take 1,000 pages to describe the legal routine which has been developed by lawmakers for the regulation of automobiles moving on our highways today. And as to the legal rights of property, why a book on the law of ejectment alone of less than a thousand pages would now be regarded as worthless in a lawyer's office, Mr. CHINDBLOM; and whole law libraries are devoted to the right of property.

There has been the plainest discrimination. Where property rights have been involved one does not find such neglect

to think it has not been conscious discrimination, but there has been the crudest class discrimination or neglect as to this right of the worker by the lawmaker, and millions of employees are suffering because of it, and will continue to suffer until we act.

Mr. CHINDBLOM. Oh, well, I am by no means denying the duty of the legislator to seek remedies, and I congratulate you, Mr. Lewis, our colleague, upon the very interesting discussion we have had on that very subject today. [Applause.]

EXHIBIT

ANALYSIS OF RIGHT TO WORK BILL, H. R. 12821

Section 1. (a) Declaration that citizen has a right to work and to his share (quota) of the employment available in his trade; and in default of its allowance, compensation from the trade in

(b) Duty of trade association to estimate monthly in advance hours of available work. Determine employment quota of each worker by division of work by number of competent workers registered on pay rolls and qualified applicants on lists of State accident compensation boards.

And to notify employers of such quota.

(c) An excise tax imposed on employer equal to wages of extenses time given any employee, to go into quota-compensation fund.

(d) Competent worker, unemployed, may apply to workmen's accident compensation commission of State for his quota of employment in his trade; which notifies trade association, which may contest his competency and record. If these be good, commission issues him trade certificate.

Trade certificate entitles worker to his quota of employment

and it is made duty of trade association to place him.

Board of national trade associations is to submit rules for determining technical competency; also disciplinary regulations in relation to discharge, suspension, or demotion for neglect or occupational misconduct, which shall be presumptively but not conclusively valid, unless as approved by Federal Trade Commis-

Incompetency shall not be imputed to worker on account of age unless worker has reached pensionable age, nor on account of a physical defect if the worker can do the work involved.

(e) Employed worker may be registered in another trade on proof of competency, provided time quota of preferred trade is

(f) If trade association refuses or fails to place worker in one week after certificate by commission, then association may be sued by worker for compensation before such workmen's accident compensation commission, which if case proved shall order trade association to pay the worker wages belonging to his denied quota of employment, to continue until quota is provided him.

This order may be modified or revoked.

(g) The rate of compensation to be ordered shall be governed by the wages prevailing "in the region of the bona fide residence" of the worker.

(h) If worker applies for and proves competency in several trades, he must indicate preference for purposes of the act.

(i) Act not applicable to general officers, supervisors, professional or secretarial employees as such, nor to such employees as are not susceptible of substitution because of special skill, in judgment of Federal Trade Commission.

(j) Trade association on approval of Federal Trade Commission may suspend employment-quota obligation when (1) there are no registered workers available for a corporation member, (2) in special exigencies for a definite time for the entire association or for a specified region, (3) or in case of sharp changes in the employment situation during an estimate period may revise the

employment quota.

Employment quota shall not be increased during strike or lockout, nor shall quota compensation be payable to employees affected by strike or lockout.

(k) Each trade association required to establish quota-compen-(k) Each trade association required to establish quota-compensation fund, to consist of (1) excise taxes collected from employers for granting employment beyond quota, (2) contributions to the fund, (3) special taxes or assessments levied on members to pay quota compensation awards.

(1) Secretary national trade association to make monthly reports to Federal Trade Commission showing pending quota-compensation claims and state of fund. Monthly excise tax sufficient to pay such claims is levied upon corporation members of association, to be assessed by Federal Trade Commission based on number of employees, collectible in name of United States.

(m) Workmen's accident compensation commissions of States to be a player unitediction to enforce relevant provisions of the

to have plenary jurisdiction to enforce relevant provisions of the act, from which appeals may be taken to same courts and in same manner as in workmen's accident compensation cases.

manner as in workmen's accident compensation cases.

Section 2. The act shall apply—

(a) To corporations doing an interstate business and employing not less than 50 persons,

(b) And engaged in the industries of (1) manufacturing, (2) mining, (3) transportation, (4) electrical communication, (5) building construction (6) distribution of gas and petroleum products, (7) transmission of electrical energy.

(c) Industries subject to the act shall be classified by the Federal Trade Commission into trades or occupations according to products or services, guided by classification of the Bureau of the Census in case of manufacturers and of the Interstate Com
[Here the gavel fell.] merce Commission in case of transportation.

(d) Designation of trades or occupations suitable for separate

(d) Designation of trades or occupations suitable for separate national trade associations to carry out the act.

Section 3. National trade associations. (a) Organizations of national trade associations formed and named by Federal Trade Commission to include all corporations engaged in a classified trade or occupation and to be managed by temporary board designated by the Federal Trade Commission.

(b) Designation of corporations subject to the act as members of specific association to be made by Federal Trade Commission, with right of election by any corporation in case of overlapping

with right of election by any corporation in case of overlapping of classes with which a corporation might be classified.

Section 4. National trade association boards. (a) Temporary board members designated by the Federal Trade Commission: (1) Three members on behalf of the public from persons affiliated with organizations of consumers of the product or service of the association concerned, or, if no such organizations, 3 employees of the Federal Trade Commission or other Government agency whose duties relate to the trade concerned; (2) 3 persons designated on helpil of the employees from persons affiliated with unions of on behalf of the employees from persons affiliated with unions of workmen in the trade concerned; (3) 3 persons on behalf of employers from the management of the corporations engaged in trade concerned.

(b) Terms of office shall be staggered so that of first appointments one-third of each set of members from the public, employers, and employees shall serve 1 year, 2 years, and 3 years, respectively (and until qualification of their successors).

(c) Meeting of the boards: (1) To organize and adopt by-laws. (d) Permanent members of the board to be elected according

to system prescribed by the Federal Trade Commission in the following manner: (1) Three members on the part of the public from the same classes as in case of temporary members; (2) 3 members on the part of the employees from employees of corporation member of the trade association; (3) 3 members on the part of the employers from the management of the corporation member of the trade association.

(e) Service of process on the association may be on the chairman of the board by registered mail.

(f) Salaries and expenses of the members: (1) Expenses of all members; (2) corporations to continue payment of wages to employee members while on association business.

Section 5. (a) Plans for stabilization of industry and employment shall be prepared by the national trade associations: (1) Equal partition of available work among available workmen; (2) life, disability, and health insurance for employees; (3) workmen's ac-

cident compensation; (4) workmen's old-age pensions; (5) workmen's unemployment insurance; (6) stabilization of production.

(b) Operation of plans: (1) By trade associations under its rules and regulations as approved by Federal Trade Commission; (2) by boards in each corporation representing management and employees.

Section 6. Administration expenses shall be paid by members of trade association in proportion to number of employees.

Section 7. Definitions.

Mr. HAWLEY. Mr. Chairman, I yield two minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I rise at this time simply because I feel I am somewhat of an exhibit as the one receiving the most pork in this Democratic measure. I have more than \$25,000,000 handed to my district under this bill, and it can have been out of goodness of the heart of the proponents of the bill that I am given this amount of money for my district. I rather think it has been given to embarrass me, although I doubt it could prove an embarrassment. However, after weighing the matter and after receiving many thousands of letters which have been sent to me recently demanding economy, and since a tax bill that fastens its fangs deeply in my State, I think if I receive ten times as much as others I should be ten times more guilty than the rest-if I should vote for this "pork barrel" bill at this particular time. [Applause.]

I well know it takes months and even years to pick a site for a post-office building, have the title searched, and the building actually begun, so that it could not be an emergency measure. Neither do I wish a so-called standardized building in each of my communities or land taken by eminent domain. I will trust to obtain the justly deserved projects by the longer and more orderly processes of careful planning at times when the country can afford it. Although this large amount of money is dangled before the eyes of the people I represent, and although many of the projects are very important to them, I can not believe any constituent will be fooled; and I repeat that I would indeed have a

Mr. HAWLEY. Mr. Chairman, I yield two minutes to the gentleman from New York [Mr. Fish].

Mr. FISH. Mr. Chairman, I ask unanimous consent to speak out of order for the two minutes which I have been

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Chairman, as a veteran, I rise to state to the House that the time for the bonus parade has been changed and the parade will be held to-night at 7 o'clock. The reason for the change, I understand, is that the veterans who are here in Washington do not want to associate themselves with the communists, who have arranged for a communist parade for to-morrow, the 8th, and demonstrations elsewhere in the United States.

Although I myself believe the veterans who are here are misguided and have been very badly advised in coming here, and that they are giving a black eye to the other veterans back home by attempting to browbeat and bulldoze Members of Congress into voting for the so-called \$2,000,000,000 bonus bill in this economic crisis and national emergency, yet it is only fair to these veterans to say that over 90 per cent of them are loyal, faithful, patriotic Americans [applause], and that they are in no way associated with the communists and in no way uphold any form of communistic propaganda or activity here in Washington or anywhere in the United States. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield two minutes to the gentleman from Missouri [Mr. DYER].

Mr. DYER. Mr. Chairman, the district I represent is allowed in this bill the sum of \$7,500,000. The city of St. Louis would not be able with this large sum to give employment to more than 500 people. So we do not want it at this time, as it will not materially aid the unemployed, and we prefer to wait for this money until the country is in better financial condition.

Another provision in the bill is to lend money, under title 2, to States, municipalities, and subdivisions thereof. Under article 4, section 44, of the constitution of our State, it is impossible for this to be done, because it is absolutely prohibited by the constitution for the State to borrow money or for any subdivision of the State to borrow money. So we can not take advantage of this provision, and I hope Congress will find a way that we can in case of need.

So there is only one title left here that I have not mentioned, and that is the \$100,000,000 for the President to expend in relief. So far the people of St. Louis have been able to take care of the unemployed of that city, but we will likely need to have help from the Federal Government if there is not an improvement soon. This assistance should be a loan though and not a gift. Otherwise it would not be fair to the taxpayers. So we do not want this legislation as written, and as one of their Representatives I am bound in honor to vote against it. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield two minutes to the gentleman from Connecticut [Mr. Tilson].

Mr. TILSON. Mr. Chairman, I recognize the fact that unemployment is the most important question in this country now. Whatever means will put the greatest number of those who are now unemployed back on their jobs or give them their usual employment permanently will appeal to me most strongly. If that were the real question to be decided here. I fancy there would be little difference of opinion among us, but this is not the issue. It is not a proper function of the Government to support its citizens or furnish them with employment. The Government has no funds of its own and no means of collecting funds except by the strong arm of taxation, from the pockets of its citizens. It can not properly take more than is necessary to economically carry on the Government. It has no moral or constitutional right to take more than this from its citizens. Anything taken beyond this is an abuse of the taxing power.

The effect of the bill under consideration is to collect from the already heavily burdened taxpayer more than \$2,000,000,000, and to expend it in the construction of unnecessary and unproductive public works such as buildings that are not needed and waterways that will never be used. If the expenditure of this huge sum would solve the unemployment problem something might be said in favor of it, but it will not even scratch the surface of the problem. Conservative estimates now place the number of the unemployed above ten millions. The most liberal estimate of the number of persons who would receive employment in the expenditure of the two billions would be a few hundred thousand-only a small fraction of the millions now unemployed. It would be only the proverbial drop in the bucket.

No amount of money that could be collected from the people by taxation would be sufficient to give employment to enough people to materially affect the unemployment situation. We must cease looking to the Government to furnish employment, and turn to the only real solution of the problem which is the restoration of normal business conditions. With the return of normal business activity will come normal employment, millions of jobs in lieu of the few thousands that might possibly come from wasting two billions of the taxpayers' money.

And how may we help to bring back normal business? Certainly not by taxing it to death, as we must do if we indulge in large expenditures such as are carried in this bill. Ever since this Congress convened business has been trembling in its boots, wondering what Congress would do. Everyone knew there must be additional taxes and everyone feared the burdensome levy, not knowing how it would be laid. Finally a bill was agreed upon almost as bad as any tax bill could be, but even the worst was better than failure to sustain the national credit, and with its passage the country breathed a sigh of relief. That was yesterday. At last we had passed a bill, bad as it is, that would balance the Budget. To-day we are confronted with a bill that, if enacted into law, would unbalance the Budget, and by that very fact do more to retard business recovery, to destroy confidence in our financial stability, and to postpone the return of normal employment than any other legislation we might enact. It would be a tragedy to follow the tax bill with the passage of a bill like this. It would again unsettle the financial situation and frighten business to an extent that would deprive more men of employment than all the jobs that would ever come from this bill could replace.

[Here the gavel fell.]

Mr. HAWLEY. I yield two minutes to the gentleman from Pennsylvania [Mr. Stokes].

Mr. STOKES. Mr. Chairman, a story is told of Doctor Trench, a famous English divine. He was an elderly gentleman and was very apprehensive of paralysis.

He was attending a fashionable dinner and was seated next to a very charming young lady, when suddenly he exclaimed in the midst of the meal, "O! it has come at last."

"What has come," asked the young lady.

"The paralysis. I have been pinching my leg and there is no feeling in it."

"Well," she said, "I can account for that. You have been pinching my leg." [Laughter.]

Gentlemen, when you attempt to vote away \$1,000,000,000 you are pinching the wrong leg. You are barking up the wrong tree. This bill if passed may call for another salary reduction. We want to help the unemployed, but we want it to come through the States.

I come from the State of Pennsylvania, which has not borrowed any money for the past 10 years and has recently reported over \$60,000,000 in bank deposits.

Why is it, therefore, necessary to vote unemployment relief to our State.

A bill of this kind if passed may tend to stifle individual charity and individual exertion. It is an approach at communism, which strikes at two of our most sacred blessingspersonal liberty and personal responsibility.

It will increase our taxation, which is already so heavy that we can not afford to carry any more.

One of the reasons of our past prosperity has been the lightness of taxation and public debt. It is rather our duty to reduce taxation and debt rather than to increase them.

One billion dollars carrying 41/2 per cent interest would mean an annual payment of \$45,000,000, or \$450,000,000 in 10 years. Two billion dollars would be twice that amount, or \$90,000,000 a year, in interest charges.

The effect of such legislation on business and agriculture would be most unfortunate and would cause greater unemployment. In Pennsylvania we have already over 200,000 food gardens which have been started by individuals, by communities, and by industrial plants. From a moral and psychological standpoint, it is far better to encourage the unemployed to cultivate the land than to have them stand by and do nothing.

A statement of Mr. Huffington, of the Pennsylvania State

The Hanover Shoe Co., Hanover, Pa., prepared land for 167 employees to grow vegetables, alloting one-sixth of an acre to each family. Land fertilizing and soil preparation were done at the expense of the company. Seeds were sold to each family at wholesale by a local concern. Information from the Pennsylvania State College Extension Service on varieties, planting, etc., was expensed each gardener.

state College Factorision Service VI.

supplied each gardener.

Mr. Shepherd, of the company, is enthusiastic regarding the project, because his employees are enabled thereby to grow food to store for the winter in the 1½ days of each week they are

unemployed.

The psychological effect of having men become more resourceful and to use greater individual initiative is as great as having the men grow vegetables to eat.

In a campaign this year in New York City the so-called block-aid system has raised over \$1,000,000, mostly in small donations of 10 cents and upward.

Let us not forget that most of our troubles have come from chronic extravagance.

Having made the necessary savings in appropriations, let us adjourn, and business will improve and unemployment will grow less

New York Times of June 3 stated as follows:

New York needs no direct Federal aid. In the long run, any program which involved large Federal grants would hinder rather than help local efforts at relief.

If such a program is desired by other communities and ordered by Congress, this city will naturally claim its share of the outlay, but in the meantime, with the help of the State, it can continue to care for its own. If at any time it fails to do so, the place to lodge a protest is not at the Capitol but at city hall.

[Applause.]

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield two minutes to the gentleman from Michigan [Mr. Woodruff].

Mr. WOODRUFF. Mr. Chairman, the problem that confronts every Member of this House is to put the unemployment of the country back to work. This bill, as it is now written, constitutes only a gesture in that direction.

According to the best authority, there is not less than 10,000,000 unemployed in this country to-day. Everyone who knows anything about the situation fully realizes that if all of the projects incorporated in this bill could be put under way to-morrow, only a small proportion of those out of employment could or would be put back to work.

For the past 15 or 20 years in this country there has been a constant increase in the development of labor-displacing machinery. It is this that is more responsible than any other one thing for the unemployment and the resultant depression. I want to say to you, Mr. Chairman, that we are not going to get out of this depression, and we are not going to keep out of future depressions, until we have so readjusted our economic affairs that all our people can work at least a reasonable part of every week.

If the bill before us should become a law, much of the projects contemplated therein will be constructed with labor-saving, labor-displacing machinery. Those who know state that not more than 200,000 can be employed at one time. Further, when labor is employed it will be on the old 6-day week, 8-hour day basis.

There ought to be a proviso in the bill, and I commend to the committee who, under the provisions of the worst gag rule that has ever been presented to this House, has exclusive and complete control of every amendment that can be offered to the bill, an amendment that will prohibit the employment of any individual on any of these projects for more than four days in any one week and more than six hours in any one day. Such an amendment would provide employment for approximately twice as many as would be employed under the bill as it is now written.

In addition to this, Mr. Chairman, I recommend to the committee still another proviso and one that would prohibit the use of labor-displacing machinery on any publicworks project, where hand labor can be employed. This would insure the employment of thousands upon thousands of additional men. I would go farther yet. I would make the provisions I have mentioned permanent law, and in the future the money appropriated for public works would go much more largely into the pockets of those needing employment.

Millions were out of employment in 1928 and 1929 at a time when the country was most prosperous. The reason was mass production and labor-displacing machinery. We can never stabilize the economic machinery of the country until the people, and all of them who will, can find continuous employment the year around. To accomplish this there must be a reduction of the hours of labor per week to the point where such employment as is available is shared by all. This is an opportunity to put this plan into operation. We all should have in mind taking our people out of the bread lines at the earliest possible minute. This will do more to this end than anything yet proposed. Let this Government lead the way. Industry will quickly and gladly follow. The result will be a rapid return to normal conditions with accompanying benefits and blessings to all our people.

Mr. HAWLEY. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman, yesterday I received a telegram from one of the farm leaders in a county in my district. This is the way it reads:

It's a damned outrage for the Congress to consider spending \$70,000 for a post office in our village.

Mr. Chairman, I am opposed to this so-called relief measure for the reason that I am of opinion that any legislative measure for the relief of unemployment and distress which is based on the policy of taking more money out of the pockets of the overburdened taxpaying public to-day is unsound, and it will not carry out the program of relief for which the advocates of this bill are contending. One of the greatest questions we have in our country to-day is that of taxation, and I firmly believe that the oppressive burden of taxes now weighing so heavily on the backs of the American people is doing more to retard economic recovery than any other one thing in our country at this time. I come from what is probably one of the greatest industrial districts in the United States, and you gentlemen on the Democratic side of the House are making a mistake when you bring forth a relief measure in which you believe you are going to tax the people of that industrial district to carry out this public-building program which you have in this bill. You can not get taxes from an industry that is closed down.

I want to ask those Members supporting this measure where are you going to get the \$2,200,000,000? You provide no way of securing this large amount of money except through taxation and the sale of Government bonds. After months of hard work and effort Congress has just passed a revenue bill which will balance the Budget for 1933. In this tax bill we imposed on the people the most severe taxation in all peace-time history for the express purpose of preserving the credit of the Federal Government and stimulating the economic recovery of business and industry.

Should this measure which the House is now considering become a law, it will destroy our 1933 balanced Budget, seriously impair the credit of our Goyernment, and postpone economic recovery of business and industry. The so-called

Garner relief bill before us at this time will not cure the unemployment situation. The bill provides for the construction of 2,600 post-office buildings in villages, towns, and cities throughout the United States. The Treasury Department stated during the hearings on the bill, that if all of the 2,600 projects were put under construction at once they would give employment to only 30,448 men, and for this purpose the bill we are now considering will impose a tax of \$283,000,000 on the American people. I want to see the wheels of industry turning and men put to work. That is the all-important problem before us to-day, and the only way this can be accomplished is to balance our Budget, live within our income, and in every way possible relieve the people from the oppressive burden of taxation which they are confronted with at this time. [Applause.]

Mr. RAINEY. Mr. Chairman, I yield the remainder of my time to the gentleman from Washington [Mr. Hill].

Mr. HILL of Washington. Mr. Chairman, obviously it is impossible to comprehensively discuss this bill in six minutes. But I want to say right now that I am for any legislation that will bring relief to the people, and this Congress must not adjourn until provision is made to aid in caring for the destitute in this land. You have heard the charge of pork barrel this afternoon until it has become a slogan from the gentleman on my left. However, pork is much to be preferred to garbage which thousands of people in this country are eating because of unemployment. The issue here is not whether there are some features of this bill which would be objectionable in normal times, but the issue is humanity against dollars. It is a question of whether you are going to do something to help take the burden from the local people in caring for the great number of unemployed in this country. More than 10,000,000 of people are out of employment, and that means that at least 30,000,000 people are on charity in this country. The local communities have carried the load until they have reached a point of exhaustion so far as their resources are concerned; and why should not the Federal Government aid in caring for these jobless and hungry? Why should not the Federal Government contribute \$100,000,000 to aid different States, cities, and counties in carrying this burden? Gentlemen on the other side fail to call attention to the fact that the second title of this bill furnishes a broad, comprehensive program through the Reconstruction Finance Corporation to aid not only municipalities and States but to aid private industry in engaging in enterprises that will require employment of thousands of people. That is the principal remedy for relief of unemployment proposed in this bill. It also carries \$100,000,000 to aid in direct relief to the millions of people in this country who are hungry and without shelter.

They say that it will impair the credit of the Government, but the credit of the Government is back of every debenture that the Reconstruction Finance Corporation issues, and if the issuance of bonds would impair the credit of the Government, then also would the placing of the Government back of the Reconstruction Finance Corporation debentures impair the credit of the Government. I do not believe this is going to be the only remedy to bring the country back to prosperity. The fact is that the wheels of industry have stopped on a dead center and they require a force to remove them from that dead center, and this will help to start those wheels turning.

The hungry in this country must be fed. The National Government receives taxes from the people. It should bear its just portion of the burden in caring for all the people throughout the country. That certainly is true at this time, when the States and local communities have been carrying that load for the past two years, and it has become so burdensome that they can not well carry it longer alone. The people are taxed to death now in the States and something must be done to lower rather than increase local taxes. This legislation is not the solution of the unemployment problem. No one claims that it is. It merely pumps some oxygen into the lungs of industry. Other relief measures must follow. Legislation must be enacted to increase commodity prices and restore purchasing power to the 30,000,000

farmers of this country. We must have effective farm relief that will give the farmer a living price for what he has to sell

Until the farmer prospers no industry in this country can prosper, and that fact must be borne in mind at all times. It is within the power of this Congress, in cooperation with the President of the United States, to break this depression in a month's time if it has the courage to do it. It is within the power of the Federal reserve system to issue a sufficient volume of Federal reserve note currency on eligible security, which when placed in the channels of commerce, would raise commodity prices, thereby helping the farmer and giving to the country a purchasing power. If you do not do something of that kind, your Budget will not remain balanced, and when we come back next fall we will be confronted with the duty of again levying additional taxes if we expect to keep the Budget balanced. The sources of revenue are drying up, and they will continue to dry up until we get a greater volume of money in circulation. We have voted for everything in the President's program and it has helped to some extent, but it has not solved the question and it is not going to solve the question. It has not put a single man to work. We need emergency relief and must have it, whether as proposed in this bill or in some other form. You can not say that this is a dole and use that as an excuse for not voting for it. These hungry people are already on a dole from the local communities. You can not hide behind the excuse that it is a bad precedent for the country to issue relief direct to the people. The people of this country are not going to remain in this hungry, starved, clothesless, and shelterless position without rising up in arms against the Government that you expect them to support. Appeal has been made to patriotism in this discussion. What is patriotism? Patriotism on the part of the Members of this Congress is to take care of those people back home who need relief at this crucial time in American history.

The CHAIRMAN. All time has expired.

Mr. RAINEY. Mr. Chairman, by direction of the Committee on Ways and Means, I offer several amendments, which are at the desk.

The Clerk read as follows:

Amendments offered by Mr. RAINEY:
Page 2, line 6, after "States," insert "Territories."
Page 2, line 15, after the comma insert "and housing" and a comma.

comma.

Page 4, line 20, after "originally," insert a colon and the following: "Provided, That loans secured by first-mortgage bonds on real property and made to limited-dividend corporations engaged solely in erecting, operating, and renting dwellings or apartments may be made for such periods of time as the corporation may determine, based on a sound amortization plan."

Page 5, line 21, after "thereof," insert a comma and the following: "and the term 'State' shall include 'Territory.'"

Page 7, line 3, strike out the period and quotation marks and insert in lieu thereof quotation marks and a comma and the

insert in lieu thereof quotation marks and a comma and the following: "but the Secretary of Agriculture is directed to continue making loans to farmers under the provisions of such sec-

Page 17, lines 20 and 21, strike out "Saginaw, west side, post

Page 17, lines 20 and 21, strike out "Sagmaw, west side, post office, \$13,000."

Page 18, line 3, strike out "\$5,610,000" and insert "\$5,480,000."

Page 33, line 3, strike out "\$174,404,000" and insert "\$174,-274,000."

Page 42, line 25, strike out "\$83,090,000" and insert "\$59,-300,000."

Page 43, line 4, strike out "\$70,000" and insert "\$50,000."

Page 46, line 21, strike out "Rockville."

Page 54, line 6, strike out "\$22,330,000" and insert "\$14,-210,000."

Page 54, line 10, strike out "\$55,000" and insert "\$35,000." Page 62, after line 2, insert:

"Channel from Phoebus, Va., to deep water in Hampton Roads; Rivers and Harbors Committee Document No. 33, Seventy-second Congress.

Page 62, after line 23, insert:
"Elizabeth River, N. J.; Rivers and Harbors Committee Document No. 24, Seventy-second Congress."

Page 63, after line 12, insert:

"Hampton Creek, Va.; Rivers and Harbors Committee Document
No. 34, Seventy-second Congress."
Page 64, strike out lines 17 and 18.
Page 66, strike out lines 1 to 3, inclusive.

Page 66, after line 22, insert:
"Snake River, Idaho; Rivers and Harbors Committee Document
No. 25, Seventy-second Congress."

Page 70, after line 7, insert:

"Connecticut River above Hartford, Conn."

Page 74, strike out lines 2 to 12, inclusive, and insert:

"SEC. 321. (a) The last paragraph of section 6 of the Federal highway act, as amended and supplemented (U. S. C., title 23, sec. 6), is hereby amended to read as follows:

"Whenever provision has been made by any fitter for the federal highway act.

6), is hereby amended to read as follows:

"'Whenever provision has been made by any State for the completion and maintenance of 90 per cent of its system of primary or interstate and secondary or intercounty highways equal to 7 per cent of the total mileage of such State, as required by this act, said State, through its State highway department, by and with the approval of the Secretary of Agriculture, is hereby authorized to increase the mileage of the primary or interstate and secondary or intercounty systems by additional mileage equal to not more than 1 per cent of said total mileage of such State, and thereafter to make like increases in the mileage of said systems whenever provision has been made for the completion and maintenance of 90 per cent of the mileage of said systems previously authorized in accordance herewith."

Mr. CHINDBLOM. Mr. Chairman, I reserve a point of order for the purpose of asking the gentleman from Illinois in regard to the amendment on page 17, line 20.

Mr. BLANTON. Mr. Chairman, the rule provides that there shall be no points of order.

Mr. CHINDBLOM. Mr. Chairman, by what right does the gentleman from Texas stand in the well of the House and attempt to take me from the floor?

Mr. BLANTON. Mr. Chairman, I make the point of order that the rule provided that there shall be no points of order made, and that all debate is closed, and that the point of order made in order to gain an opportunity to debate is out of order.

Mr. CHINDBLOM. If the gentleman has finished his speech, Mr. Chairman, my point of order goes to the question of the authority to offer the amendment, and that question is not covered by the rule prohibiting points of order.

I can not recall that in committee any action was taken upon the amendment referring to line 20, on page 17. I have all the notes with me. I have all the documents with me that we had in the committee. It is with reference to the Saginaw post office. It was not taken up in the com-

Mr. RAINEY. I will say to the gentleman that this bill is intended to carry post offices which have been recommended by the Post Office Department interdepartmental committees. We find there is no post office at West Saginaw, and this was a clerical error.

Mr. CHINDBLOM. I am right, however, in my contention that it was not actually taken up in the committee?

Mr. RAINEY. Yes. It is a clerical error. Mr. CHINDBLOM. Then I will waive the point of order. Mr. RAINEY. Mr. Chairman, I do not desire to consume the five minutes in debating the amendment.

The CHAIRMAN. The question is on the adoption of the amendments offered by the gentleman from Illinois.

Mr. STAFFORD. Mr. Chairman, I ask for recognition in opposition to the amendments.

The CHAIRMAN. The gentleman from Wisconsin is too

Mr. STAFFORD. Oh, I do not think so, Mr. Chairman. The CHAIRMAN. Does the gentleman ask for recogni-

tion on the amendments offered?

Mr. STAFFORD. Yes, Mr. Chairman. The CHAIRMAN. The gentleman is entitled to five min-

Mr. STAFFORD. Mr. Chairman, in all seriousness, I rise to inquire the reason for striking out the item relating to Milwaukee Harbor.

Mr. VINSON of Kentucky. I might suggest to the gentleman that Milwaukee Harbor carried \$125,000 in House Document No. 289, and that Secretary of War Hurley was before the committee and recommended that that be omitted from the list.

Mr. STAFFORD. Did he give any reason why it should be omitted?

Mr. VINSON of Kentucky. He said that the \$125,000 was intended to be repayment to the city of Milwaukee of certain future dredging, at a cost not to exceed 10 cents per cubic yard.

Mr. STAFFORD. Mr. Chairman, if there is any meritorious proposition in this bill, it is that relating to Milwaukee Harbor. [Laughter and applause.] It is known that Milwaukee Harbor has much larger tonnage than that of Chicago or Calumet. It is the only progressive harbor on Lake Michigan, within the progressive State of Wisconsin.

It is true that my progressive, insurgent friends from Wisconsin voted for the previous question on this rule, and I think they were under the impression that Milwaukee was to get some pork out of this bill. This is really a most worthy proposition, and the fact that Secretary Hurley recommended against it I do not think is warrant for having it stricken out. Secretary Hurley apparently does not know anything about the merits of Milwaukee Harbor. He has never visited that great city and seen the greatest harbor on Lake Michigan, if not on all the Great Lakes. Otherwise he certainly would not have recommended against it. The Chief of Engineers recommended the appropriation, and the Rivers and Harbors Committee has recently reported upon it favorably.

But whether this appropriation for Milwaukee's outer harbor is carried in the bill or not, I would be constrained to vote against saddling upon the taxpayers of the country the tremendous burden of many hundred millions for public buildings in small cities, villages, and hamlets, that can not be defended at any time, much more in these perilous times when the people everywhere are demanding economy in public expenditures.

Mr. LaGUARDIA. Mr. Chairman, I ask recognition in favor of the amendment.

The CHAIRMAN. Does any member of the Committee on Ways and Means desire recognition in favor of the amendment? If not, the Chair will recognize the gentleman from New York.

Mr. LaGUARDIA. Mr. Chairman, I do this solely for the purpose of calling the attention of the House and the country to the fact that we have in this amendment one of the most progressive provisions ever considered by Congress, and that is providing for loans to limited-dividend corporations, engaged solely in housing. That in itself will bring relief to every city in the United States, and it is the first real constructive step to eliminate the slums from the cities, which are a disgrace to our boasted progress.

It is possible to commence right here in Washington, the Capital of the United States, where people are living in alleys, in unsanitary shacks and hovels, paying high rents, and construct model, cheerful, sanitary homes at low rents.

Under the provision contained in this amendment loans may be made by the Reconstruction Finance Corporation to limited-dividend corporations engaged solely in erecting and operating such buildings and renting them at low rentals. The profits to the corporation are limited, thereby permitting payment of all maintenance costs, amortization of capital, and surplus being given to tenants in the form of reduced rents. It provides proper homes for wage earners; it creates taxpaying buildings in place of worthless fire traps or shacks. It is conducive to health and the community in every way gains by such modern system of housing. England, Germany, and other countries have such a system of housing and have carried on with great success.

The bill makes it possible for such a limited-dividend corporation to borrow, giving its bonds as security. Any corporation having title to the land and making the proper showing to the Finance Corporation could qualify. This plan not only creates the opportunity for immediate employment and demand for building material—the real purpose of this bill—but is a continued social benefit by reason of its very purpose in providing proper kind of homes within the means of the average wage earner. It is a direct benefit to the tenants themselves in that it prevents landlord profiteering. In New York we have had some instances of successful operation of such enterprises. The money market has made it impossible to continue along such lines. It is sincerely to be hoped that this provision in the bill will be sympathetically administered by the Reconstruction Finance Corporation.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. Schaffer) there were—ayes 163, noes 105.

So the amendment was agreed to.

The CHAIRMAN. Under the rule, the committee rises. Accordingly the committee rose; and the Speaker having resumed the chair, Mr. Cooper of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, and in accordance with the provisions of the resolution (H. Res. 251) he reported the same back to the House with an amendment.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. HAWLEY. Mr. Speaker, I offer a motion to recom-

The SPEAKER. Is the gentleman opposed to the bill? Mr. HAWLEY. I am.

The Clerk read as follows:

Mr. Hawley moves to recommit the bill H. R. 12445 to the Committee on Ways and Means with instructions to report back forthwith, striking out all of the bill after the enacting clause and substituting in lieu thereof the following:

Mr. HAWLEY. Mr. Speaker, in view of the fact this amendment has been printed in bill form and also in the report of the committee, I ask unanimous consent that the reading be dispensed with and the matter printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The matter referred to follows:

That the Reconstruction Finance Corporation is authorized until June 30, 1933, to make loans or advances in accordance with the provisions of this act in sums not exceeding in the aggregate \$300.000.000.

SEC. 2. (a) The corporation may make emergency loans to any State for relief of distress arising from unemployment in such State, upon a showing to the satisfaction of the corporation as to the necessity for funds for such purpose and that all reaconable means of otherwise obtaining such funds have been exhausted. The corporation may make such loans by the purchase or underwriting of bonds of such States or in such manner and in such amounts, for periods not exceeding five years, upon such terms as to repayment of the principal thereof and interest thereon, and subject to such other conditions, as the corporation may determine. No such loan shall be made except upon the application of the chief executive of the State pursuant to appropriate authorization of its legislature, or by referendum or initiative by the people of any State, and upon the direct and unconditional obligation of such State to repay such loan with interest thereon in accordance with its terms.

(b) If at any time the corporation shall find that any State has defaulted in the performance of the terms or conditions of any loan made to it under this section, and if such default shall have continued for a period of 60 days after written notice thereof by the corporation to the chief executive of such State, the Secretary of the Treasury, upon request of the corporation, shall withhold annually thereafter from such State such sum or sums, not exceeding one-fifth of the unpaid indebtedness of such State hereunder, as the corporation shall deem requisite for its protection from apportionments made to such State of Federal grants in aid of States or out of any moneys due or payable by the United States to or for the use of such State, until such default has been remedied or the indebtedness has been paid. The Secretary of the Treasury shall, upon request of the corporation, pay the amount so withheld, or any part thereof which it may specify, to the corporation to be applied upon such indebtedness. If prior to any such payment the corporation shall notify the Secretary of the Treasury that such default has been remedied or the indebtedness paid, the Secretary of the Treasury shall release the sum or sums so withheld.

SEC. 3. (a) The corporation may also make emergency advances for relief of distress arising from unemployment in any State upon a showing to the satisfaction of the corporation as to the necessity for funds for such purpose, that such State, by reason of its

constitution, is unable to provide funds needed for the purpose, and that all reasonable means of otherwise obtaining such funds have been exhausted. In such case the corporation may make advances in such manner and amounts and under such condi-tions as the corporation may determine upon the assurance of the chief executive that he will recommend the necessary legis-

tions as the corporation may determine upon the assurance of the chief executive that he will recommend the necessary legislative action under which advances made under this section may be funded into loans under section 2, and that every reasonable effort will be made to provide for the repayment to the corporation of all such advances with the interest thereon within a period not exceeding five years, in accordance with the conditions determined by the corporation.

(b) If prior to the expiration of 18 months from the enactment of this act any advance under this section has not been funded into a loan under section 2, together with any unpaid interest thereon, in accordance with the conditions determined by the corporation, the Secretary of the Treasury, upon the request of the corporation, shall withhold annually thereafter from such State such sum or sums, not exceeding one-fifth of the advances and the interest thereon, as the corporation shall deem requisite for its protection from apportionments made to such State of Federal grants in aid of States or out of any moneys due or payable by the United States to or for the use of such State, until such advances and interest have been paid. The Secretary of the Treasury shall, upon request of the corporation, pay the amount so withheld, or any part thereof which it may specify, to the corporation to be applied in repayment of such advances and interest.

SEC. 4. The Reconstruction Finance Corporation act is amended by adding after section 5a the following new sections:

"SEC. 5b. The corporation is authorized and empowered to make loans to any State or political subdivision thereof, or to any agency constituted pursuant to the authority of such State, or to any

"SEC. 5b. The corporation is authorized and empowered to make loans to any State or political subdivision thereof, or to any agency constituted pursuant to the authority of such State, or to any corporation organized under the laws of any State or of the United States and having resources adequate for its undertaking, for the purposes of enabling them to finance the construction, replacement, or reconstruction of economically sound and useful projects, the construction, replacement, or reconstruction of which will provide employment at an early date for a substantial number of persons, subject to the limitations of section 5 of the Reconstruction Finance Corporation act as to the periods within which the corporation may make loans and the amounts thereof. The corporation may make such loans in such manner and amounts, for such periods not in excess of five years, upon such terms as to repayment of principal thereof and interest thereon, and subject to such other conditions as the corporation may determine. Each such loan shall be fully and adequately secured, and shall be made only upon a showing to the satisfaction of the board that the State, political subdivision, agency, or corporation applying for the loan is unable to obtain sufficient funds for the purpose upon reasonable terms through banking channels or from the sale of its bonds or other securities to the general public, and that the operation of the project when compelled will yield sufficient income to bonds or other securities to the general public, and that the operation of the project when completed will yield sufficient income to be self-sustaining, including the repayment of the loan made hereunder with the interest thereon in accordance with its terms

hereunder with the interest thereon in accordance with its terms and conditions.

"Sec. 5c. The corporation is authorized and empowered to make loans to bona fide financial institutions, organized under the laws of any State or of the United States and having resources adequate for their undertakings, for the purpose of enabling them to finance the carrying and orderly marketing of staple commodities produced in the United States. The corporation may make any such loan in such manner and upon such terms and conditions as it may determine subject to the limitations of section 5 of the Reconstruction Finance Corporation act as to the periods within which it may make loans and the amounts and maturities thereof, and all such loans shall be fully and adequately secured.

"Sec. 5d. The corporation is authorized and directed until June 30, 1933, to allocate and make available to the Federal Farm Board such sums not exceeding in the aggregate \$50,000,000 as the Federal Farm Board shall request from time to time to enable it to make additional loans to cooperative associations and stabilization corporations pursuant to the authority conferred upon said board by the agricultural marketing act of June 15, 1929, as amended.

"Sec. 5e. The corporation is authorized and directed until June 30, 1933, to allocate and make available to the Secretary of Agriculture such sums, not exceeding in the aggregate \$50,000,000, as the Secretary of Agriculture may request from time to time for financing the exportation of agricultural commodities produced in the United States. The exercise of the authority hereby conferred upon the Secretary of Agriculture shall be subject to the limitation of section 5 of the Reconstruction Finance Corporation act as to the periods within which loans may be made and the maturities thereof. The amounts which may be allocated and made available to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation act shall be reduced by the aggregate of the secretary of Agriculture und thereof. The amounts which may be allocated and made available to the Secretary of Agriculture under section 2 of the Reconstruction Finance Corporation act shall be reduced by the aggregate of the sums made available to him under this section."

the sums made available to him under this section."

Sec. 5. The third paragraph of section 5 of the Reconstruction Finance Corporation act is amended by striking out the second sentence thereof, which reads as follows: "Except as provided in section 5a hereof, no loan or advancement shall be made by the corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to the adoption of this act: Provided, That the foregoing limitation shall not apply to loans made to agricultural or livestock credit corporations, or Federal land banks, joint-stock land banks, or Federal intermediate credit banks, nor to loans made to banks for the purpose of financing agricultural operations."

SEC. 6. The amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered under section 9 of the Reconstruction Finance Corporation act to have outstanding at any one time is increased to an aggregate of six times its subscribed capital stock.

Mr. HAWLEY. Mr. Speaker, I demand the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

The question was taken; and there were-yeas 183, nays 218, not voting 30, as follows:

> [Roll No. 90] YEAS-183

Aldrich	Dver	Kading	Sanders, N. Y.
Allen	Eaton, Colo.	Kahn	Schafer
Andresen	Eaton, N. J.	Ketcham	Seger
Andrew, Mass.	Englebright	Kinzer	Seiberling
Andrews, N. Y.	Erk	Kopp	Selvig
Arentz	Estep	Kurtz	Shott
Bacharach	Evans, Calif.	Lambertson	Shreve
Bachmann	Finley	Lankford, Va.	Simmons
Bacon	Fish	Leavitt	Smith, Idaho
	Foss	Lehlbach	
Baldrige			Snell
Barbour	Frear	Loofbourow	Snow
Bohn	Free	Lovette	Sparks
Bolton	Freeman	Luce	Stafford
Bowman	French	Ludlow	Stalker
Brand, Ohio	Garber	McClintock, Ohio	
Britten	Gibson	McFadden	Strong, Kans.
Brumm	Gifford	McGugin	Strong, Pa.
Buckbee	Gilchrist	McLaughlin	Stull
Burdick	Golder	McLeod	Summers, Wash.
Burtness	Goodwin	Magrady	Swanson
Cable	Goss	Manlove	Swick
Campbell, Pa.	Guyer	Mapes	Taber
Carter, Calif.	Hadley	Martin, Mass.	Temple
Carter, Wyo.	Hall, Ill.	Michener	Thatcher
Cavicchia	Hall, N. Dak.	Millard	Thurston
Chindblom	Hancock, N. Y.	Moore, Ohio	Tilson
Chiperfield	Hardy	Morehead	Timberlake
Christopherson	Hartley	Mouser	Tinkham
Clague	Haugen	Nelson, Me.	Treadway
Clancy	Hawley	Nelson, Wis.	Turpin
Clarke, N. Y.	Hess	Niedringhaus	Underhill
Cole, Iowa	Hoch	Nolan	Wason
Colton	Hogg, Ind.	Parker, N. Y.	Watson
Connolly	Hogg, W. Va.	Partridge	Weeks
Cooke	Holaday	Perkins	White
Cooper, Ohio	Hollister	Person	Whitley
Coyle	Holmes	Pittenger	Wigglesworth
Crail	Hooper	Pratt, Harcourt J.	
Crowther	Hope	Pratt, Ruth	Wolcott
Culkin	Hopkins	Purnell	Wolfenden
Curry	Houston, Del.	Ramseyer	Wolverton
Dallinger	Hull, Morton D.	Ransley	
Darrow	Hull, William E.		Wood, Ind.
Davenport	Jenkins	Reed, N. Y.	Woodruff
De Priest			Wyant
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Adkins Condon Almon Amlie Arnold Auf der Heide Bankhead Barton Beam Black Bland Blanton Bloom Boehne Boileau Boland Briggs Browning Brunner Buchanan Burch Busby Butler Byrns Campbell, Iowa Canfield Cannon Carden Carley Cartwright Cary Chapman Chavez Christgau Clark, N. C. Cochran, Mo. Cole, Md.

Collier Collins

Cooper, Tenn. Cox Crisp Cross Crosser Crowe Crump Cullen Davis Delaney Dickinson Dickstein Dies Dieterich Disney Dominick Doughton Douglass, Mass. Doxey Drewry Driver Ellzey Eslick Evans, Mont. Fernandez Fiesinger Fishburne Fitzpatrick Flannagan Fulbright Fuller Fulmer Gambrill Garrett Gasque Gavagan Gilbert

NAYS-218 Gillen LaGuardia Glover Goldsborough Lanham Lankford, Ga. Larrabee Granfield Green Larsen Lewis Lichtenwalner Greenwood Gregory Griffin Griswold Lindsay Linthicum Haines Hall, Miss. Hancock, N. C. Lonergan Lozier McClintic, Okla. Hare Harlan McCormack McDuffie Hart Hastings McKeown Hill, Ala. Hill, Wash. McMillan McReynolds McSwain Hornor Horr Major Maloney Mansfield Howard Jacobsen James Jeffers Martin, Oreg. May Mead Johnson, Mo. Johnson, Okla. Johnson, Tex. Miller Milligan Mitchell Mobley Jones Karch Keller Monta Kelly, Ill. Kelly, Pa. Montet Montet
Moore, Ky.
Norton, Nebr.
Norton, N. J.
O'Connor
Oliver, Ala.
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Cannon

Cable Campbell, Iowa

Campbell, Pa.

Carter, Calif. Carter, Wyo. Cavicchia

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Clancy Clarke, N. Y. Cole, Iowa

Colton

Goss

Hadley

Hartley

Haugen

Holmes Hooper

Hope Hopkins

Hess Hoch

Hall, Ill. Hall, N. Dak

Hancock, N. Y. Hardy

Hogg, Ind. Hogg, W. Va. Hollister

Summers, Wash.

Swick

Taber

Temple

Thatcher

Thurston

Tinkham

Underhill

Turpin

Watson

Whitley

Wigglesworth

White

Tilson Timberlake

Parker, Ga.	Sabath	Stewart	Warren
Parks	Sanders, Tex.	Sullivan, N. Y.	Welch
Parsons	Sandlin	Sumners, Tex.	West
Patman	Schneider	Sutphin	Whittington
Pettengill	Schuetz	Swank	Williams, Mo.
Polk	Shallenberger	Sweeney	Williams, Tex
Pou	Shannon	Swing	Wilson
Prall	Sinclair	Tarver	Wingo
Ragon	Sirovich	Taylor, Colo.	Withrow
Rainey	Smith, Va.	Taylor, Tenn.	Wood, Ga.
Ramspeck	Smith, W. Va.	Thomason	Woodrum
Rayburn	Somers, N.Y.	Tierney	Wright
Reilly	Spence	Underwood	Yon
Romjue	Steagall	Vinson, Ga.	
Rudd	Stevenson	Vinson, Ky.	
	NOT V	OTING-30	
Abernethy	Cochran, Pa	Knutson	Rankin
Allgood	Corning	Lambeth	Reid, Ill.
Ayres	Douglas, Ariz.	Lea	Rogers, N. H.
Beck	Dowell	Murphy	Sullivan, Pa.
Beedy	Drane	Nelson, Mo.	Tucker
Boylan	Igoe	Owen	Weaver
Brand, Ga.	Johnson, Ill.	Patterson	
Chase	Kendall	Peavey	
So the mo	otion to recommi	it was rejected.	

Mr. Chase (for) with Mr. Reid of Illinois (against).

Mr. Chase (for) with Mr. Reid of Illinois (against).
Mr. Beck (for) with Mr. Boylan (against).
Mr. Beedy (for) with Mr. Patterson (against).
Mr. Knutson (for) with Mr. Tucker (against).
Mr. Murphy (for) with Mr. Allgood (against).
Mr. Sullivan of Pennsylvania (for) with Mr. Rogers (against).
Mr. Cochran of Pennsylvania (for) with Mr. Brand of Georgia (against).

Until further notice:

Mr. Corning with Mr. Dowell.

Mr. Corning with Mr. Dowell.
Mr. Weaver with Mr. Johnson of Illinois.
Mr. Rankin with Mr. Kendall.
Mr. Nelson of Missouri with Mr. Peavey.
Mr. Abernethy with Mr. Douglas of Arizona.
Mr. Ayres with Mr. Drane.
Mrs. Owen with Mr. Lambeth.

Mr. DARROW. Mr. Speaker, my colleague, Mr. Beck, is unavoidably absent. If he were present, he would vote " yea."

Mr. CULLEN. Mr. Speaker, my colleague, Mr. Boylan, is seriously ill in a hospital in New York City. If he were present, he would vote "nay."

The result of the vote was announced as above recorded. The SPEAKER. The question is on the passage of the bill

Mr. RAINEY. Mr. Speaker, I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were-yeas 216, nays 182, not voting 33, as follows:

[Roll No. 91] YEAS-216

Adkins Karch Keller Collier Fuller Collins Almon Fulmer Kelly, Ill. Kelly, Pa. Gambrill Amlie Condon Connery Cooper, Tenn. Garber Garrett Arnold Auf der Heide Kemp Bankhead Cox Crall Gasque Kennedy Barton Gavagan Kerr Beam Black Crisp Cross Gilbert Gillen Kleberg Kniffin Glover Goldsborough Bland Crosser Kunz Crowe Crump LaGuardia Bloom Granfield Boehne Boileau Lambeth Lamneck Cullen Davis Delaney DeRouen Dickinson Greenwood Gregory Griffin .Boland Lanham Briggs Lankford, Ga. Browning Griswold Larrabee Larrabee Larsen Lewis Lichtenwalner Lindsay Linthicum Haines Hall, Miss. Hancock, N. C. Brunner Dickstein Dies Dieterich Buchanan Bulwinkle Disney Dominick Harlan Busby Hart Hastings Lonergan McClintic, Okla. Butler Doughton Douglass, Mass. Byrns Canfield Doxey Drewry Driver Hill, Ala. Hill, Wash. McCormack McDuffie Carden Carley Cartwright Hornor McKeown Ellzey McMillan McReynolds Howard Huddleston Jacobsen James Cary Celler Chapman Evans, Mont. McSwain Fernandez Fiesinger Fishburne Maas Chavez Maloney Mansfield Christgau Clark, N. C Jeffers Fitzpatrick Flannagan Johnson, Mo. Johnson, Okla. Cochran, Mo. Cole, Md. Martin, Oreg. Fulbright Johnson, Tex. May

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ead	Parks	Sinclair	Thomason
iller	Patman	Sirovich	Tierney
illigan	Pettengill	Smith, Va.	Underwood
itchell	Pittenger	Smith, W. Va.	Vinson, Ga.
obley	Pou	Somers, N. Y.	Vinson, Ky.
ontague	Prall	Spence	Warren
ontet	Ragon	Steagall	Welch
oore, Ky.	Rainey	Stevenson	West
elson, Wis.	Ramspeck	Stewart	Whittington
olan	Rayburn	Sullivan, N. Y.	Williams, Mo.
orton, Nebr.	Reilly	Sumners, Tex.	Williams, Tex.
orton, N. J.	Rudd	Sutphin	Wilson
Connor	Sabath	Swank	Wingo
liver, Ala.	Sanders, Tex.	Sweeney	Withrow
liver, N. Y.	Sandlin	Swing	Wood, Ga.
verton	Schneider	Tarver	Woodrum
almisano	Schuetz	Taylor, Colo.	Wright
arker, Ga.	Shannon	Taylor, Tenn.	Yon
	NA NA	YS-182	
drich	Doutrich	Kinzer	Seger
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rentz	Erk	Leavitt	Shreve
yres	Estep	Lehlbach	Simmons
acharach	Evans, Calif.	Loofbourow	Smith, Idaho
achmann	Fish	Lovette	Snell
acon	Foss	Lozier	Snow
aldrige	Free	Luce	Sparks
arbour	Freeman	Ludlow	Stafford
ohn	French	McClintock, Ohio	Stalker
olton	Gibson	McFadden	Stokes
owman	Gifford	McGugin	Strong, Kans.
rand, Ohio	Gilchrist	McLaughlin	Strong, Pa.
ritten	Goodwin	McLeod	Stull
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Purnell

Polk

Niedringhaus Parker, N. Y.

Pratt, Harcourt J. Pratt, Ruth

Millard

Mapes Martin, Mass.

Moore, Ohio

Houston, Del. Hull, Morton D. Hull, William E. Williamson Wolcott Wolfenden Ramseyer Ransley Reed, N. Y. Rich Cooper, Ohio Coyle Crowther Jenkins Johnson, S. Dak. Wolverton Wood, Ind. Culkin Johnson, Wash. Robinson Woodruff Rogers, Mass. Romjue Dallinger Jones Kading Wyant Yates Darrow Davenport De Priest Kahn Ketcham Sanders, N. Y. Schafer NOT VOTING-33 Abernethy Corning Johnson, Ill. Rankin Douglas, Ariz. Dowell Allgood Beck Knutson

Rogers, N. H. Sullivan, Pa. Lea Murphy Nelson, Mo. Owen Drane Finley Beedy Boylan Tucker Brand, Ga. Frear Golder Holaday Weaver Chase Cochran, Pa. Patterson Cooke

So the bill was passed.

The Clerk announced the following additional pairs: On this vote.

Mr. Reid of Illinois (for) with Mr. Chase (against).
Mr. Boylan (for) with Mr. Beck (against).
Mr. Patterson (for) with Mr. Beedy (against).
Mr. Tucker (for) with Mr. Knutson (against).
Mr. Allgood (for) with Mr. Murphy (against).
Mr. Rogers of New Hampshire (for) with Mr. Sullivan of Pennsylvania (against).
Mr. Brand of Georgia (for) with Mr. Cochran of Pennsylvania (against).

(against).
Mr. Drane (for) with Mr. Golder (against).

Until further notice:

Mr. Corning with Mr. Dowell.
Mr. Weaver with Mr. Johnson of Illinois,
Mr. Rankin with Mr. Kendall.
Mr. Nelson of Missouri with Mr. Peavey.
Mr. Abernethy with Mr. Cooke.
Mr. Douglas of Arizona with Mr. Holaday.
Mr. Igoe with Mr. Frear.
Mrs. Owen with Mr. Finley.

Mr. CULLEN. Mr. Speaker, again I make the statement that my colleague, Mr. Boylan, is confined to a hospital

in the city of New York by serious illness. If he had been present he would have voted "yea."

The result of the vote was announced as above recorded. On motion of Mr. RAINEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS-GENERAL RELIEF BILL

Mr. McSWAIN. Mr. Speaker, the word "bonus" means literally "good." Ordinarily, it means something paid in addition to the strict contract price. I am for the bonus legislation to pay to the former soldiers something in addition to the dollar a day that they received while serving, because it is not only a good thing for the former service man, but especially, and more particularly because it is a good thing for the people of the whole country at this particular time.

We have not the money in the Treasury to pay the bonus and we can not levy enough taxes to pay it at this time. But the plan proposed of issuing Federal reserve notes, backed by Government bonds and having adequate gold reserve to guarantee the same, will be highly beneficial to this distressed country. Our people are suffering from a paralysis of the circulatory system of business. That paralysis comes about because of a paralysis of credit. The value of credit was destroyed through the gigantic gambling game carried on in New York, ordinarily called speculation on the bull market.

Mr. Speaker, I am supporting the relief bill that bears your name, and I supported the bill to set up the Reconstruction Finance Corporation, and I will support the measure to set up the home-loan board, to assist building and loan associations to help people build new homes or to buy homes already built. That means work for laborers. But these plans will involve the borrowing of money from some-body.

On December 8, 1931, I introduced a bill to set up a national emergency board, with some powers very similar to the powers of the Reconstruction Finance Corporation, but in some other respects far broader and with more teeth. That bill proposed to sell bonds to the limit of \$2,000,000,000 and the proceeds to be used for relief, so that no man, woman, or child in America shall suffer. I proposed to give to the board adequate powers for carrying on relief. That would involve the power to commandeer property or to commandeer the use of property. When people are starving or freezing to death that is no time to dicker and haggle about prices. That is the time to act. So my bill would give the national emergency board power to commandeer a train and to commandeer the output of a coal mine or all the output of a flour mill or all the output of a lumber mill and to send trainload after trainload of coal or flour or lumber to some place where it might be needed to prevent starving and freezing.

I coserve with much interest that the President now proposes that the Reconstruction Finance Corporation be empowered to lend States and municipalities \$300,000,000 to assist them in relief work among their own people. That same proposition was incorporated in my bill of December 8, 1931.

But, Mr. Speaker, the bill that bears your name, and the Reconstruction Finance Corporation, and every proposition or measure that implies borrowing money is only a temporary makeshift at best. We can not borrow ourselves out of debt and we can not bring about prosperity by mortgaging the future. All these billions of dollars that we propose to borrow must be borrowed from the very people who already have a mortgage on everything in America and on everybody in America to the third and fourth generations. The Nation, the States, and the municipalities, combined with the corporations and individuals in this Nation, owe to a small percentage of the population, probably not over 4 per cent of the people, the enormous aggregate of about \$150,000,000,000. Every billion of dollars that we borrow is borrowed from the same general group and is added to the same debt.

So. Mr. Speaker, it is necessary that we figure some way to start getting out of debt. Every dollar borrowed thereby enhances proportionately the relative value of a dollar. All the measures now before the Congress contemplate appreciating and adding to the purchasing power of a gold dollar. The result is that those of us who borrowed a dollar 4, 5, 6, 8, 9, or 10 years ago, when cotton was 20 cents a pound, when wheat was \$1 a bushel, when cats were 50 cents a bushel, and when meat was 10 cents a pound on the hoof, now find that in terms of commodities it takes two, three, and even four times as much produce to pay the debt as it did when we borrowed it. The effect of this enhancement in the purchasing power of the dollar has been to double, triple, and quadruple our debts. That means that those who hold these mortgages on our property and on our earning power have been relatively enriched and have had their assets multiplied. Now, something must be done about this phase of the matter, or the relief measures that we are now putting on the statute books will eventually help to accomplish our own

So, Mr. Speaker, these fundamental considerations, almost axiomatic in their self-evident truth, are the reasons why I am for issuing Federal reserve notes to pay the \$2,200,000,000 to the former service men. It means that this money will be divided among about four and one-half million former service men, scattered in proportion to population all over the Nation. This new money will not be hoarded by these veterans. Maybe some of them will squander it unwisely; but that is their right and privilege. We can not put them into a strait-jacket and compel them to use the money in the best possible place. But the number who will foolishly waste their money must be relatively few. The great masses of them have learned their lesson well. They will spend the money for the necessities of life for themselves and their families. The money thus spent will be paid for food and clothing, for medical attention, and for the hundreds of other necessities, comforts, and conveniences of life. The money thus paid out will pass from one hand to anotherfirst into the bank and then out of the bank, and in less than one year it is probable that every dollar thus paid out will pay \$10 worth of debts. Thus, \$2,200,000,000 of new money will pay \$22,000,000,000 of debts. The money thus used to buy goods will justify the merchant in ordering more goods, and it will justify the manufacturer in making more goods, and thus the paralysis of business will be gradually overcome.

Business is now on a dead center. It can not start without some new stimulus. The people have no confidence in the banks and the banks have no confidence in the people. The people will not deposit in the banks and the banks will not lend to the people. When the wheels of business begin to turn again, as this bonus money would compel them to turn, the banker would see that the business of the merchant would justify a loan to the merchant, and that the new orders of the manufacturer would justify a loan to the manufacturer, and thus once more credit would slowly but surely be reestablished.

It is true that only a small part of the business of the Nation is done with actual money, but under the present conditions of lost confidence it is money alone that counts. People will not accept checks in payment of bills unless the checks are certified. But \$2,400,000,000 of new money turning over ten times in a year will certainly start business going. When business is fully recovered it will be easy enough to retire this new money. It can then be retired by selling Government bonds which the investing public will then be glad to buy.

So, Mr. Speaker, what many regard as an unfortunate obligation to pay the balance of the adjusted compensation to the former soldiers at this time will under the existing economic conditions prove an actual blessing.

It is idle to try to frighten the country by saying that this issue of currency will lead to extreme and destructive inflation. Many of those who oppose the bonus admit that we have the gold and the resources ample to justify addi-

tional currency of \$2,200,000,000. They say that it would | be all right if we could only stop there. But they argue that we would not stop at that point. They argue that if we once start to issuing paper money to inflate the currency and to raise commodity prices, that we can not stop the issue, and that we will continue until we go to the foolish and suicidal extreme that Germany did. That such argument is not justified is proven by the experience of France, of Italy, and lately of England. To argue that if we issue this new paper money and found that business was reviving that we would thereupon pass laws authorizing the issue of more and more money is an unjustifiable argument. It would be just as reasonable to argue that if a physician is called to a sick man whose heart action is so weak that he is about to die, and if the physician gives him one dose of nitroglycerin, and if he finds that his patient is recuperating that he will immediately give to the patient a double dose of nitroglycerin and kill him.

Mr. Speaker, the heart action of American business is beating at a low and slow ebb. The pulse is so faint and infrequent as to be hardly discernible. Now is the time for some heroic remedy. Now is the time to give an injection of nitroglycerin in the form of \$2,400,000,000 of new money. Immediately the heart action will pick up and the sick business public of America will immediately brighten. The merchants will begin to sell goods, and the doctors, dentists, and lawyers will begin to collect fees, and the farmers will be able to sell their produce at fair prices, and the railroads will begin to carry goods, and the life-insurance companies will again collect premiums from the policyholders, and collect interest on their notes and mortgages. Every class, corner, and condition of American life will be immediately stimulated. It is necessary that we think in terms of an emergency. To do under ordinary conditions what is now proposed would be unreasonable and unjustifiable. It is unscientific and dangerous to give an injection of nitroglycerin to a well man. But business in America is sick. and many observing and thinking people fear that it is sick nigh unto death. Something must be done besides borrow more money. Something besides giving more mortgages against the earning power of our children and grandchildren must be done. We must do something to enable the people to pay back their debts in the terms of commodities at the prices prevailing when the debts were made.

When a farmer borrowed a thousand dollars on his farm a few years ago, 10 bales of cotton would pay that thousand dollars. To-day it will take 40 bales of cotton to pay that debt. If the farmer could multiply his producing capacity by four, the effect on the market price of cotton would be to cut even the present price in half. The result would be that instead of being able to pay his thousand-dollar debt with 40 bales of cotton, he would have to raise 80 bales of cotton. Under existing conditions, the harder a man works and the longer he lives the more he gets into debt. We must shake ourselves free from the narrow thinking of the big banker man. Wisely, and properly, the banker is very conservative. But to assume that he knows all of the laws of economic life and that his conclusions about the broad principles governing business are all correct is unjustifiable and unwarranted.

The recent experience of the American public in buying stocks and bonds upon the recommendation of big New York bankers is proof positive that the banker is weak and shortsighted, and often selfish like the rest of us. These New York bankers loaded billions of practically worthless foreign bonds upon the investing public of America. They advised the purchasing of American securities at three and four and even five times their real value. The trouble is that too many bankers in America let the New York bankers do their thinking. It is very much like the Army. the general thinks, all the colonels and all the majors and all the captains think. Those New York bankers have demonstrated their incapacity to advise the public in a broad way, and we must free ourselves from their selfish and narrow point of view. These New York investment bankers represent the views of the 3 or 4 per cent of the American population who have a mortgage on the property and the

earning power of the other 96 or 97 per cent of the American people. How long will this 96 or 97 per cent permit the insignificant minority of 3 or 4 per cent to dictate the financial policy of the Nation? How long will this minority fix to their own advantage the yardstick of value for American commodities and for American labor? Here is the fundamental economic problem confronting the American people. This is the source of our trouble.

When we ascertain our freedom from the selfish thinking of those who have a selfish interest in multiplying the value of a dollar and in decreasing the value of a commodity and of labor, then just so long will the conditions from which we now suffer continue to sap the life of our people.

So, Mr. Speaker, I am following you in part, but I hope that the Congress, before it adjourns, will see that the fundamental problem is the money problem; that the yard-stick of all value is the dollar; that those who control the dollar control the labor of the men who produce commodities; that those who control the dollar naturally enlarge its buying power and thereby shrink the value of commodities. It is just as unwise and as unfair to allow the small minority to control the yardstick of value as it would be to allow cloth merchants to fix the length of a yardstick or to allow grocery merchants to fix the weight of a pound. Merchants generally are certainly honest, but the power of selfishness is well known to all mankind. Undoubtedly the yardstick would shrink and the pound would shrivel.

So it is with the minority that controls money, which is the life blood of business. They use that money, and credit which comes from the use of money, to multiply the fortunes they already have, and they can not multiply their own fortunes without subtracting from the wealth of those whose labor produces the things that man must have to eat and to wear. Here is the heart of the problem—prices of cotton and wheat, meat, and milk must rise. We can do this if we increase the volume of money and credit.

Mr. COCHRAN of Missouri. Mr. Speaker, I am amazed at the statement of my colleague [Mr. Dyer] that Missouri and St. Louis do not want a relief bill passed. This measure, far from being perfect, will result in a relief bill being enacted before this Congress adjourns. Just a few moments ago the head of the legal division of St. Louis, Mr. Muench, and Mr. E. J. Steger and Mr. Meyers, leaders among those who have been handling relief funds in St. Louis, talked with us in the corridor. They came to Washington to get relief or to get the bill so worded that Missouri and St. Louis can participate if it is found necessary. So far we have met the situation, which is becoming more desperate daily. I hope we will not need it, but certainly provisions should be made to enable States and municipalities as well as counties to secure aid if it becomes necessary to apply for it.

There are provisions of this measure with which I am not in accord, but I feel confident that in the end a relief bill will be brought before the House in the form of a conference report that every Member, including the Republicans who are now in opposition, will approve and will vote for.

The political speeches made here to-day were uncalled for. Some one had to start the movement for a relief bill, and this bill was introduced for that purpose. As usual, when a movement is started, the President let his views be known. It matters not to me what kind of a bill is brought forward, or who is the author of the bill, just so it is sound and will afford relief, provided it becomes necessary to apply, I will support it.

Mr. Speaker, it would be a fatal mistake for this Congress to adjourn without placing money at the disposal of the President, or some other Government agency, to be used in the event of necessity.

Mr. LARRABEE. Mr. Speaker, the purpose of government is to protect and defend the weak and the oppressed and to suppress, if necessary, the strong, that equal rights may prevail under our Constitution for all people.

In times of panic such as this, when hardship and want are the rule and not the exception, it becomes mandatory on the Federal Government to act for the protection of the weak

I have said since Congress convened that I would support and vote for any measure that offered any prospect of relief for those who are no longer able to provide for themselves. While I would not oppose a so-called "dole" if it were to prevent hardship and suffering, I have maintained that a constructive program to put men back to work is far better than extending the arm of direct charity.

Speaker Garner has offered the first plan of any sort that will bring immediate relief to the suffering people. His plan has been wisely prepared. He proposes to alleviate hunger and starvation and distress immediately and to open the doors of construction to labor that men may again be provided with jobs that will enable them to earn daily bread for themselves and families.

Much has been said by the factions opposing Mr. Garner's plan—and their opposition is purely political—about their plan, but those who oppose the Garner plan have failed to bring forth anything that will bring relief in any way.

They gave us a moratorium, with promises that it would restore confidence throughout the world and revive business, industry, and commerce. It has failed entirely. They gave us a Reconstruction Finance Corporation, with promises that it would thaw frozen assets, prevent bank failures, and open credit to the Nation, thus bringing about restoration of confidence and a revival of business and industry.

While there undoubtedly have been some benefits to big business, unemployment, farm failures and bankruptcy, hunger, hardship, and starvation have increased. The Reconstruction Finance Corporation has failed to reach the people that the Government is intended to protect and defend.

Mr. Garner and his party have generously supported measures proposed by the opposition, desiring to aid and not to block any legislation that might be of benefit, and have given the opposition full measure of cooperation.

In the face of this, when Mr. Garner and his party bring forth the only measure that has been offered to provide relief, he has met with immediate opposition from the White House down to the political cohorts of the President in Congress. Cooperation was a fine thing while those on the majority side of the House were extending it, but when it came time for the minority side to do their part, as expected by the people of the entire Nation, no cooperation was forthcoming.

Playing politics with human misery, poverty, want, and starvation that their candidate for the Nation's highest gift might not be embarrassed by seeing the opposing party succeed in passing a measure of relief for the people in need became an actuality.

Charges of "pork-barrel" legislation were hurled in an effort to befuddle the people; but I say to you, it is better to give the people generously of "pork" than hot air when the people are starving.

But this is not a "pork-barrel" measure. It is sane, positive legislation to give relief, both immediately by the extension of aid to the distressed and by providing work that the unemployed may earn their own living.

Charges have also been hurled that this measure will further unbalance the Budget that has just been balanced. Nothing could more fully fill the definition for "propaganda." Mr. Garner, in his wisdom, provided in his bill the means for raising the money to finance the program of construction.

A tax so small that it would hardly be noticed has been levied on gasoline, and means of funding the program over a period of years have been set up.

In his recent message to Congress Mr. Hoover remarked that it remained to be seen "whether or not the American people had the courage to tax themselves to prosperity," but when the Democratic House brought out its program to relieve suffering and revive business, industry, and commerce the President and his cohorts set up a great cry against the very suggestion he had made a few days before.

The Hoover plans have been tried, with Democratic support to make possible their enactment, and have been found sorely wanting. If the Republicans are sincere in their reputed desire to relieve distress, let them now lay aside party prejudice and their political guns and join with the Demo-

crats in Congress to actually provide the relief that is needed. Let them reciprocate in the matter of cooperation.

Our duty, as representatives of the people in Federal Government, is plain. We must act, and at once, to defend those who are no longer able to protect themselves from misery and want. If we do not, then there is no use for us to continue here, for we have failed in our duty, and I sincerely believe that the people will take it upon themselves to see to it that any Member of Congress, and any Senator, who attempts to block this measure of relief will end his period of misrepresentation on March 4 next.

While the specter of disaster and catastrophy stalks the land, we have it in our power to put an end to all this, and once again make this a land of liberty, hope, and promise.

It would be unjust, however, for me to close my remarks without calling attention to the fact that there are in the ranks of the Republican Members of the House some men with sufficient courage and vision and sufficient interest in the welfare of the common people who have joined with us in passing this bill through the House.

They are men who realize the true purpose of constituted government—and who know their duty as their brothers' keepers.

Mr. WILLIAMSON. Mr. Speaker, if high-sounding titles had the power of the magic wand, the above should at once set the country on its way to a speedy and happy solution of its many distressing problems. Two days ago, after six months of arduous, nerve-racking toil, we succeeded in sending a Budget balancing bill to the President.

The success of this bill is contingent upon the most drastic economies in Government expenditures-economies which will mean sharp reduction in salaries, reduction in personnel, and the elimination of a considerable number of Government activities. For months we have been striving to maintain the financial integrity of the Government, protect its securities, and to reestablish confidence. Until confidence is restored, I can see small chance of getting industry back on its feet. Without industrial activity there can be no work for labor; without work for labor there can be no purchasing power; without purchasing power there can be no recovery of farm-commodity prices; and without the recovery of agriculture prosperity can not be restored. It is shocking to have such a bill as this brought in at the very moment when, through the most rigid economy and the greatest sacrifice in the way of heavy tax levies there was prospect of a balanced Budget, a restoration of confidence, and a rising hope for the revival of business. How can industry revive if we are to continue to pile up public expenditures, debts, and ever-mounting taxes?

Already tens of thousands of farms have gone into public ownership by the tax-deed route. More are going. Not content with heaping additional loads upon the farmer by an unconscionable tax on lumber, lubricating oil, gasoline, and checks, this bill adds insult to injury by piling still higher the tax on gasoline, of which the farmer is of necessity a heavy user.

How can prosperity be enticed back by spending hundreds of millions for so-called improvements and construction not needed? At best the proposed extravagant expenditures for additional river and harbor improvement, public roads, and innumerable new post-office buildings will furnish employment to but a small part of the unemployed. How can unemployment be remedied by such a method? Who is going to pay the bill? The taxpayer, of course. But where is he going to get the money? It is said that from eight to ten millions of persons are unemployed. Upon the most liberal estimate not to exceed 400,000 to 500,000 persons can be put to work if the entire program could at once be inaugurated. In all probability the number would be much less. It would take months to get the work started.

Even so, such a program is of necessity of short duration. What then? Manifestly the only solution is to get the wheels of industry going. The President's program gives some promise of doing this. The Garner proposal does not, but will farther mire us down with a hopeless burden of taxes and a billion dollars more of debt. Already our Federal bonds are selling at a heavy discount. What rate of

interest, Mr. Speaker, do you suppose we will have to pay to sell such an issue of long-term bonds?

In order to get support for the measure, the Speaker has dangled before our eyes no less than 2,766 new post-office buildings and 85 other structures. Small towns would get buildings costing from \$55,000 to \$125,000. Not only are these not needed but they represent shocking extravagance at any time, not to say at a time like this. In many instances interest on the investment at 4 per cent per annum, 2 per cent for depreciation, and janitor services would multiply the present operating expense of these offices from 300 to 500 per cent. We already have 3-cent postage. What is it going to be when these new offices are built?

To accomplish this ruin, our Democratic friends have not only bound their membership in this House hand and foot by an ironclad caucus decree compelling support of the measure but have brought in here the most drastic gag rule in the history of the House. Only three hours of debate is allowed on a \$2,200,000,000 bill. No amendments whatever are allowed from the floor. The bill was not read in the committee reporting it, and the reading of the bill is denied in the House. If ever there was parliamentary tyranny, this is it. What has become of the boasted liberty of action and freedom of Members to prefer amendments, of which we have heard so much from our Democratic friends in the past? They have out-Cannonized Cannon. That reputed czar would never have dared force such procedure.

If this bill should become law, South Dakota would get \$690,000 in post-office construction, and presumably something for roads. It is fair to assume that we shall have to pay approximately our share upon a per capita basis. A little computation will show that this bill will cost us in the neighborhood of \$12,000,000.

Human need must be cared for; but surely some way can be found where more of the money spent would get into the hands of those who need it. A mere fraction of the amount proposed to be expended, if used for thinning where needed and replanting burned-over areas in our national forests, would not only give employment to tens of thousands of men but would repay the expenditure in course of time in greatly augmented production of a product that is being rapidly depleted in our country. Thirty-five States, Alaska, and Puerto Rico have national forests that need attention, so that the work would be widespread and easily within the reach of those in need of employment.

Mr. LANKFORD of Virginia. Mr. Speaker, in the heat of debate on this measure, and among the fumes of pork and cheese, together with vision of the marble walls of post offices and public buildings either needed or not needed, the Democratic Members of the House of Representatives, in my opinion, did as I feared they would, lost their perspective and lost sight of the real issue involved in their vote on this measure.

For the last two months the Congress has been busily engaged in trying to balance the Budget, taxes have been increased to staggering proportions, ruinous in many cases, I fear, by reason of the failure to pass the manufacturers' excise tax, and drastic cuts in Government appropriations and expenses have been made, all for the purpose of balancing the Budget. For the last two months, and up until yesterday, the unanimous opinion of the Members of Congress, regardless of party, seems to have been that it was absolutely necessary to balance the Budget. If not, why the untiring effort to increase taxes by one billion and a quarter dollars, and a reduction in operating costs of two hundred and fifty millions?

I recall how enthusiastically the House as one man recently rose and cheered in response to the Speaker's appeal to assist in balancing the Budget. I took this seriously, I thought it important, even essential to our national wellbeing, to balance the Budget; and if the letters I have been receiving recently from my home, as well as from all over the country, and the editorial comments I have read mean anything, the country thinks it important and the country took it seriously.

Naturally I am confused to see the leaders of the Democratic Party—men for whom I have sincere respect and for

whose views I have a high regard, leaders in the great fight to balance the Budget—the very next day after the bill was passed balancing the Budget vote to a man to unbalance it by supporting a public works bill which would place a direct burden of \$1,000,000,000 on the United States Treasury, withdraw from it the very billion dollars that has been imposed upon the already overburdened taxpayers of the country after so much effort and discussion by the new tax bill, and leaving the Treasury just where it was when we started, unbalanced by a billion dollars.

Surely the President thought it was necessary to balance it, otherwise he would not have taken the almost unprecedented course of suddenly appearing in person in the Senate and pleading for a balanced Budget.

Surely the Senate thought it necessary, for it stayed in session that day until far into the night and balanced it.

Surely the nations in Europe took it seriously as evidenced by their rapid withdrawal of gold from this country for fear that we would not, and certainly American business and industry took it seriously as evidenced by the rapid decline in all stocks and bonds, and their immediate rise, as if heaving a sigh of relief as soon as the task was performed.

Yet, from the almost solid Democratic vote to-day it would appear that all of this labor and fear at home and abroad were unnecessary. What I can not understand is, Why was it so necessary last week and last month and the month before—and to-day it is utterly immaterial as compared with the construction of innumerable post offices and public buildings, many of which have been protested against by the very people in whose communities they are to be built?

This is a mystery which I hope our friends on the Democratic side will explain to the country. I admit that I am greatly confused.

But they say this was to create work—work for the unemployed—but will it? The land has not been bought nor the plans prepared, and it would require a year to even start on this vast scheme. Assuming everything were ready and all could start at once, possibly two or three hundred thousand would be temporarily put to work, a number which would be hardly noticed in the vast army of unemployed throughout the country; but the loss of jobs by the chaos which would be caused by our failure to balance the Budget would be infinitely greater than the numbers employed in this nonessential Government work program, and we would end with an additional billion-dollar burden on the tax-payers, more men out of work, and an even more difficult task of balancing the Budget.

The problem of the unemployed is the greatest problem facing this Congress. I would gladly stay in Washington all summer to see it solved and hope we will not leave until it is. However, I do not believe it is the proper function of the National Government to assume the burden of individual employment until every State and city has exhausted every remedy. The same power of taxation is given to the States and cities as is given to the Federal Government; they have even a broader basis of taxation, and the tax falls on the same people whether imposed by the Federal Government or by the States and cities. I believe in State rights and I also believe in State responsibilities, and no better occasion was ever offered for them to assume both than now. But, assuming that the States and cities have exhausted every means and failed to provide, then the Federal Government should come to their aid if there are any sources of revenue left-but where will this be?

We have borrowed ourselves into this difficulty; we can not borrow ourselves out. We can not bring prosperity by taxing an already overburdened people to provide temporary non-revenue-producing and unessential work for a comparatively few of the unemployed.

The President's plan, in my opinion, offers the only safe solution. It provides loans for work of a necessary, revenue-producing, labor-employing character, without laying an additional burden of taxes on the country.

It relieves the country of the fear of additional taxation; it restores confidence and hope and courage in American industry, and this once established, business and industry

will take care of the unemployment in a vastly greater way than the Government could possibly do.

For the immediate future, inasmuch as we are waging war—a war on depression—I think the Army could render invaluable aid, and I would suggest that the Secretary of War be authorized and empowered to secure from the Federal Farm Board as much wheat as required and to borrow from the Reconstruction Finance Corporation sufficient funds to establish camps throughout the country, use its tents and field kitchens and personnel to provide for those who actually need food and shelter, until a return of normal conditions. This would take a heavy burden from the cities and would cost less than any other way.

A 5-day week and a 6-hour day in Government and private work at the earliest possible moment would, in my opinion, aid materially in absorbing a vast number of the unem-

ployed.

Mr. SWANSON. Mr. Speaker, there is a Federal postoffice building in the district which I represent, in a town of 2,500 people, concerning which I have checked up the records of expenditure for the year 1931. There has been no waste of public funds in connection with the upkeep of the building, but I find the total expenditures for that year for heat, light, water, repairs, and janitor service amount to the total sum of \$2,724.24.

In another town in the district, a county-seat town slated for a new post-office building under the bill now under consideration, the total expenditure for rent, light, heat, and all other housing expense was \$756 for the same year. In other words, by a comparison of the annual expenditures for housing the post office in these two towns of substantially the same size and receipts, it will be seen that the expense to the Federal Government where the Government owns the building is more than three times as great as where the building is rented. And this does not take into consideration the capital expenditures and interest on bonds necessary to construct the building. It is not alone the original cost of this proposition, but it is the upkeep which will recur year after year from now on.

In this time of high taxes and financial distress our people do not approve of this Congress entering upon a program of erecting post-office buildings which can not be justified economically and which are clearly unsound from a business standpoint because of the enormous total annual increase in

operating expense.

When the newspapers carried the story of the so-called Garner public-building program for Iowa, letters were written me by constituents from several of the towns proposed to be benefited, substantially as follows:

"Our citizens note with surprise that this town is listed to have—should this bill become law—a post-office building to cost \$70,000, and other towns near by also to be so favored. Ye gods; \$70,000 would buy our entire main street. This town does not need a post-office building in times like these." And the same may be said of the other towns listed.

Certainly we can not reduce public expenditures by an enormous increase of the annual costs of the upkeep of public buildings. This increased cost comes from the taxpayers. We have just imposed upon the people additional taxes, many of which can not be justified, to balance the Budget, and to my mind it is inconsistent to support a program which means continuously additional expenditures for maintenance. I am opposed to the unsound and uneconomic policy of the construction of public buildings in any section of the country in times like these when our people are overburdened with taxes and are themselves in financial distress.

Mr. CELLER. Mr. Speaker, I attended the caucus of my party, and gladly bound myself and my colleagues to vote for H. R. 12445, a bill reported out by the Ways and Means Committee to relieve destitution and succor the needy by broadening the loaning powers of the Reconstruction Finance Corporation, and to decrease the number of idle in this country by creating employment through the authorization and expedition of a public-works program, and to provide a method of financing such a program.

The bill divides itself into three parts: Title I provides for authorizing the appropriation of the sum of \$100,000,000, to be available to the President of the United States until July 1, 1933, to be disbursed by him, either in the form of loans of money or of supplies or in the form of gifts.

Title II expands the facilities of the Reconstruction Finance Corporation. It now lends to banks, mortgage companies, surety companies, and other bona fide finance companies. Under this bill it is authorized to make loans to persons or corporations—either public corporations, quasipublic corporations, or private corporations. For this purpose the Reconstruction Finance Corporation is given increased authority to issue bonds and debentures from three times the amount of its subscribed stock, which is \$500,000,000, to five times that amount. So that, whereas the Reconstruction Finance Corporation was heretofore enabled to issue \$1,500,000,000 in debentures, it now has the right to issue \$2,500,000,000 in debentures, or an increase of \$1,000,000,000.

Title III is a comprehensive public-works-construction program, providing for the prosecution of river and harbor improvements as recommended by the War Department, the building of roads, the prosecution of existing projects of flood control on the Mississippi River, the Sacramento River, and other streams, the erection of post-office and various other public buildings. It is hoped that by the carrying out of this public-works-construction program thousands upon thousands of idle hands will become busy, purchasing power will increase, consumption demand will increase, and to a great extent the wheels of industry ought to again revolve.

Relative to Title I, providing for the sum of \$100,000,000 at the disposal of the President, I would say that this is a bill of rescue and mercy. We have not as yet plumbed the depths of misery and suffering brought on by unemployment. If we can not give the poor but able-bodied men jobs, we must at least give them food and clothing. To the opponents of this bill I would say, these poor and needy ones ask for bread, and you on the Republican side of the aisle would give them a stone. Under ordinary conditions I would not wish to place such tremendous power in the hands of the President.

During the World War we gave our President huge powers. We are now engaged in war—a war against need and suffering. Powers commensurate with the responsibilities brought on by this economic war must again be granted to the President. Private charity is unavailing. The coffers of private organizations are empty. All private means have become exhausted. The Emergency Unemployment Relief Committee, namely, in New York, is near the end of its rope. Even the so-called rich in New York City are unable to help; they can not give further.

There is plenty of precedent for us to approve this measure. We gave many millions to the starving Russians, Germans, and Austrians. Some weeks ago we donated 40,000,000 bushels of wheat to the needy of this land through the American Red Cross. This morning I am informed that the Committee on Agriculture has voted out another bill for an additional 40,000,000 bushels of wheat and 500,000 bales of cotton to clothe and feed unfortunate people through the instrumentality of the American Red Cross.

It is not only a question of getting jobs for the poor. From 10 to 20 per cent of our population are outside of such help and can not be relieved by jobs; they can not work. There are the great masses of aged and decrepit people, helpless women and children, and, in short, the halt, the lame, and the feeble. The only benefit to them of jobs is the small amount of relief that trickles down to them from those near and dear to them who are possessed of jobs. But getting jobs is not enough. They need direct relief, and must have it.

Unless we help those in need of charity, I shudder to consider the dreadful consequences—starvation and ruin visited upon thousands. There would be uprisings and upheavals, the repercussions of which would be felt for decades to come. We can not remain indifferent in the face of such impending calamity.

Title II of the act really puts the Reconstruction Finance Corporation into the banking business. It provides that private individuals and private corporations may receive loans upon good security, as are now available to banks, railroads, and so forth. While banks are no longer failing in the same proportion as last year, and while we might say that bank failures have been practically arrested, nevertheless many people in this land still lack proper confidence in our banking system; they are still hoarding their money instead of putting it into these banks. There is ever present in the minds of the bankers the fear of sudden runs and sudden demands for the withdrawal of deposits. This makes bankers timid; they must remain "liquid"; as a consequence, they do not lend their money.

Many bankers state that there is little or no demand for money on the part of good and solvent concerns. Since the banks can not, will not, or dare not make loans, some other instrumentality must be set up to make loans to private enterprises. This the bill permits the Reconstruction Finance Corporation to do. At first I viewed with fear and trepidation the encroachment of the Reconstruction Finance Corporation in the field of the banks, but I have spoken to several bankers of prominence in New York, and am informed that they see no harm in the Reconstruction Finance Corporation entering the banking field as a temporary measure.

This is a temporary measure. The War Finance Corporation during the World War made loans directly to private business. It suffered no losses and did great good. In this emergency the Reconstruction Finance Corporation may duplicate the splendid work performed by the War Finance Corporation during the war.

The huge sums of money now piled up in the banks are sterile, useless, nonproductive, and offer no credit base. Last week the surplus bank reserves in New York City on the part of the larger banks amounted to \$150,000,000. means \$150,000,000 over legal surplus requirements. That surplus bank reserve has no useful purpose. In fact, it is dangerous; it is proof positive that the member banks are not loaning any money, are not extending additional commercial credit.

In a certain sense banking credit is not responding to the needs of trade. No credit means no business, no construction, no initiative, no enterprise, with business stagnant, no work, no jobs. Private banking being unwilling or unable to supply the needed credit to industry, public banking must. Therefore we empower the Reconstruction Finance Corporation to enter the field of private banking and do, temporarily at least, what the private bankers can not or will not do.

Title III really embodies Hoover projects. It is difficult to understand the Republican objections at this time. It simply provides for regulated construction and the setting up of the machinery that will make possible thousands of jobs. President Hoover has advocated again and again public-works construction. He has promised and promised. The Democrats now perform. Mealy-mouthed Republicans have used words and words and more words along this line; the Democrats now say it with pickax and shovel.

It is interesting to note chronologically the various times President Hoover has advocated in principle the items covered under Title III of this bill. That which the President and the Republicans have clamored for for the past decade should not be wrong.

CHRONOLOGY OF PRESIDENT HOOVER AND UNEMPLOYMENT

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1920. Report of second industrial conference called by President
Wilson; Herbert Hoover, vice chairman. Recommended: 1. Planning of public works as "one of the most useful approaches to the
general problem of unemployment."
1921. The President's Conference on Unemployment; Herbert
Hoover, chairman. Recommended: Leadership by the Federal
Government "in expanding its public works during periods of
depression and contracting execution in periods of active industry."
1923. Report of Committee on Business Cycles and Unemployment, appointed by Herbert Hoover: "The committee calls attention to the need for careful drafting of laws to insure a policy
of reserving public-works projects if it is to be done effectively."
1924. Report of Committee on Seasonal Operation in the Construction Industries appointed by Herbert Hoover: "The efforts to
encourage long-range planning of public works deserve the sup-

encourage long-range planning of public works deserve the sup-

port of the public, legislators, and administrative officials."-Fore-

port of the public, legislators, and administrative officials."—Foreword by Herbert Hoover.

1928. Herbert Hoover's Department of Commerce indorses the Jones prosperity reserve bill: "Enactment of the bill by the Congress would, in my opinion, encourage measures looking toward the same end on the part of the State and local governments, which would also be in accord with the unanimous recommendations of the President's conference on unemployment and its committee on business cycles and unemployment."—Memorandum by chief of the division of building and housing, Department of Commerce, submitted to the Senate committee by Herbert Hoover.

1928. Herbert Hoover in presidential campaign speeches recommends the planning of public works with a view to eliminating unemployment.

unemployment.
1928. Governor unemployment.

1928. Governor Brewster announces Hoover's "\$3,000,000,000
reserve fund" program to the conference of governors "at the request of Herbert Hoover as an authorized exposition of a portion of his program for stabilizing prosperity."

For some mysterious reason the President now turns his back on all these words, and does not want public-works construction. He says not enough jobs will be made available. In this connection, let me give you an extract from an editorial appearing in one of the New York magazines concerning the number of jobs that will be available and indicating how President Hoover has underestimated the actual number of positions that will be created:

In speaking of road construction, Mr. Hoover asserted that giving \$132,000,000 to the States for highway construction would directly employ only 35,000 men and indirectly 20,000 more. Last winter, Col. F. S. Greene, the superintendent of public works of the State of New York, got out a table for the benefit of the legislature which proved that \$132,000,000 would build 3,300 miles of road and would employ 148,500 men. To-day prices have changed so that, as shown by bids, this sum would build 3,770 miles of road and employ 169,450 persons. But what is a little difference of 114,450 men to a President when he wants to make a point?

If this bill passes within 70 or 90 days, according to the word of the Supervising Architect of the Treasury Department, work on a large scale can be started and the dirt will fly at once. Furthermore, the question of the condemnation of property for the acquisition of sites for the erection of public buildings is greatly simplified by this bill. Under the present law you must first procure a site and then build. The acquisition often takes a year or more. Under the provisions of this bill you do not buy a site; you take it—that is, you condemn it—and subsequently payment is made therefor. Much time is thus saved.

Under the provisions of Title III there would not be expended more than \$400,000,000 during the next fiscal year, with an economically sound building program. If more is allotted, more than one year would be covered. Bonds would be issued to this extent. These bonds could be amortized at the rate of 21/2 per cent per annum, making the bonds 40 years in duration. The interest on the \$400,000,000. including sinking fund provision, as financed by the issuance of Treasury bills and would be \$2,500,000. However and whatever the cost, relief would be direct, employment could be had directly or indirectly in the mills, the factories, the quarries, the looms, on the farms, and so forth.

The bill has been drawn, and this is the essential point: to enable the country to put men at work as rapidly as possible; and that work be provided in every nook and cranny of the United States. It must be realized that wages turn over fifteen times a year. Thus there would be a purchasing power of fifteen times the number of dollars expended. This should be sufficient to start us well out of the rut of depression.

Mr. LANKFORD of Georgia. Mr. Speaker, I am supporting the present Democratic relief plan. It is not my idea of a real relief measure. It is, though, better than nothing and better than some of the other plans, which would give no relief whatever to some sections of the country.

FAIR DIVISION

This bill will give at least a modicum of relief to every congressional district.

FEDERAL COURT BUILDING FOR WAYCROSS

Waycross would get a Federal court building, which is very much needed and which will be built in the near future. Why not make this improvement now and give this aid to the good people of this community.

POST-OFFICE BUILDING FOR BAXLEY

Under this bill the splendid little city of Baxley will get a post-office building at the cost of \$60,000. This city for some time has had over \$10,000 annual postal receipts and is entitled to a Federal post-office building under the old law and would soon get a building even under the present law. Baxley is the only city in my district with \$10,000 annual postal receipts without a post-office building. It is entitled to a building under the \$10,000 annual postal receipt law. Why not do this work now and give this incident relief?

LOWER ANNUAL POSTAL-RECEIPT REQUIREMENT

For several years I have fought for post-office buildings in towns with less than \$10,000 annual postal receipts. I have done this because there are many splendid small cities in my district and elsewhere which have less than \$10,000 annual postal receipts but have over \$5,000 annual receipts.

FAVORS \$5,000 ANNUAL POSTAL-RECEIPT LIMIT

For the last several years I have introduced a bill at each session making the limit for post-office buildings only \$5,000 annual postal receipts instead of the \$10,000 annual-receipt limit. This bill is a partial recognition of the principle for which I have been contending. The annual postal-receipt limit under this bill is placed at \$8,000.

POST-OFFICE BUILDINGS FOR JESUP AND BLACKSHEAR

This lowering of the limit would give Jesup and Blackshear each a \$60,000 Federal post-office building, as provided in this bill.

OLD POST OFFICE BUILDING LAW

Under the law of force until several years after the World War, post-office buildings, so far as possible, were distributed equally among the various congressional districts, with the \$10,000 annual postal-receipt requirement given recognition as fully as possible.

UNDER NEW SCHEME

Now, the postal-receipt requirement is followed much more strictly, if not altogether.

NO FAVORITISM NOW

One good feature of present plan is that postal receipts determine the matter entirely. There are several good cities in my district, though, which never will get post-office buildings unless their annual receipts increase or unless the annual receipt limit can be lowered.

FUTILITY OF POST OFFICE BUILDING BILLS

Most new Members of Congress introduce many post office building bills. They soon learn the futility of this course. Many older Members introduce these bills upon request. The fact remains that the city now must come within the limit by an increase of postal receipts or the limit must be lowered so as to include the particular city.

MANY MISLED

I wish this law was fully known to all the people. Many criticize Members of Congress for not getting post-office buildings in cities where the postal receipts are entirely too low to at all secure a public building, and many candidates make promises to secure public buildings where at this time there is no chance at all.

VALDOSTA POST-OFFICE BUILDING

This bill also carries a liberal amount for the improvement of the Federal building at Valdosta.

FOR AID TO SMALL CITIES

I find growing sentiment in favor of my plan to build small post-office buildings in cities of \$5,000 or more annual postal receipts. Beautiful sites could be secured at a very reasonable cost and small, beautiful buildings could be built at \$30,000 in the \$5,000 annual postal-receipt city as against a \$60,000 building in a \$10,000 annual postal-receipt city.

HELP FOR SMALL COMMUNITY

We spend too much money for large cities and not enough for the smaller cities. All are Americans, and the very best of the best are in the smaller cities and the country.

LITTLE REAL RELIEF

This bill will give very little real relief, either, to the unemployed and practically none to the farmer. I wish we

would shut off all construction of public buildings, which gives only a little relief to contractors and their employees, and pass some legislation giving aid to the farmers and giving permanent employment at reasonable pay to the now unemployed.

TEMPORARY

The relief under this bill is not permanent, is very limited, and largely at the expenses of the very people that it is claimed will be helped.

NOT ENTHUSIASTIC

I am not at all strong for the measure, even though it is heralded as a Democratic measure.

REPUBLICAN PLAN WORSE

The proposals for relief sponsored by Republican leaders are much worse, as they give much less aid to small cities and the mass of citizens.

FAIR TREATMENT

Both plans are bad, but if such a building plan is to be put over I want, demand, and must have my share of public buildings for my people.

BONDS

Why issue bonds to build public buildings everywhere when we can get along a year or two more without them? Why not use these bonds to pay the soldiers' bonus and to reduce taxes rather than be engaged in increasing tax levies? Why not use these bonds to stop mortgage foreclosures and return farm lands to original owners, rather than to raise money for public buildings.

AWFUL TRUTH

None of the legislation passed and to be passed at this session of Congress will bring real relief and much of it will do real harm and put additional burdens on those that should be helped.

PROMISES INSTEAD OF PERFORMANCES

There is already an overproduction of promises by the very people who have failed to keep promises made in the past and by those who will gladly promise anything on earth to get elected.

EVIL OF THIS MEASURE

This Democratic so-called relief plan has some bad provisions along with the good. I shall not discuss these in detail at this time.

GOOD PROVISIONS

The bill provides for some reasonable direct relief to the starving people of our Nation. I wish it went farther in this respect. It also provides for a little, very much belated, modification of the Reconstruction Finance Corporation act. I tried to secure this liberalization of this act by several amendments when this law was first up for consideration and was blocked by some of those now sponsoring these provisions. Of course, I favor even the present very tardy proposal to do very feebly and very incompletely what should have been done fully and vigorously in the beginning. It may be that the Reconstruction Finance Corporation act will be made a fairly good act by the time practically all the funds handled under this act are safely in the hands of the big corporations and the common people are being severely taxed to pay the bill.

As is usual the common people will probably get the shell and the big corporations get the substance; the farmers and laborers get the promise and the multimillionaires get the performance; the private, independent citizen and business man get a fairly good bill after the big corporations get practically all the money.

Mr. MILLARD. Mr. Speaker, I rise to oppose the so-called Garner "pork-barrel bill" which is now before the House. I have made a detailed study of the bill Speaker Garner projected in the great name of unemployment relief, and demand the elimination of some of its absurd provisions, if not its absolute abandonment. I was very much interested in the statement contained in the New York Tribune last week, as to the idea of feeding marble post offices to hungry men out of work. There is an excellent descrip-

tion of Mr. Garner and his method of relief in the Sermon on the Mount. It reads:

Or what man is there of you who if his son asks bread will he give him a stone.

Congress has been laboring for six months to balance the Budget; and hardly before the signature of President Hoover is dry upon the revenue law, the Democratic Party presents this "pork barrel bill," called together a caucus of Democrats, and compelled everyone to vote for this iniquitous measure. When we have had proposals to put money in the Treasury there was no caucus, but when it was to take money out of the Treasury the Democrats then had a conference and bound all their Members, but in spite of this 20 Democrats voted with Republicans. Even the watchdog of the Treasury, the distinguished Representative from Texas, Mr. Blanton, arose and meekly said, "I am a Democrat and I am in favor of this bill." That is not the kind of speech which Mr. Blanton makes when he is really speaking for a righteous cause.

To give my constituents a slight idea of what was contained in this bill, they gave the twenty-fifth congressional district 22 post offices the cost of which is almost \$3,000,000. Most of them were not needed, and the worst evidence of extravagance was giving five communities each a \$70,000 post office whose postal receipts were about \$10,000 and whose population was from 1,500 to 2,900 persons. Since December last I had almost weekly taken up with the interdepartmental group the matter of obtaining from them post offices which were most necessary, based upon expiration of leases, postal receipts, and population, and I would have been entitled to four post offices if the Nation had not been in such financial distress, but when I pick up the Ganner "pork barrel bill" I find that Santa Claus has given me 22 post offices at a cost of almost \$3,000,000.

I received yesterday the following telegram from the Chamber of Commerce of New Rochelle:

The New Rochelle Chamber of Commerce through its board of directors urgently wishes to impress upon you that it deems it imperative for the financial integrity of the Federal Government that New Rochelle and for that matter all cities to forego at this time any appropriations for a new post office for this city, no matter how badly needed, and until such time as the Federal Government finances are restored to a truly favorable condition.

I also received many letters from citizens in every part of my congressional district protesting against this disgraceful bill and protesting against the outrageous bond issue which would necessarily follow after its passage providing for so-called public works and to give employment at the expense of the country at a time when saving rather than spending is our only hope for permanent recovery. The Garner bill would instead issue bonds for projects not self-sustaining. It would unbalance the Budget in the eyes of every industry and decrease the value of Government securities. The time to halt the "pork-barrel procession" is now—before it has begun.

To take the place of this Garner bill the administration through Congressman Hawley, of Oregon, presented H. R. 12409 and H. R. 12410. These bills provided for the lending of money to the municipalities and groups which would bring back to the Government in time the principal with interest so that as between a spending bill and a lending bill I am for the lending bill. I believe the time has come when Representatives will be valued by their constituents not for the size of appropriations they get for their districts but rather the amount of money they help to save for the taxpayers of the United States of America. A former Republican President of the United States after the Spanish War, William McKinley, said that a nation could not be restored to permanent prosperity by adding additional tax burdens on the people. The Republican program does not place any additional burden upon the taxpayers of the country while the Democratic program provides for a huge expenditure on Federal post offices immediately, which will necessitate very heavy additional taxes.

As between the Garner plan and the Hoover plan I know I am representing the people of the twenty-fifth district when I again back the President of the United States.

Mr. ALLEN. Mr. Speaker, I arise in opposition to this legislation which began as an emergency relief measure and has since grown into such proportions that it has achieved the high distinction of being called the Garner pork-barrel bill. How it is possible for Members of this Congress, knowing conditions as they have been presented to us day after day during the past winter, to consent to the passage of a bill of this kind is beyond my powers to comprehend.

At the beginning of the World War this country suddenly came to the realization that through 150 years of thrift, of common-sense business methods, we had grown to be the richest country in the world. Intoxicated by the realization of this fact, and through the excitement incident to the war, we began to scatter our wealth like the proverbial drunken sailor on a spree. We drew checks for millions of dollars and gave them to every person who came for help. This orgy of spending continued after the war was closed, and in my opinion did much to excite the people of the Nation, and led them into an era of speculation and high living such as the world has never known. Two years ago this period of high living came suddenly to a crash, and untold suffering has been the result. Private individuals and business concerns have courageously endeavored to balance up their accounts and start over again. And they have called upon the Congress of the United States to straighten out the affairs of the Federal Government, cut down its expenses, balance the Budget, and start over again upon the old kind of common-sense basis. In order that this might be accomplished the citizens of the United States have unanimously agreed to stand for a war-time revenue bill in time of peace, although it is going to tax their pocketbooks in order to pay. They have made this agreement with Congress in the implied confidence that when this Budget has been balanced there will be no more extravagance in the Federal Government affairs, and that business will then be allowed to carry on its affairs without this enormous drain. Pass this pork barrel bill, and you will have betrayed every citizen that has placed confidence in you, and you will have broken his very faith in the stability of his Government. When you do that you take away hope itself.

Mr. Speaker, the Federal Government has no right and should have no purpose, in seeking to carry on public works when it has no money to pay for them. Make possible the reduction of taxes, engender confidence in the stability of the Federal Government, and business will revive as by magic, and that is the only way that unemployment can be relieved throughout the length and breadth of the land. The mill will never grind with the water that has passed. Industry will never thrive upon the money that has been drained out of its resources in taxes never to return again. This proposed pork barrel bill calls for the expenditure of over three billions of dollars, and Mr. Speaker, some day that three billions of dollars will have to be paid, camouflage it as you will. And the farmer, the laboring man, the factory, the bank, and the store will have to pay.

Mr. Speaker, this session of Congress has accomplished its mission. We have passed the appropriation bills; we have balanced the Budget. It is time to pack up and go home

Mr. KARCH. Mr. Speaker, I regret very much that a measure of this character designed to relieve the unemployment situation throughout the land, and to stimulate production, and to rekindle industrial activity, was not presented earlier in the session. This measure comes to us in these closing days of the session when the psychology of Congress is not well suited to consider and determine a measure of such momentous and far-reaching consequence.

A measure of this character really should be framed and developed by an economist. At least, we should have an expression of economists on whether or not this or any other proposed plan to revive industry and reemploy the idle millions is economically or scientifically sound and feasible. Under the very limited opportunity of the Members to examine the provisions of this bill, it is largely a matter of conjecture or, as some speakers have said, a gamble, as to whether or not the expenditure of this vast sum of money

proposed to be appropriated in this bill will actually accomplish these purposes to any appreciable extent.

While I have always been committed to a program of public works and the expenditure of vast sums of money by the Government to rehabilitate industry and relieve unemployment, I have always had hesitancy to commit myself to any plan which did not in advance demonstrate accurately and definitely the number of persons who would become reemployed, and the period of time for which they would be employed.

More particularly I should desire to be convinced by some one who has the knowledge to determine, to what extent the use of machinery in the works that we contemplate under this bill can be dispensed with; and whether the use of these gigantic sums of money hereby devoted to this construction movement could be made, or are, under the terms of this bill, contingent upon a 6-hour day, 5-day week system.

I shall, of course, support this bill because it is the only measure that has been offered in this Congress of its kind and in good faith. I wish to predict that unless the industry of this country, either voluntarily or under compulsion, will adopt the "short day" and "short working week," even in times of highest prosperity, there will always be a large number of unemployed in this country, and forever a tendency to disarrange our economic standards, and pulling toward industrial depression, unemployment, panic, and everything which we are witnessing to-day.

THE WAR OF THE ROBOTS

The time has arrived, Mr. Speaker, in the affairs of this great Nation when we can no longer temporize with conditions, and, while shutting our eyes to the right policy to follow, continue to indulge in the incantations of political and financial voodooism. It must be apparent to every thinking man and woman that we can not tax this Nation and its people into prosperity, happiness, and contentment. It must be equally apparent to every thinking person that we can not inflate this Nation into prosperity by transferring the burden of financial mistakes, speculation, greed, and selfishness from the realm of high finance where those mistakes were made, to the realm of the needy masses. It must be apparent to every thinking person that we can not continue to give to them who have most of everything now by taking more from those who have too little of what they need. And, finally, it must be perfectly clear to every thinking person that we can not continue to penalize the poor by reducing their wages, their income, and thereby expect to make the masses more prosperous, more contented, more loyal to government.

For 30 years we have been following the fallacious policy of centralizing more and more the possession and control of industry, money, and power in the hands of the few, and more and more depriving the people at large of their control of Government. And now, much to our surprise, we find that, with the ownership and control of the wealth, the money, the power of this country concentrated in the hands of a dozen men, and the ownership confined to a very small percentage of our people, our Government is no longer a government of, for, and by the people, but has become a government of, for, and by the wealthy. Whether we like to face that fact or not, that seems to be the situation. And, with the situation as it is, we must now face squarely the question of whether we are going to submit to what has proved to be the unwise rule of the few to whom we have entrusted this ownership and power of control or whether we are going to force the American people to act for themselves without calm consideration and leadership. This is the question which to-day faces the wealthy few who hold and who control this Nation's wealth and resources.

It was natural in human affairs that there must come a time when such a policy as we have been following for the past 30 years in this country must result in a very few of our citizens assuming control of all the resources and power of this Government and its people. That time has arrived. Having arrived, the inevitable struggle must take place between the need and the good of the masses, on the one side, and the seeming greed and unwisdom of the classes on the

other. It is within the power of this Congress to decide whether that struggle shall take place in a lawful and an orderly readjustment of power in this country, or whether we shall drift on soothing ourselves with platitudes, hoping for some miracle to intervene, until the people, driven by hunger, hardship, and a burning sense of injustice, shall spontaneously rise and act for themselves. I seriously doubt if there is a member of this body who, if he has pondered the tenor of the floods of letters which have been pouring into this Capitol from the people, has not asked himself, "How long will the people stand the way things are going?" And I seriously doubt if there has been a Member who has asked himself that question who has not found himself wondering how the people have stood conditions so long and so peaceably.

When, as is the case in this country to-day, a very small and very favored class of citizens finally have acquired what they seem to think is control of all the national resources, the vastly greater part of the wealth, and the whole credit structure, unless that small class of citizens is very benevolent and very wise, trouble is sure to result. While it is with deep regret that I say it, it would seem that the very small class of special-privilege citizens in this country have seemed to be neither benevolent nor wise. Instead of realizing that the money, the power, are given into their hands for wise and benevolent and unselfish trusteeship, they have seemed to regard their possession of this power as an instrument to be used for furthering their own personal aggrandizement, for oppression, for depriving their fellow men of the necessities of life, of the right to earn an honest living-and yet those few powerful citizens seem not to realize that such conditions must inevitably make for a social convulsion in the righting of wrong conditions. They seem to forget that there is always one last natural resource which can not be taken from the masses—and that is the right to demand and take the food, clothing, and shelter necessary.

If right gave wealth and power the privilege of life and death over men, then wealth might exercise that right. But right does not confer such might-and throughout all history those who were so mistaken as to attempt to exercise such prerogatives have met with disaster. Mr. Speaker, it may sound communistic or radical for me to make the assertion I am going to make, and if it does, make the most of it. I do not believe there is a Member of this august body of lawmakers who believes any individual or any small group of individuals-or any group of individuals at all-would have any moral or legal right to acquire possession of all the food, clothing, and housing of this great country and then, not needing that great hoard themselves, refuse, simply because they thought they had the power to do so, to permit anyone else to have any of that food, clothing, or shelter, thereby leaving the masses to perish, merely in order that the few might seem to indulge themselves in the exercise of a selfish and cruel power. On the same theory, Mr. Speaker, I do not believe any small group of our citizens has the right to acquire possession of industry, of the wealth, the power of credit control, and then, sitting in the midst of that power, permit a third of our population to become destitute, needy, fearful, worried, discontented, because they are denied opportunity to labor for their food, their clothing, their shelter.

Let us for a moment consider if it is true that a few citizens seem to have acquired control of the financial and the productive resources of this country, and if it is true that those few citizens are failing to use that possession and power wisely.

Three holding companies control all of our electricity.

One corporation owns more than one-half of all our iron resources.

One corporation controls more than 90 per cent of the world's nickel resources.

Four concerns control the greater part of our copper supply.

Eight closely allied railroads own about 80 per cent of the Nation's coal supply.

Two corporations control over one-half of our steel.

Two concerns own and control more than half of our meat-packing industry.

One per cent-think of it-1 per cent of our banks control 99 per cent of our banking resources. That means our credit resources. And more than 95 per cent of our medium of exchange, our money, is bank credits. Therefore, 1 per cent of our banks control 99 per cent of 95 per cent of our entire supply of money-medium of exchange.

That power of control of the medium of exchange means the ability of 1 per cent of our banks to manipulate the purchasing power of the dollar upward or downward as much as 50 per cent in one year, if that 1 per cent of bankers choose to do so. That small group of financial masters can, whenever they desire, render your material possessions and mine worth one-half less or one-half more in any one year by their mere desire to do it.

Since I desire to direct my remarks to a specific condition in this Nation to-day, I shall not go into a mass of statistics which are utterly astounding in their conclusions, showing that about 12 men really appear to control this country through an overlordship that seems for the moment to transcend the very forces of the Government itself. But I would commend to the Members of this body a solemn and careful perusal of figures quoted in a speech on March 4 in the Senate by Senator HUEY LONG, of Louisiana. They will make you think.

Mr. Speaker, the people of this Nation are now engaged in a war more relentless than the great world madness which swept this globe from 1914 to 1918.

This war has been going on for more than 50 years, and for more than 10 years it has been inexpressibly bitter. Unless it is stopped, this conflict will result in the utter material ruin not alone of this Nation, but of the world.

It is a war, if you please, which already counts its victims in the millions. In the toll of useless misery and tears it has wrought in the lives of millions of despairing men, women, and helpless children, it has approached the wanton cruelty of the world conflict at arms.

It is a war none the less terrible because it is silent; no roar of guns; no waving of flags; no blare of bands; but more deadly will it be in its results to this Nation than the worst conflict in history unless it is checked. And it will be checked.

It is war none the less horrible because on one side, seemingly guided by senseless greed, is an army of machine menrobots we call them-spawned in the workshops and laboratories of enthusiastic scientists and inventors, loosed in battle by the czars of finance and the emperors of industry, and on the other side a routed, fleeing, discouraged, and sickened army of unemployed toilers.

In this army of robots, insensate, conscienceless, efficient, are to be found every sort of mechanical mercenary from the "machine with a brain," which calculates the rise and the fall of the tides a thousand years in the future, and the robot which stands guard at the reservoir of a great city, rings a telephone, speaks the gauge of the water, and shuts off or turns on the stream; to the typesetting machine, the telegraph-transmitting typewriter, the automatic tele-phone—thousands of metal warriors which have conquered their hundreds of thousands of helpless human workers, supplanting them in commerce and industry, and have sent these hopeless mortals forth jobless, to steal or to beg or to starve.

Picture, if you can, Mr. Speaker, the agony of human hearts when the husband and father who has spent his best years becoming an expert in his trade, trudges disconsolately into his home, sags in a chair, despair written on every lineament of his features.

Picture, if you can, Mr. Speaker, the cold horror which grips the heart of his helpmeet as he tells her, "Job gonemachines crowded out 500 of us at the factory. No place to find work, and me 44 years old!"

That wail of woe is ascending from the throats of tens of thousands of workers in this prosperous land of ours. That cold fear is gripping the hearts of tens of thousands of faithful wives in this land of plenty. And yet silently-almost were doing it. They are alive to suffering wherever they

unnoticed—this relentless conquest of humans by robots goes on.

This is no overdrawn picture of this economic war which grips America in its strangling grasp, Mr. Speaker. This is no melodramatic fiction. It is a narrative of an appalling struggle between right and wrong. And right will win. Woven into this story are the tears, the heartaches, the hopelessness, and the fears of millions of American men and women and children who to-day face the future with naught but want in store.

The American workingman and the American working woman with their children are making their last desperate stand in this economic conflict as the man machines drive relentlessly forward, while a few wealthy individuals wallow in their gold and exult in their seeming power to a chorus of groans wrung from the hearts of America's unemployed. And the most tragic fact is this whole merciless

Mr. Speaker, this conflict, precipitated and kept in progress by greed, is that these very man machines would, if given the opportunity, be the very best friends and helpers of the workingmen and working women. Instead of driving the human worker from his job under the commands of greed and selfishness, these robots would, if directed by justice, be the aides and willing servants of the laboring men and women. They would add to the workers' hours of leisure-would these robots-if they were directed by justice instead of seemingly insatiable greed.

They would give the toilers greater opportunity for richer lives, more time for spiritual things, a more noble destinywould these robots-if human kindness, instead of human selfishness, were their motivating force. Invented and created to spend their tireless energy and their mechanical accuracy in the service of all the workers, these robots have been made the instruments of men who seem to lust incessantly for more money and more power. Blinded by greed, the czars of finance and the emperors of industry, with a stupidity incredible, in the last decade seem to have been completely oblivious to the perfectly apparent fact that while wage earners are dependent upon production volume and upon credit volume for employment, production agencies and credit agencies are no less dependent upon the wage earners-who compose the consuming power of this countryfor employment. Blinded by the glitter of gold and more gold, a few financiers and a few industrialists failed to see during that economically mad era of the 1920's that machines consume little except oil and repairs, while human workers require all the products of factory, field, and furnace.

They failed to see, did these financiers and these industrialists, that their profit-producing robots by replacing human workers were rapidly and surely killing the consuming power which makes production and credit operations profitable-until disaster overtook our whole economic structure. They failed to see, did these financiers and these industrialists, that if they did not spread the benefits of these labor-saving devices among the worker consumers in the form of shorter work days and work weeks and in the form of lower prices, which would encourage greater consumption, that these very robots employed to crush the worker would soon turn on the master and rend him, too. And that is exactly what the robot has done! No. Mr. Speaker, those financiers and those industrialists, blinded by an insatiable greed, must grab all of the profits to the exclusion of the worker and the consumer-until greed consumed itself and brought woe to the agencies which spawned it. And yet, Mr. Speaker, those men who seemed to do this evil thing are not wicked men. They were blind, it is true, to the awful effects of their efforts. They were blind, it is true, to the goal toward which they were headed. They seem still to be blind to the fearful aspects apparent to everybody else.

I know some of those men, Mr. Speaker. They are not men who would do willful murder. They are not men who would deliberately steal the bread of helpless men and women or the milk of prattling infants if they knew they

see it. They give large sums to philanthropy. The great | difficulty is these men have not seen, and seemingly do not yet see, that they are doing these awful things unwittingly. And it is because I believe that, Mr. Speaker, that I am raising my voice to-day in these Chambers to cry a warning to these men, to try if possible to open their eyes to the fate they are preparing for themselves and their Government. How long is it going to take the financiers and the industrialists, statesmen and governments, in this boasted age of enlightenment to learn that finance and industry are simply the agencies through which factories, farms, railroads, and other productive means are provided the workers in which those workers may produce what they need or desire, and that profits, so called, are merely the wages of financiers and industrialists received by them for providing and managing these workshops in which the worker-consumers are enabled to produce what they require?

How long is it going to take these financiers and these industrialists to learn that as surely and as rapidly as they displace the human worker by the nonconsuming machine, the wages of finance and of industry will, through the destruction of the consuming market be cut and cut until the ruin and bankruptcy which have littered the last three years of our national life will be the inevitable result for all?

The 100 machines that now do the work previously done by 25,000 shoemakers were meant to decrease the working hours of the humans, giving them additional time for study, for recreation, for attaining the higher and finer things of life, instead of sending them jobless and hopeless into the morasses of human despair and starvation. What happened? The manufacturers of shoes cast thousands of human workers into the outer darkness of unemployment. The rest had to speed up—chained to the rhythm of tireless machineryand the employers pocketed in the form of swollen profits the major portion of the wages formerly earned by those displaced workers. That is the sordid side of this terrible warthe seemingly insatiable greed which appears to have prostituted this army of robots which were meant to be mankind's aides and servants into a scourge that has swept the ranks of the wage earners.

What a grim commentary on our thousands of years of boasted advancement in culture and civilization, Mr. Speaker, that in this land of plenty, this Nation, the most prosperous since that day when Christ Jesus enunciated his great golden rule of "Do ye unto others as ye would that others should do unto you," men, women, babes by the millions should seem to be in rags-because too much clothing has been produced; that men, women, little children by the millions should seem to be hungry to-day-because too much food is being produced; that men, women, and children should be crying in the highways and the byways of our Nation, Mr. Speaker, crying for bread, crying for a little of that brotherly love and justice the Savior came to preact, and to practice-crying for these things in this land where in every city, village, and hamlet rise the stately church spires-slender fingers pointing upward toward that ideal He preached of: "Love ye one another."

For grim, stark tragedy; for a heart-breaking picture of the specter of want in the midst of plenty; for sheer hopelessness; and for an exhibition of cold, unemotional, passionless, and cruel logic of greed, as opposed to warm, sympathetic love between fellow men, a reading of the hearings before the Senate Committee on Commerce and the House Committee on the Judiciary on the three unemployment bills proposed by Senator Robert F. Wagner, of New York, in the last Congress surpasses by far the most moving tale of human tragedy ever penned by the imaginative writers of human woe. Three causes are admitted to underlie the tide of seeming want and unemployment which is resurgent in the world, and particularly in America. They are: (1) Seasonal fluctuations of employment, (2) cyclical depressions, (3) technological unemployment.

Senator Wagner in his summing up before the House Judiciary Committee on his unemployment bills in the last Congress very ably defined the situation when he said:

The technological subject is, I think, the important branch in this unemployment study. Where are these men who are losing

their places? Why are they losing their places? What can be done to readjust them and keep them more nearly up to the standard of living to which they have been accustomed? Why should these men, may I ask you, gentlemen, be sacrificed upon the altar of progress, because, after some years of pursuit of a particular trade they have overnight been deprived of their craft and thrown into the gutter, hungry, the family disrupted, and eventually child labor—whatever I say has been the result of whatever investigation has been made and shown to be the fact—family disrupted, character lowered, discontent with the Government. Bound to come! And this opposition to these bills to-day affected me to this extent: There was not a throbbing of the heart in one of them (the opponents) for the plight, the tragedy of the man without employment and with a family to support.

Seasonal unemployment, by the very nature of its occurrence, can be and is largely provided against by those engaged in it. They save when they earn and tide themselves over the lean months. But latterly the great depression brought about by causes which I shall analyze further on has so reduced the seasonal work that many of those engaged in seasonal occupations have joined the ranks of the unemployed. But, generally speaking, seasonal unemployment may be provided against by a system of public works initiated at those times when such unemployment is at high tide. Added to this, if industry will lend its intelligence to its own economic salvation and will have an altruistic regard for humans, regularization of employment can be brought about; the 12 months' work can be so arranged as to be spread over all the year instead of having some months crowded with production and others without any production at all. That would do much to smooth out the seasonal unemployment curve.

And, too, cyclical unemployment can be avoided when we will leave greed long enough to learn that the greatest fallacy of financial voodooism is that a period of depression and hardship must surely follow a period of prosperity and happiness. Why, Mr. Speaker, that theory is as foolish as it is to believe that because a man is healthy for a period he must become ill in order to become healthy again! A study of conditions surrounding the growth and development of the installment business-which was, in fact, merely the expression of a campaign on the part of capital and industry to "crowd their market" by persuading the masses to pawn their future under the installment plan-shows clearly that capital and industry have brought upon this country the depression from which we are suffering; an insatiable greed combined with a shortsightedness of which American financiers and industrialists with their boasted "Yankee shrewdness" should forever be ashamed, has brought us where we are to-day in this country.

The financiers and the industrialists must have known they were glutting their markets under the installment system. They must have known that they were pawning the people's future at ruinous financial rates and that pay day must sometime come. Yet the cry of the financiers, the slogan of the industrialists was. "Let's get ours now!" And get theirs they did-to the undoing of this whole country. There has been much learned chatter by economists and industrial engineers about the reasons for the cyclical depressions resulting in the present unemployment. Every reason from sun spots to the wrath of God has been advanced to account for the cycle of depression which is said to follow every cycle of prosperity. Yet any student of the question who is willing to be honest with himself and with the public must unhesitatingly admit that the reason for cyclical depressions is gluttonous greed for gold resulting in overproduction of credit and manufacturing in times of prosperity.

Men made mad by lust for social place and power to be gained, as they believe, through the control of enormous fortunes, rush headlong into production without heeding the natural economic limits of consumption—with the result that a few pile up tremendous gains, the country is flooded with more stocks, bonds, goods than it can pay for or consume; extravagance is encouraged and preached in every newspaper advertisement; on every bill board, by every means and method the people are urged, persuaded—literally driven into mortgaging their future to buy two radios, two telephones, two automobiles, pianos, phonographs, clothes,

furniture, expensive homes—an infinite number of luxuries | one paragraph, just so the displacement of these millions by they can not afford to buy and many of which they do not need at all.

"You don't need money, your credit is good," has been the lure which drew hundreds of thousands of American families into the toils of debt-all in order that finance and industry, not content with moderate profits, not content to spread the process of profit taking out over the years, might fatten fast upon the foolishness of their fellow men in their greed to "get ours now!" And when the day of reckoning came, when a combination of seasonal, cyclical, technological, and educational unemployment overwhelmed us, the industrialist, himself with plenty of money, at the behest of his banker-who also had plenty of money-cut down his forces, turned his workers adrift, held his head in his hands and groaned about business being "rotten."

How, Mr. Speaker, is this war of the robots carried on? Into the railroad yards the automatic "car retarders' marched. Ahead of them fled thousands of railroad workers-out into the great morass of the unemployed. Into the glass factories marched the compressed-air machines for blowing bottles and fruit jars-and out into the night of desolation and hunger retreated thousands of defeated and discouraged hand blowers. Into the steel industry marched the ruthless robots-and out of the ranks of earners fled thousands of steel workers. Into the brickmaking industry clanked the automatic machines-and out into idleness went other thousands of men. Into the incandescent-bulb manufactories crept the robots-and out into hunger and want filed thousands of displaced humans. More than 20,000 musicians, skilled men and women, who have spent their lives and thousands of dollars each in mastering the most beautiful of the arts with which to soothe the emotions of mankind are to-day jobless because the talking-picture robot defeated them.

In the field of news transportation and telegraphic-message transmission the simplex and the multiplex robots met and defeated the trained human telegraphers-and sent them scurrying in rout into the great cold world of the unemployed. In the printing trades typesetting robots now threaten to make possible the setting of type in innumerable offices as much as 500 miles away by the manipulation of keys in a central plant. More than 8,000,000 more railroad cars were unloaded in 1929 than in 1922-with 250,000 fewer employees. The unloading robots drove out this army of men with no more thought for the future of these displaced humans than a chair gives to the one who sits in it to weep.

In the pig iron and steel industry 10 men now do with the aid of machinery as much work as 230 men used to do. On the trans-Atlantic liner an average of 120 stokers used to feed the boilers. Now three men do the same work by turning on valves. A robot even steers the craft. The New York Edison Co. installed an automatic mechanism that is operating an electric-distributing station which is supplying sufficient power to light 300,000 homes without one human being in the plant. One operator, 3 miles away, handles the switch which motivates the robot that drove hundreds of workers from their posts.

A mechanical device known as "the business brain" will do the work of nine-tenths of the office men employed in large institutions. Another machine will simultaneously do the work of a cash register, the bookkeeper, the calculator, and, in another part of the building, make a complete record of the sale-robots that have driven hundreds of men and women from honest employment into the streets. took 49 coal shovelers to feed one of the plants of the International Paper Co., three men now do the work by feeding crude oil to the boilers. In 1915 one man in a razor factory honed 500 blades a day. Now one man daily hones 38,000. With relentless strides machines drove human razor honers into the ranks of the unemployed.

The whole dreadful story of this robot army driving from bench and desk the human workers could be carried on until the very significance is lost in the recital. Just as, in peace times, a railroad wreck in which a score of lives are lost becomes first-page news, while during the Great War the annihilation of an entire regiment of men shrunk into

this merciless army of machinemen loses its very significance by the vastness of its ruin.

It has been truly said that "a dollar has no conscience" and that gold is attracted only by accretion. So, while the struggle goes on between the human worker and the conscienceless robots, the masters of gold, with eye single to gain, demand of the industries they finance more and more efficiency, greater profits, and lower production costs; and so, motivated by these seeming selfish emotions, the great and increasing army of robots drives relentlessly onward. both the machines and, apparently, their masters insensible to the human agony entailed, the injury to society wrought, the danger to the Nation involved, the menace to the markets intermingled in this cruel warfare, so unequal in its combats between mortals and machines, men and women, and tireless

And now, Mr. Speaker, we must consider the whys and the wherefores of this situation, just what its economic results are bound to be, just what steps shall be taken to alleviate and to prevent a recurrence of this condition, just what functions the Government and finance and industry have to exercise in the process. If a government of the people, by the people, and for the people is anything more than an empty phrase, if it has any more living significance than the sounding of cymbals and the crashing of brass, then it must seem that the chief function of our Government-aye, the very purpose of its existence-is to-

* * Establish justice, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity—

In the words of the Constitution. The former Secretary of Labor, the Hon. James J. Davis, now a Member of the Senate, has well said that-

After all a nation should exist not to make a few men rich but to make life rich for all the people.

Can we, searching conditions to-day, say, then, that this Government is fulfilling its functions of spreading prosperity over the whole people and of making life richer for all? I think the answer to this question was well made in a speech made in the last Congress by the honorable Member from Ohio [ROBERT CROSSER]. He showed that the area of the United States to-day is more than four times greater than it was at the birth of the Nation; the wealth of our country is more than 650 times as much as when this Government was established. The wealth-producing power of man has increased as if by a miracle. Notwithstanding all of this, however, the great mass of the people are wearied and worried with the effort to make a comfortable living. In 1790, just after our Constitution was adopted, the average person's proportion or percentage of the total wealth of this country was 50 times greater than the average person's proportion or percentage of the wealth in the country to-day. It is a fact, also, that the average person to-day produces many times as much wealth as was produced by the average person at the time this Government was established.

How are we to answer those facts presented by my honorable colleague? Why is it, as he asked, that with the fabulous increase in the country's wealth, with the power of men to produce wealth so greatly increased, we see to-day millions of people in want and almost everyone haunted by a needless fear of want?

Mr. Speaker, if we are to accept these conditions as true. if we are to accept them as a reality which we can not change, then the contributing causes of our plight to-day, the underlying reasons for this relentless warfare of the robots against the human workers, the seasonal depressions, the cyclical depressions, the educational overproduction in trained workers-all of these constitute a ghastly maelstrom in which we are helpless; men, women, and children are caught up, whirled out of their places in commerce, industry, homes, and tossed broken, hungry, hopeless, and dangerous on the shores of want. We know such a fate is shadow. It is not, can not be true, for if it were, there would be no government, there would be no order, civilization would not have survived, humanity would have destroyed itself long ago. So there is a way out of this seeming vicious circle. There is an answer to these questions. There is relief for our people. There is enough richness of life and experience for all. There is enough in this world of everything needful to each one of us. It must be so, or else the whole of life becomes a phantasmagoria of hopeless fear and suffering, of chance, of evil, of might being right, of oppression, hopelessness, futility.

We know such phantasies of imaginative speculation are not true. There is justice for every man, woman, and child. There is right for every individual. There is a proper balance, a perfect level of prosperity, of economic welfare; and, Mr. Speaker, if we are to save civilization, if this Nation is to stand, this Congress has got to find that balance. We have got to find the means of restoring it. If we do not do this-and soon-this Congress will not mean anything; for there will be no country, no Government, nothing but chaos. That is unthinkable, preposterous, untrue. It is lamentable that we have so wasted the years in shutting our eyes to the signs of the times, and have stopped our ears to the warnings of those who were reading those signs aright, that now we have but a little time left in which to do this. Nearly a third of our wage earners are now unemployed. Nearly a third of our population is without any income. We can not starve that third to death. And if we did, or if we adopted the more merciful method of peaceful destruction by anæsthesia for them, what would it profit the rest?

As unemployment increases, purchasing power decreases. As purchasing power decreases, more workers must be displaced, until further unemployment adds further to the loss of purchasing power-and so on in that vicious downward spiral until ruin covers all and only a so-called fortunate few remain to revel in the golden stream flowing to them out of the misery of the masses. And then what? William Green, president of the American Federation of Labor, voiced the answer better perhaps than he knew during the hearing on the Wagner bills, when he said frankly that "either revolution or the dole must result." We can not starve our unemployed population. Men can not be expected to starve and to see their loved ones starve supinely while some of their more favored fellows revel in more wealth than any human being possibly could need or could use. The final answer, then, is catastrophe to the wealthy ones. Mob rule, riots, bloodshed, looting, destruction. That shall not be. It is unnecessary. There is an answer, Mr. Speaker, and it is not mob rule, riots, bloodshed, looting, destruction. It is to spread the available work over the whole working population, in order that all may live instead of letting some suffer and die while others revel in luxury.

It may be, Mr. Speaker, that a few deluded ones may think for the moment that by continuing this condition of want and fear they can reduce this Congress and this people to a state of economic servitude. If so, they are foolish beyond words. Why, sir, if workers were but beasts. a few masters could not keep millions of them in continual hunger, want, fear, anger, resentment, and control them. Mere beasts would turn on such masters and rend them. Therefore, how can reasoning, thinking men and women be reduced to such a servitude by the power of money? Absurd, regardless of who thinks such a thing-and nobody believes it if he but stops to think. It is inconceivable that in this, the richest nation on the globe, this land of plenty, home of the free, cradle of higher education, we should have millions of our men and women and children workless, desolate, hungry, ragged, while we find within our ranks the most of the world's greatest billionaires, millionaires, the greatest aggregations of capital, billions of which have been sent abroad for investment. Ugly as it sounds, the answer to the problem, unless prompt and intelligent action is taken, is revolution or the dole.

We must arouse ourselves from this economic phantasmagoria and work in realities if we are to face the future with any assurance of safety and happiness for our people

Are we to stop the invention and use of labor-saving devices? It seems to me the best answer to that was voiced by Mr. Crosser when he said that—

To prevent the use of machinery would mean that it would be useless for men to try to discover and to try to understand the principles which govern the universe so they may be used to provide for the convenience and to increase the comfort of the human race; for if people were not allowed to use machines, there would be no reason for making them. If it were useless to make machines, then there would be no incentive, no desire, to discover, and to understand the principles governing the universe, for men will not strive for that which they know in advance will not be of benefit. Men patiently search for and try to understand principles because they desire to put them into practice for the benefits which would result. If, however, men were to stop trying to discover and trying to understand the principles governing the universe, they would stop thinking, and then they would begin to sink in the scale of intelligence toward the level of the brute, for to fail to know principles is to fail to know the truth—the true nature of existence.

The purpose of life, however, is to know and to realize the truth—that is, the true nature of the universe, including man.

What, then, Mr. Speaker, is the answer? If it is right that labor-saving devices should be discovered, invented, used, is it right that men and women should be driven from lucrative and honest employment by these robots and forced into beggary, theft, misery, and starvation? No; that is not right. Is it right that a few men having the capital, the facilities, shall use these machines, these robots, drive their fellow men from the condition of self-sustenance into the conditions of the present? No; that is not right. Then the right answer must be and is that the beneficent effects of laborsaving devices, of these robots, must be for the workers, for all the people, in the reduction of their hours of labor and the increase of their opportunities for contemplation, study, the spiritual things of life-and no power of human will can change that fact. Therefore, the final answer to our situation is the shorter work day, shorter work week, or both. To spread the available employment over the whole mass of workers. How is that to be done? It can not be done by legislation without a constitutional amendment. And such a constitutional amendment would not, could not, be accomplished in time now to save this Nation. What then?

The administration, the Government should have moved three years ago to call together the leaders of finance, industry, and labor, and to have worked out the plan whereby the available labor would have been spread over the whole of the workers. The delay to do this has been of incalculable cost to us in crime, tears, fears, and distress. If the administration will not do this—and it seems that it does not intend to do so-then this Congress must move to create a commission working under the Congress and under the Congress alone to call such a conference, work out the plans, put them into effect, and that at once, or else we will next session be considering ways and means of confiscating part of the wealth of the few to feed millions of hungry, dangerous, angry citizens who believe their Government owes them the right to make an honest living if it demands the right to force them to defend it in time of war. Therefore, Mr. Speaker, it would appear that a congressional commission to bring about this general conference is the necessity. Somebody must move to end this deplorable and dangerous condition. Capital has not so moved. Industry has not so moved. The Government has not so moved. Congress must-and will.

CONSUL GENERAL HALSTEAD

Mr. BLACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Consul General Halstead, of London, and to insert a short newspaper clipping.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newspaper clipping on the subject of Consul General Halstead, of London:

An unfortunate effect of a wise law is that on September 30 next the official career of Albert Halstead will close with his retirement from the post of United States consul general in London.

The law says that having reached his sixty-fifth birthday, he becomes what the customs people call an artistic antiquity.

Though Consul General Albert Halstead may be approaching the age when the law says his usefulness is at an end, those of us who have seen him in action recently are reminded of John Paul Jones's defiant "I haven't begun to fight."

The old vigor he showed when he represented the old Brooklyn Standard Union in Washington in 1892–1896 and 1900–1906 is still there. Incidentally, he was editor of the Springfield Union during the three and a half years' absence from Washington—and before he was 30 at that.

NAMED BY ROOSEVELT

General Halstead gave up newspaper work in 1906 when the late President Roosevelt sent him to Birmingham as United States consul and as successor to his brother, who held that post for over eight years. He stayed in Birmingham until 1915. Then, and this is characteristic of Halstead, he resigned because the British Government insisted on assessing an income tax.

He refused, as some one correctly put it, "to pay a tax to the British Government for the privilege of representing his country in England."

in England.'

SENT TO VIENNA

But before the resignation could reach Washington, the late President Wilson had nominated him as consul general in Vienna and the State Department urged him to withdraw the resignation. In Vienna, where he stayed until the United States declared war on Austria, he had in addition to his regular duties, which were increased tenfold by the war, the responsibility of caring for hundreds of British subjects interned in Austria.

After leaving Vienna his services were used in Washington for nearly a year, where he helped make regulations to keep out enemy aliens, which later developed into the immigration quota act.

EFFECTIVE WAR ON SPIES

Then he went as consul general to Stockholm. That city was jumping-off place for spies and enemy guests. His job was to

stop them. General Halstead did.

After the armistice he went to Vienna as commissioner for the peace conference.

His work there was of such a highly delicate and confidential nature that the whole story can never be written. But he is remembered in Austria as a representative of an enemy country, who made it his business to help save the people from starvation; who did his best, and with no little success, to prevent the taking away of Austrian territory inhabited by Austrians.

General Halstead's advice was instrumental in keeping Austria from going bolshevik. Those who remember the state of mind and nerves of Europe in the post-war period will appreciate what

a job he had.

After Vienna came eight years in Montreal. Probably that assignment was intended to give him a period of well-earned rest after the strain of war and post-war service.

WON OUT IN COURT

But while he was there the policy of restricting immigration by quotas was started, and Montreal became the center of every conceivable form of attack on those restrictions. General Halstead bore the brunt of that and enforced the law without fear or favor. It was in that period that he was three times sued in the State and Federal courts by groups trying to break down the immigration laws. The courts sustained him on every point, and his friend from boyhood, Chief Justice Taft, handed down an opinion of the Supreme Court which not only upheld his action, but of the Supreme Court which not only upheld his action, but established a new principle in law.

After Montreal came London, the premier post in the Consular

HOPE FOR WRITINGS

His departure from London will be a loss to the Government service, but we hope a gain to newspaper readers. For with retirement will come an end of the official ban on public utterance.

And when that dam breaks, maybe the thoughts and views on public questions, stored up for 26 years, will pour forth through

the columns of the daily press.

Some more Halstead despatches and editorials, enriched by the years of service in important posts, would not be a bad thing.

Legions of friends of Consul General Albert Halstead in Brooklyn, all over the country and abroad, hope this thought will be

realized.

EXTENSION OF REMARKS

Mr. SWING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a telegram from the Governor of the State of California and resolutions adopted by the Associated Charities of the State of California.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. STAFFORD. Mr. Speaker, I do not object to the gentleman's own remarks or the telegram from the Governor of the State of California, but I do object to all these

The SPEAKER. Objection is heard.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech made by Hon. James M. Curley, mayor of Boston, at the mayors' conference held in the Speaker's office this morning.

Mr. SNELL. Mr. Speaker, reserving the right to object, did not the Speaker put that in the RECORD to-day?

The SPEAKER. This is a statement made by Mayor Curley at the conference.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, may I inquire whether any other distinguished mayors made speeches at this conference?

Mr. RAINEY. They did. The mayor of Detroit made a splendid speech, but, unfortunately, I do not have a copy

Mr. ESTEP. Was this speech of the mayor of Boston on the subject covered by the bill to-day?

Mr. RAINEY. Yes.

Mr. ESTEP. I object.

Mr. SWING. Mr. Speaker, the gentleman who objected to my request now withdraws it, so far as the telegram from the Governor of California is concerned, and I renew my request for unanimous consent to extend my remarks by including the telegram of the Governor of the State of California.

Mr. BLANTON. Mr. Speaker, if they are not going to let a short statement from the mayor of Boston go into the RECORD, why should we let go in the RECORD a telegram from the Governor of California?

Mr. O'CONNOR. And the mayor is a former Member of this House.

Mr. BLANTON. This was a short talk by this prominent mayor who used to be a Member of the House, made in the Speaker's office on an important subject—the present situation. Why should not that go into the RECORD?

Mr. STAFFORD. Mr. Speaker, I demand the regular order.

Mr. BLANTON. If that is not important enough to go in the RECORD, I shall object to all the other similar requests. I object, Mr. Speaker.

Mr. RAINEY. Mr. Speaker, a few moments ago, in reply to the question of whether the speech made by the mayor of Boston was on this bill, I said yes. It was not. The bill was not mentioned. The mayor simply discussed the problem of unemployment in the cities as it is to-day, and I therefore renew my request.

Mr. SCHAFER. Mr. Speaker, reserving the right to object, does that statement indicate that the city of Boston is bankrupt and expects to feed its hungry by turning additional millions from the Boston taxpayers into other parts of the country?

Mr. RAINEY. It states the very opposite. It states that Boston does not need one cent and is not asking for anything and that Boston is getting along all right.

Mr. ESTEP. Mr. Speaker, I objected to the request on the statement it covered the matter of this bill. Inasmuch as that is not the fact, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RAINEY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech of Hon. James M. Curley, mayor of Boston, at the mayors' conference held in the Speaker's office this morning:

A conference of mayors of American cities was held at Detroit on June 1 for the consideration of a program for immediate relief for the cities and towns of the United States. The conference was presided over by Mayor Frank Murphy, of Detroit, Mich., and a program to be presented to President Herbert Hoover and the Congress of the United States was agreed upon.

Briefly, this program favored Federal construction in the sum of \$500,000,000 and an additional expenditure in the sum of \$500,000,000 for the refunding of maturing obligations of cities, counties, and towns, with a further proviso for direct aid to cities and towns and counties in the sum of \$300,000,000.

It was the consensus of opinion of those in attendance that all three measures of relief were necessary to meet the extraordinary conditions resulting from industrial depression, now entering the fourth year. In the opinion of all present the lapse of time between the approval of a construction program and actual work

would be such as to make necessary the supplemental measures of relief, provided starvation is to be averted in the Nation.

It was estimated that the number of unemployed at the present time in the United States is in the vicinity of 10,000,000 adult male workers, and that the number is increasing rather than diminishing, due to the long-continued period of unemployment, the closing of savings banks in which the money of the workers had been deposited, and the failure of either the Federal Government or the States to embark upon a construction program render the

or the States to embark upon a construction program render the prospects for the winter of 1932-33 exceedingly ominous.

Notwithstanding the funds that have been made available to banking institutions, many cities and towns in the United States have either been required to pay an extremely high rate of interest for money or have been unable to finance their maturing obligations at any interest rate.

tions at any interest rate.

It is common knowledge that social agencies are either extremely low in funds or without funds, and as a consequence the burden imposed upon cities and towns is far in excess of their ability to meet the same. Economies have been inaugurated by a majority of the counties, cities, and towns to such an extent as to result in the abandonment in many cities of important and essential

municipal activities.

Fear of the loss of employment by those fortunate enough to be at work has resulted in a system of hoarding or the purchasing of only the barest of necessities, with the result that general

or only the barest of necessities, with the result that general stagnation is in evidence everywhere.

In the opinion of the conference of mayors, courageous and constructive action upon a major program by the Federal Government to furnish the necessary impetus for the restoration of industrial activity should prove the important initial step for recovery. Unless immediate aid is provided, there is every indication of a complete collected and in the result in the conference of a complete collected and in the conference of a complete collected and in the conference of the collected and the conference of the conference

recovery. Unless immediate aid is provided, there is every indication of a complete collapse.

In a major number of the American municipalities there has been an abandonment of even the meager welfare programs that up to the present have safeguarded the American people from actual starvation. The list of homes acquired by municipalities and by banking institutions due to failure to pay taxes or interest overdue upon mortgages is appalling. That there is every indication that unless relief is immediate thousands of farm and home owners in America will not only suffer the loss of property created by a lifetime of toil but will become objects of charity with no means of securing relief.

means of securing relief.

Under the circumstances, we believe we are justified in submitting our case, firm in the belief that the relief requested will

be furnished.

PURCHASE OF LAND IN NEW YORK CITY FOR POST OFFICE AND GOVERNMENTAL PURPOSES

Mr. O'CONNOR presented the following privileged report from the Committee on Rules, which was referred to the House Calendar and ordered printed:

House Resolution 257

House Resolution 257

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 12360, a bill "To authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937."

That after general debate which shall be confined to the bill.

That after general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

NATIONAL CONVENTION OF AMERICAN LEGION AT PORTLAND, OREG.

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for one minute, explanatory of a unanimous-consent request that I want to submit following my statement.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I am going to submit a unanimous-consent request to pass the bill (S. 3765) which would authorize the Secretary of War to lend certain equipment to the American Legion for its annual convention at Portland, Oreg., represented by the gentleman from Oregon [Mr. MARTIN], which is in conformity with the invariable practice for the last 12 years.

A similar bill has been favorably reported by the House committee, and, Mr. Speaker, I now ask unanimous consent that the Senate bill be taken from the Speaker's table and passed.

The SPEAKER. The gentleman from South Carolina asks unanimous consent for the present consideration of a Senate bill, which the Clerk will report.

The Clerk read as follows:

8 3765

An act to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion at Portland, Oreg., during the month of September, 1932

Be it enacted, etc., That the Secretary of War is authorized to lend at his discretion, to the Oregon national convention commission of the American Legion, for use at the Fourteenth National Convention of the American Legion to be held at Portland, Oreg., in the month of September, 1932, 20,000 cots, 40,000 blankets, 40,000 bed sheets, 20,000 pillows, 20,000 pillowcases, and 20,000 mattresses or bed sacks: Provided, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered at such time prior to the holding of the said convention as may be agreed upon by the Secretary of War and the Oregon national convention commission of the American Legion, through the executive vice president of the Oregon national convention commission of the American Legion, Ben F. Dorris: Provided further, That the Secretary of War, before delivering said property, shall take from the said Oregon national convention commission of the American Legion a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

The SPEAKER. Is there objection?

The SPEAKER. Is there objection?

Mr. SCHAFER. Reserving the right to object, will not the gentleman include a provision directing the Secretary of War to make available some tents of the War Department equipment for the veterans of the World War who are sleeping in the city of Washington out in the open?

Mr. McSWAIN. It is regrettable that that can not be inserted. This is a Senate bill and reported from the Com-

mittee on Military Affairs.

Mr. SCHAFER. The gentleman is chairman of the Military Affairs Committee, I suggest that it would be well to take some war equipment and furnish these veterans who went through hell, and are sleeping now in the city of Washington out in the open. I shall not object.

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. Douglas of Arizona, for three days, on account of important business; and

To Mr. Bacon, for two days, on account of illness in the

EXTENSION OF REMARKS

Mr. KVALE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. LaGuardia] may be permitted to extend his remarks in the RECORD and include therein two addresses, one by Mr. Fred Brenckman, Washington representative of the National Grange, and Mr. W. Jett Lauck, consulting economist, delivered at a meeting of Members of the House on May 26, 1932.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object to the request as far as including the addresses are concerned.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I would like to ask the gentleman from Illinois what the program is to-morrow?

Mr. RAINEY. To-morrow is Calendar Wednesday, and the Committee on Labor has the call. When the Labor Committee gets through, and it probably will not occupy the whole day, the rest of the day will be occupied with speeches, if anybody wants to make a speech for the good of the order. [Laughter.]

Mr. SNELL. What will be the program on Thursday?

Mr. RAINEY. The second deficiency bill will be taken up; and if that does not occupy all the day, and probably it will not, we expect to use the remainder of the time on District business.

Mr. SNELL. When in the program is it probable that the home loan bank bill will be taken up?

Mr. RAINEY. The program does not provide for that yet. The SPEAKER. The Chair will say that there are five or six different rules reported from the Rules Committee for the consideration of various bills. The Chair understands that the program on Thursday will be for the Appropriations Committee to finish the deficiency bill and then take up bills under rules from the Rules Committee.

Mr. BLANTON. I would like to ask the gentleman from New York a question. It is rumored that as soon as Congress adjourns the President is going to withdraw all United States employment officers. Has the gentleman from New York heard anything of that?

Mr. SNELL. I have not.

Mr. BLANTON. I thought the gentleman was so near the President that he might know about it.

Mr. SNELL. When I want to give any information about the President I will give it.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 432. An act granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy:

S. 4401. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 4581. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.;

S. 4635. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance, and operation of said bridge;

S. 4636. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Cairo, Ill., and permitting the Commonwealth of Kentucky to act jointly with the State of Illinois in the construction, maintenance, and operation of said bridge; and

S. J. Res. 41. Joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River joint commission and specifying the powers and duties thereof.

SENATE BILL REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 29. Concurrent resolution authorizing the printing of the letter of the Administrator of Veterans' Affairs, of May 12, 1932, in response to Senate Resolution 412, Seventy-first Congress, as a Senate document; to the Committee on Printing.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on June 6, 1932, present to the President, for his approval, a bill of the House of the following title:

H. R. 10236. An act to provide revenue, equalize taxation, and for other purposes.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 13 minutes p. m.) the House adjourned until to-morrow, Wednesday, June 8, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, June 8, 1932, as reported to the floor leader by clerks of the several committees:

IMMIGRATION AND NATURALIZATION

(10 a. m.)

Continue hearings on bills providing for deportation of certain alien seamen.

FOREIGN AFFAIRS

(10.30 a. m.)

Hearings, claims and declarations.

EXECUTIVE COMMUNICATIONS, ETC.

606. Under clause 2 of Rule XXIV, a letter from the Secretary of War, protesting against the enactment into law of H. R. 11267, as amended, entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," under the caption "Restriction on construction and rental of buildings," page 73, lines 14 to 22, was taken from the Speaker's table and referred to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 226. A resolution investigating the expenditures of the Post Office Department; with amendment (Rept. No. 1544). Referred to the House Calendar.

Mr. POU: Committee on Rules. House Resolution 253. A resolution for the consideration of H. R. 12280, a bill to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes; without amendment (Rept. No. 1545). Referred to the House Calendar.

Mr. LOOFBOUROW: Committee on Indian Affairs. S. 3085. An act relating to the tribal and individual affairs of the Osage Indians of Oklahoma; without amendment (Rept. No. 1548). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. S. 3784. An act to add certain lands to the Idaho National Forest, Idaho; without amendment (Rept. No. 1549). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 12287. A bill to remove certain burdens on interstate commerce in agricultural commodities by providing means of limiting and prohibiting short selling in such commodities, and for other purposes; without amendment (Rept. No. 1551). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 257. A resolution for the consideration of H. R. 12360, a bill to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452 Lexington Avenue, in the city, county, and State of New York, for post-office and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937; without amendment (Rept. No. 1552). Referred to the House Calendar.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 10673. A bill to provide that advances under the Reconstruction Finance Corporation act may be made to producers of livestock and to dairy farmers; with amendment (Rept. No. 1553). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. S. 4780. An act to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer-fallowing, during the year 1932; with amendment (Rept. No. 1554). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND | State of Minnesota; to the Committee on Banking and RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 2253. A bill for the relief of Edward V. Bryant; without amendment (Rept. No. 1543). Referred to the Committee of the Whole

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. H. R. 4760. A bill for the relief of Caleb Kase; without amendment (Rept. No. 1546). Referred to the Committee of the Whole House.

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. S. 207. An act for the relief of James L. Pate; without amendment (Rept. No. 1547). Referred to the Committee of the Whole House.

Mr. WOLVERTON: Committee on Military Affairs. H. R. 5962. A bill for the relief of Robert J. Smith; with amendment (Rept. No. 1550). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Interstate and Foreign Commerce was discharged from the consideration of the bill (H. R. 11184) to amend the act approved March 3, 1927, entitled "An act to permit the granting of Federal aid in respect of certain roads and bridges," and the same was referred to the Committee on Roads.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BACHMANN: A bill (H. R. 12494) amending an act entitled "An act authorizing the State of West Virginia, by and through the State Bridge Commission of West Virginia, or the successors of said commission, to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State," approved March 3, 1931; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Washington: A bill (H. R. 12495) to amend the revenue act of 1932; to the Committee on Ways and Means.

By Mr. HOWARD: A bill (H. R. 12496) for the relief of Indians belonging to the Creek and Seminole Tribes of Indians and the Osage Nation of Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. BUSBY: A bill (H. R. 12497) to reduce the amount of gold in the dollar from 25.8 grains nine-tenths fine to 16.5 grains of gold nine-tenths fine so as to bring the purchasing power of the dollar into a proper relation to commodity prices; to the Committee on Banking and Currency.

By Mr. PRALL: A bill (H. R. 12498) granting the consent of Congress to Interboro Bridge Co. to construct, maintain, and operate a bridge across New York Bay between Brooklyn and Staten Island; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES: A bill (H. R. 12499) to amend the national defense act of June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. POU: Resolution (H. Res. 253) for the consideration of H. R. 12280, a bill to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes; to the Committee on Rules.

By Mr. SIROVICH: Resolution (H. Res. 254) to bring about an investigation of the causes of the prevailing industrial and agricultural depression and the relationship of banks, security, investment, and holding companies thereto and into measures designed to relieve the same and avert a recurrence thereof; to the Committee on Rules.

By Mr. KVALE: Resolution (H. Res. 255) to request the Secretary of the Treasury to advise the House of Representatives on what authority certain national banking associations are permitted to establish branch banks in the

Currency.

Also, resolution (H. Res. 256) to provide for an investigation with respect to permitting certain national banking associations to establish branch banks in the State of Minnesota; to the Committee on Rules.

By Mr. O'CONNOR: Resolution (H. Res. 257) for the consideration of H. R. 12360, a bill to authorize the Secretary of the Treasury to enter into a contract to purchase the parcel of land and the building known as the Grand Central Station Post Office and Office Building, No. 452, Lexington Avenue, in the city, county, and State of New York, for postoffice and other governmental purposes, and to pay the purchase price therefor on or prior to June 30, 1937; to the Committee on Rules.

By Mr. UNDERWOOD: Joint resolution (H. J. Res. 420) authorizing the distribution of Government-owned wheat to the governors of the several States, Commonwealths, and Territories of the United States for the relief of the needy and distressed; to the Committee on Agriculture.

By Mr. EVANS of California: Joint resolution (H. J. Res. 421) to exempt admission to the Olympic games from the admissions tax: to the Committee on Ways and Means.

By Mr. JOHNSON of Oklahoma: Joint resolution (H. J. Res. 422) to provide for a survey to determine the amount of surplus cloth held by the Government and to provide for the free distribution of such surplus to unemployed people of the United States; to the Committee on Labor.

Also, concurrent resolution (H. Con. Res. 33) to declare the policy of Congress to be against any moratorium with foreign countries indebted to the United States, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 12500) for the relief of Zachara T. Edwards; to the Committee on Military Affairs. By Mr. BOYLAN: A bill (H. R. 12501) for the relief of Joseph H. Travers; to the Committee on Naval Affairs.

By Mr. CHAVEZ: A bill (H. R. 12502) to grant to the city of Albuquerque, N. Mex., an easement for street purposes over certain Government property; to the Committee on Public Buildings and Grounds.

By Mr. CRAIL: A bill (H. R. 12503) granting an increase of pension to Albert L. Denman; to the Committee on Pensions.

By Mr. FISH: A bill (H. R. 12504) to extend the benefits of the employees' compensation act of September 7, 1916, to James M. Winter; to the Committee on Claims.

By Mr. HESS: A bill (H. R. 12505) granting a pension to Matilda Arleth; to the Committee on Pensions.

By Mrs. KAHN: A bill (H. R. 12506) for the relief of Anthony W. Glynn; to the Committee on Claims.

Also, a bill (H. R. 12507) granting a pension to Elmer R. Getchell; to the Committee on Pensions.

Also, a bill (H. R. 12508) for the relief of Jessie Callihan; to the Committee on Claims.

By Mr. McCORMACK: A bill (H. R. 12509) for the relief of Carleton-Mace Engineering Corporation; to the Committee on Claims.

Also, a bill (H. R. 12510) for the relief of John William Ford; to the Committee on Naval Affairs.

By Mr. McMILLAN: A bill (H. R. 12511) granting a pension to Mary McCoy; to the Committee on Pensions.

By Mr. MAY: A bill (H. R. 12512) granting a pension to Stephen Hays; to the Committee on Pensions.

By Mr. MOREHEAD: A bill (H. R. 12513) granting an increase of pension to Christena Prosser; to the Committee on Invalid Pensions.

By Mr. PALMISANO: A bill (H. R. 12514) granting a pension to Annie M. Oliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12515) granting a pension to Sarah J. Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12516) granting a pension to Sabina M. Ettlinger; to the Committee on Pensions.

Also, a bill (H. R. 12517) granting a pension to Katherine E. Miller: to the Committee on Pensions.

By Mr. SHREVE: A bill (H. R. 12518) granting an increase of pension to Caroline V. Crowl; to the Committee on Invalid

By Mr. SNELL: A bill (H. R. 12519) granting an increase of pension to Eleanor D. Laidlaw; to the Committee on Invalid Pensions.

By Mr. TIERNEY: A bill (H. R. 12520) granting an increase of pension to James M. Burns; to the Committee on

Also, a bill (H. R. 12521) granting a pension to Mrs. William T. Sharpe; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 12522) for the relief of Esther M. Frey; to the Committee on Claims.

By Mr. WHITE: A bill (H. R. 12523) granting an increase of pension to Mary Robinson; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 12524) granting an increase of pension to Mattie Winters; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8189. By Mr. BLOOM: Petition of residents of the State of New York, protesting against the passage of House bill 8759, or any other compulsory Sunday observance bill; to the Committee on the District of Columbia.

8190. By Mr. BOHN: Petition of Michigan State Association of Letter Carriers, opposing any obnoxious legislation to reduce salaries now paid or take away any privileges now enjoyed by letter carriers; to the Committee on Ways and Means.

8191. Also, petition of Michigan Engineering Council, urging Reconstruction Finance Corporation to give favorable consideration, as a measure of needed public welfare, to the extension of credit for the construction of projects designed for betterment of basic services of water supply, etc., when such credit is requested by any municipality in the State of Michigan presenting adequate evidence of the necessity of such betterment and of its ability to provide. within the use of the services created or through its own budget, for the service and repayment of the loan; to the Committee on Ways and Means.

8192. By Mr. CARTER of California: Petition of Retailers' National Council, urging reductions in Federal expenses; to the Committee on Economy.

8193. Also, petition of Fireman's Fund Insurance Co., petitioning Congress to pass legislation to balance the Budget; to the Committee on Ways and Means.

8194. By Mr. CRAIL: Petition of Eighth Army Corps Veterans' Association of California, Arizona, Nevada, and Utah, indorsing the immediate adoption by Congress of the \$5,000,-000,000 bond issue for public improvements; to the Committee on Ways and Means.

8195. Also, petition of State Senators Joseph L. Pedrotti, Herbert J. Evans, Henry E. Carter, and George W. Rochester, and State Assemblymen Lawrence Cobb, Fred Hauser, Clarence Wakefield, William Bonelli, C. W. Dempster, Harry Lyons, Willis Baum, George Wilber, Milton Golden, Willard Badham, and George Gillett, being a majority of the Los Angeles County delegation to the California Legislature, asking support of bill for \$5,000,000,000 bond issue to finance unemployment relief by public-works construction, and demanding immediate action; to the Committee on Ways and

8196. Also, petition of Arthur W. Humm, of Hollywood, Calif., urging the issuance of wheat certificates similar to silver certificates but redeemable in wheat instead of silver dollars; a \$1 certificate for every bushel of wheat; to the Committee on Ways and Means.

8197. Also, petition of the Venice Amusement and Business

a bond issue of \$5,000,000,000 for public improvements: to the Committee on Ways and Means.

8198. By Br. GILLEN: Petition of Terre Haute Stereotypers Union, No. 95, favoring the regulation of radio advertising; to the Committee on Merchant Marine, Radio, and Fisheries.

8199. By Mr. KVALE: Petition of 15 citizens of Willmar, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

8200. Also, petition of Minnesota Farmers Union, opposing the imposition of a general sales tax; to the Committee on Economy.

8201. Also, petition of Lyon County Taxpayers' Administrative League, Marshall, Minn., opposing the payment of any more money to insurance companies, railroads, and other private-owned utilities; to the Committee on Interstate and Foreign Commerce.

8202. Also, petition of Lyon County Taxpayers' Administrative League, Marshall, Minn., urging immediate payment of the adjusted-service compensation certificates; to the Committee on Ways and Means.

8203. Also, petition of Lyon County Taxpayers' Administrative League, Marshall, Minn., urging enactment of the Goldsborough bill (S. 1197) for the stabilization of the dollar and inflation of the currency; to the Committee on Banking and Currency.

8204. Also, petition of Lyon County Taxpayers' Administrative League, Marshall, Minn., recommending passage of a bill embodying the equalization-fee theory prior hereto passed by Congress and vetoed by the President: to the Committee on Agriculture.

8205. Also, petition of the Congregational Conference of Minnesota, asking that conscientious objection to bearing arms shall not be a bar to citizenship; to the Committee on the Judiciary.

8206. By Mr. LINDSAY: Petition of American Farm Bureau Federation, Washington, D. C., urging the passage of House bill 12445, the Garner relief bill; to the Committee on Ways and Means.

8207. Also, petition of Military Order of Foreign Wars of the United States, New York City, urging adequate appropriations for national defense; to the Committee on Appropriations.

8208. By Mr. MEAD: Petition of Chicago District Council of Carpenters, U. B. of C. & J. of A., favoring the passage of unemployment-relief legislation; to the Committee on Ways

8209. By Mr. MURPHY: Petition of A. J. Neiser, treasurer Wellsville China Co., Wellsville, Ohio, protesting against the use of Federal money to start a cafeteria in the Federal building Pittsburgh, Pa., in competition to taxpayers already in that line of business. The taxpayers not only have to pay taxes on their own industry but will be compelled to pay for competition; to the Committee on Appropriations.

8210. By Mr. RUDD: Petition of Military Order of Foreign Wars of of the United States, National Commandery, opposing payment at this time of adjusted-compensation certificates; to the Committee on Ways and Means.

8211. Also, petition of Donald F. Clark, secretary Federal Employees Union, West Point, N. Y., opposing the 10 per cent flat pay cut of the Federal employees' salaries; to the Committee on Economy.

8212. By Mr. SPARKS: Petition signed by Archie F. Hull and Charley Thompson, of Edmond, Frank MacLain, of Densmore, and 27 others, of Norton County, all of the State of Kansas, favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8213. Also, petition signed by Guy Lee, Howard Buchanan, and Harry N. Bell, of Lebanon, and 34 others of Smith County, Kans., favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8214. By the SPEAKER: Petition from L. A. Ritter; to the Committee on Ways and Means.

8215. Also, petition of the supervisors of the city and Men's Association, Venice, Calif., whole-heartedly indorsing | county of San Francisco, urging Congress to authorize a

to the Committee on Ways and Means.

8216. Also, petition of Illinois members of the Defenders of America, asking the balancing of budgets by local and National Governments; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 8, 1932

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., LL. D., offered the following prayer:

Almighty God and Heavenly Father, who art the unfailing Guardian of the smoking flax, the absolute Guarantor of every holy aspiration; divert our gaze, we humbly beseech Thee, from the shuddering depths that yawn beneath the surface of conventional well-doing, and accustom us in this sacred hour to the holy service of the inner temple, in the midst of which are fountains of living water for our cleansing, that we may learn to live above all time and

Give to us the wisdom of directness, the simplicity of loving intention manifest in those whose soul is fixed on Thee, that we may meet every righteous demand with an unalterable purpose, pledging ourselves in fidelity and courage to do and dare, to suffer and endure all that is involved in the challenge of this fateful hour to render perfect service unto Thee and our beloved land.

> "Rise up, O men of God; Have done with lesser things. Give heart and mind and soul and strength, To serve the King of Kings."

Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day of yesterday, when, on request of Mr. McNary and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ind.
Austin	Cutting	Kean	Schall
Bankhead	Dale	Kendrick	Sheppard
Barbour	Davis	Keyes	Shipstead
Barkley	Dickinson	King	Shortridge
Bingham	Dill	La Follette	Smith
Blaine	Fletcher	Logan	Smoot
Borah	Frazier	McGill	Steiwer
Bratton	George	McKellar	Thomas, Idaho
Broussard	Glass	McNary	Thomas, Okla.
Bulkley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Moses	Trammell
Byrnes	Hale	Neely	Tydings
Capper	Harrison	Norbeck	Vandenberg
Caraway	Hatfield	Norris	Wagner
Carey	Hawes	Nye	Walcott
Cohen	Hayden	Oddie	Walsh, Mass.
Connally	Hebert	Patterson	Walsh, Mont.
Coolidge	Howell	Pittman	Watson
Copeland	Hull	Reed	Wheeler
Costigen	Johnson	Robinson Ark	White

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. Swanson] is necessarily absent as a member of the Geneva conference and that the junior Senator from Louisiana [Mr. Long] is necessarily absent from the city.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

RALPH E. WILLIAMSON

The VICE PRESIDENT laid before the Senate a message from the House of Representatives returning to the Senate, in compliance with its request, the bill (S. 2458) for the relief of Ralph E. Williamson for loss suffered on account of

\$5,000,000,000 prosperity loan bond issue for public works; | the Lawton, Okla., fire, 1917, passed by the Senate on June 1, 1932.

Mr. THOMAS of Oklahoma. Mr. President, the bill heretofore passed this body and was sent to the House of Representatives. On the same day that the Senate passed the bill the House passed an identical bill. When the House bill came to the Senate I asked unanimous consent for its immediate consideration, which was granted, and the bill passed. Then I asked that this bill be recalled from the House. The bill has now been recalled, and in order to dispose of the matter I ask unanimous consent that the Senate reconsider the vote by which the bill passed this body.

The VICE PRESIDENT. Without objection, that order will be entered.

Mr. THOMAS of Oklahoma. I now ask unanimous consent that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Mr. BLAINE presented a petition of 31 citizens of Crandon and Laona, Wis., praying for the maintenance of the prohibition law and its enforcement, and protesting against any measure looking toward its modification, resubmission to the States, or repeal, which was referred to the Committee on the Judiciary.

Mr. WHITE presented the petition of H. C. Philbrick, of Lewiston, and 157 others citizens, all in the State of Maine, praying for the passage of legislation providing a pension system for railroad employees, which was referred to the Committee on Interstate Commerce.

Mr. WALSH of Massachusetts presented papers in the nature of petitions from 55 citizens of the State of Massachusetts, praying for retrenchment in governmental expenditures and the balancing of the Budget, which were referred to the Committee on Appropriations.

He also presented papers in the nature of petitions from 315 citizens of the State of Massachusetts, praying for the balancing of the Budget and retrenchment in governmental expenditures, the enactment of fair sales and stamp taxes, amendment of the Volstead Act, and the taxation of light wine and beer, which were referred to the Committee on Appropriations.

He also presented papers in the nature of petitions from 35 citizens of the State of Massachusetts, praying for the passage of legislation providing a pension system for railroad employees, which were referred to the Committee on Interstate Commerce.

He also presented papers in the nature of petitions from 410 citizens of the State of Massachusetts, praying for the modification of the Volstead Act and the repeal of the eighteenth amendment to the Constitution, which were referred to the Committee on the Judiciary.

He also presented papers in the nature of memorials from 30 citizens of the State of Massachusetts, remonstrating against the modification of the Volstead Act and the repeal of the eighteenth amendment to the Constitution, which were referred to the Committee on the Judiciary.

He also presented papers in the nature of memorials from 700 citizens of the State of Massachusetts, remonstrating against reduction in the compensation of Federal employees, which were ordered to lie on the table.

Mr. COPELAND presented a resolution of the Common Council of the City of Yonkers, N. Y., indorsing any action that the Reconstruction Finance Corporation may take in the way of rendering aid to the unemployed of the States, which was referred to the Committee on Banking and Currency.

He also presented resolutions adopted by the triennial convention of the Military Order of Foreign Wars of the United States, favoring the making of adequate appropriations for the national defense and opposing the passage of legislation providing for the payment of adjusted-compensation certificates (bonus) of ex-service men at this time, which were referred to the Committee on Finance.

He also presented a resolution adopted by William Bradford Turner Post, No. 265, American Legion, of Garden City, N. Y., favoring liberal treatment by the Government of the dependents of those who lost their lives in war and those who suffered disability in war service, but protesting against the granting of subsidies to nondisabled veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by White Plains Post, No. 135, American Legion, of White Plains, N. Y., indorsing the action of the national convention of the American Legion, held at Detroit, Mich., in September, 1931, opposing the immediate cash payment of adjusted-service certificates (bonus), which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Woodhaven and vicinity, Long Island, N. Y., praying for the passage of legislation providing for the immediate cash payment of adjusted-service certificates (bonus), which was referred to the Committee on Finance.

He also presented a resolution adopted by the Thirteenth Annual Convention of the Business and Professional Women's Clubs of New York State, favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Loggia S. Nicola di Bari, No. 314, Order of the Sons of Italy, Brooklyn, N. Y., favoring the repeal or modification of the eighteenth amendment of the Constitution, so as to permit the manufacture and sale of beer and light wines, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by White Plains Post, No. 135, American Legion, of White Plains, N. Y. favoring the resubmission of the prohibition amendment of the Constitution to the several States of the Union, etc., which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Niagara Falls Central Labor Union, of Niagara Falls, N. Y., indorsing Senate bill 3768, known as the Dill bill, proposing to permit checking accounts in postal savings banks for small depositors, etc., which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition numerously signed by sundry citizens of the State of New York, praying for retrenchment in governmental expenditures and increased efficiency through the elimination of unnecessary activities of the Government, which was ordered to lie on the table.

He also presented a resolution adopted by the council of administration of the Department of the District of Columbia, United Spanish War Veterans, protesting against inclusion in the pending legislative appropriation bill of provisions affecting the rights of veterans, with the exception of the provision creating a joint congressional committee to formulate a veterans' policy, which was ordered to lie on the table.

He also presented a resolution adopted by the Massena (N. Y.) Republican Club, favoring retrenchment in governmental expenditures as proposed by the President of the United States, and also the prompt balancing of the Budget, which was ordered to lie on the table.

He also presented resolutions adopted by the board of directors of the Staten Island Chamber of Commerce, of Staten Island, and the Stony Brook Business and Improvement Association, of Stony Brook, Long Island, both in the State of New York, favoring retrenchment in governmental expenditures as proposed by the President of the United States, and protesting against the passage of legislation increasing the financial obligations of the Government at this time, and also legislation that might impair the stability of the currency, which were ordered to lie on the table.

He also presented petitions of sundry citizens of organizations of New York City and vicinity, New York, praying for inclusion in the Army appropriation bill of the necessary funds for the proper housing and equipping of the Army, so that full training may be continued for the National Guard, and also to "carry out in full the recommendations laid down by the Morrow Board already approved by Congress, in the 5-year plan for military aviation," which were ordered to lie on the table.

He also presented a paper in the nature of a petition from Frederic S. Snyder, president of the Boston Chamber of Commerce, and sundry other citizens, being presidents and chairmen of business, banking, educational, and other institutions of Boston and vicinity, in the State of Massachusetts, praying for the prompt balancing of the Budget, enlargement of the capital of the Reconstruction Finance Corporation, the passage of legislation creating a capital fund which may be used to protect conservative mortgages upon homes, and the direction of "financial legislation and policies with all possible vigor toward facilitating release of present capital, the thawing of frozen credits, the opening of present reservoirs of credit, to the end that the courage and initiative of our people may be released for constructive action." which was ordered to lie on the table.

GRASSHOPPER SITUATION IN THE NORTHWEST

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD a wire from the chairman of the Minneapolis Industrial Committee with reference to the grasshopper situation in Minnesota.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MINNEAPOLIS. MINN.

Senator Thomas D. Schall,

United States Senate, Washington, D. C.:

The grasshopper situation in the Northwest is serious. Immediate congressional action in passing agricultural appropriation bill carrying appropriation for poison bait to combat grasshopper plague is necessary. This matter is of such importance to the Northwest as to warrant your best efforts toward immediate passage of bill

A. R. Rogers, Chairman Minneapolis Industrial Committee.

THE NATIONAL DEFENSE

Mr. SCHALL. Mr. President, I also ask unanimous consent to have published in the RECORD a letter from George P. Curley, Esq., of Pipestone, Minn.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PIPESTONE, MINN., June 4, 1932.

Hon. THOMAS SCHALL,

United States Senate, Washington, D. C.

MY DEAR SENATOR SCHALL: As you may recall from my letters on other occasions, I take a good deal of interest in the question MY DEAR SENATOR SCHALL: As you may recall from my letters on other occasions, I take a good deal of interest in the question of national defense. For many years I served on the State Department committee of the American Legion, dealing with national defense, most of the time as chairman. I still hold a commission as lieutenant colonel in the infantry section of the Officers' Reserve Corps. I followed with much interest the situation that developed in the House regarding the Army appropriation bill. While I, as a taxpayer, appreciate fully the need for retrenchment along all lines, it is my firm conviction that so far as the Army is concerned, we have reached the minimum consistent with reasonable safety. I believe that the retirement of so large a group of the Regular Army officers as 2,000 is unwise, and the loss to the national defense altogether too great for the relatively small saving. I feel that a reduction of a much smaller number might well get rid of some dead timber, but that the number proposed in the House bill is altogether too large. To my mind, however, the proposals in the bill brought in by Mr. Collins's subcommittee were far more dangerous which proposed to do away with active duty training for Reserve officers, summer camps for for Reserve Officers' Training Corps students and the Citizens' Military Training camps. While the proposal dealt with one year only, the loss of this year would be a tremendous backset to the success of the development of our civilian component of the Army and might well be the forerunner to the permanent destruction of the Reserves. I hope that you may be able to support appropriations for the three items last mentioned as they passed the House, without further reduction and that the Senate may cut down the number of forced retirements in the Regular Army.

With best personal regards, I am, yours very truly,

George P. Curley.

REDUCTION IN COMPENSATION OF FEDERAL EMPLOYEES

Mr. SCHALL. Mr. President, I also ask unanimous consent to have published in the Record a letter from the president of the American Federation of Labor.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., June 7, 1932.

Hon. THOMAS D. SCHALL

Senate Office Building, Washington, D. C.
DEAR SIR: Notwithstanding the appeals which labor has made to
preserve wage and living standards established through years of

effort for Government employees, Congress now seems determined to reduce the income of Federal employees either through a horizontal reduction in wages or through the substitution of a furlough plan which includes a provision for the 5-day work week.

Labor firmly believes that the policy being pursued by Congress is economically unsound, because through a reduction in the earning power of thousands of Government employees the market for manufactured goods will be further reduced and most seriously curtailed. All of this, in my judgment, will tend to delay a return of normal conditions. I know there are millions of people who share this opinion with the officers and members of the American Federation of Labor.

Notwithstanding this fact, labor realizes that Congress is determined to pass an economy measure. Perhaps even at this late hour it would not be amiss if I would venture an opinion as to what, in my judgment, would be the lesser of the two evils. For this reason I am taking the liberty of sending you this communication.

cation.

It is my opinion that the 5-day work week furlough plan for Government employees, surrounded with such safeguards as labor's friends in Congress might be able to impose, would be more preferable and advantageous to Federal employees and to labor generally than a horizontal reduction in salaries and wages. I therefore suggest that Congress adopt the 5-day week furlough plan for Government employees as herein referred to as a substitute for the proposal that the wages and salaries of Government employees be reduced 10 per cent, as provided for by the pending economy bill. economy bill.

I sincerely hope the friends of labor in the Congress of the United States will share with me this expressed opinion and will find it possible to follow the suggestions which I have herein

made.
With my highest personal regards, I beg to remain,
Sincerely yours,

WM. G

WM. GREEN, President American Federation of Labor.

REDUCTION IN COMPENSATION OF POSTAL EMPLOYEES

Mr. SCHALL. Mr. President, I also ask leave to have printed in the RECORD a wire to the secretary of the National Federation of Post Office Clerks, and likewise a communication from the president of the Railway Mail Association, with attached statements.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., June 6, 1932.

THOMAS FLAHERTY.

THOMAS FLAHERTY,

Secretary National Federation of

Post Office Clerks, Washington, D. C.:

Two hundred substitute postal workers of Minneapolis want clause inserted in economy bill exempting substitute workers from all wage cutting provisions, including night differential. Working as underpaid substitutes for several years, now in dire distress due to falling off of mail. Further cuts would be a calamity.

W. O. PEIRCE.

The attached statements illustrate the effect of the provisions of the economy bill, now before the Senate, upon railway postal clerks. One statement illustrates the effect of the 10 per cent pay cut, plus the other deductions, and the other statement illustrates the effect of the proposed furlough system, plus other deductions.

From the viewpoint of the railway postal clerk, the furlough system is preferable, provided the annual vacation be not surrendered. It might be held that the annual vacation would not be

rendered. It might be held that the annual vacation would not be a cash loss. If so, the net cash loss under the furlough system, plus other deductions would be less than under the 10 per cent deduction. We believe that the furlough proposition is preferable. However, we see no justification in penalizing railway postal clerks not only by reductions in salary, but by loss of night-differential pay, and the 33½ per cent deduction in traveling expenses. Even with full allowance under basic law for traveling expenses, the railway postal clerk only receives \$3 per day, after the expiration of the first 10 hours that he is on duty. For the first 10 hours he does not receive any expense allowance. The pending bill proposes to reduce that allowance 33½ per cent, or to \$2 per day, so that this employee would only have \$2 allowed for expenses for the first 34 hours that he was away from his initial terminal. initial terminal.

The night differential is paid at the rate of 10 per cent of that of those working daytime, and that is certainly not excessive or unreasonable. The employee working nights should receive that little consideration.

We trust that you will consider these matters in connection with this pending bill.

Respectfully,

W. M. COLLINS,
President Railway Mail Association.

Senate economy bill as it affects the Railway Mail Service. Ten per cent reduction in salary, plus loss of night differential

and travel allowance. Total number employees in Railway Mail Service, approximately

Railway postal clerks

	\$2,700 sal-	\$2,600 sal-	\$2,450 sal-
	ary	ary	ary
Retirement deductions 10 per cent cut in salary. Loss of night-differential pay Loss of 331/4 per cent travel allowance	\$94.50	\$91. 00	\$85.75
	270.00	260. 00	245.00
	1160.00	1 160. 00	1160.00
	292.00	2 92. 00	192.00
Total loss	616. 50	603.00	582.75

Approximately two-thirds of the clerks draw night-differential pay, resulting in the above average for that number.
 Approximately 14,000 clerks receive travel allowance, with an average of \$276.

Respectfully submitted.

W. M. Collins, President, Railway Mail Association.

Senate economy bill as it affects the Railway Mail Service.
One-month furlough, loss of annual vacation, plus loss of night
differential and travel allowance.
Total number of employees in the Railway Mail Service, approx-

imately 22,000.

Railway postal clerks

	\$2,700	\$2,600	\$2,450
	salary	salary	salary
Retirement deductions	\$94, 50	\$91.00	\$85.75
	204, 24	196.80	185.52
	1 160, 00	1160.00	1160.00
	3 92, 00	292.00	192.00
Total loss Loss of annual vacations (cash value)	550. 74	539. 80	525, 27
	127. 65	123. 00	115, 95

1 Approximately two-thirds of the clerks draw night-differential pay, resulting in the above average for that number.

1 Approximately 14,000 clerks receive travel allowance, with an average of \$276.

Respectfully submitted.

W. M. COLLINS, President, Railway Mail Association.

UNEMPLOYMENT RELIEF

Mr. WALSH of Massachusetts. Mr. President, I ask that a resolution adopted by the City Council of Revere, Mass., urging that Congress enact a bill incorporating a \$5,000,-000,000 loan to be handled through a bond issue be printed in the Congressional Record.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF REVERE, MASS., June 2, 1932.

Hon. DAVID I. WALSH.

United States Senator, Washington, D. C.

DEAR SIR: At a regular meeting of the city council held on Monday, May 16, 1932, the following resolution was ordered, accepted, and adopted:

"Whereas conditions in general throughout the length and breadth of these United States of America are of such a nature to warrant drastic action at Washington, and a unified line of real, concrete helpfulness from all States, cities, and towns; and

concrete helpfulness from all States, cities, and towns; and "Whereas the citizenry desire real work instead of charity, some form of real constructive legislation that will remedy present conditions to the end that business will prosper and labor will prosper, thereby starting the spending power of this country in motion again: Be it hereby "Resolved, That the Revere City Council petition Congress to enact a bill incorporating the ideas as expressed by William R. Hearst, namely, a \$5,000,000,000 loan, to be handled through a bond issue, said loan to be distributed to States, cities, and towns for public works and self-supporting projects that will handle employment." for public vemployment.

Returned in 10 days without signature, May 28, 1932.
A. A. C., Mayor.

Attest:

ALBERT J. BROWN, City Clerk.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, an interesting and informatory letter was recently introduced in the RECORD from W. Cameron Forbes, former ambassador to Japan, Governor General of the Philippine Islands, and a student of the island peoples and their affairs.

Some erroneous constructions have been placed upon Mr. Forbes's letter. These are dispelled and his position made quite clear in a speech he delivered on the 2d of June before the Chamber of Commerce of New York.

As any information on this subject is valuable as Congress approaches a decision, I ask permission to insert the

It is my firm beltef, in which I have not wavered at all, that a political separation of the Philippine Islands from the United States, now or in the near future, will be disadvantageous to the United States, disastrous to the Philippine Islands, and helpful to nobody. We have developed a trade there the last 30 years which in good years reaches as high as \$200,000,000 a year. The free access to the markets of the United States is of inestimable value to the Philippine Islands and puts the merchants and producers there in position to make reciprocal purchases in the United States which are of great value to our merchants here, and I should be sorry to see any action by Congress which would result in cutting off this important and growing business, fostered as it has been directly by our own governmental policies.

On the other hand, the act of Congress creating the structure of the present government in the Philippines declares in its preamble the intention of the United States to give the Filipinos independence when a stable government shall have been established. This has also been stated as the policy of the United States by successive Presidents, beginning with President Roosevelt, in such an authoritative way that the Filipinos look upon it as a direct promise to them. The platforms of both of their political parties favor independence.

it as a direct promise to them. The platforms of both of their political parties favor independence.

In my book telling the story of the American occupation of the islands, published about four years ago, I suggested as an alternative the creation of a supervised Philippine commonwealth, the supervision being exercised by a representative of the President on the ground with authority to intervene.

The House of Representatives in Washington, by an impressive majority, recently passed a bill creating just such a supervised commonwealth, but providing that the islands complete their political separation from the United States at the end of eight years. The Senate committee have approved a bill in which the period The Senate committee have approved a bill in which the period of this supervised commonwealth is set at 15 years, at the end of which time there will be held a plebiscite in the Philippine Islands to determine whether at that time they want complete separation or a continuation of their commonwealth status. Both these bills place limitations on the amount of sugar, cordage, coconut oil, and labor which can be imported into the United States, thus eliminating in large measure the hostility to the continuance of this relationship on the part of the elements to which these importations are competitive. Toward the end of this period of

importations are competitive. Toward the end of this period of 15 years there is to be levied on all articles exported to the United States from the Philippine Islands an export tax, beginning at 5 per cent of that which other countries pay as customs at our ports and increasing progressively to 25 per cent of the amount other countries pay, which will give them a practical demonstration of how the imposition of a tariff would affect their business. I have always held, and I hold now, that it is contrary to the spirit of American institutions to hold an alien people permanently under our control against their will; that any arrangement not agreed to by both peoples must necessarily be a temporary one and a temporary arrangement is not satisfactory to capital. So that during this period, until the Philippine Islands and the United States get on a permanent relationship, agreed to by both peoples, there is sure to be a continuing hesitancy on the part of capital to risk moving into the islands and that has been in fact just what has occurred. We have now been in the Philippine of capital to risk moying into the islands and that has been in fact just what has occurred. We have now been in the Philippine Islands for 34 years. Under the terms of the Senate bill the sovereignty of the United States will continue over the islands for 15 years more, plus the time necessary to hold a constitutional convention to formulate their new commonwealth and vote on its acceptance, which will take a year or more, and also plus the time necessary to hold the plebescite at the end of the period. This will mean, if the Hawes-Cutting bill is passed, that the United States will have held the direct sovereignty over the Philippine Islands for something over 50 years before what I call the period of temporary status shall have passed. Although I have never previously said it, I am ready to say now that I think 50 years is long enough for the test period and that the Filipinos, in demanding a determination of their status, could very properly ask us to promise that a decision would be reached at the expiration of that time. that time.

I have recommended certain amendments to this Senate bill, strengthening the clauses that deal with the power of intervention of the United States in the interim, and I have said and I repeat that while I believe that the best interests of the Philippine Islands and the United States will be best served by a continuance of the present relationship, that if a change is to be made I can see advantages to accrue from the proposed Senate bill with the

amendments I have suggested.

The advantages I speak of are as follows: First, it puts the United States in the position of having carried out its promise of giving the Filipinos a chance to vote on the matter of their political status with a reasonable time to prepare for it; second, it meets the objection of those who fear their industries will suffer by reason of the competition of low-priced oriental labor by placing a limitation on the amount of the more important competitive goods which can be brought in; third, it eliminates the fear held by labor organizations of a vast influex of orientals such as created great racial disturbances formerly and resulted in legislative acts

speech of ex-Ambassador Forbes that it may be made part of the Record and lie upon the table.

There being no objection, the speech was ordered to lie on the table and to be printed in the Record, as follows:

EXTRACTS FROM SPEECH DELIVERED BY W. CAMERON FORBES BEFORE CHAMBER OF COMMERCE OF THE STATE OF NEW YORK AT NEW YORK CITY, JUNE 2, 1932

It is my firm beltef, in which I have not wavered at all, that a political separation of the Philippine Islands from the United States, now or in the near future, will be disadvantageous to the United States, disastrous to the Philippine Islands, and helpful to nobody. We have developed a trade there the last 30 years which in good years reaches as high as \$200,000,000 a year. The free access to the markets of the United States is of inestimable rollies.

EXCLUDING Chinese and Japanese. This is done by the establishment of a quota, not effective in Hawaii, where laborers are needed. Fourth, it gives the Filipinos further opportunity to demonstrate their capacity in government, the United States retaining meanwhile a definite power of intervention, which, however, would undoubtedly only be used if needed. Fifth, it provides for the Philippines adequate protection by United States forces during their continuance as a commonwealth and makes provision for military and naval bases of the United States in the Orient.

This gives the Filipinos further opportunity to demonstrate their capacity in government, the United States retaining meanwhile a definite power of intervention, which, however, would undoubtedly only be used if needed. Fifth, it provides for the Philippines adequate protection by United States forces during their continuance as a commonwealth and makes provision for military and naval bases of the United States in the Orient.

This gives the Filipinos greater control of their domestic affairs and fulfills what they hold to be a promise the United States has made to them, it silences the main source of opposition to the present status on the part of industries and

American administration

Mr. CUTTING. Mr. President, my attention has lately been called to an authoritative article which the Harvard Business Review published some time ago on what might be called the profit and loss of our ownership and government of the Philippine Islands. The subject and the substance of the article are manifest in its title, which is, "A balance sheet of the Philippines." The writer is Rufus S. Tucker, formerly on the staff of the United States Department of Commerce.

Mr. Tucker demonstrates rather conclusively, I think, that the islands have cost us more than they have repaid us. Their annual cost to American taxpayers he estimates at not less than \$26,000,000, not including interest on the \$20,000,000 we paid Spain for them and on the vast sum expended in their conquest. Mr. Tucker rejects the view that the Philippines are necessary or advantageous to us as a "spearhead" of our commerce in the Far East. On that point he says:

"It was hoped when the United States first took the Philippines that they would be a valuable outpost for our trade with China and other far eastern countries. This hope," he declares, "has not materialized."

Mr. Tucker is equally outspoken about the military usefulness of the islands. In fact, he quotes with approval the statement made by Secretary of War Weeks in testimony he gave before the Senate Committee on Territories and Insular Affairs on March 1, 1924. Mr. Weeks, as you recall, declared:

I want to make this quite clear * * * that if I were going to view this question entirely from military or other benefits to the United States I would say, "Let the Philippines go."

By way of conclusion Mr. Tucker says:

The value of American occupation to the Filipinos is very great, very likely greater than the total cost to the American taxpayers, except the extra naval expenditure they occasion; but it is a question whether Americans desire to be taxed to benefit Filipinos and whether it is socially desirable or morally right that they should be.

And the final sentence of Mr. Tucker's article is this:

It seems obvious that so far as material advantages are concerned, not only is the present arrangement much more beneficial to the Philippines than to the United States, but also the cost to the United States far exceeds the commercial benefit derived or likely ever to be derived.

Because of its importance to a correct understanding of the Philippine problem and the bills now before the Senate, I ask that the article by Mr. Tucker be placed in the body of the RECORD and lie upon the table.

There being no objection, the article was ordered to lie upon the table and to be printed in the RECORD, as follows:

A BALANCE SHEET OF THE PHILIPPINES

By Rufus S. Tucker

As far as the writer is aware, no study of this question has ever been made from an economic point of view or with any attempt to check theories by statistics. Certain persons interested in their own welfare have emphasized some aspects of the problem, persons of an altrustic bent have emphasized others, and the ma-jority of comments made in the press or on the floors of Congress have been based on crude mercantilistic and imperialistic failacies.

In this study of the economic benefits, real or alleged, from the on this study of the economic benefits, real or alleged, from the possession of the Philippines have been set off against the costs direct and indirect, and the conclusion is reached that the costs far outweigh either present or prospective benefits. The economic benefits fall into four classes: (1) A market for exports; (2) a source of materials; (3) a center of distribution for trade with Asia; (4) a field for investment. The employment of American citizens in the islands involves an income of negligible proportions, and this is more than offset by the payment by

United States of the salaries of 6,000 Philippine Scouts and of the expenses of Filipino cadets at West Point and Annapolis. The strategic value of the Philippines to the United States from the military point of view is a question which can not be ignored in any discussion of the relations between the Philippines and the United States.

MARKET FOR EXPORTS

Exports of merchandise from the United States to the Philippines in 1927 amounted to \$69,522,000, including \$128,000 of foreign goods reexported, on which American merchants made a middleman's profit. The value of goods carried in American vessels was \$45,353,000, on which American shipowners earned the freights, which probably amounted to about 7 per cent of the value of the cargoes.

The net gain on these transactions is harder to state. How much should be deducted from the invoiced values on account of the cost of materials and labor? Going back a step, how much profit did the producers of the raw materials make, and how much wages did their laborers earn? Even more important, how much profit and wages would these manufacturers, laborers, and producers of raw materials have made if they had been compelled to find a market for their goods and services elsewhere than in the Philippines? The only difference, if any, between the profits actually made and the profits that might have been made elsewhere can properly be credited to the trade with the Philippines. Doubtless in some cases this difference was great, in others negligible. If the trade with the Philippines were wiped off the map to-morrow there would be only a slight readjustment of industry in the United States. A few concerns specializing in the Philippine trade might have to go out of business, but it is very likely that the persons involved might turn to other branches of industry, producing goods or services for domestic consumption or for sale to other countries, and make just as good profits and wages as they had been making when producing goods for the Philippines.

The theory of international trade now universally accepted by economists teaches that if other nations captured our trade with the Philippines our exports to other nations would increase or our imports from the Philippines and the rest of the world would decrease (using the terms "exports" and "imports" to include invisible items, such as services and investments as well as merchandise) or both these results would ensue, so that a balance would inevitably result. There would be an increased export of American goods to other countries than the Philippines and an unusual domestic production of some goods now imported. If, however, our trade with the Philippines disappeared not because of foreign competition but because of their inability to purchase, there would be no compensating increase in the rest of our trade. In view of the fact that our exports to the Philippines were in 1927 only 1.43 per cent of our total exports and that our total exports are usually reckoned to be less than one-eighth of our total production, it is obvious that the decrease in the Nation's profits and wages that might result from losing all of the trade of the Philippines would be infinitesimal, although some concerns now engaged in that trade would suffer serious inconvenience, and the slight loss to the Nation might be more than made up by corresponding gains.

Moreover, there is very little likelihood of our losing all of our market in the Philippines, even if there were a change of sovereignty, unless there should be a war between the Philippines and the United States or such unfriendly relations that the Filipinos would establish discriminating tariffs or refuse for patriotic reasons to buy our goods; and experience has shown that tariffs and patriotic boycotts are not as a rule effective for long against the appeal of superior goods at attractive prices. The justification for this statement is apparent to anyone who will study carefully the figures of our trade with foreign countries and with the Philippines. These statistics show that out of 109 foreign countries and colonies separately reported in our annual reports of foreign commerce in 1927, 15 foreign countries, and also Puerto Rico and Hawaii, each bought more goods from us than the Philippines did, and 35 foreign countries and every one of our own other overseas possessions bought more in proportion to their population. In the case of nine foreign countries and four United States colonies their imports from the United States formed a larger proportion of their total imports than was the case with the Philippines in the latest year for which comparative figures are available. Limiting the comparison to tropical and far eastern countries, we find that out of 63 such, 7 bought more United States goods than the Philippines and 20 bought more in proportion to their population, while in 8 of them the proportion of their total imports from the United States was greater than the Philippines. Moreover, a comparison of the 5-year period 1910–1914 and the 5-year period 1923–1927 shows that our exports to the Philippines have increased only 168 per cent in value, while our exports to the rest of Asia increased 373 per cent, to Oceania 277 per cent, to the West Indies 167 per cent, to South America 209 per cent, and Africa 248 per cent. During all this time products of the United States were admitted free of duty into

Philippines, while goods from other countries were required to pay duties averaging about 20 per cent. Partly as a result of this discrimination the proportion of Philippine total imports from the United States rose from about 45 per cent to about 60 per cent. Before the tariff act of 1909 the greatest proportion of Philippine imports coming from the United States was 19 per cent; for three years immediately preceding this act the proportion was 17 per cent. Immediately after its passage the proportion doubled. Inasmuch as the Philippine tariff has not been changed since 1909,

the later gains of American trade are probably due in large part to other causes, such as those which have enabled American exports to overcome foreign competition in other far eastern markets.

The tariff preference is not, however, of much consequence with respect to a large part of our trade with the Philippines, as is proved by the fact that we export to Japan much more of many kinds of goods without any tariff preference. Our exports to Japan in 1923–1927 were four times as valuable as our exports to the Philippines and four-fifths as great per capita. There are 327 classes of goods separately enumerated in the statistics of exports from the United States to Japan and only 291 classes of exports to the Philippines, in at least 112 of which we exported greater values to Japan than to the Philippines in both 1924 and 1925. These are the most recent years for which figures have been published in a form convenient for comparison. The value of the goods in these classes in 1925 was \$15,049,000, or 22 per cent of the total exports of the United States to the Philippines, which plainly can compete with the products of any other nation on equal terms. To these may be added some 24 other groups which are freely sold at present in foreign markets in the Far East, and consequently need have little fear of foreign competition in the Philippines. These articles formed an additional 18 per cent of the United States exports to the Philippines in 1925. And, of course, the other classifications of the export statistics include many products which the United States can export against foreign competition. Consequently, it would be safe to assert that at least one-half of the United States products now sold in the Philippines do not depend on tariff preference for their market.

Allowing for the rise in wholesale prices the actual increase in the quantity of American goods consumed was only between 70 and 75 per cent in 13 years. The low consumption of American

Allowing for the rise in wholesale prices the actual increase in the quantity of American goods consumed was only between 70 and 75 per cent in 13 years. The low consumption of American goods (under \$6 per capita) results from the low purchasing power of the natives, which is typical of the natives of tropical countries. Since there is, very little prospect of increasing their individual productivity to any great extent, their demand for United States goods in the future is not likely to increase much more rapidly than their numbers.

The population of the islands increased from 7,635,426 in 1903 to 10,350,730 in 1918, and it is believed to have been 11,921,600 in 1928. This means an annual growth of between 1.6 per cent and

The population of the islands increased from 7,635,426 in 1903 to 10,350,730 in 1918, and it is believed to have been 11,921,600 in 1928. This means an annual growth of between 1.6 per cent and 2 per cent, or a doubling in between 35 and 42 years, if continued. The density is now 104 per square mile, compared with 107 in the Dutch East Indies (exclusive of New Guinea), where climatic and racial conditions are similar. Allowing for both the increase in prices and the increase in population between 1910–1914 and 1923–1927, the per capita consumption of American goods increased about 55 per cent, partly as a result of increased individual purchasing power but mainly as a result of a developing preference for American goods, which was encouraged if not wholly caused by the tariff.

It is very likely that even if the Philippines became independent the United States would retain an important place in their markets. Trade that has been flowing in certain channels is not easily diverted; the Filipinos speak English more than any other language but their own and are accustomed to American fashions;

It is very likely that even if the Philippines became independent the United States would retain an important place in their markets. Trade that has been flowing in certain channels is not easily diverted; the Filipinos speak English more than any other language but their own and are accustomed to American fashions; their factories and plantations are equipped with American machinery, and their monetary and banking system is closely linked with ours. In the absence of specific discriminating legislation, which there is no reason to expect unless the Filipinos should gain their independence by force, American exporters could still carry on a good business. It is possible, although very unlikely, that the virtual subsidy which was given to them by the United States tariff act of August 5, 1909, would be repealed; under this act and subsequent tariff acts all goods exported to the Philippines are exempt from United States internal-revenue duties. This exemption amounted to about \$1,677,000 in 1927. Since, however, a similar exemption is given to all exports to foreign countries it is unlikely that this would be repealed or seriously modified. Congress seems convinced that selling goods for export at a lower price than that charged at home is better than taking a chance of not selling them at all. In fact, the argument for such an exemption is stronger in the case of goods exported to foreign countries than in the case of goods exported to dependencies, since it is always more difficult to shift a tax onto foreigners, and the attempt to do so may result only in losing their trade, whereas in the case of domestic or subject consumers it is possible to deprive them of any alternative source of supply and thereby compel them to pay the tax.

The preceding considerations show that if the Philippines re-

The preceding considerations show that if the Philippines remained as prosperous after separation from the United States as they are now, our exports to them would in all likelihood be at least half as great as at present. Unfortunately it is almost certain that they would not be so prosperous, and their imports from all countries, including the United States, would decline on account of their lower purchasing power. The loss of their privileged position in our markets and the necessity of financing their own government unassisted would certainly reduce their ability to pay for imports. Consequently it is to be expected that independence would reduce their consumption of American goods even in the cases where American goods can compete successfully with foreign goods.

SOURCE OF TROPICAL MATERIALS

Imports of merchandise from the Philippines in 1927 amounted to \$115,685,000 besides a very small amount of foreign goods transshipped in the Philippines. The value of goods carried in American vessels was \$66,681,000, on which American shipowners earned the freight, probably amounting to less than 7 per cent. These

imports were all admitted free of duty, unless they contained foreign materials to the value of more than 20 per cent, or were shipped via a third country. If they had come from a foreign country, the duties collectible would have been more than \$45,350,000. How much, if anything, would be added to the retail price if duties were paid no one can tell. In other words, it is impossible to say how much this exemption benefits United States consumers or Filipino producers or how much the United States producers or consumers or the United States Treasury lose by it. ducers or consumers or the United States Treasury lose by it. In the case of sugar the cost to the American consumer is partly the case of sugar the cost to the American consumer is partly offset by a gain to the American producer, but the other tariffs affecting the Philippine trade represent an uncompensated loss of \$22,000,000 to either the American consumer or the Government. It is certain that some of the goods would have gone elsewhere if the United States duty had been imposed. In 1927, 25 per cent of the exports of the Philippines did go to foreign countries, and there is nothing to prevent them from going wherever they can command the best price. It is also certain that in many cases they could not command a profitable price elsewhere.

Tobacco, cigars, and cigarettes sent to the United States pay the United States stamp duties but the total receipts on this account.

United States stamp duties, but the total receipts on this account (\$366,000 in 1927) are handed over to the Philippine government. This is a gratuitous subsidy at the expense of United States smokers, exports from the United States to the Philippines being exempt from United States internal-revenue duties and the proceeds of Philippine internal-revenue duties levied on them being

retained by the Philippine government.

It seems obvious that self-interest would cause the Filipinos to attempt to continue sending their goods to the United States unless we raised our tariff against them or unless communication was interrupted during a war. However, communication is probably more apt to be interrupted if the islands remain under our flag than if they are independent—in the first case any enemy possessing bases in the Far East would be certain to attack Manila, while in the second he might find it expedient to observe Philipwhile in the second he might find it expedient to observe Philippine neutrality. In either case it would be unwise to count on drawing any supplies from the Philippines during a war in the Pacific, since the distance from Manila to San Francisco is over twice as long as the distance from New York to Liverpool, and the western third of the route is wholly within striking distance of Japan or Japanese possessions. Even if the war were with some other power than Japan such a long line of communication would be hard to maintain. Prudence would dictate building up sources of supply nearer home. of supply nearer home

A large part of the Philippine exports to the United States would be unable to bear the duties imposed on foreign goods by the United States tariff. It seems certain that of the total of \$115,-685,000 that came to the United States in 1927 the following would have come in very much smaller quantities, if at all:

Coconut oil	\$24, 284, 000
Coconut meat	2, 841, 000
Sugar	47, 887, 000
Embroideries	3, 853, 000
Tobacco and cigars	4, 029, 000

82, 894, 000

Of the foregoing, the coconut oil might be replaced by an increased import of copra, but the loss of a protected market for the other articles would mean a direct reduction in exports to the United States, which, because of the comparatively high cost of production in the Philippines, could not wholly or even largely be made up by sales to other countries. This would be a loss to the Philippines, but not to the United States; adequate supplies of these goods could easily be obtained elsewhere, and if necessary the American tariff could be reduced to attract such supplies. The only loss to the United States would be in the reduced purchasing

the American tariff could be reduced to attract such supplies. The only loss to the United States would be in the reduced purchasing power of Filipinos, which would affect exports to the Philippines, but this loss would be less than the gain from customs duties or, if the tariff were reduced, the saving to American consumers.

Before the tariff act of 1909 was passed, only 40 per cent of the exports from the Philippines came to the United States; recently the proportion has been about 70 per cent. These ratios may indicate what would happen if all tariff privileges were abolished, but they are not conclusive for the reason that even before 1909. but they are not conclusive, for the reason that even before 1909 the American tariff gave Philippine goods a 25 per cent preference. In 1927 the principal Philippine exports that were not almost wholly dependent on the United States market were manila hemp, tobacco products, maguey, lumber, copra cake, copra meal, and

hats.

In 1927 our imports from the Philippines were 1.85 per cent of our total imports of merchandise. In that year we imported more, respectively, from China, Japan, India, British Malaya, Mexico, Cuba, Brazil, and four other countries. In the latest year for which comparative figures are available there were seven foreign countries that sent to the United States a larger proportion of their total exports than the Philippines, viz, Guatemala, Hondard Marken, and Marken, M their total exports than the Philippines, viz, Guatemala, Honduras, Nicaragua, Panama, Colombia, Cuba, and Mexico; likewise Puerto Rico and Hawaii. During the past decade (comparing five years, 1910–1914 with 1923–1927) imports from the Philippines have increased 421 per cent, from British Malaya 939 per cent, Dutch East Indies 811 per cent, Hong Kong 427 per cent, Kwangtung 3,300 per cent, Japan 341 per cent. These figures show that the foreign trade of countries and colonies is affected much more by their geographical and economic conditions than by their allegiance. On account of their propinquity it is more economical and prudent for us to develop sources of tropical products in Mexico, the West Indies, and Central and South America—even in West Africa—than to attempt to build up a source over 6,000 miles

away, unless that can be done as a business proposition without subsidies, protective tariffs, or preferential freight rates.

There are a few materials for which we depend mainly on the Philippines as a source of supply. They are shown in the following table, with the ratio which imports from the Philippines bore to total imports of each class of goods in 1926 and the alternative sources if any. sources, if any:

Sawed cabinet woods	Per cent
(Japan, Cuba, Guatemala, Mexico, and Nicaragua.)	10.0
Oll cake and oil-cake meal (coconut or copra) (Japan, Trinidad and Tobago, and French Oceania.)	93.7
Coconut meat, desiccated or prepared (Ceylon, Colombia, Germany, British Malays, and Britis India.)	60.2
Copra, not prepared (British Malaya, French Oceania, and British Oceania.)	59.7
Coconut oil	100.0
(Netherlands, Eritish India, and United Kingdom.) Cigars and cheroots	60.4
(Cuba, Netherlands, and Belgium.)	00. =
Cordage(England, Netherlands, Belgium, Mexico, and Cuba.)	57.6
Manila or abaca	99.6
Buttons, pearl or shell (England, Japan, and Italy.)	89.0
All of the control of	

All of these except oil cake and meal, copra, and manila are protected by the United States tariff; if this protection were removed it is likely that other countries would furnish a larger part moved it is likely that other countries would furnish a larger part of the supply except in the case of manila, of which the Philippines have a natural monopoly. It is possible that an independent Philippine government might impose an export tax on manila, but we could injure them so severely by tariff retailations and by using substitutes that it is unlikely that they would make it very high, and it is even less likely that they would discriminate against the United States.

It was widely suggested that the recent British attempt at a monopoly of rubber could be fought by developing rubber plantations in Mindanao. This would not, however, require American sovereignty in Mindanao. Besides, those American interests that have looked into this matter have found other more attractive and available places, such as Liberia, Mexico, Brazil, and the Dutch

East Indies.

has recently been stated in the press that the War Department believes that for strategic reasons development of rubber sources in Central America, Puerto Rico, South America, and West Africa is preferable to development in the Philippines. The few existing plantations are small and all raise either coconuts or hemp besides the rubber; the largest area devoted to rubber is hemp besides the rubber; the largest area devoted to rubber is 1,825 acres. A recent American Government commission reported that there were 1,500,000 acres of possible rubber land in the Philippines, but labor enough to develop only 500,000 acres. The Philippine government is now attempting to encourage rubber growing by small farmers, as in the Dutch East Indies where small growers produce most of the crops. As soon as the recent American investments in Liberia, Mexico, Yucatan, and the Dutch East Indies result in bearing trees there will be no more danger of a rubber monopoly. The recent downward course of rubber prices bears out this statement,

DISTRIBUTION CENTER FOR ASIATIC TRADE

It was hoped, when the United States first took the Philippines, that they would be a valuable trading outpost for our trade with China and other Far Eastern countries. This hope has not with China and other Far Eastern countries. This hope has not materialized. Although the amount of United States goods sent to China, etc., via the Philippines is not separately stated in either the United States or Philippine statistics of foreign trade, it is possible by a process of comparison to be certain that the total value of United States goods sent to all Asiatic countries from the Philippines did not exceed \$581,000 in 1924, \$1,000,000 in 1923, and \$1,420,000 in 1922. There is no reason to believe that the actual amounts anywhere nearly approached these maximum sums. As a matter of fact, since the steamship service from the United States to Japan and China is better than that to the Philippines, or from the Philippines to those countries, there is no advantage in routing goods via Manila.

Hong Kong and Shanghai have a great advantage over Manila in the trade with China in that it is possible to transfer goods directly from the transoceanic steamers to small coasting or river vessels or to land vehicles in which they can be carried to their destination, whereas Manila is over 600 miles away across a stormy

destination, whereas Manila is over 600 miles away across a stormy sea. Hong Kong and Shanghai also have easier access to sources of fuel. In recent years there have been more Americans engaged

in business in Shanghai than in Manila

An important fact not generally realized is that by the shortest route Manila is 172 miles farther from San Francisco than is Hong Kong and 834 miles farther than Shanghai; Manila is 243 miles farther from Seattle than Hong Kong and 921 miles farther than Shanghai. Even on the southern route, via Honolulu, the than Shanghai. Even on the southern route, via Honorulu, the distance to Manila is only 90 miles less than to Hong Kong and is 437 miles greater than to Shanghai. The commonly used Mercator maps give a very false impression of relative distances. Manila is, however, fairly well situated for trade with the Dutch East Indies and French Indo-China in the case of goods that can be transshipped without too great cost. Possibilities for trade of this sort seem to be slight and are at present diminishing. In recent years the ports of Cebu, Iloilo, Jolo, and Zamboanga have been increasing in importance in foreign trade, for the reason that it is cheaper in many cases to ship goods directly to and from them instead of via Manila. In fact, exports of Philippine products are shipped directly from some 20 smaller ports, not ports of entry, for the same reason. This indicates that transshipment at Manila has disadvantages even for trade with near-by islands and presumably still greater disadvantages for trade with foreign countries and possessions. If the United States coast-wise laws were extended to the Philippines, as has been so often proposed, all hope of developing a transshipment trade to foreign countries and colonies would, of course, be destroyed. The further suggestion has been made that factories or mills

The further suggestion has been made that factories or mills established under American auspices could produce goods in the Philippines for export to near-by countries. Insofar as these factories might make up native raw materials this is a reasonable proposition; but if they are to use United States or other foreign materials, it is hard to see how they can compete with China or Japan, where labor is either cheaper or more skillful and where coal is available and the climate better adapted to industry. In any case, if they succeeded in producing, say, cheap textiles, they would by that much cut down the market for the same goods produced in the United States and now sold in the Far East, so that the benefit to the United States would be hard to see.

that the benefit to the United States and now sold in the Far East, so that the benefit to the United States would be hard to see.

It is said that if Japan got control of the Philippines the United States would be cut off from China. This, of course, would be true in time of war; it would be equally true even if Japan did not possess the Philippines, because there is a perfect screen of Japanese islands at present extending from Japan to the equator.

FIELD FOR INVESTMENT

The Philippines have attracted considerable American capital and may do so in the future. The present status is unsatisfactory, United States investors not caring to undertake the risks of an insurrection or of sabotage. The fact that the islands were independent or under a foreign flag would not necessarily deter American investors. At the present time there is no less than \$12,555,000,000 of United States capital invested in industries in foreign lands, including over \$1,000,000,000 in Asia and \$4,652,000,000 in Latin America. It is not the sovereignty that counts but the prospects of profit combined with reasonable safety. Of course, a country disturbed by riots or in which foreigners are arbitrarily taxed is discouraging to investors; and if it is certain that the Philippines can not maintain a stable government or will discriminate against Americans, American capital ernment or will discriminate against Americans, American capital will not go in. However, the world is wide, and good investments can be found elsewhere, as, for example, Pirestone's recent acquisitions in Liberia and Yucatan. But there is no reason to believe that an independent Philippine government would discriminate against American capital, since to do so would be contrary to their own economic interest.

The finance and investment division of the Department of Commerce prepared four or five years ago an estimate of American investments in the Philippines which has been partly revised by the Bureau of Insular Affairs. It is as follows:

Philippine government bonds	\$61, 294, 000
Municipal bonds	
Manila Railroad bonds	15, 500, 000
Philippine Railway Co	8, 549, 000
Manila Electric Corporation	18,000,000
Philippine Islands Telephone & Telegraph Co	1, 500, 000
Sugar, hemp, tobacco, copra	25, 000, 000
Trading concerns	5, 000, 000
Miscellaneous	10,000,000

The income from these investments is probably around \$7,000.000 The income from these investments is probably around \$7,000,000 or \$8,000,000. No one can say how much more or less the same amount of capital would have yielded if invested elsewhere or how investment would be affected by independence. The tax-exempt feature of the municipal and insular bonds makes them worth more to the holder, but this gain is at the expense of the United States Treasury, while the benefit accrues to the Philippine treasury. This is another concealed subsidy and amounts to over \$300,000 per annum. In addition to the value of the tax-exempt feature it is, of course, certain that the Philippine government would have to pay a high rate of interest to attract American would have to pay a high rate of interest to attract American investors if they were a foreign country. In fact, their bonds are practically guaranteed by the United States Government. By virtue of these circumstances the Philippine people save about \$3,000,000 a year in interest on their bonds, while the United States assumes a contingent liability which can not be expressed

If the United States withdrew from the Philippines, there would If the United States withdrew from the Philippines, there would be a moral obligation to continue this guarantee on outstanding government and municipal bonds, so that the greater part of these investments would be safe. Investments in purely local enterprises, especially sugar, tobacco, and copra, would be severely injured and might become worthless. It is not thought, however, that this fact imposes any obligation on the United States, since these investments were in no way guaranteed; the case is analogous to tariff reductions affecting the so-called "vested interests."

STRATEGIC VALUE

The strategic value of the Philippines in case of a war with Japan has been much stressed by some persons. There is a difference of opinion among military men on two points: First, could the Philippines be held against attack? Second, could they be of assistance to the United States in the defense of Hawaii and

the Pacific coast? The first point is of purely academic interest.

Conceding that the Philippines could be made impregnable by providing proper armament and garrisons, it is yet a practical

certainty that Congress would not authorize the necessary expenditures or that, if one Congress should do so, subsequent Congresses would allow the garrison and equipment to run down. Moreover, the naval limitation treaty of 1921 forbids us to increase our fortifications or establish new bases on the islands at least until 1936. In their present state few military or naval men would maintain that they could be long defended, although some would maintain that they could be long defended, although some believe that Corregidor could be held until relief arrived. In discussing this point I do not wish to argue that there is any real reason to expect such a war. It would be disastrous to both nations, no matter which won. But it is obvious that the possibility of such a war's occurring would be much less if the United States did not possess a colony so near Japan as the Philippines, since there would be less possibility for jingoes in either nation to stir un felse alerge. stir up false alarms.

As to the second point, it is not ordinarily considered good strat-

egy to establish an outpost behind the enemy base, but that is exactly the position of Manila with respect to Japan. The shortest route to Manila passes within 150 miles of Yokohama, and every other feasible route passes within 150 links of a Japanese colony or mandate. Many of these Japanese possessions contain harbors that could be used by submarines or airplane carriers.

In his evidence before the Senate Committee on Territories and

Insular Possessions on March 1, 1924, Secretary of War Weeks states, "I want to make this quite clear * * * that if I were going to view this question entirely from military or other benefits to the United States I would say, 'let the Philippines go.'" He believed, however, that the United States should maintain a base for naval and commercial operations in the Far East. According to the testimony of General MacIntyre and Admiral Jones, the to the testimony of General MacIntyre and Admiral Jones, the maintenance of such a base, even if compatible with Philippine independence, would cost as much as or more than the present status. Such a base might be convenient for military operations in China. It is doubtful whether it would be of any value to the United States trade or important to United States prestige. Our trade with Europe and the southern part of South America, as well as our prestige in those regions, is very satisfactory, although we have never had naval bases there. Moreover, we maintained gunboats in China before we ever owned the Philippines. In case of intervention in China the large volume of our trade with that country would give us ample ground on which to insist on being allowed to participate, even if we had no territory nearer than Alaska and Hawali; and if other countries maintain guards in Peiping and Shanghai, we can do so as well.

SUMMARY OF COSTS OF OCCUPATION

The cost of our occupation of the Philippines is very hard to reckon, since a large part of the expenditures of the Army there would be required even if the Army were located in the United States and also because some expenses are incurred in the United States which would not be necessary if the Philippines were not under our flag. Another very important consideration is the amount of revenue lost by the United States Government and the amount of revenue lost by the United States Covernment and the amount of Philippine taxes paid by United States citizens by reason of the privileges granted to the Philippines in our customs and internal revenue laws. Still another question is whether the purchase price and the cost of subduing the insurrection should be included and whether interest should be reckoned on these expenditures. According to the Chief of the Bureau of Insular Affairs, annual disbursements of the Army and Navy in the Philippines in recent years have been around \$12,000.000, but only the cost of the Philippine Scouts (\$2,000.000) was properly chargeable to our possession of the islands, since the other items would continue even if the United States withdrew. To this sum he added pensions, retirement pay, etc., of Philippine citizens and the amount of United States internal revenue duties turned over to the Philippine treasury. He stated, however, that "if we should retain in the islands a naval and commercial base there would probably be no saving."

The average annual appropriations by Congress on account of the Philippines in recent years have been as follows:

1906-1914	\$2,	736,	570.	30
1914-1919	2,	181,	476.	50
1919-1924	1,	943,	106.	50
1924-1929	1,	827,	351.	50

These amounts do not include appropriations for "insular possessions" in general, of which a large part was available for the Philippines, nor the ordinary expenses of Army and Navy forces stationed in the islands. However, the expenses of the Bureau of Insular Affairs are included so far as they are covered by specific appropriations, since the greater part of the work of this bureau has to do with the Philippines.

To these appropriations must be added the sums annually paid to the Philippine treasury, representing the proceeds of United States internal revenue stamps on tobacco imported from the Philippines. These sums ranged from \$258,097.63 in 1916 to \$1.425,283.67 in 1920 and have averaged annually, since the latter date, \$705,678.

Customs duties on goods imported from the Philippines are

date, \$705,678.

Customs duties on goods imported from the Philippines are turned over to the Philippine government. Since 1909 they have been unimportant—about \$60,000 in 15 years. They amounted to a total of \$3,650,000 in the eight years 1902–1909, to which must be added the benefit received by Filipino exporters from the fact that their products were taxed 25 per cent less than competing foreign products. This is incapable of exact measurement, but did not exceed \$1,200,000 and may not have been even that much of a burden to American consumers. Since 1909 Philippine goods have paid no duty, with the theoretical exception of rice, which has been exempt since 1913, and goods made of foreign materials.

The duty imposed on the same quantity of similar goods from foreign countries in 1927 would have been over \$45,350,000, which may be regarded as partly a subsidy to Filipino producers, partly a relief of taxes to the American consumer, and partly a with-drawal of protection from the American producer. It seems likely that the increased cost to the American consumer of Philippine products which are not produced in the United States was about \$22,000,000 in 1927. \$22,000,000 in 1927.

Philippine government and municipal bonds are wholly exempt from United States income tax. The value of this exemption to the Philippines is over \$300,000 a year; the loss of revenue to the United States may be less, but it is probably more than that. In addition to the direct value of the tax exemption the Philippine

addition to the direct value of the tax exemption the Philippine people save at least \$3,000,000 in interest because of their improved credit derived from being under the United States flag.

Exports to the Philippines are exempt from the United States internal revenue duties. This exemption amounted to about \$1,677,000 in 1927. Possibly it should not be regarded as a cost of possessing the Philippines, most exports being similarly exempt when sent to foreign countries. It does, however, put the Filippinos in a favored position when compared with American citizens, since the proceeds of the only taxes they pay go wholly to the support of their local government, while American citizens have to contribute to their States and to the Federal Government in addition.

have to contribute to their States and to the Federal Government in addition.

It is evident at any rate that the annual cost of the Philippines to the American taxpayer is at least \$26,000,000, not including interest on the purchase price and cost of conquest. The Bureau of Insular Affairs has stated that the total cost to the United States Treasury up to 1924 was about \$505,000,000, on \$19,000,000 a year, again excluding interest and making no allowance for tariff preferences, but, of course, the expenditures during the insurrection were higher than now. How much should be added to cover the increased military and naval establishment required by the colonial policy and the consequent hostility of foreign nations no one can say. It must be enormous as is plainly shown by two considerations: First, the chief pretext for ill-feeling with Japan is our possession of the Philippines; second, the chief reason for our disagreement with Great Britain concerning the tonnage of cruisers required for our defense is the necessity of having large enough bunker capacity to travel freely between Hawaii and the Philippines. There are also some extra expenses incurred by our consular and diplomatic services because of the necessity of protecting Filipino interests abroad. If accounts were drawn up on a strictly business basis, the United States Government would have to charge the Philippines annually with about \$800,000 as interest on the purchase price, and at least \$10,000,000 as interest on the cost of conquest (after the end of the war, with Spain). These costs were met originally by bond issues in part, but can not be separated from the general debt.

SUMMARY OF GAINS TO THE UNITED STATES

The pecuniary benefits to the United States from control of the Philippines are briefly summarized in the following paragraphs. These are benefits to the United States citizens or corporations; the benefits to the United States Government and to citizens not directly interested in the Philippines can not be stated in money. The Government gets a small share (not over 10 per cent on the whole) of the increased income of its taxpayers, and each citizen benefits theoretically by the prosperity of his neighbors and those with whom he has business relations. Unfortunately the distribution of benefits is in no way correlated with the distribution of costs. The expenditures of the Government certainly exceed its tax receipts; and while some people profit by importing and exporting to the Philippines, other equally estimable citizens suffer from the competition of Philippine goods or have to pay more for their own purchases in order to protect the Philippines to the United States, aside from dubious strategic value, seems to be limited to the few persons who have direct connection with the Philippines. The pecuniary benefits to the United States from control of the Philippines

Commercial profits: The net profit on exports to the Philippines is somewhere between zero and \$3,000,000, taking into account the profit which might have been made by selling these goods elsewhere. Similar calculations would disclose net profits on imports \$2,000,000. Freight charges earned by American vessels certainly did not exceed \$10,000,000, from which the usual deduction should be made for wages, interest, etc., and for possible earnings elsewhere.

Profits from investments: The total American capital invested in the Philippines is reckoned to be about \$152,000,000, of which \$68,000,000 are in tax-exempt Government bonds. There is nothing to prevent American investment in the islands if they were independent, although in that case the amount of tax exempts would decline, and on account of United States sovereignty the investors in bonds are content with much less interest that they would decline, and on account of United States sovereignty the investors in bonds are content with much less interest than they would otherwise require. Investors in sugar and other protected industries gain by access to the protected American market, but what they gain is at the expense of American consumers, producers, or taxpayers. Under the present tariff it is likely that their net gain from United States sovereignty does not exceed \$2,000,000, assuming that their property would not be destroyed by an independent government and that anarchy would be avoided.

Profits from personal service: It was reckoned that the 484 Americans in government service and the three or four thousand other Americans receiving salaries in the Philippines did not average over \$3,000 apiece. Doubtless if they were working at home they could earn at least \$2,500 on the average. Some of

them would still be employed under an independent government. Assume that 3,000 would leave and lose \$500 apiece on the average, the total loss would be \$1,500,000.

the total loss would be \$1,500,000.

The total gain from United States sovereignty to all classes of United States citizens adds up to less than \$10,000,000 a year, which represents all the economic gain susceptible of numerical expression, including some that is made at the expense of other Americans. The potential value of the Philippines as a source of rubber and the possible danger of interference with the supply of manila hemp, coconut products, and pearl buttons can not be even approximately expressed in dollars, depending as it does on so many hypothetical factors. On the whole it would seem that the occupation of the Philippines brings no additional income to the United States Treasury but subjects it to an annual charge of at least \$4,000,000—nearer \$15,000,000 if interest on the cost of acquisition is included—but the saving to the Treasury from letting the islands go would not exceed \$4,000,000 and would be much less than that if a naval base were retained in Manila harbor. Manila harbor.

BENEFIT TO FILIPINOS

The citizens of the Philippines benefit much more than the Americans. They have a privileged position in our market, are relieved from all expense in connection with external matters, are exempt from our immigration laws, and many of them are on the United States pay roll. The value of these privileges is roughly as follows:

Tariff privileges \$25,000,000-Pay and allowances of Philippine Scouts	\$45,000,000 2,000,000
Other expenditures of Army or Navy in the Philip-	
pines	10,000,000
Other Filipinos in United States employ-pay and	The state of the state of
allowances	2, 200, 000
Earnings of Filipinos in United States and Hawaii above what they could earn at home (56,000 at	
\$100 each)	5, 600, 000
Proceeds from United States internal revenue	700,000
Value of exemptions from United States internal reve-	
nue	1,500,000
Value of exemption of bonds from income tax	300,000
Value of implied guarantee of bonds	3,000,000
Miscellaneous	700,000

The actual increase in the income of Filipino citizens because of tariff privileges and United States Government employment is, of course, impossible to ascertain exactly, but the lowest possible estimate of the total benefit received by them is \$40,000,000, which is one and one-half times the total amount now raised by taxation in the Philippine Islands. About \$17,000,000 of this is received in such form as to permit the Philippine government to avoid otherwise necessary increases in taxation; the remainder (\$23,000,000 or more) is received by individuals or business concerns.

CONCLUSION

The value of American occupation to the Filipinos is very great, very likely greater than the total cost to the American taxpayers, except the extra naval expenditure they occasion, but it is a question whether Americans desire to be taxed to benefit Filipinos and whether it is socially desirable or morally right that they should be. It is at least certain that if the United States tariff should be. It is at least certain that if the United States tariff were applied to imports from the Philippines, the producers of embroideries, furniture, coconut oil, pearl buttons, sugar, and cigars would be very seriously injured; and, if the American Army were withdrawn, not only the natives enrolled in the Philippine Scouts but also a large number of merchants and others would lose their principal means of livelihood. On the other hand, withdrawal would mean an annual saving to the United States Government of at least \$4,000,000 in addition to a sum many times as large saved from naval expenditures and a still further saving of approximately \$22,000,000 annually to the American consumers of Philippine products other than sugar. It seems obvious that, so far as material advantages are concerned, not only is the present arrangement much more beneficial to the Philippines than to the United States, but also the cost to the United States far exceeds the commercial benefit derived or likely ever to be derived.

UNEMPLOYMENT RELIEF LEGISLATION

Mr. VANDENBERG. Mr. President, the gigantic proposal at the other end of the Capitol for countless new Federal buildings dotting every State in the Union includes handsome bounty for at least 28 cities and villages in Michigan. A few of these projects possess credentials of indisputable

for the Congress which must pass upon this prospectus in synthetic prosperity. Therefore I ask to have an editorial and news article from the Grand Rapids Herald printed in the RECORD. They are particularly pertinent because this bonanza bill has now reached the Senate for what I hope may be decisive purging.

There being no objection, the editorial and news article were ordered to be printed in the RECORD, as follows:

Editorial

This country is witnessing a spectacle without precedent in its history. The proposed beneficiaries of pork-barrel legislation are in rebellion against a measure in which they are expected to share. Heretofore always the crossroads hamlet selected for a new post office could be depended upon to absert leading and demand the total countries. office could be depended upon to cheer loudly and demand that the Representative in Congress of its district support the measure. But now the very towns which are named in the pending "relief" bill with its contemplated huge expenditure for post-office buildings are protesting and loudly announcing that they want no share in the pork.

in the pork.

Reaction in Michigan is typical. Up north of the Straits the Marquette Mining Journal declares frankly that Marquette needs the proposed new Federal building about as much as a farm wagon needs five wheels. The Benton Harbor News-Palladium, surveying communities in the district which it serves, gives forthright notice as follows: "New Federal post-office buildings are provided for in St. Joseph, Berrien Springs, Buchanan, Cassopolis, Watervliet, Saugatuck, Allegan, and Paw Paw. Outside of St. Joseph these communities need Federal buildings just about as much as a wairus needs a powder puff."

The Lansing State Journal, contemplating possibility of East Lansing as the recipient of an imposing Federal building, declares: "No one could begrudge East Lansing a fine new Government structure, if in due time funds are available out of the Nation's earnings and use justifies the expenditure. But who is there who can believe that putting up a \$105,000 building at East Lansing will make any appreciable difference to the business in that place?"

And so it goes. The Herald last Sunday turned thumbs down

And so it goes. The Herald last Sunday turned thumbs down on an appropriation which Grand Rapids' postal authorities have believed needed, but which this city could accept only along with the general pork barrel. Other Michigan editors are no less outspoken. This showing of an aroused public opinion clearly indicates that the American people are beginning to realize that the Federal Treasury is not a bottomless grab bag.

[From the Grand Rapids (Mich.) Herald, June 6] (News article, June 6)

No "pork" is wanted by western Michigan cities and villages slated to share the contents of his gigantic "pork barrel," from which it is proposed to pass out 5,000 post offices, according to the mayors and presidents whose views have been asked by the Herald. "Wasteful," "vicious," "foolish," "unjustifiable," are some of the epithets applied by the heads of municipalities that would receive new buildings costing all the way from \$55,000 to \$315,000. The Greater Muskegon Chamber of Commerce recently voted disapproval of the proposed \$315,000 Federal building, including a courtbouse

courthouse.

disapproval of the proposed \$315,000 Federal building, including a courthouse.

Officials of other communities are equally outspoken.

Rockford, for instance, is in the bill for a \$100,000 post office, but Village President J. V. Smith is not enthusiastic about the proposal. "It would be a nice addition to the town," he said, "and of course we wouldn't turn it down if it were handed to us, but we're not so hot for the plan. The post office is now housed in a rented building, and we think it is adequate and satisfactory. As a means of relieving unemployment it isn't worth thinking about. It wouldn't help us enough to justify any considerable portion of the expense."

Allegan is listed for a \$90,000 post office. Mayor Joseph F. Mosher, however, is opposed to it and believes that Allegan is not favorable to the proposal. "Our present post office will be good enough for the next 10 years," he said. "It won't accomplish any real unemployment relief, and we think the \$90,000 would be foolishly spent in putting up a new post office here. Everybody says taxes are high enough; then why add this to them? If we could get something for nothing, we'd like it; but the bill would have to be paid by somebody."

"We're not crazy for it," said Mayor Wyman Bock, of Greenville, which is down for a \$75,000 building. "We don't need it and it's all foolishness. If they open up the barrel, we might take our slice of pork, but we wouldn't think of asking for it as conditions now are."

Both Portland and Sparta are included in the list of Michigan

now are."

Both Portland and Sparta are included in the list of Michigan villages to receive \$55,000 post offices under the Garner plan. President William H. Young, of Portland, said: "We certainly don't need a new post office very badly. We could use it, of course, but it would be a foolish move to build a new one now. It wouldn't be of any real value in reducing unemployment. Our present post-office quarters in a rented building are centrally located and, I think, perfectly satisfactory. If there's any need for better accommodations, it may be noted that when our two banks recently merged the offices of one was left vacant. That place can be rented and furnish as good a post office as we need."

President Earl E. Stritlin, of Sparta, declared that a new post office in his village would not justify the expense. "As a general thing," he said, "I'm in favor of any move to give employment and

help business, but building a new post office would not justify the expenditure of \$55,000 here."

Mayor William Verduin, of Grand Haven, said he had not looked into the plan to give his city a \$50,000 building and would not comment on it.

into the plan to give his city a \$50,000 building and would not comment on it.

Chief executives of other municipalities not included in the plan were equally outspoken. "It's immaterial whether we're on the list or not," said Mayor Nicodemus Bosch, of Holland. "Our people don't approve of the pork barrel. This is a very positive feeling over here, and it is not confined to any one class of people. We can see no real reason for such a program."

Mayor Felix H. H. Fiynn, of Cadillac, declared the "pork barrel" to be "a wasteful expenditure that might better be applied in direct and economical relief." Pointing out that it would be more economical to use the funds for necessary improvements, he added, "It is a vicious tendency at this time, and more likely to break down the economic structure than to help it."

Mayor A. E. Stebbins, of Ionia, declared that expenditure of huge sums for post offices now "would only defer the day of reckoning and lengthen the depression by keeping money out of business." He said he would favor any measure to relieve unemployment, but that he believed if this proposed construction were opened to contract it would not offer appreciable relief. "Ionia," he said, "tries to operate on a pay-as-you-go basis, and we believe that no bond should be issued that isn't an emergency bond."

Mayor Charles B. Wells, of Traverse City, another city that is not slated to benefit, pointed out that he is a Democratic mayor, when he was asked to comment, and indicated that personally he approved of the plan.

Not all the mayors and village presidents of communities slated

when he was asked to comment, and indicated that personally he approved of the plan.

Not all the mayors and village presidents of communities slated to benefit under the proposed Garner bill have been asked for their opinions, but on the basis of those questioned the verdict in western Michigan is almost unanimously opposed to "pork," even at the sacrifice of new buildings to adorn their streets.

In some villages councils and civic organizations are preparing to take definite action on the question.

PRICES OF BREAD

Mr. ROBINSON of Indiana. Mr. President, I ask permission to have read at the desk a telegram from the Indianapolis Retail Meat and Grocers' Association relative to the price of bread.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

Indianapolis, Ind., June 7, 1932.

Hon. ARTHUR ROBINSON,

Washington, D. C.:

Chain stores are selling sliced or unsliced pound-loaf bread at 4 cents loaf, while independent merchants are forced to sell pound-loaf sliced or unsliced at 7 cents loaf, due to increase in wholesale bread prices effective to-day. Independent prices were 5 cents per loaf until to-day. Please investigate.

INDIANAPOLIS RETAIL MEAT AND GROCERS' ASSOCIATION, F. W. STEINERGERS.

F. W. STEINSBERGER.

REPORTS OF COMMITTEES

Mr. GOLDSBOROUGH, from the Committee on Banking and Currency, to which was referred the bill (S. 4034) to provide that transferors for collection of negotiable instruments shall be preferred creditors of national banks in certain cases, reported it with an amendment and submitted a report (No. 776) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H. R. 3987) for the relief of R. K. Stiles & Co., reported it without amendment and submitted a report (No. 777) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 1978) for the relief of Daisy Anderson, reported it with an amendment and submitted a report (No. 778) thereon.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 10246) to fix the fees to be charged for the issue of domestic money orders, reported it with amendments and submitted a report (No. 779) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 4756) to authorize the Veterans' Administration or other Federal agencies to turn over to superintendents of the Indian Service amounts due Indians who are under legal disability, or to estates of such deceased Indians, reported it with an amendment and submitted a report (No. 780) thereon.

Mr. SMOOT, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 5062) to authorize the exchange of potassium-bearing lands in Tooele County, Utah, between the United States and private owners, reported it with amendments and submitted a report (No. 783) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (H. R. 11153) to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87, reported it without amendment and submitted a report (No. 784) thereon.

Mr. BORAH, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 157) to extend the time for filing claims under the settlement of war claims act of 1928, and for other purposes, reported it without amendment.

Mr. NYE, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 8777. An act for the relief of J. N. Gordon (Rept. No. 785); and

H. R. 11639. An act to authorize extensions of time on oil and gas prospecting permits, and for other purposes (Rept. No. 786).

Mr. BINGHAM, from the Committee on Appropriations, to which was referred the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes, reported it with amendments and submitted a report (No. 787) thereon.

LANDS IN BUCKS COUNTY, PA.

Mr. LOGAN, from the Committee on Claims, reported a resolution (S. Res. 221), as follows:

Resolved, That the bill (S. 3442) entitled "A bill for the relief of the former owners of certain lands in Bucks County, Pa,," condemned by the Government of the United States, now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session.

Mr. SMOOT, from the Committee on Finance, reported favorably the nomination of Edgar Bernard Brossard, of Utah, to be a member of the United States Tariff Commission for the term expiring June 16, 1938 (reappointment); and also the nominations of several assistant dental surgeons to be passed assistant dental surgeons in the Public Health Service.

Mr. BORAH, from the Committee on Foreign Relations, reported favorably the following nominations:

George K. Donald, of Alabama, now a Foreign Service officer of class 3 and a consul general, to be also a secretary in the Diplomatic Service; and

Morris N. Hughes, of Illinois, now a Foreign Service officer, unclassified, and a vice consul of career, to be also a secretary in the Diplomatic Service.

Mr. BORAH also, from the Committee on Foreign Relations, reported favorably the following conventions:

Executive J, Seventy-second Congress, first session, a multilateral convention for the regulation of whaling, signed at Geneva on March 31, 1932; and

Executive K, Seventy-second Congress, first session, a convention with France on the subject of double taxation, signed at Paris on April 27, 1932.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of post-masters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McGILL:

A bill (S. 4845) to amend section 301 of the World War veterans' act, 1924, as amended by act approved June 2, 1926; to the Committee on Finance.

By Mr. WALSH of Massachusetts:

A bill (S. 4846) for the relief of Fred H. Thompson; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 4847) for the relief of the heirs of George S. Thebo; to the Committee on Indian Affairs.

By Mr. BINGHAM:

A bill (S. 4848) to correct the naval record of William Edgar Landers (with an accompanying paper); to the Committee on Naval Affairs.

By Mr. McNARY:

A bill (S. 4849) relating to the cancellation of star-route mail contracts; to the Committee on Post Offices and Post Roads.

By Mr. STEIWER:

A bill (S. 4850) for the relief of Alonzo M. Boyden; to the Committee on Military Affairs,

By Mr. WALCOTT:

A bill (S. 4851) to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes; to the Committee on Banking and Currency.

By Mr. McKELLAR:

A bill (S. 4852) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Annie May Carter; to the Committee on Claims.

By Mr. FLETCHER:

A bill (S. 4853) to prohibit the importation of articles from certain countries, and for other purposes; to the Committee on Finance.

By Mr. WATSON:

A bill (S. 4854) for the relief of John Maley Graham (with accompanying papers); to the Committee on Finance. By Mr. COPELAND:

A bill (S. 4855) for the relief of the Compagnie Generale Transatlantique; and

A bill (S. 4856) for the relief of the International Mercantile Marine Co.; to the Committee on Claims.

By Mr. JONES:

A bill (S. 4857) for the relief of the Clallam Tribe of Indians in the State of Washington, and for other purposes; to the Committee on Indian Affairs.

By Mr. DILL:

A bill (S. 4858) to provide payment of a sum not to exceed \$1,000 annually for the maintenance of the school district of McNeil's Island, State of Washington; to the Committee on the Judiciary.

By Mr. WALSH of Montana:

A bill (S. 4859) to amend the agricultural marketing act so as to secure to farmers a price for their commodities equal, as nearly as possible, to the cost of production, and to enable the producers of agricultural commodities produced in excess of domestic requirements to benefit from tariff protection on that part of their production consumed within the United States; to the Committee on Agriculture and Forestry.

By Mr. HAWES:

A bill (S. 4861) granting an increase of pension to Mary V. Conine (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 4862) for the relief of W. F. Lueders; to the Committee on Claims.

A bill (S. 4863) granting a pension to Mollie Richardson; to the Committee on Pensions.

LOANS TO STATES FOR UNEMPLOYMENT RELIEF

Mr. WAGNER, Mr. ROBINSON of Arkansas, Mr. PITT-MAN, Mr. WALSH of Montana, and Mr. BULKLEY introduced a bill (S. 4860) to provide for loans to States for the relief of distress arising from unemployment, and for other purposes, which was read twice by its title and referred to the Committee on Banking and Currency.

Mr. WAGNER subsequently, from the Committee on Banking and Currency, to which was referred the bill (S. 4860) to provide for loans to States for the relief of distress arising from unemployment, and for other purposes, reported it without amendment and submitted a report (No. | 782) thereon.

ECONOMIC ACTION OF THE ANTITRUST LAWS

Mr. WALSH of Massachusetts. Mr. President, I desire to introduce a joint resolution providing for a congressional inquiry into the economic action of the antitrust laws and, for the purpose of such inquiry, temporarily to permit supervised, cooperative agreements in industry.

I should like to say in this connection that for some months a group of citizens, economists and business men interested in this problem and representing conflicting points of view, have been studying the proposals for modifying the antitrust laws. It is apparent that no legislation on the general subject is possible during the present session, though committees have given hearings and consideration to various bills, among them bills presented by the Senator from North Dakota [Mr. NyE] and myself. The resolution I now present for an investigation of the subject has been very carefully prepared, and a great amount of study has been given to it; it seems to have the support of liberal groups as well as other groups interested in a review of these laws in the light of present economic conditions. By request, and without committing myself to its details, I submit the joint resolution and ask that it may be referred to the Committee on the Judiciary and also, because of the public interest in this subject, that it be printed in the RECORD.

The joint resolution (S. J. Res. 173) to provide for a congressional inquiry into the economic action of the antitrust laws, and for the purpose of such inquiry temporarily to permit supervised, cooperative agreements in industry, was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as

Be it resolved, etc., That in the interpretation of this act and an determining the purpose and scope of the inquiry to be conducted under this act, the public policy of the United States is hereby declared as follows:

Monopolies are detrimental to the economic interest of the public, except in the case of those industries which by their nature are monopolistic and which, therefore, require governmental

regulation.

(b) Competition is an inherent human characteristic, and all individuals naturally strive to excel and to improve their economic condition, but unfair methods of competition in trade and com-merce are illegal and were considered illegal even before the en-

condition, but unfair methods of competition in trade and commerce are illegal and were considered illegal even before the enactment of the antitrust laws, and ruinous, destructive, and cutthroat competition in trade and commerce is obnoxious to the economic welfare of the public, because it tends to result in monopolistic practices, and the antitrust laws were enacted because of the predatory, ruinous, and destructive methods of competition used by ruthless competitors and monopolists.

(c) To restrain the growth of monopolies resulting from the extermination of weaker competitors through the ruinous, destructive, and cutthroat methods of competition used by unscrupulous competitors, it may be advantageous to the economic welfare of the public to permit cooperative agreements in industry, provided proper checks are placed upon such agreements to avoid monopolistic and extortionate practices.

(d) Labor is entitled to a fair and reasonable compensation, and has the right to associate and cooperate for the improvement of conditions of life; to avoid industrial inactivity and resulting unemployment, producers and distributors should receive a fair and reasonable compensation; consumers must be fairly and reasonably compensated for their productive efforts in order to be enabled to purchase their needs as consumers; selling prices should be based on all fair and reasonable items of cost plus a fair and reasonable profit, but extortionate prices should not be exacted from consumers.

(e) In his annual message to the Congress on December 8

reasonable profit, but extortionate prices should not be exacted from consumers.

(e) In his annual message to the Congress on December 8, 1931, the President said: "In my message of a year ago I commented on the necessity of congressional inquiry into the economic action of the antitrust laws. There is wide conviction that some change should be made, especially in the procedure under these laws. I do not favor their repeal. * * I again recommend the matter to the consideration of the Congress." The problem of the economic action of the antitrust laws and the question of whether, and the extent to which they should be modified or amended, requires careful study and inquiry not only by theoretical discussion but also by practical observation of experiments in the field of cooperative agreements in industry.

SECTION 1. Bipartisan joint congressional committee established: That there is hereby authorized the appointment of a joint congressional committee of six members of the House of Representatives to be designated by the Speaker, not more than three of whom shall be members of the same political party, and six Sentons to be designated by the President of the Senate, not more than three of whom shall be members of the same political party, which shall investigate the economic action of the antitrust acts

and report to the Congress not later than April 1, 1934, its findings and recommendations as to whether and what legislation is required to conform the antitrust acts to economic conditions.

SEC. 2. Powers and organization of committee: For the purposes

SEC. 2. Powers and organization of committee: For the purposes of this act, the said committee or any duly authorized subcommittee thereof, is authorized to hold hearings in the city of Washington or elsewhere in the United States, and to sit and act at such places at all times during the sessions and recesses of the Seventy-second and succeeding Congresses until its final report is submitted, to employ expert counsel and other experts and clerical, stenographic, and other assistants, to require by subpgan or otherwise the attendance of such witnesses and the production of such books, papers, and documents as the committee may deem necessary to administer such oaths, to take such testimony and to books, papers, and documents as the committee may deem necessary, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable, so that the fullest investigation, report, and recommendations may be had. The committee may designate one of its number to be chairman and one to be vice chairman and may appoint, or may authorize its chairman or vice chairman to appoint such subcommittee or subcommittees as it may deem advisable and may designate a member of any such subcommittee to act as the chairman thereof. The committee may adopt rules for its procedures and may, from time to time, alter, amend, modify, or suspend any such rules.

SEC. 3. Vacancies: A vacancy or vacancies in the committee shall not impair the right of the remaining members to exercise all the powers of the committee. Any member of the committee whose

powers of the committee. Any member of the committee whose term of office as Senator or as a Member of the House of Repreterm of office as Senator or as a Member of the House of Representatives shall expire on March 4, 1933, who shall fall of reelection at the general election to be held in November, 1932, shall cease to be a member of the committee on March 4, 1933, upon the expiration of his term of office as Senator or Member of the House of Representatives. A successor to any such retiring member of the committee shall be designated by the then chairman of the committee. A successor of any such retiring member of the committee shall be a Member of the same House of Congress and of the same political party as the retiring member.

SEC. 4. Filing cooperative agreements: For the purpose of enabling the committee fully to investigate the desirability and practical economic effect of cooperative agreements in trade and commerce, agreements in writing regulating competition in trade and commerce, which agreements might be considered prohibited by

commerce, which agreements might be considered prohibited by the antitrust acts, may be voluntarily filed hereunder for the conthe antitrust acts, may be voluntarily filed hereunder for the consideration of the committee, by any person, by the filing not later than February 1, 1934, of 7 printed copies thereof with the Federal Trade Commission, 15 printed copies thereof with the committee, and 3 printed copies thereof with the Attorney General of the United States. Upon the filing thereof such copies shall be stamped with the date of filing by the respective offices in which the same are filed, and, upon request, each of said respective offices shall stamp an acknowledgment of the filing and the date thereof upon an additional printed copy of the agreement to be retained as evidence of such filing by the person filing the same. same.

SEC. 5. Excepted agreements shall not be filed: No agreement shall be filed hereunder which provides for the physical merger or consolidation of competing persons or interests, or which in any way seeks to effect any physical merger or consolidation, nor shall any agreement be filed hereunder which abridges or curtails

any way seeks to effect any physical merger or consolidation, nor shall any agreement be filed hereunder which abridges or curtails in any manner or to any extent the right of any employee to join, become, or remain a member of any labor organization or the right of any employees to organize and to maintain their organizations and to negotiate wages and conditions of work collectively through chosen representatives.

SEC. 6. Power to investigate filed agreements: Full investigation of the proposed and actual operation and performance of said filed agreements being reasonably calculated to afford information, useful and material in framing legislation, the committee and the Federal Trade Commission shall each at all times after the filing of any such agreement and prior to June 30, 1934, have full and unlimited power to conduct any and all investigations of the business of any person or persons who may be or become parties to any such filed agreement so far as it relates to the proposed and actual operation and performance of such agreement, and during all of the said period to require and direct any said person or persons to file with the committee, the Federal Trade Commission, and the Attorney General any reports containing any information that the committee or the Federal Trade Commission may prescribe relating to the proposed and actual operation and performance of any such agreement, and the power of the Congress to conduct any such agreement, and the power of the Congress to conduct any such investigation and require operation and performance of any such agreement, and the power of the Congress to conduct any such investigation and require any such report is hereby expressly delegated to such committee and said Federal Trade Commission, respectively, for the purposes

of this act.

SEC. 7. Complaints, hearings, approval, and disapproval: Any person in any way interested in the operation of any filed agreement, whether such person be a competitor of the parties thereto or a purchaser of the goods produced or distributed by any of said parties, or any member of the committee or the Attorney General may, at any time, after the filing of any such agreement, file with the Federal Trade Commission a complaint briefly setting forth the objections to the filed agreement. Copies of the complaint shall be filed by the complainant with the committee and the Attorney General. Upon the filing of such complaint the Federal Trade Commission shall give notice of hearing to the complainant, the committee, the Attorney General, and the parties to the filed agreement, fixing the day and place of hearing at least 15 days after the service of the notice, which may be in person or by mail, and after such hearing the Federal Trade Com-

mission shall make a report in writing, stating its findings as to the facts and its conclusions or decision, which shall be accompanied by an opinion in writing briefly setting forth the contentions of the parties, the nature of the evidence adduced at the hearing, and the reasons for the conclusions or decision. The hearing shall be conducted by the full Federal Trade Commission, or by any one or more of the Federal Trade Commissioners or by an examiner duly appointed by the Federal Trade Commission, and rules for the conduct of said hearings may be adopted by the Federal Trade Commission with the approval of the committee. If the Federal Trade Commission should decide that the filed agreement is a reasonable and necessary measure to prevent a agreement is a reasonable and necessary measure to prevent a continuance of destructive competition between the parties thereto, and does not result in a selling price of the goods or commodities covered thereby in excess of a fair and reasonable price based on all fair and reasonable items of cost plus a fair and reasonable profit, taking into consideration the necessity of a fair and reasonable compensation to producers and distributors of average ability and efficiency and to labor, then the Federal Trade Commission shall approve the filed agreement; but other-Trade Commission shall approve the filed agreement; but otherwise it shall disapprove the same, and in either case it shall serve copies of its report and opinion upon the complainant, the committee, the Attorney General, and the parties to the filed agreement. If a filed agreement shall have been approved, it may subsequently be disapproved upon evidence that the reasons for its approval no longer exist or no longer apply, based on a new complaint and a new hearing and decision, following the same procedure as above provided.

complaint and a new hearing and decision, following the same procedure as above provided.

SEC. 8. Validity of approved agreements: A filed agreement shall become effective if no complaint with reference thereto shall be filed within 30 days after the complete filing of the agreement in the three offices as above provided. A filed agreement as to which a complaint shall be filed within such 30-day period shall become effective 30 days after the filing of such complaint unless the committee or the Federal Trade Commission shall during such period order a postponement of the effective date in which event period order a postponement of the effective date, in which event the effective date shall be as designated in such order of post-ponement, but such effective date may from time to time be further postponed by subsequent like orders. An effective agreement shall remain effective until and unless a subsequent report of disapproval and opinion shall be made and served by the Federal Trade Commission as above provided, but no such agreement shall remain effective later than June 30, 1934. Nothing contained in the antitrust acts shall be construed as declaring to be illegal for any purpose any such filed agreement while the same is effective, or any act performed thereunder while said agreement is effective, and while such agreement is effective it shall be a valid agreement and enforceable as such in all appropriate actions and proceedings involving any of the parties thereto in all courts of the United States of competent jurisdiction.

SEC. 9. Publication of information: The Federal Trade Commission may, and whenever directed by the committee shall, make public the information obtained by it hereunder, except trade

public the information obtained by it hereunder, except trade secrets and names of customers.

Sec. 10. Assistance from departments: The several departments and bureaus of the Government when directed by the President shall furnish the committee and the Federal Trade Commission, upon the request of either of them, all records, papers, and information in their possession relating to any person subject to any of the provisions of this act, or relating to any industry or situation affected by any of the provisions of this act, and shall detail from time to time such officials and employees to the committee or to the Federal Trade Commission for the purposes hereof as the President may direct. President may direct.
SEC. 11. Carriers and banks excepted: Nothing contained in this

Sec. 11. Carriers and banks excepted: Nothing contained in this act shall be deemed to apply or extend to any business or person subject to the act to regulate commerce or to banks.

Sec. 12. Definitions: The words defined in this section shall have the following meaning when found in this act, to wit:

(a) "Commerce" means commerce among the several States or with foreign nations, or in any Territory of the United States, or in the District of Columbia, or between any such Territory and another, or between any such Territory and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.

(b) "Person" means and includes individual, firm, partnership, company, association, joint-stock association, and corporation, and any assignee for the benefit of creditors, committee, receiver, or trustee operating any business, and every other person, natural or

any assignee for the beneat of creditors, committee, receiver, or trustee operating any business, and every other person, natural or artificial, engaged in commerce, except common carriers subject to the acts to regulate commerce and banks; and "corporation" shall also mean and include any company or association which is organized to carry on business for profit and has shares of capital or capital stock, and any company or association, incorporated or unincorporated without shares of capital or capital

for its own profit or that of its members.

(c) "Agreement" means and includes any agreement, memorandum, understanding, arrangement, charter, constitution, bylaw, resolution, rule, regulation, or code to which the adherence of any person is required by reason of assent, express or implied, or by reason of membership in any association or corporation.

(d) "Act to regulate commerce" means chapter I of title 49, transportation of the Code of Laws of the United States of America

and all acts amendatory thereof and supplementary thereto.

(e) "Antitrust acts" means sections 1 to 27, inclusive, of chap-

ter 1 of title 15, trade and commerce, of the Code of Laws of the

United States of America, and all other sections of said title of similar import to said sections 1 to 27, inclusive, but not section

similar import to said sections 1 to 27, inclusive, but not section 45 of chapter 2 of said title.

SEC. 13. Expenses: The cost of stenographic services in reporting hearings to be held by the committee shall not be in excess of 25 cents per hundred words; the cost of expert counsel shall not be in excess of \$_____, and the cost of the entire inquiry shall not be in excess of \$_____, and shall be paid from ______ upon vouchers reported by the chairman of the committee.

SEC. 14. Effective date: This act shall take effect on the 30th day after the date of its enactment.

AMENDMENT TO WAR DEPARTMENT APPROPRIATION BILL

Mr. THOMAS of Oklahoma. I submit an amendment to H. R. 11897, the War Department appropriation bill, and ask that it may be printed in the usual form, printed in the RECORD, and lie upon the table.

The VICE PRESIDENT. Without objection, it is so ordered

The amendment intended to be proposed by Mr. Thomas of Oklahoma is as follows:

On page 82, after line 20, add a new section, as follows:

"SEC. 4. No part of any appropriation made by this act shall be used in any way to pay any expense in connection with the conduct, operation, or management of any post exchange, branch exchange, or subexchange within any State, save and except for real assistance and convenience to the enlisted men and troops in supplying them with articles of ordinary use, wear, and consumption not furnished by the Government: Provided, That excess and surplus stocks of merchandise now on hand at any exchange, branch exchange, or subexchange may be disposed of and all goods on consignment shall be returned immediately: And provided further, That all branch exchanges and subexchanges located off of Government lands and outside of Government reservations, and operated by private contract or agreement on a commission basis, shall be closed and terminated as to such contract or agreement immediately: And provided further, That the Secretary of War shall make a report to the Speaker of the House of Representatives and to the President of the Senate at the beginning of the next session of the Congress covering the several exchanges, branch exchanges, and subexchanges operated by or under the supervision of the War Department."

AMENDMENT TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. WATSON submitted an amendment intended to be proposed by him to House bill 9699, the Treasury and Post Office Departments appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

On page 60, lines 6 and 7, strike out the following: "including complete equipment and furniture for post offices in leased quarters."

LOANS TO STATES-AMENDMENT

Mr. GORE submitted an amendment intended to be proposed by him to the bill (S. 4755) to provide for grants and loans to the several States to aid in relieving unemployment, to facilitate the construction of self-liquidating projects, to provide for the construction of certain authorized Federal public-works projects, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

PRINTING OF ADDITIONAL COPIES OF HOUSE REPORT NO. 2290

Mr. GLENN submitted the following concurrent resolution (S. Con. Res. 31), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives con-curring), That there be printed 5,000 additional copies of House Report No. 2290, Seventy-first Congress, of which 2,000 copies shall be for the use of the Senate document room, and 3,000 copies for the use of the House document room.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed, without amendment, the bill (S. 3765) to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion at Portland, Oreg., during the month of September, 1932.

The message also announced that the House had passed a bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a

public-works program and providing a method of financing such program, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 41) granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof, and it was signed by the President pro tempore.

HOUSE RILL REFERRED

The bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program was read twice by its title and referred to the Committee on Banking and Currency.

RIGHT OF PEOPLE TO ACT ON EIGHTEENTH AMENDMENT

Mr. BINGHAM. Mr. President, I ask unanimous consent that an editorial from the Washington News, which I present, may be read at the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read, as requested.

The Chief Clerk read as follows:

When the drys were fighting for prohibition, they appealed to Congress to let the people speak. For instance—

"Give the people of the separate States an opportunity to decide for themselves whether they desire this amendment." (Bishop James Cannon, jr., May, 1914.)

"We are simply asking Congress to submit to the people this amendment for ratification or rejection." (Dr. Edwin Dinwiddle, of the prohibition board of strategy, May, 1914.)

"The people have the right to be heard. All the people have never had a chance to be heard, and this proposed amendment will give them that chance." (Mrs. Ella Boole, president of the Woman's Christian Temperance Union, April, 1914.)

"The Member of either branch of the American Congress who denies the power of amendment to the States, especially an amendment which vast numbers of the people desire the States to consider, violates the basic principles both of the Constitution and of popular government, repudiates the fundamental rights of the States, and overturns the two most sacred privileges the people possess—the privileges of referendum and petition." (Senator Morris Sheppard, of Texas, July, 1917.)

After 12 years of experiment this dry law has been challenged by "vast numbers of the people," by the organized veterains, organized lawyers, organized workers, by the President's own Wickersham Commission, by the voters in virtually every recent test. A poll by the Literary Digest reveals that now this country favors repeal by nearly 3 to 1.

Yet the Anti-Saloon League threatens that any Congressman

by nearly 3 to 1.

Yet the Anti-Saloon League threatens that any Congressman who votes for resubmission will be opposed at the polls. Rights that were fundamental, privileges that were sacred 12 years ago now have become to the drys frivolous and profane.

TAX-EXEMPT SECURITIES AND INTEREST PAID THEREON

Mr. WALSH of Massachusetts. Mr. President, during the debate on the revenue bill reference was repeatedly made to the volume and extent of tax-exempt securities and the interest paid on such securities, which bears little, if any, tax. I communicated with the Treasury Department at that time seeking to get more definite information. I have a letter which I ask to have printed in the RECORD giving that information, and I wish to quote an excerpt from the letter, as follows:

The interest payments of the Federal Government for the fiscal years 1930 and 1931 amounted to \$659,347,613 and \$611,559,704, respectively. The latest figure available for the interest payments of State governments refers to 1930 and is \$101,431,000. The latest figure available for the interest payments of local governments is an estimate by the National Industrial Conference Board for the fiscal year 1929 and is \$1,072,200,000.

I ask that the letter from the Assistant Secretary of the Treasury may be printed in the RECORD for the information of the Senate. The great volume of incomes that escape taxation may be appreciated from the figures furnished by

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

TREASURY DEPARTMENT, OFFICE OF ASSISTANT SECRETARY, Washington.

Hon. David I. Walsh,

United States Senate, Washington, D. C.
MY DEAR SENATOR: Your letter of May 29, 1932, addressed to the Secretary of the Treasury and requesting statistics on the national wealth and on total dividend and interest payments, was not received at this department in time to comply with your request that the material reach you by noon of May 30.

The latest official estimate of the national wealth of the United

The latest official estimate of the national wealth of the United States is \$320,800,000,000 (per capita \$2,918) for 1922, by the Bureau of the Census, United States Department of Commerce. The latest estimate of which we have any knowledge is \$329,700,000,000 (per capita \$2,677) for 1930, by the National Industrial Conference Board, 247 Park Avenue, New York City. This is a figure for which the Treasury takes no responsibility.

The total corporation dividend and interest payments during the calendar years 1930 and 1931, according to data compiled by the New York Journal of Commerce, were \$8,577,600,000 and \$3,247,600,000, respectively. Dividend payments alone for the same years amounted to \$4,203,100,000 and \$3,694,800,000, respectively. Monthly figures on these payments are published in the Survey of Current Business issued by the United States Department of Commerce and in the Statistical Bulletin of the Standard Statistics Co., should you care to use monthly data or data for earlier Commerce and in the Statistical Bulletin of the Standard Statistics Co., should you care to use monthly data or data for earlier years. These figures do not include interest payments of the Federal, State, and local Governments. The interest payments of the Federal Government for the fiscal years 1930 and 1931 amounted to \$659,347,613 and \$611,559,704, respectively. The latest figure available for the interest payments of State governments refers to 1930 and is \$101,431,000. The latest figure available for the interest payments of local governments is an estimate by the National Industrial Conference Board for the fiscal year. by the National Industrial Conference Board for the fiscal year 1929 and is \$1,072,200,000.

Very truly yours,

JAMES H. DOUGLAS, Assistant Secretary of the Treasury.

THE AGRICULTURAL OMNIBUS RELIEF BILL-ADDRESS BY EDWARD A. O'NEAL

Mr. NYE. Mr. President, on June 4 Edward A. O'Neal. president of the American Farm Bureau Federation, delivered over the Columbia Broadcasting System an address relating to pending agricultural measures, which, I think, clearly depicts the sentiment of the public to-day and its insistence for farm-relief legislation at this session. I ask unanimous consent that the address may be printed in the

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends, the hour of accounting soon will be at hand—the hour when the elected representatives of the sovereign people must give an accounting of their stewardship to the electorate of this country. Less than 10 days from now the great political parties will meet for their quadrennial conventions and within five months the people will express themselves at the polls.

Four years ago solemn pledges were given to the American farmers by the Republican and Democratic Parties in their party platforms. Have these promises been fulfilled? I will let you be the judge. I quote the following promise from the 1928 Republican platform:

"The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success."

Now, I quote the following promise from the 1928 Democratic

Producers of crops whose total volume exceeds the needs of the "Producers of crops whose total volume exceeds the needs of the domestic market must continue at a disadvantage until the Government shall intervene, as seriously and as effectively in behalf of the farmer, as it has intervened in behalf of labor and industry. * * We pledge the party to an earnest endeavor to solve this problem of the distribution of the cost of dealing with crop surpluses over the marketed units of the crop whose producers are benefited by such assistance."

Such were the solemn promises given to agriculture. Have those promises been redeemed? Has agriculture been given equality with other industries so as to insure its prosperity and success? I

with other industries so as to insure its prosperity and success? I leave the answer to you farmers. Is there any equality when you have to sell your products for 56 per cent of the pre-war prices and pay 112 per cent of pre-war prices for what you buy?

According to a recent estimate by Senator Howell, of Nebraska, agriculture's buying power was 38 per cent below equality in 1931. Translated in terms of income, this means that agriculture last year was deprived of \$3,615,000,000 in income through this inequality.

The inequality of agriculture is much worse now than it was in 1928 when these platform promises were made. Then the index level of farm prices was 139; now it is 56. Then the purchasing power of agriculture was 90; now it is 50, or nearly one-

half of what it was in 1928. Agriculture is faced with ruin. Unless conditions are changed, our farmers will be serfs.

Yet what has been done to redeem those promises? These platform pledges did not stop with promising the enactment of one measure or any specified number of measures, but promised to continue efforts until the goal of equality and prosperity for agriculture was assured.

During that period but

agriculture was assured.

During that period but one measure has been passed directed toward remedying this condition, namely, the agricultural marketing act. Although helpful, the marketing act has proven inadequate, as conditions have become rapidly worse despite the invoking of the most drastic powers permitted under the act. It prescribes a goal of equality for agriculture, but is shorn of the power to attain it. It is evident that the act must be amended to provide this power if the goal is to be attained.

The Republican platform promised not one measure, but promised the enactment of such measures as would achieve this result. It can not evade its responsibility for failure thus far

result. It can not evade its responsibility for failure thus far to redeem this promise. If the Republican Party does not do something in this Congress to restore equality to agriculture, will any farmer believe that it has redeemed its pledge?

Neither can the Democratic Party evade its responsibility. Durate the city mention that the contract the results are the results and the results are the

ing the six months which this Congress has been in session, the Democrats have had control of the House of Representatives and therefore could have initiated and carried forward measures through that body which would have redeemed the platform pledge made in 1928.

Thus far not a single fundamental measure to assure equality to agriculture has been enacted by either the Democratic House or the Republican Senate to fulfill these platform promises made in 1928; and this in spite of the fact that the farmers are in the most desperate plight in the memory of this generation, if not in the history of this country. Several miscellaneous measures which will be helpful to agriculture, particularly along credit lines, have been passed, but the fundamental things promised and asked have not been fulfilled. We are duly thankful for these legislative crumbs from the legislative table.

Nero fiddling while Rome burned pales into insignificance compared with this Congress procrastinating and dillydallying while agriculture sinks into ruin, imperiling the economic welfare of the entire Nation

Are these platform promises to be treated as mere scraps of paper, to be repudiated or forgotten at will, or are they solemn obligations to be conscientiously and fully redeemed? Are they nothing but sham and hypocrisy, or are they the expressions of sincerity and integrity? The events of the next few weeks will

nothing but sham and hypocrisy, or are they the expressions of sincerity and integrity? The events of the next few weeks will disclose which they are.

I feel it my solemn duty as the leader of a great organization of farmers to speak out courageously and unequivocally, and without fear or favor, in this critical hour. If this Congress adjourns without acting upon some fundamental measures to restore the purchasing power of agriculture, agriculture can not do otherwise than brand these platform promises as nothing but hypocrisy and deceit. However, we are grateful for the promise given us by the Senate leaders that our farm relief bill will be voted on before adjournment.

on before adjournment.

The blame for failure to act can not be laid at the door of

on before adjournment.

The blame for failure to act can not be laid at the door of the farmers or their leaders. We were willing to try out the agricultural marketing act. To that end we cooperated to the fullest extent with the Federal Farm Board. Subsequent events have demonstrated exactly what farm leaders predicted, namely, that the marketing act as written, would not solve the surplus problem and that the equalization fee plan or some other plan for dealing with the surplus problem would have to be included before success would be achieved.

Convinced of the urgent necessity of doing something further to restore equality to agriculture, I called this to the attention of the country after assuming the presidency of the American Farm Bureau Federation about a year ago, and insisted on the enactment of the equalization fee. Then the farm price index was 91. To-day it is 56. Last December the voting delegates of the American Farm Bureau Federation in convention assembled reaffirmed their demand for the enactment of the equalization fee and other effective measures for the relief of agriculture. Other farm organizations likewise adopted resolutions demanding further legislation to bring equality to agriculture.

Just before Congress convened I came to Washington at the invitation of Senator McNary, chairman of the Senate Agricultural Committee, and presented at that time a comprehensive program, including the equalization fee plan for surplus control, a plan for money stabilization and an honest dollar, a proposal for

gram, including the equalization fee plan for surplus control, a plan for money stabilization and an honest dollar, a proposal for plan for money stabilization and an honest dollar, a proposal for regulating commodity exchanges and drastically controlling short selling, a comprehensive rural-credits program, and various other measures, for the aid of agriculture. Other farm leaders likewise presented suggestions. The farm price index had then dropped to 71, or 20 points lower than in the previous May.

The weeks dragged on and Congress recessed over the Christmas holiday, with no action taken for the relief of agriculture.

In January, at a historic conference in Washington of the representatives of the "Big Three" farm organizations, the A. F. B. F., the National Grange, and the Farmers' Union, a joint legislative program consisting of six proposals was formulated and agreed to. For the first time in the history of organized agriculture the farmers were united on a program of legislation.

This program was presented to the Senate and House Committees on Agriculture, and sent to every Member of the Senate and the House. The farm price index had then fallen to 63, a drop of 8 more points, but still Congress did nothing.

In February I was called to Washington again to present our recommendations to the Agricultural Committees of Congress. I called in Vice President Hearst, of Iowa, and several members of our legislative committee to assist, and we presented to the committees in detail our recommendations, fortified with a mass of statistical information showing how they would operate, and how they would yield enormous hearing the articulture for the committee of the committee o they would yield enormous benefits to agriculture in higher prices our crops

The farm price index had dropped to 60, a drop of 3 more points. But still Congress did nothing. The Agricultural Committees listened to our pleas and proceeded to do nothing about it. Still we persisted. In March we came to Washington again to press for action on these fundamental measures. We interviewed individual members of the committees and influential leaders in both the House and Senate, pleading for prompt and effective action to save agriculture from ruin. We were told to prepare a bill and submit it. submit it

To leave nothing unturned and no responsibility on our part undischarged, we conferred again with the leaders of other farm organizations and worked out the complete text of a composite bill. Late in April we submitted it to both committees. Meanwhile, the farm price index had dropped to 59 in April and to 56 in May.

Finally, on May 25, the Senate Agricultural Committee, headed by Senator McNary, stalwart champion of farm relief, reported out favorably the McNary bill embodying the composite bill we presented to it. But the House committee still pursues its course of inaction. The committee has been leisurely studying our recommendations but to the data has not apported a strong recommendations. ommendations but to this date has not reported a single measure to restore equality to agriculture. It seems all the time, under the control of its chairman, Marvin Jones of Texas, to be seeking something different from the bill as presented by the farm organizations at the request of the committee itself. The House committee is just fooling around with this serious proposition. committee is just fooling around with this serious proposition, playing with the farmers' troubles despite the valiant efforts of certain of our stanch friends on the committee. The session is nearly over before the committee gets into action.

nearly over before the committee gets into action.

I think it must be clear to any reasonable person that the responsibility for failure to act to restore equality to agriculture rests squarely upon the shoulders of Congress, which has the power to pass measures which will help achieve this result. This responsibility is very great when representatives of more than 2,000,000 farmers, after years of study, present recommendations to Congress to bring about the desired result.

What are some of these measures which will bring about equality to agriculture and prosperity to the country generally? There are at least three measures which this Congress should pass before it adjourns: First, the Goldsborough bill, providing an honest dollar; second, the McNary-Fulmer composite farm relief bill, amending the marketing act; and third, an emergency measure for financing the export of our surpluses of farm products.

I want to describe these measures briefly and tell you what

I want to describe these measures briefly and tell you what benefits agriculture and the country generally may expect from them if enacted into law now.

The Goldsborough bill, which is the honest-dollar bill, sets forth a fundamental monetary policy for this Nation, namely, that all the powers now possessed by the Federal reserve system shall be directed to two ends: First, to restore the purchasing power of the dollar to the average for the period 1921 to 1929; and second, to stabilize the purchasing power of the dollar as nearly as practicable at that level.

Our banks are bulging with money. We have more gold than any other Nation on the face of the globe. Our natural resources are enormous. Our factories are the most efficient in the world. Yet the farmers are faced with ruin and 10,000,000 unemployed walk the streets in search of work.

walk the streets in search of work.

Eminent economists warn us that the worst has not been reached yet unless something is done to check the deflation. As the Right Hon. Winston Churchill said in an address on the world economic crisis, "The hideous processes of deflation have but to go on to isolate the nations and reduce them to the barbarian and barter of the Dark Ages." Unless something is done to check the forces of deflation they tell us that labor, city real estate, and all property values must inevitably come down to the level of commodity prices. This means that the wages of union labor will have to be cut in half, doctors and nurses 25 to 50 per cent less than they now receive, salaries of school-teachers and professors from 25 to 40 per cent less, dollar capitalization of industrial companies 25 to 40 per cent less, dollar capitalization of industrial companies from 60 to 65 per cent less, and so on, all along the line from the least to greatest. That is the dismal picture of what will happen if the rest of this country is brought down to a level with agri-

That means wholesale bankruptcies and liquidation on an unparalleled scale because of our high debt level. In 1929 our total debts, both public and private, in the United States totaled \$203,000,000,000, or 56 per cent of our national wealth of \$386,000,000,000, according to estimates of Warren and Pearson, of Cornell University. To-day they tell us the national wealth has shrunk until it is worth scarcely half that amount. Thus our debts now are equal to the value of our property.

Furthermore, our dollar has become so dear in exchange for the currencies of other countries and we have acquired so much of the world's store of gold at the expense of the stocks of other countries that other nations can not buy our products. How can we trade with other countries of the world when they have no gold. Our export trade has fallen off 54 per cent in value and 35 per cent in volume since 1929.

Unless our dollar is restored to a fair value, we will have to enact higher tariffs to protect us against the imports of commodities from countries with depreciated currencies. Already numerous industries are clamoring for such protection, and various bills are pending in Congress to bring this about. These higher tariffs will penalize all the consumers in the United

To avoid this terrifying prospect we must have an honest dollar. A dollar which purchases 64 cents, worth one year and \$1.52 worth another year is dishonest. A dollar which makes the debtor to-day pay back \$202 for each \$100 borrowed in 1929 is dishonest. It ruins the debtors to enrich the creditors. The price level must be restored until the dollar is worth the same amount was when our debts were contracted. This is what the Goldsborough bill does.

The Democratic House of Representatives is to be complimented The Democratic House of Representatives is to be complimented on passing, with the aid of a goodly number of our Republican friends, the Goldsborough bill by the overwhelming majority of 289 to 60. But when it came to the Senate Banking and Currency Committee it was cast aside and the so-called Glass proposal, which is nothing but a mere makeshift, was substituted for it. The Glass proposal is just like all the other relief measures that have been proposed—just makeshifts which postpone the evil day and do not go to the root of the trouble. It provides no plan for restoring the price level or stabilizing the purchasing power of the dollar. It fails to recognize the principle of an honest dollar. honest dollar.

It distresses me greatly to see Senator Glass from Virginia taking the lead against this measure as he is quoted in the New York Times of June 2 as stating that he did not believe this or any other legislative device was necessary for such an end at this time but that he had opposed the plan in order to stop the Goldsborough bill, which he opposes. I quote from the Senator's state-

'I distinctly disavow the belief that any of these legislative devices are necessary at this time. I simply offered the bill in question as a substitute for the Goldsborough bill which I regard with the utmost aversion."

It will be seen that the Virginia Senator is definitely opposed to any measure which will reestablish and then maintain a commodity price level which will permit farmers to live. On the other hand, his bill which plays us directly into the hands of the big bankers who can continue making a profit in issuing their notes as circulating medium of the Nation. I can not avoid telling you that Senator Glass is reputed to be the person who, when the Federal reserve act was being written years ago, struck out that provision which was identic in effects with the Golds-borough bill. This brings the Senator down to date after almost years in opposing the masses of our people who must have a dollar that is honest and in supporting the gigantic banking fraternity which already has us within its grasp.

Despite the position of the Senator from Virginia against this measure, let me inform you that the Goldsborough bill is the direct cause of the recent efforts of the Federal Reserve Board to use a temporary mild inflation and also the international conference on money stabilization in which our Government will be

represented.

All the relief measures thus far passed have been drawn in the interest of the creditor class. The debtors are made the goats. The millions of debtors are sacrificed on the altar of greed for the

The millions of debtors are sacrificed on the attar of greed for the benefit of the creditors. The debtor and creditor have a mutual relationship. If you destroy one you destroy both, ultimately.

This grasping group of creditors is unwilling to restore the purchasing power of the dollar to an honest level, where the debts were contracted. They want the dollar to stay dear and commodities cheap. The little group of international bankers who gamble in international securities and currencies want our dollar to the want to the collar to the contract of th to be worth more in exchange for foreign currencies. And so they are horrified when we propose to make our dollar worth less and our commodities worth more.

But the masses of people—the farmers and other producers of commodities and the laboring people, who depend upon the pro-duction of commodities—want dollars cheap and commodities high. Laboring people in the cities can find employment at profitable wages when the factories get high prices for their prodprontable wages when the lactories get high prices for their prod-ucts. When money is plentiful and cheap everybody makes money and everybody is happy. Whose welfare is to be paramount in this country, the masses of our citizenship or a little clique of international bankers who gamble in international currencies? Congress has a terrific responsibility resting upon it if it pro-longs the depression by casting aside the Goldsborough bill and refuses to exercise its constitutional powers and fulfill its obliga-

tion to provide for a stable currency—to provide an honest dollar.

tion to provide for a stable currency—to provide an honest dollar. The second measure which Congress should enact into law before adjournment likewise deals with fundamentals. Something must be done to restore the farm price level to a parity with other groups. The McNary-Fulmer bill now pending on the Senate Calendar goes to the heart of this problem by providing plans for getting rid of the farm surpluses which now pile up in our domestic markets, depriving our farmers of the benefits from the tariff on these products, by forcing domestic prices down to the level of the world prices.

The McNary-Fulmer bill amends the agricultural marketing act making it mandatory upon the Federal Farm Board to put into operation either the equalization-fee plan, the export-debenture

operation either the equalization-fee plan, the export-debenture plan, or the domestic allotment plan, whenever the board finds

certain conditions to exist. Whenever farm crops are selling below the cost of production, or whenever there is a seasonal or year's total surplus above domestic requirements, or above the requirements for orderly marketing, the board is required to put into effect one or all of these three plans.

All three plars are directed toward obtaining for farm products prices which will at least return the cost of production and as much more beyond that amount as supply and demand justify. All three provide an automatic check on overproduction. All three give the American farmer the benefit of the American market and give to him the control of his marketing system.

Each of these plans has been indorsed in principle by eminent economists. They have the approval of organized agriculture, The responsibility rests squarely upon Congress to apply the remedy.

remedy

The third measure which Congress should approve for the relief of agriculture before it adjourns is an emergency measure to get rid of the huge surpluses of farm products which have accumulated. There are markets abroad for these products if they could be sold on liberal credit terms, but the cooperatives and private traders are not financially able to supply such terms, and so the

world goes hungry for our surpluses.

We ask the Congress to authorize the allocation of whatever funds are necessary from the Reconstruction Finance Corporation to finance the export of surpluses of wheat, cotton, tobacco, wool, mohair, and other farm products, and to distribute surplus wheat to the destitute and unemployed in such a manner as not to adversely affect the domestic market. This week we presented an

relief bills to the Senate Banking and Currency Committee and to the House Committee on Ways and Means.

This is an emergency measure. If we are to get rid of the sur-pluses immediately so that they will be out of the way when the new crops come on the market later in the year, we must have prompt action.

appeal for the inclusion of this proposal in the Wagner and Garn

There are other measures which might well be passed for the aid of agriculture, but I repeat that we must have at least these three if anything like parity and prosperity are to be restored to

We are told that what the country needs is confidence, that a restoration of confidence is all that is needed to stop the forces of depression and restore prosperity to this country. My friends, confidence can not be restored by talking about it. We must give the people something in which to have confidence.

How can the farmers have confidence when farm prices are going down, down, down, further and further below the cost of production? How can they have confidence when they are unable to pay their taxes and interest, and when they are losing their homes? How can they have confidence when a dishonest dollar forces them to pay back from three to five times as much as they borrowed in terms of commodities? How can they have confidence when the responsible leaders in government who are clothed with the power to act to bring them relief ignore their desperate condition and do nothing fundamental to bring them real relief?

when the leadership of this country does something to really inspire confidence, when it goes to the root of this problem and takes some fundamental steps to remove the causes of the depression, then, and then only, will confidence return to the people. We must get down to the grass roots and restore the prices of agricultural products. Nothing else will avail.

Agriculture's patience is well-nigh exhausted. She has been long-suffering, but she can not longer tolerate delay and inaction. You folks out there on the farms know why. It is because the

present condition of agriculture is intolerable.

Congress and the President came to the rescue of foreign governments and granted them a moratorium on their war debts to us, involving billions of dollars of obligations. They came to the rescue of the railroads, the banks, and the industrial corporations by loans out of the Federal Treasury to the tune of \$2,000,000,000. They came to the rescue of the banks by passing the Glass-Steagall bill to help them meet the demands upon them for gold and thaw out some of their frozen assets. But what benefits have trickled down through these so-called relief measures to the farmers in the country and to the working people in the cities and towns? Have country and to the working people in the cities and towns? Have they kept farm prices from going down? Have they checked the increasing number of forced sales of farms? Have they relieved unemployment or given people more work? What good is this great pile of gold—78 per cent back of our currency—if it is not put to work for humanity? What good is it? For humanity to worship as children of Israel worshiped the golden calf? If this condition is not relieved, it will destroy our people.

The answers are obvious—farm surpluses pile up; farm prices and purchasing power still decline; unemployment increases; wages decline; property values shrink; despair and dismay seize upon the people, and discontent rises with an ominous tide.

Agriculture and labor can not be made prosperous by relieving the banks, the railroads, and the great corporations alone. Agriculture and labor are not content with picking up the crumbs from Lazarus's table. The way to make the Nation prosperous is to restore the purchasing power of the farmers

prosperous is to restore the purchasing power of the farmers prosperous is to restore the purchasing power of the farmers and the workers. All new wealth comes from the farms, the mines, or the forests. Agriculture is our basic industry. When you destroy it you destroy the Nation. The first step toward a new day for the Nation is to restore the buying power of agriculture, our basic industry, upon which the economic welfare of one-half of our population depends.

My friends, we have come to a critical point in the history of our great Nation. The future welfare of our country trembles in the balance. The very future of democratic government may be at stake.

be at stake.

We are in the midst of a great conflict—a conflict that is more bitter, more sinister, more far-reaching in many respects than an armed conflict. It is a struggle for the domination of this country, between the forces of entrenched greed and special privilege on the one hand and the masses of the people on the other hand. Powerful banking and industrial interests who have dominated our financial and economic policies for many years, are determined to maintain their strangle hold upon the economic life of this country and maintain their privileged position, and are unwilling to give agriculture and labor their fair share of the national income. national income

national income.

They are the Bourbons of to-day that the masses should sweat and toil for their benefit. They are the ones who, if they continue in control, will destroy democracy and bring on revolution.

A great responsibility rests upon us all in these critical days. Our forefathers were true to the test; they braved the hardships and made the necessary sacrifices to win political freedom. We celebrate this year the bicentennial of the birth of George Washington, who led a brave and intrepid people in a successful battle against tyranny and oppression. A generation later, when this freedom was again imperiled, my grandfather was a close associate and comrade in arms of Gen. Andrew Jackson, the great champion of the people, in his valiant exploit at New Orleans to preserve the freedom so dearly bought.

To-day we also are in a battle for freedom, a battle for economic

the freedom so dearly bought.

To-day we also are in a battle for freedom, a battle for economic freedom. That was a battle of principle fought by bullets; this is a battle of principle fought by ballots. That was a battle against political oppression; this is a battle against economic oppression. God has blessed us with the richest nation of the world, with the greatest people. Are we to fall in our stewardship?

Too long have we had faith, hope, and charity. Too long have we displayed these great virtues. At last we find that we must fight for our own and for our Nation to secure the adoption of the golden rule as the first principle of our economic life.

I appeal to you to help me in this great struggle for equality for agriculture. Write and write again to your Congressmen and Senators, demanding action on our three bills.

THE PRESENT CRISIS-ADDRESS BY DR. NICHOLAS MURRAY BUTLER

Mr. CAPPER. Mr. President, at the annual dinner of the National Industrial Conference Board in New York City, May 19, Dr. Nicholas Murray Butler delivered a thoughtcompelling address on the Present Crisis. While I do not subscribe to all Doctor Butler's views, particularly his opposition to the eighteenth amendment, I do consider this address worthy of the careful reading and thoughtful consideration of the Senate and the country, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE PRESENT CRISIS By Nicholas Murray Butler

Surely the time has fully come for perfectly plain speaking on the topic which you have assigned to me. The present crisis, which is much too apparent to require either further description or new emphasis, is threefold. It is economic. It is political. It is moral. To deal with it and to relieve it the various nations

or new emphasis, is threefold. It is economic. It is political. It is moral. To deal with it and to relieve it the various nations of the earth are working each in its own way and more or less at haphazard and to a painfully limited extent through international conference and cooperation. The crisis itself is world-wide in all three of its aspects and is plainly international in origin, in manifestation, and in effect. It can only be dealt with and relieved by international action and by the formulation of constructive international policies—and that speedily before a state of complete collapse of our economic and political system is reached. The very best that any nation can do for itself, acting alone, will be pitifully ineffective to bring either quick or permanent relief.

At least five of the greater peoples of the earth have just now passed through or are about to pass through electoral contests upon the results of which hangs the control of government policy for some time to come. Great Britain, Japan, Germany, and France have all recorded their popular vote, and the people of the United States are in the earlier stages of that national political contest which will come to an end in November. With a few noteworthy and outstanding exceptions, chiefly in Great Britain and in Germany, the office-holding and office-seeking class in each one of these nations conduct themselves in substantially the same way while such contests are pending. They repeat sonorous platitudes and announce their undying faith in those unchallenged principles, which can mean nothing, since no one disputes them. Bring them face to face with a difficult and disputed question of public policy, however, which excites difference of opinion, intellectual or emotional, and immediately the office-holding and office-seeking class become shy and tacturn and purringly counsel that we should "wait and see." What wonder is it that the Fascism of Italy and tional, and immediately the office-holding and office-seeking class become shy and taciturn and purringly counsel that we should "wait and see." What wonder is it that the Fascism of Italy and the communism of Russia, with definite convictions and specific programs of public policy, not only smile but laugh aloud when they watch modern democracy in the western nations frightened and tempest-tossed on a stormy sea of political incompetence!

The British people have thus far conducted themselves in much the best fashion. They have been able to lay aside for the most part very old and very deep differences of political opinion and political policy and have done more to bring the conduct of their government to a truly nation-saving and nation-serving point of view than has been accomplished elsewhere. In Japan the ultranationalist and militarist sentiment is just now dominant, and until constructive liberalism regains its place among that people they will be not only in difficulty but in danger.

In Germany the unfamiliar process of self-government, working

nationalist and militarist sentiment is just now dominant, and until constructive liberalism regains its place among that people they will be not only in difficulty but in danger.

In Germany the unfamiliar process of self-government, working among a highly cultivated people of great intellectual capacity but restricted political experience, is having difficulties of its own, complicated, of course, by the appalling postwar conditions and problems which the German people find daily staring them in the face. In France there are at work, sometimes quietly, sometimes more obviously in evidence, streams of tendency not dissimilar to those with which we are familiar in the United States, but the French form of government enables changing public opinion there to find expression in public policy much more quickly than is possible with us. Here in the United States we are having political discussions and political contests camoufiaged under party names, which have for some years past been without any but merely nominal significance. The names "Democrat" and "Republican" are used by those who claim them to cloak all sorts and kinds of difference of opinion as to fundamental matters of political philosophy and public policy as well as to cover a multitude of sins. All that these names really signify, however, is that the bearers of the one name are in present official place and power and that the bearers of the other name wish to oust them. In the sense of 1868, of 1876, of 1880, of 1896, or of 1904 there is neither a Democrat Party nor a Republican Party. There are voting groups using these party names, strongly influenced by the names and by the emotions that they arouse, but they are held together in no conceivable unity that is nation-wide on any important points of common conviction and common principle. As a result, the present crisis is more severe in the United States than anywhere else in the world, and it is so, first, because of our apparent unwillingness and inability to adopt or adjust our political methods

little value if therapeutics be lacking.

We are drifting steadily, and not so very slowly, toward the edge of a political precipice. We are within a few weeks of the assembling of two great national conventions, each of which will nominate a candidate for the Presidency of the United States and each of which will adopt a declaration of principles, no more precise or definite than is believed to be absolutely necessary, upon which to make appeal to the country. When these nominations and these declarations are made, the voting public will be permitted to choose between them, and in November whatever result is reached will be acclaimed as a great popular triumph on the basis of the winning candidate having been supported by a plurality of a minority of the possible voting public. What are described in the daily press as impressive demonstrations of present-day opinion in favor of one candidate or another are the result of the organized activities of very small groups who manage to stir into participation in primary elections from 20 to 30 per cent of the possible number of voters. The entire working of this political machine would be in the highest degree ludicrous were its results not so tragic and so ominous.

machine would be in the highest degree ludicrous were its results not so tragic and so ominous.

Having recently been in 24 States of the Union and having talked freely everywhere with men and women of every possible point of view, every possible background, and every possible shade of political opinion, it can be said with entire conviction that the thoughtful people of the United States are profoundly alarmed at conditions in Washington and at what is going forward politically in the country; and that, if a chance were given them to follow a real leader of large intelligence, demonstrated administrative capacity, and moral and intellectual courage, they would rise and sweep the whole discredited fabric of our present-day national political machinery into the dust bin. At the moment they feel themselves hemmed in, imprisoned, and unable to do more than complain, discuss their distress, use strong language, and wonder what can possibly happen next. can possibly happen next.

plain, discuss their distress, use strong language, and wonder what can possibly happen next.

There were goings-on in the House of Representatives a few weeks ago which, whether one liked them or not, had at least the promise of bringing reality back into American politics. It looked for a time as if, without further delay, there really might be coming a political division of our people based on genuine differences of principle and conviction applied to present-day conditions. What appeared then to be possible, although perhaps it was but a flash in the pan, was a division of the American people into those who believe in constructive and progressive liberalism, built upon the foundations of the principles written into the Constitution of the United States, and those who believe that such constructive liberalism is no longer effective and that it must be displaced by some form of social compulsion which would be at the least doctrinaire socialism and might involve much more. Such a division of the American people would be real, would be honest, would be up-to-date, and would deal with fundamental principles.

If it might displace the present artificial, and indeed fraudulent, division into Democratic and Republican Parties, the cloud of incompetence would begin to lift, and we should find ourselves on the road to new and constructive progress by one of the two distinct and different paths which would then be open to us. Constructive liberalism is one alternative and socialism, either mild or extreme, is the other. The nation-wide Democratic Party of Jefferson is dead and does not even pretend to profess his principles or to follow his policies. The nation-wide Republican Party of Lincoln and Blaine and Garfield and McKinley and Roosevelt is dead and contents itself with paying those leaders the poor homage of placing flowers on their graves. What can be done about it? about it?

At the Sixteenth Republican National Convention, held in Chithe Sixteenth Republican National Convention, field in Chicago in 1916, Senator Smoot, of Utah, having before him an invitation from the Progressive National Convention then in session in Chicago, moved the appointment of a committee of five delegates by the chairman of the Republican National Convention to confer with a committee of the convention of the Progressive confer with a committee of the convention of the Progressive Party. The motion was agreed to with substantial unanimity, and most important conferences were held which had very substantial political results. Important as that occasion then seemed, it was wholly insignificant in comparison with the one which now faces us. But politicians, like lawyers, love precedents. It comforts them to think that some one has already done the same thing that they are doing whether if he good or not

that they are doing, whether it be good or not.

What a splendid break with tradition it would make if the Twentieth Republican National Convention should take action similar to that taken by the sixteenth and appoint a committee of conference to meet a like committee to be designated by the Democratic National Convention, which is to meet a few days later, and then take a recess to await the results! Suppose further that as a result of such conference there might be substantial agreement on the part of a majority of each of those two bodies as

to declarations

For repeal of the eighteenth amendment, to restore the Federal Government to the form originally established by the Constitu-tion, and to bring the liquor traffic under effective public regulation and control;

For the revision of tariff schedules throughout the world, in order to promote commerce, to reduce unemployment in the United States, and better to protect American agriculture, American industry, and American transportation systems;

For the immediate study of the intergovernmental obligations

arising from the World War, with a view to their readjustment or cancellation, in order to restore confidence and to stimulate a

revival of our normal agriculture, industry, and commerce;
For the reorganization of the administrative service of the Federal Government on the basis of having it mind its own clearly

eral Government on the basis of having it mind its own clearly stated constitutional business with efficiency and economy;
For the conservation and public control of the remaining natural resources of the Nation that unwarranted privilege and the power of private interest to exploit the public be brought to an end;
For the organization of a nation-wide system of emergency relief in the case of disaster, prolonged unemployment, or distress;
For instant adherence to the Permanent Court of International Justice, in accordance with the policy urged by every President since McKinley, and by every Secretary of State since John Hav:

For the most complete cooperation with the League of Na tions at Geneva to the end that the beneficent work of consulta-tion on the part of the several nations for the establishment and protection of the peace of the world may be steadily carried forward and given the largest possible measure of practical results:

For insistence upon genuine disarmament, and not merely the substitution of one formula for another to govern the mainte-nance of huge and costly armaments on land, on sea, and in the

For the immediate observance of the fundamental principle that the National Budget should be balanced year by year and that new taxation, when necessary, should be laid in accordance with sound principles of economics and finance, avoiding demagoguery on the one hand quite as much as privilege on the

other;

For the study of the organization of present-day industry in this country to the end that the Federal Government may take such steps as are needed to set industry free to adjust itself to the new conditions which have come to pass in the world and to insure such distribution of the profits of cooperative enterprise as shall enable consumption to keep pace with rapidly growing reverse of production. power of production;

For the immediate international study of the questions that

relate to the world's monetary systems, in order to determine whether the present gold basis is adequate and sufficiently stable;

For the application to the basic industry of agriculture of the best economic knowledge and the widest experience of our time, in order that the new and revolutionary conditions which now

attach to farming shall not be permitted longer to disorganize and discourage that fundamental occupation of men; and

For such revision of the rules and procedure of the Senate of the United States as will make it no longer possible that a very small group who control the Committee on Foreign Relations, whose terms of office expire at different times and who are chosen by various and widely separated constituencies, may deprive the Government of the United States, in defiance of public opinion, of its just place and authority in establishing and protecting the be the world and in advancing the interests and welfare of the American people.

Were this great achievement possible, a new and truly liberal party would be born in these United States, with a definite, a

constructive, and a rational program which would make instant appeal to hosts of the most intelligent men and women throughout this land who now call themselves either Democrats or Republicans without being in the least able to tell what those words mean as distinguished from each other. Such liberal party of to-morrow would stand in the same relation to the Democratic and Republican Parties of to-day as the Republican Party once stood in relation to the Whig Party of Clay and Webster and Seward. In opposition to such liberal party there could, and should, rally about a single standard all those who prefer compulsion in any of its forms to the historic principles of civil, economic, and political liberty. nomic, and political liberty.

All those who prefer persecution to tolerance, prohibition to temperance, and control or compulsion of individual thought, individual expression, individual action, and individual possession to liberty would then have a standard to which they might repair, provided they could compose their own differences. This party would at least offer an invitation to the Ku-Kiux Klan, to the prohibitionists, to the doctrinaire socialists, and to the communists, who might then labor to convince the American people of the soundness of their views and offer a coherent program for of the soundness of their views and offer a coherent program for carrying those views into effect.

The question has recently been asked, "What if Booth had missed?" What in that case would Lincoln have done in those years of reconstruction upon which we now look back with so little pride? So I ask, What if something of the kind just described could happen? In such case, how intelligent and how public spirited the party managers would prove themselves to be and what a long, long step forward the American people would quickly take toward peace and renewed prosperity! Great Britain would no longer be alone in her capacity to put national welfare before mere party advantage. before mere party advantage.

before mere party advantage.

Suppose, further, that these two conventions, having risen to such a height, should politely turn their backs upon the office-holding and office-seeking class and draft from the abundant, capable, and intelligent citizenship of this land men to voice these principles with clearness, with definiteness, and with courage and who, when elected to office, would quickly carry them into effect. We must not be ready to grant that stubborn honesty and persistence passed with Grover Cleveland or that the blunt capacity of Theodore Roosevelt for getting things done, with public opinion looking on and applauding, is no more within our reach. Why should we be so constantly required to choose between incompetences that are demonstrated and disastrous and competing incompetences that are suspected and feared? feared?

These questions are quite as searching and quite as far-reaching as is the question "What if Booth had missed?" But Booth did not miss, and, if such a course of action as has been described taken in June, the age of miracles would surely not

have passed.

We are, therefore, face to face at this moment with the impera

We are, therefore, face to face at this moment with the imperative obligation resting upon each citizen to exert every influence and to make every effort of which he is capable to bring the existing party organization to which he now belongs to a realization of the crisis which confronts it. The biting satire of the popular musical drama Of Thee I Sing will surely not be wholly lost upon the public mind. Often, indeed, wit and satire will gain the day when argument goes unheeded.

An outstanding characteristic of the existing false and misleading political division in this country is the literally appalling cowardice of officeholders and office seekers in respect to any important question of principle which confronts them. The classic example is, of course, afforded by the eighteenth amendment. If men in public office and candidates for office would vote and speak in respect to this amendment as they really believe, ment. If men in public office and candidates for office would vote and speak in respect to this amendment as they really believe, it would be possible for the country to know where it stands. They do nothing of the sort, however, for, having no convictions on any subject which are deep enough to make difficult or doubtful their election or reelection to office, they endeavor either to say nothing on this outstanding question or to cloak their sayings and deings with an observity deeped sufficient to avoid clienting any nothing on this outstanding question or to cloak their sayings and doings with an obscurity deemed sufficient to avoid alienating any important or numerous voting group. It is quite bad enough to call this revolutionary measure, which has substantially undermined our public morality, an experiment noble in motive, but it is much worse to attempt to cloud the issue of bringing it to an end by all sorts and kinds of proposals in lieu of frankness and straightforwardness, the only purpose of which is to confuse and to delaw.

straightforwardness, the only purpose of which is to confuse and to delay.

Of all these subterfuges, the most preposterous thus far proposed are those made in the name of a former Governor of Virginia and in the name of the present Secretary of Agriculture. The first of these two subterfuges is the suggestion to amend the Constitution to provide a new method of amending the Constitution thereafter, and then when, after the lapse of a sufficient number of years, all that shall have been done, to make use of the new method of constitutional amendment to take some action—as yet undefined—in regard to the crucial and pressing problems which the eighteenth amendment has brought upon the Nation. This proposal has been pretty generally greeted with the contemptuous hilarity which it deserves. The second of these subterfuges is yet more remarkable and still more preposterous. Its birthplace is reputed which it deserves. The second of these subterruges is yet indice remarkable and still more preposterous. Its birthplace is reputed to be Washington, and the geniuses who have rocked its cradle are credibly understood to have been drawn from points as remote as San Francisco, Philadelphia, and Toledo.

A recent Republican State convention in Missouri was induced to favor it. In brief, this is a plan to bring into existence under conditions quite impossible of fulfillment a new constitutional

convention, the first since 1787, to deal with the subject of nationconvention, the first since 1787, to deal with the subject of nation-wide prohibition on the wholly illusory assumption that such a constitutional convention could be limited to the consideration of that one topic. When a constitutional convention meets it is its own master. It becomes for the time being the depository of the sovereign power of the people, and, if it should choose to substitute fascism or communism for democracy and to propose such substitution for ratification by the people of the United States, it could do so. The so-called Missouri plan for dealing with the eighteenth amendment is the most stupid and the most mischievous that has yet been proposed by anybody. The condimischievous that has yet been proposed by anybody. The conditions which are attached to its operation make plain its insin-The condicerity. It is, therefore, on that very account, beginning to attract the favorable attention of the trimmers and the pussyfooters. In order to avoid using the contentious word "repeal," members

of the office-holding and office-seeking class are joyfully proclaimof the office-holding and office-seeking class are joyfully proclaiming their willingness to vote for a popular referendum concerning the eighteenth amendment, or even for what they call its resubmission to the people of the several States. They must know perfectly well that such a referendum could not be held and, if held, would be, from the point of view of public law, wholly meaningless. It would be an enlarged Literary Digest poll and would certainly show just what the Literary Digest poll has shown, but, having done so, would leave the question precisely where it is now. Similarly the use of the word "resubmission" is intended to confuse and to deceive.

No provision that is in the Constitution can be resubmitted.

to confuse and to deceive.

No provision that is in the Constitution can be resubmitted. It must either be left in or taken out. It can only be taken out by the process of repeal. Therefore, if one does not wish the eighteenth amendment to stay in the Constitution he must vote to take it out. The only possible way to take it out is to submit to the States, in the manner prescribed by the Constitution, a very brief and simple proposal to repeal the eighteenth amendment as it now stands, this to be acted upon, as the Constitution provides, by the people of the several States themselves acting through conventions elected for the purpose rather than by the voice of their State legislatures. This would involve a genuine referendum followed by results, rather than an illusory referendum followed by no results.

When the two national nominating conventions meet in June,

endum followed by no results.

When the two national nominating conventions meet in June, their delegates will be faced by the necessity of declaring themselves individually and collectively for or against the repeal of the eighteenth amendment. If they seek to substitute for this simple declaration any form of camouflage or what is generally known as pussyfooting, or if they should choose to vote down a declaration for repeal, they must be prepared to take the consequences in November, and, believe me, those consequences will be very, very, serious for them.

We are confronted by just the same situation when we come

declaration for repeal, they must be prepared to take the consequences in November, and, believe me, those consequences will be very, very, serious for them.

We are confronted by just the same situation when we come to deal with constructive policies for relieving the economic crisis which holds the whole world in its grasp. A point has been reached where pretty much everyone is rhetorically in favor of balancing the budgets of the Nation, of the several States, and of the municipalities. When, however, it comes to the practical question of selecting the expenditures to be reduced or discontinued, then well-organized groups and well-intrenched interests exert themselves with prompt efficiency, each to prevent any substantial alteration in the public provision made for that in which they are directly interested. Just so, everyone assents to the statement that taxes must be increased, at least until the present emergency has been met. The discussion of what taxes shall be increased, however, quickly invites to the field of battle other groups of well-organized and well-intrenched special interests with insistence that, whatever else is taxed, they themselves shall not be. It is quite impossible, therefore, that any officeholder or office seeker of importance should be able to satisfy or to pacify each and all of these contending groups. It begins to look as if the man who is in favor of balancing our budgets would pretty soon have to declare himself in favor of doing this in some definite way and stand or fall by his decision. That would certainly be a great gain for frankness, for honesty, and for the public welfare. The House of Representatives at the moment is almost wholly under the influence of pressure groups, self-seeking and contemptuous of the public interest, and is without any responsible and controlling leadership. It is a pathetic spectacle.

It is absolutely essential that organized raids on the Treasury in the name of war veterans and their families should, despite the cowardice of Congress, be re

advantage of, however, by tens of thousands of those who have no claim whatever upon the Public Treasury, but who have organ-ized themselves from time to time in nation-wide fashion to compel Congress to give them doles. The consequence is that we have been treating as a veteran a man whose military service was wholly spent in a training camp at home or in office work at Washington. We are treating as a veteran's widow a woman whom he may have married many years after his military service had come to an end, married many years after his mintary service had come to an end, and we are caring for disability contracted on the battlefields of peace decades after hostilities had ceased. This whole series of happenings is a grave blot on our country's history and a shocking example of the misuse that may be made of the word patriotism when turned to the support of a selfish interest. There is no possible way of continuing the support of the Government of the United States on sound financial and economic grounds unless an

end be put, and that quickly, to these literally shocking abuses of extravagance and favoritism.

The expenditures of the Federal Government for the fiscal year 1932 will exceed by more than \$1,300,000,000 the expenditures for as recent a fiscal year as 1927, taking no account in either case of appropriations for the debt service. The Budget message for the year 1933 asked appropriations of more than \$1,000,000,000, about one-fourth of the total national expenditure, for veterans' pensions and relief. This is 14 years after the World War came to an end. No fewer than 367,000 ex-service men, fully double the number of our total war wounded, have already been granted pensions for disabilities not incurred in any way whatever in connection with war service. We may imagine what is to happen in the near future when it is recalled that some 4,000,000 men were in military service of some sort or other during the Great War. It is estimated that if we go on at the present rate the cost by the year 1945 will amount to the colossal sum of \$25.500,000,000, which would equal the total direct cost of the World War to the American people. This sort of thing has certainly got to stop. The expenditures of the Federal Government for the fiscal year

which would equal the total direct cost of the World War to the American people. This sort of thing has certainly got to stop.

We are constantly told, and not without some very considerable reason, that our whole economic and industrial system is tottering to its fall and that we must be prepared either for an economic and industrial revolution or at least for some changes in the organization and conduct of our industry and our agriculture that will depart very widely from the long-established practices. Of course, those who have a definite substitute to propose for the system upon which the industry of the western world has been built up for several hundred years are most clamorous for the change and most confident in predicting it. They are especially emphatic in insisting that capitalism is bankrupt and must either abdicate the place of authority which it has long held or be forcibly ejected therefrom.

To speak bluntly, there is not, and never has been, any such

be forcibly ejected therefrom.

To speak bluntly, there is not, and never has been, any such economic and industrial system as capitalism. This is a term of reproach which has been invented by the enemies of the existing economic and industrial system for their own tactical and psychological purposes. Capital is not, and never has been, a principle of industrial organization. It is a by-product and a result of the system which is civil, economic, and political liberty. The true name for the principle which underlies the institutions of the western world is not capitalism but liberty. Capital, let it be repeated, is an incident, not a principle, and it is the business of lovers of liberty to see that its opportunities and privileges are not abused. Just here is the real point at issue in the world today. On the one side stands liberty with hundreds of years of splendid achievement to its credit, and on the other side stand its critics and its enemies, urging the substitution for it of compulcritics and its enemies, urging the substitution for it of compul-sion in some one of compulsion's various forms. These include, sion in some one of compulsion's various forms. These include, of course, doctrinaire socialism, communism, and despotism. The answer which forward-facing believers in liberty make, and must continue to make, is that the principles upon which the western world has been built up, and upon which it now rests, are sound but capable of abuse and that it is the lovers of liberty, and not the enemies of liberty, to whom we must turn for the correction of those abuses. Selfishness, greed, grasping for privilege, are pretty common and widespread in this human nature of ours and, while we have seen many illustrations of their horrid action in the while we have seen many illustrations of their horrid action in the field of liberty, we may be pretty sure that they would not disappear as traits of human nature were compulsion to take liberty's

place.

Therefore, the fundamental and far-reaching question is: Can believers in liberty show themselves so competent, so intelligent, and so courageous that they will put an end to grave and suspicious abuses and guard against the repetition and multiplication of such abuses in the future? Our society, which long rested upon a basis which was almost exclusively one of competition, has now passed over to a basis which is essentially one of cooperation. This is as true of men as it is of nations. Laisserfaire has had its day and has served its purpose. We have not yet readjusted our modes of thinking, our legal theories, and our political axioms to these new conditions. Jurists like Justice Holmes and Justice Cardozo have more than once taken occasion to point the Justice Cardozo have more than once taken occasion to point the way toward such reconstruction or reapplication of our customary law as would enable us to make progress toward these new ends. We do not ask, and need not ask, the individual citizen to forego or even to limit his individuality. What we ask him to do is to lift his individuality to a higher plane and to make public service, social usefulness, the aim of his endeavors, and to leave off solely social usefulness, the aim of his endeavors, and to leave off solely seeking private profit at the constant expense of the public weal. This indeed is the course of action which the lover of liberty proposes as alternative to the surrender of liberty or to its overturn. Here it is quite futile to expect the office-holding and office-seeking class to lead the way. This must be done by those captains of human effort and those forward-looking men who, whether in agriculture, in industry, or in professional life, occupy posts and are charged with responsibility which give them opportunity and invitation to offer leadership in this vital matter.

Of the moral aspect of the present crisis, not so much is said as should be said. It is quite as much weakness of character and defect of temperament as limitation of intelligence which has plunged the world, particularly the American world, into the gloom and despair which now envelop it. Men who have been accustomed to exercise well-nigh undisputed authority in industry, in transportation, and in finance, find that they have not only destroyed public confidence but that they have lost confidence in themselves. This is why they sit in so great numbers wringing their hands and waiting for some change for the better. Those of us who are confirmed and incorrigible optimists refuse to be

discouraged and disheartened even by such happenings as these. We maintain our fundamental faith in human nature and in the ability and capacity of our own people to take or to compel such public action as will bring this present crisis to an end, as well as make it an example never to be followed. This faith, however, must be accompanied by works. There is no use in rhetorically proclaiming our belief in the continuance and prosperity of the American Populity unless me are intellectually and perity of the American Republic unless we are intellectually and morally able to make sure that its principles are continuing and that its peoples are made prosperous.

morally able to make sure that its principles are continuing and that its peoples are made prosperous.

The Great War was the burning up of a phenomenal proportion of the wealth of the world, and it rocked the whole social, economic, and political fabric to its very foundations. We may be a generation or several generations in putting the final effects of this great cataclysm wholly behind us, but we need not lose either faith or courage on that account. The main thing is to lay hold on the fundamental principles of civil, economic, and political liberty, refuse to accept any form of compulsion as a substitute for them, and in our industry and finance, as in our politics, to require clear thinking, administrative capacity, and outspoken moral courage, to the end that liberty may be strengthened, developed, and justly applied in new and splendid ways that will make compulsion hide its head forever.

It is well-nigh 90 years since James Russell Lowell wrote his well-known and truly moving poem having as its title "The Present Crisis," the same that has been proposed for this address. Are not his lines of long ago prophetic of the world in which we live and of the larger world out upon which we look in what should be a spirit of fullest understanding and cooperation?

"For mankind are one in spirit,

"For mankind are one in spirit, And an instinct bears along, Round the earth's electric circle, The swift flash of right or wrong.

In the gain or loss of one race All the rest have equal claim."

PROHIBITION-LETTER OF DR. GORDON FERRIE HULL

Mr. SHEPPARD. Mr. President, some time ago the Senator from Connecticut [Mr. BINGHAM] placed in the RECORD a letter from Doctor Hopkins, president of Dartmouth College, in opposition to the eighteenth amendment. I ask unanimous consent to have inserted in the RECORD an open letter favoring prohibition from a member of the faculty of Dartmouth College, the letter being addressed to President Hopkins and the member of the faculty being Dr. Gordon Ferrie Hull.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER TO

President HOPKINS:

When your first letter in regard to prohibition appeared, many members of the faculty felt that it was called forth by the re-peated urging of those who were carrying on a most active propamembers of the faculty felt that it was called forth by the repeated urging of those who were carrying on a most active propaganda in order to influence the findings of the Wickersham commission. Out of our loyalty to the college and a great personal loyalty to you we did not challenge your views on that occasion. Your letter which has just appeared in the Dartmouth, however, makes it clear that we must choose between these loyalties and those which we bear to the laws of the land and to our own convictions. While I have no authorization whatever to speak for the faculty, I believe I voice the views of many in setting forth my own. It is my opinion that you have vastly overemphasized the evil effects of prohibition without presenting its virtues, that you have proposed no constructive policies, that you have falled to face the problem of alcohol, that you have neglected to point out that those who purchase liquor, if your charge be true, are those who "provide a subsidy for the underworld by which criminals are being given unprecedented power and by which viciousness is being increasingly protected."

You express a great concern for the next generation but it is the present generation, the young men and women of to-day, who presumably are looking to us for guidance. If we bring before them the clear reasons for the world-wide and age-long fight against alcohol, the next generation, though less in need of better guides, will find plenty available.

I propose that the problem of alcohol be made one for discussion in the faculty meeting or elsewhere, a discussion in which pride of opinion and oratorical pyrotechnics would have no place, in which scientific facts would be stressed and the sincerest effort be made to find a better solution, if any exists, of the problem of alcohol.

Gordon Ferrie Hull.

April 20, 1932.

GORDON FERRIE HULL.

APRIL 20, 1932.

POSITION OF PROFESSOR HULL ON PROHIBITION REPEAL

Mr. BINGHAM. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Hartford Courant of April 29, 1932, entitled "The Dartmouth Faculty Polled." I ask that the editorial may be printed in the RECORD immediately following the letter of Professor Hull, which has been ordered printed in the RECORD on the request of the Senator from Texas [Mr. SHEPPARD].

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

THE DARTMOUTH FACULTY POLLED

In replying through the columns of the Daily Dartmouth to President Hopkins's forthright objections to the eighteenth amendment, as contained in his statement to Senator Bingham, Prof. Gordon Ferrie Hull said: "While I have no authorization whatment, as contained in his statement to Senator Bingham, Prof. Gordon Ferrie Hull said: "While I have no authorization whatever to speak for the faculty, I believe I voice the views of many in setting forth my own." He sharply but courteously challenged President Hopkins's advocacy of repeal and the return of the question to the States while upholding his own faith in the amendment. With commendable journalistic enterprise the Daily Dartmouth promptly undertook to ascertain through a referendum whether or not Professor Hull's opinions were sustained by the faculty. The results show that of 219 of the 276 members voting, 186 definitely oppose national prohibition and want the amendment repealed, while only 30 favor its retention.

Those who question the accuracy of the Literary Digest poll should find occasion for reflection in these returns. It can not here be charged that ballots were sent only to known wets, that the count was dishonest, or that the drys refrained from votting. Every member of the faculty had a fair and equal chance to record his opinion. The verdict is not one that can be ignored or laughed off as having no particular significance. It represents the sober and intelligent judgment of men deeply concerned with the Nation's social and economic problems. It can not be dismissed by the usual assertions of prohibitionists that those who do not agree with them are lacking in moral perceptions, place

missed by the usual assertions of prohibitionists that those who do not agree with them are lacking in moral perceptions, place their own base appetites above the good of their fellow men, do not understand the problem of alcohol, are in the pay of the liquor interests, and so on. This referendum speaks for itself as an expression of opinion entitled to the utmost respect. When a college faculty like that at Dartmouth, deeply mindful of its obligations and responsibilities, is so pronouncedly hostile to the eighteenth amendment it is a fair conclusion to reach that the amendment does not afford the right approach to a satisfactory disposition of the liquor question.

amendment does not afford the right approach to a satisfactory disposition of the liquor question.

The ballots provided space for individual comment, and some of these comments are highly illuminating, as, for instance: "I am for temperance and law observance, both of which are defeated by the present law." "I honestly consider the eighteenth amendment as the most barbaric crime against decency and civilization in all history." "Prohibition is a tyranny which withers us gastronomically, morally, and spiritually." "Prohibition, in my estimation, has resulted in evils far greater than those it tried to correct." "Think I'd be for prohibition if it could be enforced. I fear the attempt to enforce the law is a dismal failure, putting a premium on bootlegging and lawlessness all along the line." "I fear the attempt to enforce the law is a dismal failure, putting a premium on bootlegging and lawlessness all along the line." "I am against prohibition because under the present conditions we are losing rapidly the great gains toward temperance made in the last hundred years." "I consider the eighteenth amendment as the most pernicious single piece of legislation ever enacted." "The American people should be trusted to regulate their personal habits as people are in other countries." "I am against prohibition and in favor of genuine temperance in the use of alcohol and in the use of outlooks about it." in the use of opinions about it."

in the use of opinions about it."

In its own comment on the poll the Daily Dartmouth says: "On nearly all the ballots on which opinions had been penciled we found that opposition to prohibition was based on undebatable evidence of the amendment having harmed the cause of true temperance instead of forwarding it. Dartmouth faculty members are absolutely not in favor of student drinking, nor can any twist or contortion of the facts be interpreted to suggest that they are."

Part the faculty muits expressely is not in favor of undertaking are." or contortion of the facts be interpreted to suggest that they are." But the faculty quite obviously is not in favor of undertaking to deny the student body any opportunity for freedom of choice in a matter that concerns their personal liberty. It is in favor of the individual being permitted to exercise his own self-control as against the attempt to impose upon him total abstinence by legal compulsions, which breed a natural resentment. As one member of the faculty puts it, "We need to extend the frontiers of human freedom."

PROHIBITION-ARTICLE BY SENATOR SHEPPARD

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New York Times of March 20, 1932, which was prepared by me at the request of that newspaper, and which is an analysis of the vote in the House of Representatives on the motion a few months ago to discharge the Judiciary Committee from further consideration of the proposal to submit a constitutional amendment changing the eighteenth

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOR THE DRYS

By Morris Sheppard, Senator from Texas

I am requested by the New York Times to present an analysis of I am requested by the New York Thies to present an analysis of the recent vote in the House of Representatives on the wet motion to discharge the Judiciary Committee from further consideration of the proposal to submit a constitutional amendment changing the eighteenth amendment so as to remit the question of prohibition to State control. It will be noted that in the voting last Monday there were no votes at all for the wet motion from 14 States, namely, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Kansas, Maine, Mississippi, New Hampshire, North Dakota, Oklahoma, Utah, and Vermont.

Thirteen of this number of States alone could prevent the ratification of a constitutional amendment modifying or repealing the sighteenth amendment amendment proposed amendment.

eighteenth amendment, even if such proposed amendment were submitted to the States.

submitted to the States.

In each of 9 additional States only 1 vote was cast for the motion, namely, Alabama, with a total of 10 votes in the House; Iowa, with a total of 11; Kentucky, with a total of 11; Nebraska, with a total of 6; North Carolina, with a total of 10; Oregon, with a total of 3; South Carolina, with a total of 7; South Dakota, with a total of 3; and Tennessee, with a total of 10.

It can not be doubted that these nine States would vote against the ratification of a constitutional amendment modifying or repealing the eighteenth amendment. Add these States to the 14 first.

ing the eighteenth amendment. Add these States to the 14 first mentioned and we have a solid phalanx of 23 States, only 1 less than half the total number of the 48 States in the Union, against any change in the eighteenth amendment, when only 13 States are

necessary to prevent the change.

In addition to the above-mentioned 23 States, the States in which a majority of their respective delegations voted against the

wet motion, were as follows: Indiana, 8 against, 5 for; Missouri, 11 against, 5 for; Texas, 14 against, 3 for; Virginia, 6 against, 3 for; West Virginia, 4 against,

In four of the last-mentioned States the proportion of dry votes over wet was, respectively: Texas, 5 to 1; Missouri, more than 2 to 1; West Virginia, 2 to 1; Virginia, 2 to 1.

Surely these four States could also be counted upon to vote against the ratification of an amendment changing or abolishing the eighteenth amendment, and it is more than an even chance that Indiana would not vote otherwise. Not counting Indiana, however, this makes a total of 27 States, or more than half the States of the Union, known to be dry, which may safely be counted against weakening or repealing the eighteenth amend-

In the following States the vote on the motion was evenly

divided, namely:
Minnesota, 5 for, 5 against; Montana, 1 for, 1 against; Louisiana, 4 for, 4 against.

In my judgment, there is more than an even chance that Montana, Minnesota, and Louisiana would vote against the repeal or modification of the eighteenth amendment, and the vote in-

dicated an even chance in Pennsylvania.

In the following seven States the entire delegations voted for the wet motion, namely: Arizona, Connecticut, Nevada, New Mexico, Rhode Island, New Jersey, and Wyoming. No one familiar with conditions would concede more than three of these States as certain to vote for a constitutional amendment changing or repealing the eighteenth amendment, namely, Connecticut, Rhode Is-

ing the eighteenth amendment, namely, Connecticut, Rhode Island, and New Jersey.

Thus 39 States are accounted for.

Among the nine States remaining the vote was as follows:
California, 7 for, 4 against; Illinois, 17 for, 9 against; Massachusetts, 13 for, 3 against; Maryland, 5 for, 1 against; Michigan, 9 for, 4 against; New York, 32 for, 10 against; Ohio, 13 for, 9 against; Washington. 3 for, 2 against; Wisconsin, 9 for, 2 against.

Of these States Michigan, Ohio, and Washington could by no means be considered as certain to vote for the repeal or modification of the eighteenth amendment.

tion of the eighteenth amendment

tion of the eighteenth amendment.

According to this analysis, the only States which the wets could count upon to vote against the eighteenth amendment in case of the submission of the issue to the States would be Wisconsin, New York, Maryland, Massachusetts, Illinois, California, Rhode Island, New Jersey, and Connecticut.

Conceding to the wets, however, all the States which voted solidly on March 14 for the wet motion, the States evenly divided and the States having a majority of Congressmen voting for the motion, there is a maximum of only 20 States upon which the wets could count to support a modification or repeal of the eighteenth amendment in the event the issue were submitted to them.

wers could count to support a modification of repeal of the eight-eenth amendment in the event the issue were submitted to them. This number is just two more than one-half the number re-quired by the Constitution for such modification or repeal. The Constitution requires ratification by three-quarters of the States, to wit, 38, to bring about any change or repeal of the eighteenth amendment, after submission in due course.

How the wets can extract any comfort from this situation it is

difficult to see. It is true that in the vote taken a few drys voted for the motion but so few as not to change the generally accepted view that the issue was really a wet and dry issue.

Moral, law-abiding America will continue to support prohibition. As long as wet dollars can be found to finance wet propaganda we

shall have an artificial revival of the wet movement in every Congress. There is nothing new in the present situation except the new money of a few easy marks among the wealthy wets.

There is no more likelihood of repealing the eighteenth amendment than of repealing the Federal Constitution itself. It adds another Bill of Rights to that great instrument—a Bill of Rights deserving to rank with the other charters of justice and security. deserving to rank with the other charters of justice and security.

"THE MINORITY WET SPOTS

They tell us that in spite of prohibition we have bootleggers, speak-easies, gangsters, rum-runners, racketeers. So we do in spots, and we know what spots—the minority wet spots. The remedy for these spots is not less prohibition but more prohibition. Prohibition will heal such spots when the people inhabiting them

resolve to uphold the Constitution and the law, to exercise the first duties of citizenship. That they are beginning to do so is shown by the fact that the most powerful criminal and head gangster of the time is now in durance vile.

The wets are constantly pointing out the evil operations of the outlawed liquor traffic, the tragedies and crimes, and dissipations in its sinister train. And yet their remedy is not greater restriction, not a more effective application of prohibition. It is to give this criminal trade a legal status, more power for evil, and a wider sway for dangerous and destructive activities.

Another curious instance of wet logic, or reason on a log is the

sway for dangerous and destructive activities.

Another curious instance of wet logic, or reason on a jag, is the contention for so-called light wine and beer by an act of Congress. That is by a change in the Volstead Act permitting these intoxicants in the face of the fact that the eighteenth amendment prohibits intoxicants. The wets mean wine and beer that intoxicate when they speak of altering the Volstead Act so as to authorize these beverages. Nothing less will satisfy them.

The proponents of wine and beer are deceiving the thirsty multitudes of the moist minority on the one side, the damp Santa Clauses on the other. As long as the Supreme Court of the United States retains its integrity (and who will say that this will not be

Clauses on the other. As long as the Supreme Court of the United States retains its integrity (and who will say that this will not be forever?) any enactment for intoxicating liquor of any kind—wine, beer, whisky, ale, or anything else—will be as improbable of recognition and sustainment while the eighteenth amendment is in effect (and in my judgment that amendment is as everlasting as the Constitution itself) as would be any other statute contravening any other provision of the Federal Constitution.

Prohibition will remain triumphant and intact because it is rooted in the eternal obligation resting on society to protect and guard all human life by every agency at its command.

Prohibition will continue to survive every whirlwind and to ride out every storm.

out every storm.

ADDRESS BY SENATOR STEPHENS BEFORE MISSISSIPPI STATE CON-VENTION

Mr. HARRISON. Mr. President, I ask leave to have printed in the Record an address delivered by my colleague the junior Senator from Mississippi [Mr. Stephens] before the State convention of Mississippi, on the 7th instant.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There being no objection, the address was ordered to be printed in the Record, as follows:

The Nation is in a sad plight. Such conditions were never present before. Within the past three years new records have been made—records in bank failures, in business failures, in declines in commodity and security values, in opportunities for making profits, in unemployment.

As always happens in times of distress and disturbed conditions, suggestions—and often demands—are being made that run counter to political principles and policies under which the life of the Nation largely has been lived. Threats are made to steer the ship of state into an uncharted sea—one that has rocks and reefs and shoals that would cause wreck and ruin.

In this situation, it is natural that dissatisfaction should be volced. It is not strange that political doctrines which have never found much favor here should now have an increasing number of adherents. Arguments are made for communism and socialism. The history of those doctrines, wherever they have been applied, carry no message of hope to the suffering millions.

The remedy can not be found in changing our form of Government, nor in the adoption of new political principles. In the midst of this smothering political confusion, there is a way out. Truth is ageless. It never dies. And it retains its vitality through all the years. The cure for all the ills of the time can be had by a return to certain political principles and policies that were recognized by the founders of the Republic and which became the principles and policies of a great political party.

Never was a wiser and more far-seeing body of men gathered together than those who wrote the Constitution. In 81 days they wrote 89 sentences. In 400 hours of deliberation they produced a document of 4,000 words. They laid the foundation for a great Republic. They gave full recognition to "the inalienable rights of life, liberty, and the pursuit of happiness." In doing so, they bequeathed to the people an abundant legacy of problems.

and humane, it rebukes the arrogant, cherishes honor, and sympathizes with the humble. It asks nothing but what it concedes; it concedes nothing but what it demands. Destructive only of despotism, it is the sole conservator of liberty, labor, and property. It is the sentiment of freedom, of equal rights, and equal obligations. It is a noble, a sublime sentiment which expands our affections, enlarges the circle of our sympathies, and elevates the soul of man. Yes; it is an ennobling principle."

Thomas Jefferson was the apostle of Democracy. Listen to some of his words: "Equal rights to all and special privileges to none"; "Equal and exact justice to all men"; "Peace, commerce, and honest friendship with all nations"; "Encouragement of agriculture and of commerce as its handmaid"; "Economy in the public expense, that labor may be lightly burdened"; "Sacred preservation of the public faith." and humane, it rebukes the arrogant, cherishes honor, and sym-

There are charities which gladden life. There are principles that are verities, that underlie stable government, that are the only promise of stable government among a free people. These may be found among the principles of democracy. And they hold the creative power and integrating energy for great and happy living so far as they may come from political sources. As the sun washes darkness off the face of the earth, so will the principles of democracy, fully and rightly applied, dispel the gloom and distress that to-day cover our Nation.

There is nothing in the history of the administrations when the White House was occupied by a Democrat that would bring a blush of shame to the most sensitive. It is all a record unmarred by dishonesty. There are no strains of graft or corruption to be found. Integrity has stood guard at its door. Public office was recognized as a public trust. Laws were enacted and policies announced which gave recognition to the rights of men.

We are in the midst of a mechanized, industrial civilization. Its

We are in the midst of a mechanized, industrial civilization. Its complexities are manifold. But the human problem is ever the complexities are manifold. But the human problem is ever the same. Civilization is the art of noble and progressive communal living. Politics, as it relates to internal affairs, is essentially a practical problem of administration and of adjusting the conflicting interests of individuals and groups. The profitable production and distribution of commodities is a necessary part of our social existence. It is recognized that the self-supporting ability of every citizen is the greatest asset of a nation. The natural resources are to be protected and developed.

The central, essential task of the present is to correct the economic maladjustment that exists, and to return to those principles and policies which were foremost in the thoughts of men when the Nation was born. The digits of democracy point out the objects of government and the path we should travel. Nothing has transpired in the thought of the world or in the experience of the Nation which suggests the abandonment of native, fundamental, historic, and democratic ideals upon which the Government was founded.

Four years ago the Republicans nominated Herbert Hoover.

Four years ago the Republicans nominated Herbert Hoover. By the use of a recent invention a man may be made to seem 7 miles tall and the size of his body may be magnified six thousand times. In the last campaign the Republican candidate was almost as greatly magnified. We were told that he was "the man of the hour"; that to his glance all hidden things stone man of the hour "; that to his glance all hidden things stone man of the hour "; that to his glance all hidden things stone man of the hour "; that the slope could give new energy and increased prosplain; that he alone could give new energy and increased pros-perity to the people; that his defeat would mean that the Nation would die; that his strength of mind, experience, and knowledge of world affairs were such that his election would bring an era

of world ahars were such that his election would bring an era
of prosperity, progress, and happiness such as man had never
before dreamed of.

It was a bewitching, an entrancing picture. The candidate himself must have been captivated by it. The Master said, "The poor
ye have with you always." The candidate promised to abolish

The pathos of life is the disproportion between the promise and

the reality.

What is the record? Poverty has not been abolished. The present situation makes one's eyes dim with tears, one's brain reel around as when a whirlpool boils; and black horror fills the mind. The sable wings of poverty cover the land. Hollow-eyed hunger is in every section. Unemployment has become a matter of grave concern politically as well as financially. Desperation

The record of this administration can be measured only by the line of confusion and sounded only by the plummet of emptiness. It is lean to the point of emaciation in those things that are required to make a nation prosperous, the people happy and

contented.

Desperate efforts are being made by the Republicans to defend this record. In a lengthy defense that was made recently, this language was used: "The burden has left its mark on him. He is a changed man. Years ago he usually wore blue, To-day he is in a brown business suit." In defending this record, there was no sense in describing the color of his clothes. Many of the defenses were as silly as this. The writer might have called attention to the change in the color of the garb of the Nation. It is now wearing deep mourning. The people realize that the Nation is hovering on the brink of a chasm, an abyss that threatens to swallow us. What has produced this dreadful situation? There are many contributing factors, but I shall not attempt to discuss them all. contributing factors, but I shall not attempt to discuss them all.

contributing factors, but I shall not attempt to discuss them all.

One is the Hawley-Smoot tariff bill. The biggest brake on financial recovery is high tariffs that stifie the flow of commerce and the exchange of wealth. President Hoover does not agree with the thought. In a recent veto message, he said, "There never has been a time in the history of the United States when tariff protection was more essential to the welfare of the American people than at present."

Only by restoring the basic industries to prosperity can the Nation prosper. An international market is required. The values of many of our products are governed by their values in a world market. Prices decline as demand lessens. Our high tariff laws have brought retaliatory tariffs in other nations. The results are very hurtful. If a nation can not sell, it can not buy. So prices fall; unemployment results. The volume of unemployment is due very largely to inability to dispose of the products of the Nation in the world markets in sufficient quantities and at adequate prices. in the

It has been truly said that commerce feeds millions of mouths where philanthropy feeds but hundreds, that it clothes millions of the naked where philanthropy clothes scores. The channels of

trade must be reopened. The United States is not a self-contained entity. There must be international cooperation.

Another cause of our financial distress is the wild orgy of speculation. From the White House, the Treasury, and the Commerce Department came frequent statements that created the impression that these percentages have the control of th Department came frequent statements that created the impression that there were sound values behind stocks and securities. The public was told that business conditions would begin to improve. The President even stated that the upturn would begin May 1, 1930. Acting on these assurances, coming from such high sources, vast sums of money were used for speculation rather than productive purposes. The Federal reserve system failed to serve its intended purpose. The law creating it is a splendid one. But the validity and beneficence of a law deepeds in a large way on its the validity and beneficence of a law depends in a large way on its administration. Nothing has helped more to cause the present financial distress.

Statements from the Treasury have been incorrect and misleading. Grave mistakes have been made. On many pages of the record may be found instances of injustice, bad judgment, and departure from principles and policies that the wisdom of the rs have approved. A severe penalty is now being paid for these years n things.

We must get back to the fundamental principles of democracy We must get back to the fundamental principles of democracy. We must learn anew that it is both unsafe and unfair to load the people down with unnecessary taxes. We must remember the expression of the Supreme Court that "the power to tax is the power to destroy." Burdens of taxation have almost brought destruction. Let us go back to the slogan of 1884: Retrenchment and reform. In balancing the Budget, the Budget must be confined to essentials.

They made up attempt to state in detail the legislation that

fined to essentials.

I have made no attempt to state in detail the legislation that I believe will be required. I have referred only to the principles that should control action.

In this hour of unrest, uncertainty, want, idleness, extravagance, and injustice we should realize that the course must be changed. The future of the Nation will depend upon doing the right things in the right way. The entreaty of Amos, the ancient prophet, was never more needed than in our day, "But let justice run down as waters and righteousness as a mighty stream."

In my judgment the people are becoming aroused to the situation. They are going to demand a change. All signs now point to a victory for our party this fall. If we meet with defeat, it will be because of our own action. A sane, sensible platform and a candidate who will command the confidence and respect of the people will insure victory. We shall again see a Democrat in people will insure victory. We shall again see a Democrat in the White House—the White House which was occupied by those great men whose memories we cherish—Jefferson, Jackson, Cleveland, and Wilson

ADDRESS ON NATIONAL PROHIBITION BY SENATOR WAGNER

Mr. COPELAND. Mr. President, I ask unanimous consent to have an interesting and instructive address on prohibition printed in the RECORD. It was delivered by my colleague, Senator Wagner, at a meeting in Buffalo, N. Y., May 20, 1932.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

printed in the Record, as follows:

Mr. Chairman and fellow citizens, a single aim has brought us all here together to-night. We desire to make it as plain as the English language will permit that it is our united purpose to bring to a rapid conclusion the dismal and futile experiment with national prohibition. We see no room for equivocation; no permanence in halfway measures; no hope in compromise.

For a dozen years the American people have been shackled with the eighteenth amendment, impotent to defend themselver against the corruption, hypocrisy, intemperance, and criminality which have from its inception accompanied the prohibition adventure. We want to become free again, free to control the liquor traffic, free to restrain it, regulate and tax it. We can achieve that freedom only by restoring the temperance problem to the States through the complete repeal of the eighteenth amendment.

I am fully aware that some men in high places are still speaking of revising or modifying the eighteenth amendment. Apparently they would return just a little of the power over the liquor problem to the States. They would continue to surrender the rest of it to the Federal Government.

There are a number of proposals pending in Congress which

rest of it to the States. They would continue to surrencer the rest of it to the Federal Government.

There are a number of proposals pending in Congress which sound like repeal of the eighteenth amendment, but on close reading you find that they have left the prohibition problem again in the hands of the Federal Government. In my judgment, these proposals are wrong in principle. If we have learned anything from our bitter experience, it is that no single Federal standard will satisfy the widely diversified communities which make up the United States. I am convinced that that is not the kind of change the American people now favor. With true instinct for the realities of government, they want to see the prohibition experiment completely divorced from the Federal Government. The only safe and certain way of accomplishing that is to write into the Constitution these 13 words "The eighteenth amendment to the Constitution of the United States is hereby repealed." That is the resolution I have proposed in the Senate. Let us pause a moment to consider why public sentiment in the United States has become so overwhelmingly opposed to the continuance of the unhappy experiment in national prohibition. The answer is to be found in the logic of events, in the common sense of experience.

The whole Nation is to-day courageously battling against the most violent depression that has ever visited this country. Business is almost at a standstill; the wheels of industry are slient; ness is almost at a standstill; the wheels of industry are silent; 8,000,000 men and women are wearily plodding the highways and byways in search of a job; their backs are bowed down with the burden of prolonged unemployment; their hearts are weighted with fear and anxiety for their wives and their children. In addition the Volstead Act is hanging like a millistone about their necks and is dragging them down further into the bog of unemployment. Hundreds of thousands of new jobs would open instantaneously if Congress but took the necessary action to legalize wine and beer. In these days of national stress, of widespread want, what a blessing that would be. The failure of Congress to take that action is not only unintelligible but unforgivable. It is daily making countless recruits for the cause of repeal.

For the past two months Congress has been struggling with the

countiess recruits for the cause of repeal.

For the past two months Congress has been struggling with the new tax bill. It has searched far and wide for new sources of revenue with which to balance the National Budget. All the time that the search was in progress there flowed within view of Congress a flood of all manner of intoxicating beverages which proceeded on its way unregulated and untaxed for the special enrichment of the racketeer. The legalization and taxation of light wine and beer would alone do more to balance the Budget than all of the nulsance taxes that have been proposed in the pending revenue bill. Now, in the name of all that is reasonable, why should we not collect a revenue of more than \$300,000,000 from an industry which can bear it and to that extent relieve the business man who is fighting for his financial life against the present depression. As long as Congress falls to do so it is in effect paying a subsidy out of the National Treasury to the bootlegger.

The business depression and the national deficit are the latest but by no means the only facts which have made clear to the general public the necessity of abandoning the policy of national prohibition.

prohibition.

Since 1920 we have patiently watch the unfolding of this ill-starred experiment. During that time we saw our citizens killed by armed enforcement officers; we endured the violation of the privacy of our homes; we observed the saloon converted into a speak-easy; we viewed the rise of a new and powerful criminal class enjoying a monopoly of liquor traffic, amply financed and thoroughly organized, ready to lend a hand in the perpetration of every crime on the calendar; we saw enforcement officials corrupted with bribery; citizens demoralized with hypocrisy; we saw crime organized into a business trust with the eighteenth amendment as its charter.

I do not doubt the sincerity of those who advocate the continuance of prohibition. Not for a moment do I question that they are prompted by motives of patriotism. But I declare they do not see the facts. They are mistaking the promise of prohibition for the performance. The American people would gladly forego the jobs that repeal would make available, would gladly dispense with the revenue if national prohibition were a success. The fact, howover, is that every hope entertained by the friends of prohibition has been shattered; every fear anticipated by its opponents has been realized a thousandfold.

The liquor supply has not been reduced; temperance has not been promoted, a single standard for the Nation has not been achieved. That is the judgment of every impartial investigator of the facts of prohibition. That is the official conclusion of the President's Commission on Law Enforcement, headed by the venerable Mr. Wickersham.

of the facts of prohibition. That is the official conclusion of the President's Commission on Law Enforcement, headed by the venerable Mr. Wickersham.

Ever since the report of that commission was published there has been no need for debating the proposition that prohibition has completely and irretrievably collapsed.

No friend of prohibition can with justice complain that the experiment has not had a fair trial. To enforce the Volstead Act we employed a bigger organization than the United States has ever assembled for the enforcement of any criminal statute. We arrested our citizens by the hundred thousand. We poisoned the alcohol we knew would reach our people. We passed more severe laws, hired more men, spent more money to satisfy every wish and every whim of the advocates of prohibition. And what has been the net result? Growing intemperance, corruption the like of which this country has never seen, and a general lawlessness which is undermining the very foundations of government.

Once again the American pejople have learned the all-important Democratic lesson that the enforceability of a law depends upon the support it receives from public opinion. To this day no means have yet been invented of forcing an unpopular law down the throats of a liberty-loving people. Apply that principle to the prohibition situation and you will discover why, in the contest between that law and its violation, the Government has lost.

You can not by a governmental edict uproot the habits of

has lost.

You can not by a governmental edict uproot the habits of a lifetime. You can not by legislative decree persuade the people of this country that a glass of refreshing beer is wicked.

I can not make it too plain, however, that it is not liquor which concerns us. We are concerned with the sanctity of the Constitution, which is daily desecrated. We are concerned with the majesty of the law, which is flagrantly defled. We are concerned for the supremacy of government, which is openly challenged. We are concerned for the very civilization we have cultivated if we continue to widen the breach between the citizen and his Government.

The choice before the American people is not whether we should have a liquor traffic or not. The only alternative is whether we shall have a flourishing bootleg industry, free of regulation, free of taxation, growing rich and powerful under the protecting wing

of the eighteenth amendment, or whether we shall have a traffic subjected to control under the police power of the State, regulated with a view to promote the temperance of the people. Patience has now ceased to be a virtue. We now know that prohibition was a mistake. We now know that the attempt to enforce it has been a failure. The time has come for us to insist that the Government admit the failure and abandon the hopeless effort to impose a single standard of abstinence upon this great and diverse Nation

effort to impose a single standard of abstinence upon this great and diverse Nation.

What is our objective? Plainly stated, our principal purpose is to become free of the eighteenth amendment so that we may recover the right and the power we once possessed to bring the liquor traffic under control, and to solve the problem of temperance in a manner that will suit the people of each particular State. This purpose is in accord with the philosophy of the men who founded this Government.

Three major principles are involved in that policy: First, the principle of State responsibility; second, the protection of the prohibition States against the violation of their policy by the nonprohibition States; third, provision against the return of the saloon.

How shall we restore State responsibility for the solution of the liquor problem? The obvious way to accomplish that is to strike out of the Constitution the eighteenth amendment, which has taken the responsibility away from the States. We do not need any affirmative language in the Constitution to confer this power upon the States. The States responsed the power before the power

any affirmative language in the Constitution to confer this power upon the States. The States possessed the power before the eighteenth amendment was written and they will repossess themselves of the power the moment the eighteenth amendment is stricken from the Constitution. That is why I advocate outright repeal of the eighteenth amendment.

The second part of our program is to protect the prohibition States against the violation of their policies by nonprohibition States. The solution to that problem was formulated fully 19 years ago in the Webb-Kenyon Act, which prohibited the transportation of intoxicating liquors into a State if the liquors were intended to be received, possessed, sold, or in any manner used in violation of the law of that State. That law was entirely adequate to give the dry States ample protection. Unfortunately it never had a fair trial. Within a few months after that act had been declared constitutional by the United States Supreme Court, the eighteenth amendment was already submitted to the States for ratification. My proposal is that when Congress submits the repeal of the eighteenth amendment for ratification by conventions in the several States, it should also reenact the Webb-Kenyon Act to take effect the moment the eighteenth amendment Kenyon Act to take effect the moment the eighteenth amendment is repealed.

Is repealed.

The third part of our program is to prevent the restoration of the saloon. Once the eighteenth amendment is repealed the power and the duty and the responsibility to prevent the return of the saloon will all be centralized in the respective State governments; and the States must be left to work out that difficult problem in accordance with local needs and to suit local sentiment. To this only course there is no alternative. In the American system of government the State and not the Federal Government is equipped to deal with that problem. Nothing the Constitution can say about it; nothing Congress can do about it, will change the fundamental fact that the saloon can be kept out of a community only by the will of that community.

The prohibition issue has now become sharp and clear. It can

The prohibition issue has now become sharp and clear. It can no longer be straddled. It can no longer be evaded. No great issue that has divided the American people has ever been disposed of by evasion. Prohibition will not prove an exception. It is the duty of the political parties to speak out on this question. For any party to dodge this issue now is a complete abdication of its high political responsibility which the voters will remember and

high political responsibility which the voters will remember and resent.

The American people are to-day regarding the prohibition question with an earnestness which will not be played with. They know perfectly well that the way to repeal is to repeal. They are fully convinced that that is the thoroughfare which leads out of the wilderness to temperance, self-discipline, and self-government—the stuff of which real character is built.

We now know our objective, and we know the way to reach it. We must move forward, for the day of argument has come and gone. The time is now ripe for action.

FIELD TRAINING OF RESERVE OFFICERS AND NATIONAL GUARD

Mr. LOGAN. Mr. President, I ask unanimous consent to print in the RECORD a letter written by Maj. O. R. McGuire, of the Finance Reserve, United States Army, dealing with the Army appropriation bill and the proposal to eliminate 2,000 officers from the Regular Army.

The VICE PRESIDENT. Without objection it is so ordered.

The letter is as follows:

CLARENDON, VA., June 7, 1932.

THE RESERVE OFFICERS' ASSOCIATION,

THE GEORGE WASHINGTON CHAPTER, George Mason Hotel, Alexandria, Va.

GENTLEMEN: There has been received a letter dated June 4, 1932, from Maj. Guy N. Church, Signal Reserve, and member of your procurement committee, as follows:

"The George Washington Chapter of the Reserve Officers' Association of the United States, will hold its regular monthly meeting

at the George Mason Hotel in Alexandria on Tuesday, June 7, at |

8 o'clock.

"This chapter has been recently organized and now stands first in the State in point of membership. We are very anxious to increase the enrollment as the association is doing much to

"This chapter has been recently organized and now stands first in the State in point of membership. We are very anxious to increase the enrollment as the association is doing much to promote the interests of the Regular service, of the Organized Reserve, and the National Guard. It is responsible for having the appropriation for reserve training this year reinstated in the Budget and is the only organization which is active in looking after our welfare in Congress. In order that you may be more fully acquainted with the purpose of the association I would like to have you attend this meeting as my guest and would like to have as large a group as possible assemble at my office, near the corner of Broad and Washington Streets, Falls Church, Va., Tuesday night at 7.30 and go to Alexandria in a body. Whether you can attend this meeting or not you are urgently requested to support the association. Dues are only \$3 per year and the meetings are held on the first Tuesday of each month."

The President of the United States, by virtue of his office, is Commander in Chief of the Army and Navy, and no man in the history of this Republic more willingly and readily rendered obedlence to the duly constituted authority of this Nation than did the great man for whom your chapter is named, George Washington. He never faltered in that obedlence, even though he was surrounded by cabals, his Army freezing and starving at Valley Forge, his heart wrung by the treachery of some of his friends, and when he was required to promise, from his own pocket, money to his men to fight the Battle of Trenton and inject confidence in the waning hopes of that devoted band in and out of Congress who stood at his side. I can not believe that the chapter of the reserve officers' association, named for him and almost within the shadow of Mount Vernon, will hesitate for a moment in following the ideals of Washington—one of the really great men in the tides of time. As much as I should like to be a member of the George Washington Chapter of the Reserve O the part of any considerable number of members of such chapter and/or association.

The President has stated publicly, and we know it to be a fact, that this Nation is confronted by a grave economic crisis in its affairs and in a world of great unrest. Both he and the Congress, regardless of party, are endeavoring to keep appropriations at the minimum consistent with economy and efficiency in the conduct of the Government and with the hope that the great tax burden now being placed on our people may be reduced during the part now being placed on our people may be reduced during the next fiscal year. Having taken my oath on the altars of this Republic, fiscal year. Having taken my oath on the altars of this Republic, it is both my duty and my inclination to render all possible obedience and feeble assistance to the President and the Congress in this effort. The reserve officers of the United States, many of whom hold commissions in the National Guard, are at least the equal in both courage and mentality of the great body of our people, and I believe it is their duty to uphold the President, whoever he may be, and the Members of Congress, of whatever party, when they find it necessary to effect economies, even at our expense. Furthermore, the constitution of the Reserve Officers' Association of the United States provides in Article II thereof that—

"The object of the Reserve Officers' Association of the United

"The object of the Reserve Officers' Association of the United States is to support and assist in the development and execution of a military policy for the United States which shall provide adequate national defense. The association believes this to be the surest and most economical insurance against future wars and essential to the prestige of our country necessary to further our world policies and interests."

The Army appropriation bill, H. R. 11897, as it passed the House of Representatives proposed to eliminate some 2,500 officers of the Regular Army. The Secretary of War and other duly constituted military authorities have represented, both to the Congress and the country, that such a cut in the Regular Army would be nothing short of a calamity. No one knows this better than the reserve officers of the United States Army. It should be our endeavor to save this cut in the officers of the Regular Army by voluntarily suggesting and insisting that there be no appropriations made for the fiscal year 1933 for the purpose of 15 days' training of reserve officers of the Army. The item carried in the bill for the reserve officers of the Army. The item carried in the bill for the reserve officers is \$6,354,348. In my opinion, for the fiscal year 1933, this item should be cut at least \$5,500,000, only reserving enough to send certain selected officers to the Command and Staff School at Fort Leavenworth or to the Army War College in Washington.

I think it should also be the purpose and endeavor of the Reserve Officers' Association of the United States to insist that the appropriations for the National Guard be cut so as to eliminate the item of \$8,078,354 for expenses of camps of instruction, or 15 days' training in the field for the National Guard during the fiscal year 1933. This would leave intact the funds necessary to preserve the National Guard and pay them for their drills at their home rendezvous.

In this period of economic crisis and mounting taxation, the

home rendezvous.

In this period of economic crisis and mounting taxation, the reserve officers of the United States Army, as well as the National Guard may well forego 15 days' training in the field in order to assist the President and the Congress in effecting needed economies and to preserve for our instruction and training during coming years the same 2,500 officers of the Regular Army who must otherwise be discharged. It is of far more importance to the

national defense of this country that there be retained these 2,500 men who have devoted their lives to the military profession—officers who are equipped and who will be needed in any national crisis to help train the National Guard and the reserve officers for more efficient duty than it is that these two classes have summer training. for more emicient duty than it is that these two classes have summer training. This is entirely aside from the question of the enormous expense to the taxpayers in educating a Regular Army officer at West Point, retaining him for years in the military service, and then discharging him before retirement without any profession and generally unequipped to take an efficient place in the commercial life of the Nation.

This letter is not to be understood as any opposition on my part, or any belief that the reserve officers and the National Guard should not have 15 days' training in the field. It is to be understood in the profession of the

part, or any belief that the reserve officers and the National Guard should not have 15 days' training in the field. It is to be understood as taking the position that in the present crisis confronting this Nation it is the duty of the reserve officers of the United States Army to not attempt to force through Congress an appropriation bill containing large sums for the field training of reserve officers and the National Guard at a time when there is a huge and ever-mounting deficit in the Federal Treasury, when such a selfish attitude would force some 2,500 officers from the Regular Army, and when the loss of 15 days' field training during the fiscal year 1933 will not in any manner result in the loss of efficiency in any great degree of either the reserve officers or the National Guard. Unless I can be assured that the members of the George Washington Chapter of the Reserve Officers' Association will stand for this policy, I must decline your invitation to become a member

this policy, I must decline your invitation to become a member thereof.

Respectfully,

O. R. McGuire, Major, Finance Reserve, United States Army.

NATIONAL INCOME OF THE UNITED STATES

Mr. LA FOLLETTE. I submit a Senate resolution, and ask to have it read for the information of the Senate.

The VICE PRESIDENT. Let the resolution be read.

The Chief Clerk read the resolution (S. Res. 220), as

Resolved, That the Secretary of Commerce is requested to report to the Senate of the United States on or before December 15, 1933, estimates of the total national income of the United States for estimates of the total national income of the United States for each of the calendar years 1929, 1930, and 1931, including estimates of the portions of the national income originating from agriculture, manufacturing, mining, transportation, and other gainful industries and occupations, and estimates of the distribution of the national income in the form of wages, rents, royalties, dividends, profits, and other types of payments. These estimates shall be prepared by the Bureau of Foreign and Domestic Commerce, and the bureau shall use available official and unofficial statistics and such relevant data as may be in the possession of the various departments, bureaus, and independent establishments of the Federal Government. eral Government.

Mr. LA FOLLETTE. Mr. President, I am going to ask unanimous consent for the immediate consideration of the resolution. My information is that the resolution, if adopted, will not require any additional force or expenditure of additional money by the Bureau of Foreign and Domestic Commerce; that the staff now in the bureau can work upon these data and compile them, and that it will not occasion any deficiency estimate.

May I say, Mr. President, that for a number of years there has been no study of the very important question of national income, its distribution, and its sources. The only available data on this question have been furnished by unofficial agencies, particularly the Bureau of National Economic Research. That bureau has, however, not made any study since the years prior to 1929.

In the consideration of legislation in the future I believe that the data to be compiled under the authorization of the resolution introduced by me will be of very great importance in helping Congress to determine policies relating to fiscal affairs of the Government, as well as to other legislation which is economic in character.

When the Committee on Manufactures was holding hearings upon the bill to establish a national economic council, it gathered a great deal of information concerning the present status of statistical data and developed the fact that these most important data were missing from the statistical information upon which to predicate broad questions of national policy.

With that statement, Mr. President, I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. McNARY obtained the floor. Mr. NORRIS. Mr. PresidentThe VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. McNARY. I yield.

Mr. NORRIS. I should like to ask the Senator from Wisconsin a question. The resolution as read provides that the report called for shall be submitted to Congress in December, 1933. Will it be necessary to allow the bureau that much time within which to complete the work?

Mr. LA FOLLETTE. Mr. President, I have allowed in the resolution a very liberal amount of time for doing the work, because it is my understanding that the investigation is not to be permitted to interfere with other statutory work; but, if it shall be possible to complete the study before the date mentioned in the resolution, then, of course, the report may be submitted prior to that time.

Realizing that there was a disposition upon the part of many Members of the Senate not to incur any additional expense, I wished to allow sufficient time in the resolution so that the work might be done with the present staff and

the present appropriation.

Mr. NORRIS. Mr. President, I may be entirely wrong, but it seems to me that the bureau ought to be able to compile and submit the information to Congress on the 1st of December, 1932. The resolution gives them a year and a half in which to do the work. If for any reason they should be unable to compile the information by that date, of course, the time within which they are required to report could be extended, if they requested such an extension. But if we are to wait for a year and a half, the information, of course, will not be obtained until that time, and will not be of as much benefit as it otherwise would be. It is before that time, I should think, that we would probably want to use the information in the consideration of legislation. So I should like to suggest to the Senator from Wisconsin that he change the date and make it December, 1932. If the bureau can not compile the information by that time, and will say so, the time may be extended.

Mr. McNARY. Mr. President-

Mr. LA FOLLETTE. Mr. President, I note the Senator from Oregon is on his feet; and if he intends to ask that the resolution go over under the rule, then I will have an opportunity to confer with the Senator from Nebraska. The reason I ask unanimous consent, Mr. President, for the present consideration of the resolution is that I am apprehensive that there will not be many morning hours, in view of the continuous recesses being taken by the Senate, and I am very much interested in the subject matter of the resolution

Mr. McNARY. Mr. President, the proposal involves a very large task. It may be a worthy one. Personally, I have no objection to it. There is not a large attendance here this morning, and I think the resolution should go over under the rule. The suggestion of the Senator from Nebraska [Mr. Norris] may be a fair one, but some opportunity should be given for the department to give to the Congress its view concerning the necessity of this work.

Entertaining that view, I ask that the resolution go over under the rule.

The VICE PRESIDENT. The resolution will go over under the rule.

Are there further concurrent and other resolutions? If not, the morning business is closed.

THE CALENDAR

The VICE PRESIDENT. The calendar is in order.

Mr. McNARY. Mr. President, I ask unanimous consent that we start to consider the calendar of unobjected bills under Rule VIII, commencing with Order of Business 682, which followed the call a few days ago.

The VICE PRESIDENT. Is there objection?

Mr. KING. I have no objection. I was about to suggest the absence of a quorum.

Mr. CUTTING. Mr. President-

The VICE PRESIDENT. Will the Senator withhold that suggestion? The Senator from New Mexico is about to ask a question.

Mr. CUTTING. Mr. President, reserving the right to object, I wish to remind the distinguished Senator from Oregon that in response to a query of mine on June 1 the Senator advised me that it was the intention to have two more calendar morning hours in the past week. Of course, I appreciate the fact that things come up which are beyond the control of the Senator from Oregon as well as the rest of us; but I should like to have his opinion as to the possibility of having some more morning hours in the immediate future.

Mr. McNARY. Mr. President, the reason why I am asking for this unanimous-consent agreement to take up unobjected bills is so that we can complete that class of bills to-day. When we approach the consideration of the appropriation bills, probably this afternoon, in my opinion, there will be a great many opportunities for morning hours during the remainder of the session.

Mr. CUTTING. I have no desire to interfere with the program of the Senator.

Mr. REED. Mr. President-

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Pennsylvania?

Mr. McNARY. I yield.

Mr. REED. My recollection is that we were just beginning the discussion of Order of Business 680 when we had the last call of the calendar. Would the Senator be willing to start with that one?

Mr. McNARY. Certainly. I was informed at the desk that the number was really 681. That being a bill of my own, I desired to pass it and commence with 682. If by mistake I have given the wrong calendar number, I should desire to correct it, of course.

Mr. REED. Order of Business 680 was called; the clerk is quite right about that; but just as we began to consider it the gavel fell.

Mr. McNARY. Very well; I will modify my request, Mr. President.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon as modified? The Chair hears none, and it is so ordered.

Mr. KING. Mr. President, I think a number of Senators who are engaged in committee work would like to be here when the calendar is called.

Mr. McNARY. I think that is wise.

Mr. KING. I hope, therefore, that the Senator will call for a quorum.

Mr. McNARY. I think it is wise to suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst Couzens Jones Robinson, Ind. Kean Schall Sheppard Shipstead Shortridge Bankhead Dale Kendrick Barbour Barkley Davis Dickinson King La Follette Logan McGill Bingham Blaine Dill Smith Fletcher Smoot Steiwer Thomas, Idaho Thomas, Okla. Borah Frazier McKellar McNary Metcalf George Glass Bratton Broussard Bulkley Goldsborough Townsend Trammell Bulow Byrnes Gore Hale Moses Neely Tydings Vandenberg Capper Caraway Harrison Norb eck Hatfield Norris Wagner Walcott Walsh, Mass. Walsh, Mont. Nye Oddie Carey Hawes Cohen Connally Hayden Hebert Patterson Coolidge Copeland Howell Pittman Watson Wheeler Costigan Johnson Robinson, Ark.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present. The clerk will state the first bill on the calendar under the unanimous-consent agreement.

WAR-RISK INSURANCE CONTRACTS

Mr. SMITH. Mr. President, when we had the calendar up the other day, Order of Business 606, Senate bill 3145, was called, and objection was made by two Senators. Since

then they have withdrawn their objection. I ask unanimous consent to have that bill considered at this time, as it will be impossible for me to be in the Senate after Saturday.

The VICE PRESIDENT. The bill will be read for the information of the Senate.

The bill (S. 3145) providing for the appointment of commissioners to hear cases arising under contracts of warrisk insurance in the District Courts for the Eastern and Western Districts of South Carolina was read.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. VANDENBERG. Mr. President, do I understand from the Senator from South Carolina that the Senator from Montana has withdrawn his objection?

Mr. SMITH. He has.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert:

That the judges of the United States District Courts for the Eastern and Western Districts of South Carolina shall appoint a commissioner who shall reside within the State of South Carolina and who shall have jurisdiction to hear without a jury and render and who shall have jurisdiction to hear without a jury and render judgment on any case brought in either of such district courts on a contract of war-risk insurance now authorized by section 19 of the World War veterans' act, 1924, as amended, to be brought against the United States, and brought before him with the consent both of the claimant and of the United States. The commissioner so appointed shall sit and act at such times and at such places in such judicial districts as such district judges shall designate. Any judgment rendered in any such case shall be final, except that an appeal shall lie therefrom to the United States district court for the district in which such case was heard, and such district judges shall prescribe the rules of procedure and practice trict court for the district in which such case was heard, and such district judges shall prescribe the rules of procedure and practice for such commissioner in the trial of cases for appeal to such United States district courts. Any judgment rendered by either of such district courts on any such appeal shall be subject to review in the same manner as is provided by section 19 of the World War veterans' act, 1924, as amended, for cases arising under contracts of war-risk insurance.

Sec. 2. All costs and expenses arising out of cases brought under section 1 of this act, and properly chargeable to the United States.

SEC. 2. All costs and expenses arising out of cases brought under section 1 of this act, and properly chargeable to the United States, shall be certified, approved, and paid as like costs and expenses in the courts of the United States are certified, approved, and paid under the laws of the United States.

SEC. 3. The commissioner appointed under section 1 of this act shall receive an annual salary of \$6,000, payable monthly. The clerk of the district court for the district in which such commissioner may be sitting, or his deputy, shall, during such time as such commissioner shall continue to sit therein, act as clerk to such commissioner in the same manner so far as practicable as such commissioner in the same manner so far as practicable, as for the district court for which such clerk or deputy clerk was appointed.

SEC. 4. This act shall not be in force after December 31, 1934.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill providing for the appointment of a commissioner to hear cases arising under contracts of war-risk insurance in the District Courts for the Eastern and Western Districts of South Carolina.'

IMMIGRATION AND NATURALIZATION OF NATIVES OF VIRGIN ISLANDS

The bill (S. 4425) relating to the immigration and naturalization of certain natives of the Virgin Islands was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That a native of the Virgin Islands of the United States who is now residing in any foreign country shall for the purpose of the immigration act of 1924, as amended, be considered as a nonquota immigrant for the purposes of admission to the United States; but shall be subject to all the other provisions of that act and of the immigration laws, except that—

(a) He shall not be subject to the head tax imposed by section 2 of the immigration act of 1917;

(b) He shall not be required to have a passport or immigration

visa;
(c) If otherwise admissible, he shall not be excluded under second of 1917, unless excluded under the tion 3 of the immigration act of 1917, unless excluded under the provisions of that section relating to—
(1) Persons afflicted with a loathsome or dangerous contagious

dis

(3) Prostitutes, procurers, or other like immoral persons;(4) Contract laborers;

(5) Persons previously deported; or(6) Persons convicted of crime.

SEC. 2. The foregoing provisions of this act shall not apply to any such alien after the expiration of two years following the enactment of this act.

SEC. 3. An alien admitted to the United States under this shall not be subject to deportation on the ground that he has become a public charge.

SEC. 4. Terms defined in the immigration act of 1924, as amended, shall, when used in this act, have the meaning assigned

to such terms in that act.

SEC. 5. Section 1 of the act entitled "An act to confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto," approved February 25, 1927, is amended by adding at the end thereof the following

"(d) All natives of the Virgin Islands of the United States who are, on the date of enactment of this subdivision, residing in continental United States, the Virgin Islands of the United States, Puerto Rico, the Canal Zone, or any other insular possession or Territory of the United States, who are not citizens or subjects of any foreign country, regardless of their place of residence on January 17, 1917."

Mr. REED. Mr. President, in order that the bill just passed may be elucidated, I ask that the report of the committee be printed in the Congressional Record at this point.

The VICE PRESIDENT. Without objection, that order will be made

The report (No. 641) submitted by Mr. REED on May 5, 1932, is as follows:

[Senate Report No. 641, Seventy-second Congress, first session] IMMIGRATION AND NATURALIZATION OF CERTAIN NATIVES OF THE VIRGIN ISLANDS

Mr. Reed, from the Committee on Immigration, submitted the following report (to accompany S. 4425):

The Committee on Immigration, to which was referred the bill (S. 4425) relating to the immigration and naturalization of certain natives of the Virgin Islands, having considered the same, reports favorably thereon with the recommendation that it do

The popular belief that all Virgin Islanders are American citi zens has caused much confusion and is one of the problems to which the civil administration of these islands has given con-

siderable attention.

The following analysis explains the citizenship situation and

The following analysis explains the citizenship situation and indicates the reason for this bill being enacted at this time:

(a) By the treaty of cession Danish citizens and natives of the Virgin Islands who were residing in these islands on January 17, 1917, and who did not elect to preserve their Danish nationality within one year, became "citizens of the Virgin Islands entitled to the protection of the United States."

(1) Practically all natives believed that, if they did not make declaration within one year to retain their Danish citizenship, they became citizens of the United States.

(b) To correct this confusion, Congress on February 25, 1927, declared the following persons were granted full United States citizenship:

citizenship:

Former Danes who resided in the Virgin Islands on January 17, 1917, who did not retain their Danish nationality and who resided in the Virgin Islands, the United States, or Porto

who resided in the Virgin Islands, the United States, or Porto Rico on February 25, 1927.

(2) Natives of the Virgin Islands who resided in the Virgin Islands on January 17, 1917, who did not retain their Danish nationality, and who resided in the Virgin Islands, the United States, or Porto Rico, on February 25, 1927; and their children born after January 17, 1917.

(3) Natives of the Virgin Islands who resided in the United States on January 17, 1917, and who resided in the Virgin Islands on February 25, 1927; and their children born after January 17, 1917.

(4) Persons born in the Virgin Islands on or after January 17, 1917, and who were subject to the jurisdiction of the United States on February 25, 1927.

on February 25, 1927.

(c) The act of Congress of February 25, 1927, further provided the privilege of naturalization, if applied for prior to February 25, 1928; to the following natives of the Virgin Islands:

(1) Natives of the Virgin Islands who resided in the Virgin Islands on January 17, 1917, and who resided either in the Virgin Islands or in the United States or in Porto Rico on January 25, 1927.

(2) Natives of the Virgin Islands who resided in the United States on January 17, 1917, and who resided either in the United States or in Porto Rico on February 25, 1927.

(d) No provision was made in the act of February 25, 1927, for

the citizenship or naturalization of the following natives of the Virgin Islands:

(1) Natives of the Virgin Islands who, on January 17, 1917, resided anywhere else than (a) in the Virgin Islands, (b) in the United States; or

(2) Natives of the Virgin Islands who resided either in the Virgin Islands or in the United States on January 17, 1917, and who, on February 25, 1927, resided anywhere else than (a) in the Virgin Islands, (b) in the United States, or (c) in Porto Rico. (3) Natives of the Virgin Islands, regardless of date of birth, who on current date do not reside either (a) in the Virgin Islands. or (b) in the United States, or (c) in Porto Rico, regardless of

their place of residence on either January 17, 1917, or February

their place of residence on either January 17, 1917, or February 25, 1927.

Notwithstanding the legislation contained in the acts referred to, there still remains considerable confusion, especially with regard to the present status of (1) natives of the Virgin Islands who are on current date residing in territory of, and territory under the jurisdiction of, the United States, other than Porto Rico, the Virgin Islands, and the United States proper, i. e., the States and the District of Columbia, and (2) natives of the Virgin Islands who are on current date residing in any territory under

States and the District of Columbia, and (2) natives of the Virgin Islands who are on current date residing in any territory under the jurisdiction of any other nation than the United States.

Under a misconception of the above provisions of law, most of the natives of the Virgin Islands who have been residing in foreign countries are ignorant of the fact that they are not American citizens, since most of their fellow countrymen were made citizens by the clause of the treaty of 1917. Many of them have returned from time to time to the Virgin Islands without nonquota immigration visas. The requirement that these natives of the Virgin Islands should go to the nearest American consul to secure a nonquota visa is extremely difficult to comply with, and it is almost impossible for them to carry out, because there are few American consuls in the islands of the Caribbean Sea, and most of these native Virgin Islanders now domiciled in foreign countries are pretty well distributed throughout the Caribbean islands.

Sections 1, 2, 3, and 4 of the bill are intended to be a short

Sections 1, 2, 3, and 4 of the bill are intended to be a short emergency immigration act, with certain concessions and specific exceptions, to remain in force for only two years from this date, under which natives of the Virgin Islands, may, with the minimum of delay and few restrictions, return from foreign soil to their native land for permanent residence after which they may become naturalized in the same way that any allen applicant for United States citizenship. No visa, passport, or head tax is

To clarify the status of, and to extend justice to natives of the Virgin Islands who now reside in territory under the jurisdiction of the United States, as distinct from definitely foreign soil, section 1 of the act of February 25, 1927, is amended by section 1 of this present act so as to declare citizens of the United States such natives of the Virgin Islands, who are not citizens or subjects of any foreign country, who reside at current date (a) in the States or the District of Columbia, (b) in the Virgin Islands, (c) in Porto Rico, (d) in the Canal Zone, (e) in any other insular possession of the United States, or (f) any Territory of the United States but without regard to their place of residence as on January 17, 1917.

The context of H. R. 11363 is such that, from the very nature of things, the benefits of section 1 of this act or of section 5 of this act are very specifically limited to "natives of the Virgin Islands" and the burden of proof would be upon the applicants for these benefits to establish that they were born in the Virgin Islands and that unless primary fact is satisfactorily established no benefits under this act would accrue to anyone.

During the hearings before your committee it was indicated by To clarify the status of, and to extend justice to natives of

no benefits under this act would accrue to anyone.

During the hearings before your committee it was indicated by
the Governor of the Virgin Islands and other witnesses that the
native Virgin Islanders who would, or could, be benefited by this
act is, in the very nature of known facts, relatively a very small
number. However, those comparatively few are almost in the
status of "persons without a country" and find it difficult to
return to the country of their birth.

return to the country of their birth.

The act does not provide or require any additional appropriation of Government funds specifically for its administration.

In compliance with paragraph 2A of Rule XIII of the Rules of the House of Representatives, changes in the existing law made by the bill are shown as follows: New matter is printed in italics, existing law in which change is proposed is shown in roman.

Sections 1, 2, 3, and 4 constitute the short emergency immigration act and is new matter, as follows:

Section 1. That a native of the Virgin Islands of the United States who is now residing in any foreign country shall, for the purpose of the immigration act of 1924, as amended, be considered as a nonquota immigrant for the purposes of admission to the United States; but shall be subject to all the other provisions of that act and of the immigration laws, except that—

(a) He shall not be subject to the head tax imposed by section 2 of the immigration act of 1917;

(b) He shall not be required to have a passport or immigration

(b) He shall not be required to have a passport or immigration

(c) If otherwise admissible, he shall not be excluded under section 3 of the immigration act of 1917, unless excluded under the provisions of that section relating to—

(1) Persons afflicted with a loathsome or dangerous contagious

(2) Polygamy; (3) Prostitutes (4) Contract b Prostitutes, procurers, or other like immoral persons; Contract laborers;

(5) Persons previously deported; or
(6) Persons convicted of crime.
SEC. 2. The foregoing provisions of this act shall not apply to any such alien after the expiration of two years following the enactment of this act.

SEC. 3. An alien admitted to the United States under this act

shall not be subject to deportation on the ground that he has become a public charge.

SEC. 4. Terms defined in the immigration act of 1924, as amended, shall, when used in this act, have the meaning assigned to such terms in that act.

Section 1 of the act approved February 25, 1927 (44 Stat. 1235), is shown in roman, together with the amendment proposed by section 5 of the bill shown in italics, as follows:

[Act of February 25, 1927]

Be it enacted, etc., That the following persons and their children born subsequent to January 17, 1917, are hereby declared to be citizens of the United States:

(a) All former Danish citizens who, on January 17, 1917, resided in the Virgin Islands of the United States, and are now residing in those islands or in the United States or Porto Rico, and who did not make the declaration required to preserve their Danish citizenship by article 5 of the treaty contract into the contract of the co Danish citizenship by article 6 of the treaty entered into on August 4, 1916, between the United States and Denmark, or who, having made such a declaration, have heretofore renounced or may hereafter renounce it by a declaration before a court of record; (b) All natives of the Virgin Islands of the United States who, on January 17, 1917, resided in those islands, and are now residing in those islands or in the United States or Porto Rico, and who are

not citizens or subjects of any foreign country; and

(c) All natives of the Virgin Islands of the United States who, on January 17, 1917, resided in the United States, and are now residing in the Virgin Islands of the United States, and who are not citizens or subjects of any foreign country. (44 Stat. 1234;

10. S. C., Supp. I, t. 8, sec. 5b.)

(d) All natives of the Virgin Islands of the United States who are, on the date of enactment of this subdivision, residing in continental United States, the Virgin Islands of the United States, Porto Rico, the Canal Zone, or any other insular possession or Territory of the United States, who are not citizens or subjects of any foreign country, regardless of their place of residence on Innuary 17, 1917.

There is appended to this report a letter received from the Governor of the Virgin Islands, which is self-explanatory and favorable to the enactment of this bill, reading as follows:

DEPARTMENT OF THE INTERIOR, OFFICE OF THE SECRETARY Washington, April 30, 1932.

Hon. DAVID A. REED,

United States Senate.

My Dear Senator Reed: The popular belief that all Virgin Islanders are American citizens has caused much confusion and is one of the problems to which the civil administration has given considerable attention. The citizenship situation may be analyzed as follows:

1. By the treaty of cession Danish citizens and natives of the 1. By the treaty of cession Danish citizens and natives of the Virgin Islands who were residing in these islands on January 17, 1917, and who did not elect to preserve their Danish nationality within one year became "citizens of the Virgin Islands, entitled to the protection of the United States."

Practically all natives believed that if they did not make dec-

laration within one year to retain their Danish citizenship they became citizens of the United States.

2. To correct this confusion Congress on February 25, 1927, declared the following persons were granted full United States citizenship:

citizenship:

"(a) Former Danes who resided in the Virgin Islands on January 17, 1917, did not retain their Danish nationality, and who resided in the Virgin Islands, the United States, or Porto Rico on February 25, 1927.

"(b) Natives of the Virgin Islands who resided in the Virgin Islands on January 17, 1917, did not retain their Danish nationality, and who resided in the Virgin Islands, the United States, or Porto Rico on February 25, 1927.

"(c) Natives of the Virgin Islands who resided in the United States on January 17, 1917, and in the Virgin Islands on February 25, 1927.

States on January 17, 1917, and in the Virgin Islands on February 25, 1927.

"(d) Natives of the Virgin Islands who were residing in the United States on January 17, 1917, and in the United States or Puerto Rico on February 25, 1927, were granted the privilege of naturalization within one year on petition.

"(e) No provision was made for those natives who were residing in foreign countries on January 17, 1917. They are held to be 'nonquota immigrants' and must have nonquota immigration visas in order legally to resume residence in these islands."

Despite this legislation there still remains considerable confusion.

To clarify the status of and to give justice to Virgin Islanders in the Virgin Islands, Canal Zone, Puerto Rico, and continental United States, it is recommended that Congress grant full American citizenship to all natives of the Virgin Islands, regardless of their place of residence on January 17, 1917, with the exception, of course, of those natives who have retained their Danish nationality or have acquired some foreign nationality.

As most Virgin Islanders who have been residing in foreign countries are ignorant of the fact that they are not American

As most Virgin Islanders who have been residing in foreign countries are ignorant of the fact that they are not American citizens, as their fellow countrymen were made by the clause of the treaty of 1917, and as many of them returned to the Virgin Islands from time to time without nonquota immigration visas, the Virgin Islands government is considerably embarrassed. The requirement that these natives of the Virgin Islands should go to the nearest consul to secure a nonquota visa makes it almost impossible of carrying out. There are few consuls in the Caribbeans, and Virgin Islanders are distributed pretty well throughout the islands of the Caribbean, where most of these natives in foreign countries are now domiciled.

It is recommended that the natives of the Virgin Islands residing in any foreign country shall, for the purpose of the immigration act of 1924, as amended, be considered as nonquota immigrants for the purpose of admission to the United States; but shall be subject to all other provisions of that act and of the immigration laws, except such as the proper authorities of immigration and naturalization deem necessary.

Very sincerely.

PAUL M. PEARSON, Governor Virgin Islands.

COOS BAY INDIANS OF OREGON, AND OTHERS

The bill (S. 4352) to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256), was announced as next in order.

Mr. McNARY. Mr. President, yesterday the House passed an identical bill, which has been messaged over and referred to the Senate Committee on Indian Affairs. I ask that the committee be discharged, the House bill substituted for the Senate bill, and the Senate bill indefinitely postponed.

The VICE PRESIDENT. The bills are identical?

Mr. McNARY. Identical.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none.

The Senate proceeded to consider the bill (H. R. 11120) to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256), which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256), be, and the same hereby is, amended by omitting, in line 20, the words "township 26 south, range 7 west" and inserting in lieu thereof the words "township 15 south, range 6 west."

The VICE PRESIDENT. Without objection, Senate bill 4352 will be indefinitely postponed.

FLORIAN FORD

The bill (H. R. 5940) for the relief of Florian Ford was announced as next in order.

Mr. KING. Let that go over.

Mr. FRAZIER. Mr. President, I wish the Senator would withhold his objection.

This is a case where a barn on an Indian's property out in Montana sheltered a negro who was wounded by the sheriff. The sheriff went to get him and the negro shot the sheriff from the barn, and later on shot two or three other men, one of whom afterwards died.

It was decided, when nightfall came, to burn the barn in order to get this man out. He was driven out. The county paid \$500 for the lumber to build the barn, and the Indian and the superintendent claimed that it cost \$175 for labor to build the barn; and they held that this Indian was entitled to it. I believe he is. The department approves the measure. I think the bill is a worthy one and that the Indian should be allowed his \$175, which was his actual expense for building the barn.

Mr. KING. I withdraw the objection.

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, the sum of \$175 to Florian Ford, in full settlement for his loss through the burning of his barn and other property, located on land under the police jurisdiction of the Crow Indian Agency, under authorization of Federal officers engaged in the capture of George Bolton on October 29, 1926.

EMPLOYMENT OF FARMERS IN INDIAN SERVICE

The bill (H. R. 10161) amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes, was announced as next in order.

Mr. KING. I should like to have an explanation of that measure.

May I say that I have had some complaints from representatives of the Indians and from some of the Indians to the effect that there is no necessity at all for this measure; that some of these so-called expert farmers are wholly incompetent, and that the proposed legislation is simply a waste of money and an improper drain upon the funds of the Indians.

I ask that the bill go over until I have a chance to look into it further.

The VICE PRESIDENT. The bill will be passed over.

BILL PASSED OVER

The bill (S. 368) for the relief of Joliet National Bank, and H. William, John J., Edward F., and Ellen C. Sharpe, was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

CARLOS V. CUSACHS

The bill (S. 4349) authorizing the President of the United States to present a Navy cross to Carlos V. Cusachs, late lieutenant commander, United States Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to present a Navy cross to Carlos V. Cusachs, late lieutenant commander, Corps of Professors of Mathematics, United States Navy, in recognition of his exceptionally meritorious services while assistant to the naval attaché at the American Embassy, Madrid, Spain, during the war with Germany.

WALTER THOMAS FOREMAN

The bill (S. 4513) for the relief of Walter Thomas Foreman was announced as next in order.

Mr. KING. I should like to have an explanation of the

The VICE PRESIDENT. The bill was reported by the Senator from Maine [Mr. WHITE]. Will he give his atten-

Mr. KING. I notice that the alleged injury occurred away back in 1916.

Mr. WHITE. Mr. President, the incident out of which this legislation springs occurred in 1918. In the first place, it simply seeks to waive the provisions of the statute requiring notice and the filing of a claim before the compensation commission within a definite period of time.

The explanation of the claimant is that, in the first place, his injuries were very slow in developing. He was led to believe that they would yield rapidly to treatment. He was under a doctor's care for a long time, and when it appeared that his injuries were serious and permanent, then he filed a claim in the Veterans' Bureau, believing that, as a seaman, he came under the general veterans' acts. It was not until the case had been adversely adjudicated by the Veterans' Bureau that the man learned that he might originally have filed his claim before the compensation commission. His injuries were severe. The committee were unanimous in the view that they originated in the service which he was rendering, and the committee also were unanimous in the opinion that in these circumstances these statutory provisions as to notice and the filing of a claim should be waived and that the man should have the right to go before the compensation commission and establish his claim, if he had one.

Mr. KING. Mr. President, there is some doubt in my mind as to whether or not there was an injury for which the United States under any circumstances might be responsible, and I would like to ask the Senator whether at the time of the alleged injury there was a law which would have given the claimant any compensation?

Mr. WHITE. I think he would have had a right to go in before the Compensation Commission and claim the benefits of the act of 1916. As I have said, he did not do that, because, when he sensed the seriousness of the injuries, he proceeded before the Veterans' Bureau, thinking that as a sailor he came under the veterans' legislation. It was not until adverse action by the Veterans' Bureau had been taken,

as I have said, that he knew of the original right he had to | in the final settlement the postmaster would not lose the appeal to the Compensation Commission.

Mr. KING. I withdraw the objection, but I may file a motion to reconsider.

The VICE PRESIDENT. Is there objection?

Without objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment, on page 2, line 1, after the word "act," to strike out the words:

Provided further, That said Walter Thomas Foreman shall be reimbursed for all hospital and medical expense incurred as a result of injuries received while an employee of the United States Shipping Board, if found entitled to compensation under the provisions of said act, as amended.

So as to make the bill read:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Walter Thomas Foreman, former employee of the United States Shipping Board, who now resides at Albermarle, N. C.: Provided, That compensation, if any, shall commence from and after the date of the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM R. COX

The bill (H. R. 2633) for the relief of William R. Cox was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, while the amount carried in this bill is comparatively small, it does seem to be a bill which might establish a very important precedent, namely, that in cases where postmasters deposit funds in banks and the banks close, and losses of the funds result, the postmasters shall be relieved from liability. It is conceivable that there may be a very large number of cases of this character, and I think the Senate should give consideration to this measure. I do not wish to assume the responsibility of saying that the precedent which the bill would establish would be unsound. I know there are many instances in which postmasters have been relieved from liability in somewhat similar cases, but I think the Senate ought to be advised that it is committing itself to the policy of making whole postmasters who do make deposits in banks, and experience losses by reason of so doing.

Mr. SMOOT. Mr. President, I think that if we are to pay for such losses suffered by postmasters, it ought to be through a general law. If we pass this bill, all postmasters similarly suffering losses will want private bills introduced to make them whole. If the policy is to be to pay for such losses, it would be very much better to pass a general bill covering all, than to have individual bills. For that reason I ask that the bill go over for the present.

Mr. HOWELL. Mr. President, will the Senator withhold his objection?

Mr. SMOOT. I do.

Mr. HOWELL. The Post Office Department authorizes postmasters to deposit their funds in banks. There are not proper receptacles for the care of the money within many of the post offices, and the Post Office Department has time and again recommended and the Senate has passed in every case I can recall bills of this character, where the postmaster was not at fault.

Mr. SMOOT. This loss was the result of the closing of the First National Bank of Pasco, Wash.

Mr. HOWELL. That is true. Mr. SMOOT. There will be a complete loss, providing there is no partial payment made to depositors. I am not objecting to the postmasters being protected, but in the cases of some banks that are closed the depositors receive sometimes 50 per cent, sometimes 60 per cent, sometimes 30 per cent. There may be a partial payment in this case, and I think there ought to be a general bill covering the whole subject matter, so that whenever a postmaster deposits money in a bank and loses it, whatever loss there is to him in the final settlement should be taken care of by the Government. But I do not think we ought to take an individual case and assume there was a total loss, when it may be that

whole amount of the deposit.

Mr. HOWELL. Mr. President, the total amount the postmaster had deposited in the bank was \$485.03. The bank's affairs have been settled up, and there has been recovered by the Post Office Department all but \$103.81. The Post Office Department is holding this postmaster for that amount and has no authority to discharge him from liability.

Mr. SMOOT. I am not objecting to the payment of the money, but I think that instead of numerous bills being introduced, there ought to be a general bill to cover all such

The VICE PRESIDENT. Is there objection?

Mr. DILL. Mr. President, I think the Senator from Utah ought to realize that this occurred in a small town, and that the danger of robbery was such that the postmaster felt obliged to put the money in the bank. Had all the money been lost, we would have paid for the loss.

Mr. SMOOT. I am not objecting, in any case of the failure of a bank, to pay what is lost; that is, what is actually lost. I think there ought to be a general bill to cover all such cases, and that we should not take up one case at a

Mr. DILL. The amount called for in this bill represents the actual loss.

Mr. SMOOT. I know that; but what I mean is to have a measure covering all such cases, so that when such a case arises the Post Office Department will be authorized to pay the man and can do so without having a private bill

Mr. DILL. That policy might apply to the future, but this bill is here, and it seems to me that since it is approved by the Postmaster General the Senator ought to let it go through.

Mr. SMOOT. I have no objection to the man being relieved of the loss; that is not the point I had in mind. What I thought was that if we are to enter into this field, it ought to be by a general bill covering all such cases, so that we will not have bills introduced in the Senate from all over the country.

Mr. DILL. The Senator knows that if we follow that course it will be years before the money in this case will be paid. Let that apply to the future, and not hold up this bill.

Mr. SHORTRIDGE. Mr. President, I hope the Senator from Utah will not insist upon his objection. As stated by the Senator from Washington, the amount called for is small, and we can legislate for the future through a general bill.

Mr. SMOOT. For the information of the Senator from California, I call attention to the fact that my point is that the proper thing to do is to pass a general bill covering all such cases, so that we will not have a great number of individual bills presented in the next year or so.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, to strike out "Postmaster General" and insert in lieu thereof "Comptroller General of the United States," so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of William R. Cox, postmaster at Pasco, Wash., in the sum of \$103.81, due the United States on account of the loss resulting from the closing of the First National Bank of Pasco,

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

MADRIGAL & CO., MANILA, P. I.

The bill (S. 256) authorizing adjustment of the claim of Madrigal & Co., Manila, P. I., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to allow Madrigal & Co.,

Manila, P. I., the sum of \$420 in full and final settlement of their claim for refundment of wharfage charges collected by the Navy Department on the United States ship Buffalo, purchased by said company under the provisions of Catalogue 318-b, issued by the Bureau of Supplies and Accounts, Navy Department, Washington, D. C. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$420 for payment of said claim.

JOHN T. LENNON AND GEORGE T. FLORA

The bill (S. 261) authorizing adjustment of the claims of John T. Lennon and George T. Flora, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to allow John T. Lennon and George T. Flora \$25 each in full and final settlement of their claims for blood furnished May 4 and May 11, 1926, respectively, for transfusion to Harvey J. Shoppe, a patient in a Government hospital. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50 for the payment of such claim.

FRANKLIN SURETY CO.

The bill (S. 4258) authorizing adjustment of the claim of the Franklin Surety Co. was announced as next in order.

Mr. KING. Let that go over. The VICE PRESIDENT. The bill will be passed over.

GEORGE H. HANSEN

The Senate proceeded to consider the bill (S. 4440) authorizing adjustment of the claim of George H. Hansen, which was read, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of George H. Hansen, for \$1,000 deposited with the former United States Commissioner Fisk as ball for Guillaume Peyran and which amount the said United States commissioner converted to his own use, and to allow said claim in an amount not exceeding \$1,000. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, \$1,000, or so much thereof as may be necessary, for the payment of such claim.

Mr. KING. I would like to have an explanation of that bill.

Mr. HOWEIL. Mr. President, this bill is to cover a case where bail was required and was paid over to a United States commissioner. The United States commissioner applied the money to his own use, and when the action came to an end and the money should have been returned to the bondsman, Commissioner Fisk could not repay it. It was under the practice of the court that the money was paid over to Commissioner Fisk.

Mr. KING. Did the Government proceed against Commissioner Fisk?

Mr. HOWELL. I do not know what was done.

Mr. SMOOT. He was indicted.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL SURETY CO.

The bill (S. 4441) authorizing adjustment of the claim of the National Surety Co., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the National Surety Co. for refund of \$500 on account of collections from the said National Surety Co. as surety on a bond dated March 12, 1917, of Ovide Robin, former postmaster at Leonville, La., in excess of the principal amount of said bond, and to allow not to exceed \$500 in full and final settlement of the claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$500, or so much thereof as may be necessary, for the payment of the claim.

EDWARD BODECK

The Senate proceeded to consider the bill (H. R. 2238) for the relief of Edward Bodeck, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the Government, the sum of \$3,500 to Edward Bodeck, of New York, N. Y., on account of injuries sustained when struck by an Army truck November 8, 1928: Provided, That no part

of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

CHARLES THOMAS

The Senate proceeded to consider the bill (H. R. 3724) for the relief of Charles Thomas, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Charles Thomas, the sum of \$3,500 in full settlement for injuries sustained by him by being struck by an Army truck on Bell Avenue at Maxwell Avenue, Bayside, Long Island, on October 8, 1928: Provided, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 per cent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

H. H. LEE

The Senate proceeded to consider the bill (H. R. 4144) for the relief of H. H. Lee, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$233.75 to H. H. Lee as final settlement of his claim for loss by fire to his own property while assigned to protection of Government holdings during the Half Moon forest fire in Glacier National Park.

BILLS PASSED OVER

The bill (S. 4270) for the relief of Commander Francis James Cleary, United States Navy, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4567) to provide for the settlement of claims against the United States on account of property damage, personal injury, or death was announced as next in order. Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

CONVEYANCE OF LAND IN ARIZONA FOR AIR-NAVIGATION FACILITIES

The bill (S. 4549) to authorize conveyance to the United States of certain lands in the State of Arizona for use of the United States in maintaining air-navigation facilities, and for other purposes, was announced as next in order.

Mr. ASHURST. Mr. President, my colleague [Mr. Hay-DEN] is in charge of this bill, and will be in the Chamber in a moment. He wants to have a House bill substituted.

The PRESIDENT pro tempore. It appears that the bill is the same as Order of Business No. 747, House bill 10926.

Mr. HAYDEN. Mr. President, I was called out of the Chamber temporarily, and was not here when Senate bill 4549 was reached on the calendar.

I ask that Order of Business No. 747, House bill 10926, bearing the same title, be substituted for the Senate bill.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. Is the bill in the same words?

Mr. HAYDEN. Yes; it is.

There being no objection, the Senate proceeded to consider the bill (H. R. 10926), to authorize conveyance to the United States of certain lands in the State of Arizona for use of the United States in maintaining air-navigation facilities, and for other purposes, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to accept on behalf of the United States, title from the State of Arizona to all of section 18, township 22

8 west, northeast quarter section 31, southeast north, range 8 west, northeast quarter section 31, southeast quarter southeast quarter section 30, west half northwest quarter section 32, township 9 south, range 10 east, Gila and Salt River meridian, Ariz., and in exchange therefor may patent to the State of Arizona an approximately equal area of survey, unreserved, unappropriated, nonmineral public lands within the State. The land to be acquired by the United States under this act shall be used by the Department of Commerce in maintaining air-navigation facilities. If at any time this land or any portion thereof should not be needed for such purpose, the Secretary of the Interior shall, upon advice to that effect by the Secretary of Commerce, restore said land or such portion to the public domain for merce, restore said land or such portion to the public domain for disposition under applicable law.

The PRESIDENT pro tempore. Without objection, Senate bill 4549 will be indefinitely postponed.

BILL PASSED OVER

The bill (S. 4578) conferring jurisdiction on the Court of Claims to adjudicate the rights of the Otoe and Missouria Tribes of Indians to compensation on a basis of guardian and ward, was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDENT pro tempore. The bill will be passed

FRANCES AGRAMONTE

The bill (S. 4273) to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts annually as may be necessary to pay, during the remainder of her natural life, the sum of \$125 per month to Frances Agramonte, widow of Dr. Aristides Agramonte, deceased, who was a member of the Yellow Fever Commission, and whose who was a member of the Yellow Fever Commission, and whose name appears on the roll of honor of the participants in the yellow fever investigations in Cuba, published annually in the Army Register, said annuity being the same heretofore paid to Dr. Aristides Agramonte, pursuant to the provisions of the public act approved February 28, 1929, entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever."

THOMAS W. H. BALL

The bill (S. 2620) to correct the military record of Thomas W. H. Ball was announced as next in order.

Mr. KING. Let that go over.

Mr. SHORTRIDGE. Mr. President, I hope the Senator will withhold his objection for a moment. This is a bill for the relief of a brave soldier who enlisted in the Regular Army. He was guilty of some infraction of military rules and was dishonorably discharged. He suffered punishment and thereafter reenlisted in the service. The matter was referred to the department and the Secretary of War recommends passage of the bill as amended. The committee reports it as amended. I hope the Senator will suffer the matter to go through.

Mr. KING. I notice he was tried by court-martial in

Mr. SHORTRIDGE. Yes.

Mr. KING. He was sentenced to be confined at hard labor for eight months, was released from confinement in 1900, and then was tried later for another offense.

Mr. SHORTRIDGE. He was guilty, of course, of becoming intoxicated and was properly punished and discharged. The bill as suggested by the Secretary of War contains a proviso that "no bounty, pension, pay, or other emolument shall accrue prior to the passage of this act." He served our country many years as a faithful, brave soldier. I hope that the Senator will permit the bill to go through.

Mr. KING. Let it be passed over for the present.

The PRESIDENT pro tempore. The bill will be passed

MICHAEL J. MORAN

The bill (S. 850) for the relief of Michael J. Moran was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged from the service on October 19, 1903.

In view of the fact that, prior to his last enlistment, Dominick charged soldiers Michael J. Moran, alias James Moran, who was a member of Troop F, Third Regiment United States Cavalry, shall

hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 27th day of September, 1876: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

FRANCIS N. DOMINICK

The bill (S. 1877) for the relief of Francis N. Dominick was considered. The bill had been reported from the Committee on Military Affairs with an amendment, on page 1, line 9, after the numerals "1903" to insert "Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, Francis N. Dominick shall be held and considered to have served without desertion as a private, Sixty-sixth Company, Coast Artillered Corps, United States Army, and to have been honorably discharged from such service on October 19, 1903: Provided, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

Mr. KING. Let the bill go over.

Mr. WHEELER. Mr. President, I hope the Senator will not object. This man enlisted in the Army four times. On three different occasions he was discharged on account of illness. This is merely a measure to correct his record. He served three different enlistments in the Philippine Islands. I hope the Senator will withdraw his objection.

Mr. KING. This was not some minor offense, but he deserted. He enlisted and was returned home because of dysentery, enlisted again, and was discharged promptly because of alleged disability after having served only a little while. He enlisted again in 1901 and deserted in 1903.

Mr. WHEELER. He enlisted three different times and was discharged. The fourth time, it is true, he did enlist and desert. He is an old man in ill health. This is merely to correct his record.

Mr. KING. So he can get a pension?

Mr. WHEELER. So he can get a pension to which he is entitled if anybody ever was entitled to one. There are very few men who have enlisted four different times in the Army of the United States.

Mr. CONNALLY. Mr. President, may I ask the Senator from Montana a question? What was the matter with his record that it needs correcting?

Mr. WHEELER. He enlisted four times. Three different times he was discharged and the fourth time he was held to have deserted. This is to correct his record in that regard.

Mr. CONNALLY. It really means to remove that cloud of desertion?

Mr. WHEELER. It means to correct his record by removing that cloud.

Mr. CONNALLY. The Senator's idea is that if he enlisted three times and only deserted once, that is not a bad record. Mr. WHEELER. He enlisted four times and only deserted

once.

The PRESIDENT pro tempore. Is there objection to the discussion of the bill?

Mr. KING. Mr. President, I ask that the first page of the report of the committee be read and then let us have a vote. The PRESIDENT pro tempore. The clerk will read, as requested.

The Chief Clerk read as follows:

Francis N. Dominick enlisted in the Regular Army November 16, 1896, and was honorably discharged September 13, 1897, by reason of disability. When the Spanish-American War broke out he enlisted in the Alabama Volunteer Infantry May 3, 1893, but was discharged for disability on June 24, 1898. He again enlisted on August 17, 1899, in the United States Volunteer Infantry, and served in the Philippine Islands, but was returned home because of dysentery incurred there. His discharge of February 12, 1901, simply stated that his services were no longer required. He again enlisted April 13, 1901, under the name of Francisco N. Domingo. He deserted the service on May 16, 1901, and surrendered August 28, 1903. He was tried and convicted by a general court-martial and convicted of fraudulent enlistment and desertion and was dishonorably discharged from the service on October 19, 1903. Francis N. Dominick enlisted in the Regular Army November 16,

several months, your committee believes that he has been sufficiently punished, and that he is entitled to the relief proposed by

The PRESIDENT pro tempore. Is there objection to the further consideration of the bill?

There being no objection, the bill was ordered to be engrossed for a third reading, read the third time, and passed.

LAKE CHAMPLAIN BRIDGE, VERMONT

The bill (S. 1980) to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across Lake Champlain, at a point ing the construction of a bridge across Lake Champiain, at a point suitable to the interests of navigation, between a point at or near East Alburg, Vt., and a point at or near Swanton, Vt., authorized to be built by Jed P. Ladd, of Burlington, Vt., his heirs, legal representatives, and assigns, by the act of Congress approved March 2, 1929, are hereby extended one and three years, respectively, from the date of approval of this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby

expressly reserved.

JENNIE BRUCE GALLAHAN

The bill (S. 571) for the relief of Jennie Bruce Gallahan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jennie Bruce Gallahan the sum of \$5,000 as compensation for the death of her husband. Samuel L. Gallahan, late lieutenant, District of Columbia Fire Department, which occurred while he was engaged in the performance of his duties: Provided, That such sum shall be in addition to any payments heretofore or hereafter received from the policemen and firements relief fund. District of Columbia, on account of such firemen's relief fund, District of Columbia, on account of such

EXEMPTION FROM QUOTA OF HUSBANDS OF AMERICAN CITIZENS

The bill (H. R. 10600) to exempt from the quota husbands of American citizens was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subdivision (a) of section 4 of the immigration act of 1924, as amended, is amended to read as follows:

(a) An immigrant who is the unmarried child under 21 years of age, or the wife, or the husband of a citizen of the United States": Provided, That the marriage shall have occurred prior

to issuance of visa.

SEC. 2. Clause (A) of paragraph (1) of subdivision (a) of section 6 of the immigration act of 1924, as amended, is amended to

read as follows:
"(A) Quota immigrants who are the fathers or the mothers of citizens of the United States who are 21 years of age or over.'

SETTLEMENT OF CLAIMS UNDER WAR CLAIMS ACT, 1928

The joint resolution (S. J. Res. 97) extending for one year the time within which American claimants may make application for payment, under the settlement of war claims act of 1928, of awards of the Mixed Claims Commission and of the Tripartite Claims Commission was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That subsection (g) of section 2 and subsection (f) of section 5 of the settlement of war claims act of 1928, as amended by Public Resolution No. 48, Seventy-first Congress, approved March 10, 1930, are further amended, respectively, by striking out the words "four years" wherever such words appear therein and inserting in lieu thereof the words "five years."

BILL PASSED OVER

The bill (S. 4262) to provide for the establishment and development of American air-transport services overseas, to encourage construction in the United States by American capital of American airships and other aircraft for use in foreign commerce, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDENT pro tempore. The bill will be passed over.

CLOSING OF BARBER SHOPS IN THE DISTRICT OF COLUMBIA

The bill (S. 4023) providing for the closing of barber shops one day in every seven in the District of Columbia was considered. The bill had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 10, after the word "both," to insert the following:

The Commissioners of the District of Columbia are hereby authorized and empowered to make, modify, and enforce reasonable regulations to obtain compliance with the provisions of this act, and such regulations shall have the force and effect of law within the District of Columbia.

So as to make the bill read:

Whereas in the District of Columbia persons engaged in the occupation of barbering are required to work seven days a week in order to meet competition and conform to custom; and Whereas the health of such persons is endangered and often impaired by the working conditions peculiar to their occupation;

Whereas the protection of the health of such persons will tend to protect the health of the general public by guarding against the spread of infectious disease: Therefore

Be it enacted, etc., That hereafter in the District of Columbia it shall be unlawful for a person to maintain seven days consecutively any establishment wherein the occupation or trade of barbering or hair dressing (including the cutting or singeing of hair, shaving, shampooing, massaging, or manicuring) is pursued. All such establishments shall be required to remain closed one day in every seven beginning at midnight or sunset. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not in excess of \$20 or by imprisonment for not more than 60 days, or both. The Commissioners of the District of Columbia are hereby authorized and empowered to make, modify, and enforce reasonable regulations to obtain compliance with the provisions of this act, and such regulations shall have the force and effect of law within the District of Columbia. effect of law within the District of Columbia.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

GAME AND BIRD SANCTUARY IN DISTRICT OF COLUMBIA

The bill (S. 3792) to amend sections 5 and 6 of the act of June 30, 1906, entitled "An act to prohibit the killing of wild birds and wild animals in the District of Columbia," and thereby to establish a game and bird sanctuary of the Potomac River and its tributaries in the said District, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 5 of the act of June 30, 1906 (34 Stat. 808), entitled "An act to prohibit the killing of wild birds and wild animals in the District of Columbia," is hereby amended by striking out the words "with any boat propelled by any means other than oars," so that the said section as amended shall read as follows:

"Sec. 5. That no person in the District of Columbia shall at any time hunt, pursue, or needlessly disturb any wild duck, goose, or other waterfowl in any of the waters of the District of Columbia under penalty of \$10 or imprisonment in the workhouse for not

other waterfowl in any of the waters of the District of Columbia under penalty of \$10 or imprisonment in the workhouse for not more than 30 days, or both, for each offense."

SEC. 2. That section 6 of the said act of June 30, 1906, is hereby amended by striking out the words: "But nothing in this act shall prevent the hunting of game birds on the marshes of the Anacostia River, or Eastern Branch, north of the Anacostia Bridge and on the marshes on the Virginia shore of the Potomac River east of the Aqueduct Bridge: Provided, That said birds are not hunted within 200 yards of any bridge or dwelling," so that said section as amended shall read as follows:

"Sec. 6. That all acts or parts of acts inconsistent berewith be

"SEC. 6. That all acts or parts of acts inconsistent herewith be, and the same are hereby, repealed."

BILL PASSED OVER

The bill (S. 3053) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of this act, and for other

Mr. BLAINE. Mr. President, that is a very important bill. I think we ought to have quite a full explanation of it.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ROBERT EMIL TAYLOR

The bill (S. 3543) for the relief of Robert Emil Taylor was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the adjudication of the claims of Robert Emil Taylor (C-267750), late private, Thirty-second Company, One hundred and sixty-sixth D. B., for disability allowance benefits under the World War veterans' act, as amended, and for adjusted compensation under the World War adjusted compensation act, as amended, the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to include as active military service during the World War the service of the said Robert Emil Taylor from August 28, 1918, to the date of his discharge, July 19, 1919, notwithstanding the industrial furlough on which he was ordered from November 16, 1918, to July 17, 1919.

REFERENCES IN LAW CASES

The bill (S. 2447) to provide for references in law cases by consent of the parties and declaring the effect of such submission was considered.

Mr. KING. Mr. President, I would like an explanation of the bill.

Mr. BRATTON. Mr. President, may I say to the Senator from Utah—

Mr. KING. Is this bill the one the Senator and I were discussing?

Mr. BRATTON. It is.

Mr. KING. Very well; I have no objection.

Mr. ROBINSON of Arkansas. Mr. President, I think the bill should be explained. It relates to legal procedure.

Mr. BRATTON. Mr. President, as will be seen from the report containing quotations from various decisions, a divergence of practice has grown up among the several Federal courts throughout the country with respect to the effect of a report of a referee. At common law the report had to be accepted or rejected in toto. The judge was powerless to accept it in part and reject it in part. Under a great many State statutes the judge has the power to review the report of the referee and accept it in part and reject it in part. Where a Federal court refers a case under such a statute, the court has the power to review the report and approve it in part and disapprove it in part. Not so where the reference is made under authority of the common law.

The bill is designed to unify the practice and empower a Federal court, where a case is referred to a referee and he makes his report back to review the report and approve it in so far as it is correct and reject it in so far as it is in error. It is a very wholesome bill, designed to expedite Federal procedure by enlarging the reviewing power of the court.

Mr. KING. May I ask the Senator from New Mexico if he regards it as proper to attach a presumption of correctness and validity to the report? It seems to me that the report should stand upon the same basis as any report submitted by an examiner in an equity case or a referee. The presumption is, of course, that he has taken the testimony correctly and reported it with his findings. I would have no objection at all—I am not sure that I object to this—to a provision that he shall report his findings and conclusions of law and his recommendations.

Mr. BRATTON. That is exactly what the bill does. It provides that when the referee has done that the court shall have the power to review the findings and recommendations and approve them in so far as they are correct, and correct them in their erroneous parts.

Mr. KING. It seems to give such validity to the report as that if the judge did not review it it would automatically become a judgment.

Mr. BRATTON. Oh, no.

Mr. KING. If it required the court to review, I would agree with the Senator.

Mr. BRATTON. As I understand it, under the present system if a case is referred by authority of the common law and the report comes to the judge, he must either accept it in whole or reject it in whole, and either try the case himself or rerefer it to the referee. The judge is powerless to hold, for instance, that the referee was correct in four respects but erred in the fifth. The bill simply enlarges the

reviewing power of the court. It is intended to expedite procedure and to give the court a wider range of corrective authority. I think it would be a very wholesome procedure.

Mr. BYRNES. Mr. President, the only purpose of the bill is to do exactly that which the Senator from Utah has in mind—to give to the court, upon the review of the report of the referee, the power to sustain the report as filed, to reject it, or to modify it in such particulars as in the opinion of the court it should be modified. It is to make uniform the practice throughout the country. It is to make it certain in every case that the judge shall have the power to modify in some particulars and not be forced in some cases to reject entirely the report of the referee.

Mr. KING. I have no objection.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the parties to any law case in any court of the United States may waive a jury trial and may consent to a reference of all or any issues of law or fact to a referee or auditor, and the report of such referee or auditor shall be treated as presumptively correct, but shall be subject to review by the court, and the court may adopt the same or may modify or reject the same in whole or in part when the court in the exercise of its judgment is fully satisfied that error has been committed: Provided, That when the intention is plainly expressed in the consent order or otherwise that the submission is to the referee or auditor as an arbitrator, the court may review the same only in accordance with the principles governing an award and decision by an arbitrator.

RELIEF OF CERTAIN PERSONS IN MARYLAND

The resolution (S. Res. 212) submitted by Mr. Howell on the calendar day of May 11, 1932, was considered and agreed to as follows:

Resolved, That the bill (S. 4415) entitled "A bill for the relief of certain persons formerly having interests in Baltimore and Harford Counties, Md.," now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an Act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

REPORT OF NATIONAL COMMISSION FOR LAW OBSERVANCE AND

The resolution (S. Res. 92) submitted by Mr. Shipstead on December 15, 1931, was considered. The resolution had been reported from the Committee on Printing with an amendment, on page 1, line 2, to strike out "\$15,000" and insert "\$5,000," so as to read:

Resolved, That the Joint Committee on Printing be, and is hereby, authorized to expend not to exceed \$5,000, to be paid from the contingent fund of the Senate, for the classification, arranging, compiling, and indexing of the documentary evidence, statistics, records, and other data, submitted to the Senate by the National Commission for Law Observance and Enforcement in response to Senate Resolutions Nos. 423 and 463, and ordered printed as Senate Document No. 307, Seventy-first Congress, third session, under authority of Senate Resolution No. 474, reported to the Senate from the Committee on Printing on February 26, 1931, and agreed to; and for the employment of the necessary assistance in connection with the publication of all other matters authorized by the Senate during said session to be printed under the direction of the Joint Committee on Printing.

The amendment was agreed to.

The resolution as amended was agreed to.

DEPORTATION OF ALIEN SEAMEN

The bill (S. 7) to provide for the deportation of certain allen seamen, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The President pro tempore. The bill will be passed over.

PAYMENT FOR INDIAN PUEBLO LANDS

The Senate proceeded to consider the bill (S. 2914) to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named, under the terms of the act of June 7, 1924, and the liability of the United States to non-Indian claimants on Indian pueblo grants whose claims, extinguished under the act of June 7, 1924, have been found by the Pueblo Lands Board to have

been claims in good faith; to authorize the expenditure by the Secretary of the Interior of the sums herein authorized and of sums heretofore appropriated, in conformity with the act of June 7, 1924, for the purchase of needed lands and water rights and the creation of other permanent economic improvements as contemplated by said act; to direct the issuance of a patent to the pueblo of Taos for certain lands described herein, and for other purposes, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to

That in the fulfillment of the act of June 7, 1924 (43 Stat. 636), there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sums hereinaft set forth, in compensation to the several Indian pueblos hereinafter named, in payment of the liability of the United States to after named, in payment of the liability of the United States to the said pueblos as declared by the act of June 7, 1924, which appropriations shall be made in equal annual installments as hereinafter specified, and shall be deposited in the Treasury of the United States and shall be expended by the Secretary of the Interior, subject to approval of the governing authorities of each pueblo in question, at such times and in such amounts as he may deem wise and proper; for the purchase of lands and water rights to replace those which have been divested from said pueblo under the act of June 7, 1924, or for the purchase or construction of reservoirs, irrigation works, or other permanent improvements upon or for the benefit of the lands of said pueblos.

SEC. 2. In addition to the awards made by the Pueblo Lands Board, the following sums, to be used as directed in section 1 of

Board, the following sums, to be used as directed in section 1 of this act, and in conformity with the act of June 7, 1924, be, and hereby are, authorized to be appropriated:

Pueblo of Jemez, \$1,885; pueblo of Nambe, \$47,439.50; pueblo of Taos, \$84,707.09; pueblo of Santa Ana, \$2,908.38; pueblo of Santo Domingo, \$4.256.56; pueblo of Sandia, \$12,980.62; pueblo of San Felipe, \$14,954.53; pueblo of Isleta, \$47,751.31; pueblo of Picuris, \$66,574.40; pueblo of San Ildefonso, \$37,058.28; pueblo of San Juan, \$153,863.04; pueblo of Santa Clara, \$181,114.19; pueblo of Cochiti, \$37,826.37; pueblo of Pojoaque, \$68,562.61; pueblo of Laguna, \$33,566.47; in all \$795,448.35; Provided, however, That the Secretary of the Interior shall report back to Congress any errors or emissions in the foregoing authorizations measured by the or omissions in the foregoing authorizations measured by the present fair market value of the lands involved, as heretofore determined by the appraisals of said tracts by the appraisers appointed by the Pueblo Lands Board, with evidence supporting his report and recommendations.

Sec. 3. Pursuant to the aforesaid act of June 7, 1924, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum to compensate white settlers or non-Indian claimants who have been found by the Pueblo Lands Board, created under said act of June 7, 1924, to have occupied and claimed land in good faith but whose claim has not been sustained and whose occupation has been terminated under said act of June 7, 1924, for the fair market value of lands, improvements appurtenant thereto, and water rights, the non-Indian claimants, or their successors, as found and reported by said Pueblo Lands Board, to be compensated out of said appropriations to be disbursed under the direction of the Secretary of the Interior in the amounts due them as appraised the appraisers appointed by said Pueblo Lands Board, as

Within the pueblo of Tesuque, \$1,094.63; within the pueblo of Within the pueblo of Tesuque, \$1,094.63; within the pueblo of Nambe, \$19,393.59; within the pueblo of Taos, \$14,064.57; within the Tenorio tract, Taos pueblo, \$43,165.26; within the pueblo of Santa Ana (El Ranchito grant), \$846.26; within the pueblo of Santo Domingo, \$66; within the pueblo of Sandia, \$5,354.46; within the pueblo of San Felipe, \$16,424.63; within the pueblo of Isleta, \$6,624.45; within the pueblo of Picuris, \$11,464.73; within the pueblo of San Idefonso, \$16,209.13; within t Juan. \$19,938.22; within the pueblo of Santa Clara, \$35,350.88; within the pueblo of Cochiti, \$9,653.81; within the pueblo of Pojoaque, \$1,767.26; within the pueblo of Laguna, \$30,668.87; in all, \$232,086.80: Provided, however, That the Secretary of the Interior shall report back to Congress any errors in the amount of award measured by the present fair market value of the lands involved, and any errors in the omissions of legitimate claimants for award, with evidence supporting his report and recommendations

SEC. 4. That for the purpose of safeguarding the interests and welfare of the tribe of Indians known as the Pueblo de Taos of New Mexico in the certain lands hereinafter described, upon which lands said Indians depend for water supply, forage for their domestic livestock, wood, and timber for their personal use and as the scene of certain of their religious ceremonials, the Secretary of Agriculture may, and he hereby is, authorized and directed to designate and segregate said lands, which shall not thereafter be subject to entry under the land laws of the United States, and to thereafter grant to said Pueblo de Taos, upon application of the governor and council thereof, a permit to occupy said lands and use the resources thereof for the personal use and benefit of said tribe of Indians for a period of 50 years, with provision for subsequent renewals if the use and occupancy by said tribe of Indians shall continue, the provisions of the permit are met and the continued protection of the watershed is required by public

interest. Such permit shall specifically provide for and safe-guard all rights and equities hitherto established and enjoyed by said tribe of Indians under any contracts or agreements hitherto said tribe of Indians under any contracts or agreements hitherto existing, shall authorize the free use of wood, forage, and lands for the personal or tribal needs of said Indians, shall define the conditions under which natural resources under the control of the Department of Agriculture not needed by said Indians shall be made available for commercial use by the Indians or others, and shall establish necessary and proper safeguards for the efficient supervision and operation of the area for national forest purposes and all other purposes herein stated, the area referred to being described as follows: being described as follows:

Beginning at the northeast corner of the Pueblo de Taos grant,

thence northeasterly along the divide between Rio Pueblo de Taos and Rio Lucero and along the divide between Rio Pueblo de Taos and Red River to a point a half mile east of Rio Pueblo de Taos; thence southwesterly on a line half mile east of Rio Pueblo de Taos and parallel thereto to the northwest corner of township 25 north, range 15 east; thence south on the west boundary of township 25 north, range 15 east, to the divide between Rio Pueblo de Taos and Rio Fernandez de Taos; thence westerly along the divide to the east boundary of the Pueblo de Taos grant; thence north to the point of beginning; containing approximately

30,000 acres, more or less.

SEC. 5. Except as otherwise provided herein the Secretary of the Interior shall disburse and expend the amounts of money Interior shall disburse and expend the amounts of money herein authorized to be appropriated, in accordance with and under the terms and conditions of the act approved June 7, 1924: Provided, however, That the Secretary be authorized to cause necessary surveys and investigations to be made promptly to ascertain the lands and water rights that can be purchased out of the foregoing appropriations and earlier appropriations made for the same purpose, with full authority to disburse said funds in the purchase of said lands and water rights without being limited to the appraised values thereof as fixed by the appraisers appointed by the Pueblo Lands Board appointed under said act of June 7, 1924, and all prior acts limiting the Secretary of the Interior in the disbursement of said funds to the appraised value of said lands as fixed by said appraisers of said Pueblo Lands Board be, and the fixed by said appraisers of said Pueblo Lands Board be, and the same are, expressly repealed: Provided further, That the Secretary of the Interior be, and he is hereby, authorized to disburse a portion of said funds for the purpose of securing options upon said lands and water rights and necessary abstracts of title thereof for lands and water rights and necessary abstracts of title thereof for the necessary period required to investigate titles and which may be required before disbursement can be authorized: Provided further, That the Secretary of the Interior be, and he is hereby, authorized, out of the appropriations of the foregoing amounts and out of the funds heretofore appropriated for the same purpose, to purchase any available lands within the several pueblos which in his discretion it is desirable to purchase, without waiting for the issuance of final patents directed to be issued under the provisions of the act of June 7, 1924, where the right of said pueblos to bring independent suits, under the provisions of the act of June 7, 1924, has expired: Provided further, That the Secretary of the Interior shall not make any expenditures out of the pueblo funds resulting from the appropriations set forth herein.

retary of the Interior shall not make any expenditures out of the pueblo funds resulting from the appropriations set forth herein, or prior appropriations for the same purpose, without first obtaining the approval of the governing authorities of the pueblo affected: And provided further, That the governing authorities of any pueblo may initiate matters pertaining to the purchase of lands in behalf of their respective pueblos, which matters, or contracts relative thereto, will not be binding or concluded until approved by the Secretary of the Interior.

Sec. 6. Nothing in this act shall be construed to prevent any pueblo from prosecuting independent suits as authorized under section 4 of the act of June 7, 1924: Provided, however, That the right to review therein authorized from the United States District Court for the District of New Mexico shall be the right of a direct appeal from said court to the Supreme Court of the United States: Provided further, That the pueblo concerned may elect to accept the appropriations herein authorized, in the sums herein set forth, in full discharge of all claims to compensation under the terms of said act, notifying the Secretary of the Interior in set forth, in full discharge of all claims to compensation under the terms of said act, notifying the Secretary of the Interior in writing of its election so to do, after the sums herein authorized are appropriated: Provided further, That if said election by said pueblo be not made, said pueblo shall have one year from the date of the approval of this act within which to file any independent suit authorized under section 4 of the act of June 7, 1924, at the expiration of which period the right to file such suit shall expire by limitation: Provided further, That no ejectment suits shall be filed against non-Indians entitled to compensation under this act, in less than six months after the sums herein authorized are appropriated.

authorized are appropriated.

SEC. 7. Section 16 of the act approved June 7, 1924, is hereby

SEC. 7. Section 16 of the act approved June 7, 1924, is hereby amended to read as follows:

"SEC. 16. That if the Secretary of the Interior deems it to be for the best interest of the Indians that any land adjudged by the court or said lands board against any claimant be sold, he may, with the consent of the governing authorities of the pueblo, order the sale thereof, under such regulations as he may make, to the highest bidder for cash, and if the buyer thereof be other than the losing claimant, the purchase price shall be used in paying to such losing claimant the adjudicated value of the improvements aforesald, if found under the provisions of section 15 hereof, and the balance thereof, if any, shall be paid over to the proper officer or officers of the Indian community, but if the buyer be the losing claimant, and the value of his improvements has

been adjudicated as aforesaid, such buyer shall be entitled to have credit upon his bid for the value of such improvements so adjudicated."

cated."

SEC. 8. The attorney or attorneys for such Indian tribe or tribes shall be paid such fee as may be agreed upon by such attorney or attorneys and such Indian tribe or tribes, but in no case shall the fee be more than 10 per cent of the sum herein authorized to be appropriated for the benefit of such tribe or tribes, and such attorneys' fees shall be disbursed by the Secretary of the Interior in accordance herewith: Provided, however, That 25 per cent of the amount agreed upon as attorneys' fees shall be retained by the Secretary of the Interior to be disbursed by him under the terms of the contract, subject to approval of the Secretary of the Interior, between said attorneys and said Indian tribes, providing for further services and expenses of said attorneys in furtherance of the objects set forth in section 19 of the act of June 7, 1924.

SEC. 9. Nothing herein contained shall in any manner be construed to deprive any of the Pueblo Indians of a prior right to the use of water from streams running through or bordering on their respective pueblos for domestic, stock-water, and irrigation purposes for the lands remaining in Indian ownership, and such water rights shall not be subject to loss by nonuse or abandonment thereof as long as title to said lands shall remain in the Indians.

Indians.

SEC. 10. The sums authorized to be appropriated under the terms and provisions of section 2, this act, shall be appropriated in three installments over a period of three years.

Mr. REED. Mr. President, may we have an explanation of that bill?

Mr. BRATTON. Mr. President, this measure has been discussed on the floor of the Senate two or three times. The bill is designed to complete the program of settling the Pueblo Indian controversy in New Mexico in accordance with the act of June 7, 1924. It proposes to compensate the Indians for their lands lost through the negligence of the Government in failing seasonably to prosecute suits for the recovery of their lands. It proposes to compensate settlers for improvements on lands, title to which the settlers could not sustain, the compensation being exclusively for improvements.

Let me say to the Senator that a subcommittee of the Senate Committee on Indian Affairs conducted hearings in New Mexico last summer on the question involved. Both the Senate Committee on Indian Affairs and the similar committee of the House of Representatives have reported similar bills on the subject.

The authorized appropriation for the Indians is spread over a period of three years. I think I shall ask to make it five years. Should that amendment be agreed to, it will decrease the amount which must be appropriated annually for such purpose. Under existing circumstances we may well afford to do that.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BRATTON. In Section 10, page 16, line 22, in the committee amendment, after the word "years," I move to strike out "three" and insert "five."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New Mexico to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXAMINATION AND SURVEY OF M'KENZIE RIVER, OREG.

The Senate proceeded to consider the bill (S. 4512) authorizing a preliminary examination and survey of the Mc-Kenzie River, in the State of Oregon, with a view to the controlling of floods, which had been reported from the Committee on Commerce with amendments, on page 1, line 4, after the word "examination," to strike out the words "and survey"; in line 6, after the word "to," to strike out "determining the extent to which floods on such rivers may be controlled, the best method of controlling such floods, and the probable cost of such flood control" and insert "the control of its floods, in accordance with provisions of section 3 of an act entitled 'An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes,' approved March, 1, 1917";

and on page 2, line 4, after the word "examination," to strike out the words "and survey," so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the McKenzie River, in the State of Oregon, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917. The cost of such examination shall be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing a preliminary examination of the McKenzie River in the State of Oregon, with a view to the control of its floods."

CONVEYANCE OF LAND TO STONINGTON, CONN.

The bill (H. R. 10683) to provide for the conveyance by the United States of a certain tract of land to the borough of Stonington, in the county of New London, in the State of Connecticut was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce be, and he is hereby, authorized to convey by quitclaim deed unto the borough of Stonington, in the county of New London, in the State of Connecticut, all of its right, claim, or title to or the possession of that tract of land, less than 1 acre, known as Stonington Point, situated in the borough of Stonington, county of New London, in the State of Connecticut, for improvement and maintenance as a plaza in commemoration of those valiant men who so nobly defended it during the 3-day bombardment by the British fleet under Commodore Hardy on August 9, 10, and 11, 1814.

SEC. 2. The Lighthouse Service reserves the right to maintain such lights on the property to be conveyed as the needs of navigation may require, and the right to enter upon the reservation by the most convenient route for the purpose of maintenance of such lights and reserve an easement for beams of light from such lights, and the right to trim any trees that now exist or may hereafter exist that interfere with or obstruct the beams of such lights.

SEC. 3. The conveyance shall be made on completion of said improvement by said borough of Stonington and said deed shall recite all the conditions contained in this act.

Mr. REED subsequently said: Mr. President, I desire to invite the attention of the Senator from California [Mr. Johnson] to the fact that the bill which has just previously passed contains a rather peculiar provision in section 2, that "the Lighthouse Service reserves the right to maintain such lights," and so forth.

Mr. JOHNSON. The bill was presented by the Senator from Connecticut, and at his instance and upon his presentation it was reported by the committee. I prefer that any explanation to be made shall be made by that Senator.

Mr. REED. I think it is obvious that if we should substitute for the words "Lighthouse Service" the words "United States" we would have a more shipshape bill.

Mr. JOHNSON. I have no objection at all to such an amendment.

Mr. REED. I ask that we may recur to the bill for that purpose.

The PRESIDENT pro tempore. Without objection, the Senate recurs to the bill and the votes by which it was read the third time and passed will be reconsidered.

Mr. REED. On page 2, line 4, I move to strike out the words "Lighthouse Service" and to insert "United States."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INVESTIGATION OF CONSERVATION OF WILD ANIMAL LIFE— EXPENSES

The Senate proceeded to consider the resolution (S. Res. 203) authorizing an additional expenditure to investigate methods for replacement and conservation of wild animal life, which had been reported from the Committee to Audit

tion 246, agreed to April 17, 1930, to investigate appropriate methods for the replacement and conservation of wild animal life hereby is authorized to expend in furtherance of such purposes \$7,500 in addition to the amount heretofore authorized.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. KING. Mr. President, I ask that the resolution go over.

The PRESIDENT pro tempore. The resolution, being objected to, will be passed over.

MERIDIAN HILL PARK

The joint resolution (H. J. Res. 305) for the improvement of Meridian Hill Park was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Director of Public Buildings and Public Parks of the National Capital is authorized to accept on behalf of the United States the gift of an armillary sphere designed by C. Paul Jennewein to be placed in Meridian Hill Park in the District of Columbia. The United States shall be put to no expense in connection with such gift. The plan, design, and location of such sphere shall be subject to the approval of the National Commission of Fine Arts. mission of Fine Arts.

USE OF POST-OFFICE BUILDING IN CASPER, WYO.

The bill (S. 4542) providing for the use by the Veterans' Administration of the old post-office building in Casper, Wyo., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

the tenacted, etc., That the Secretary of the Treasury is authorized to permit the Veterans' Administration to use, as a regional office, the old post-office building in Casper, Wyo., and the grounds thereof, located in lots Nos. 1 to 6, inclusive, of block No. 4, in such city. During the period of such use the Administrator of Veterans' Affairs is authorized to maintain such building and grounds and to make such alterations and repairs as he may deem necessary; and the expenses of such maintenance, alteration, and repairs shall be paid out of any funds available for similar expenses in connection with regional offices of the Veterans' Administration. The provisions of this act shall not interfere with the authority of the Secretary of the Treasury to sell such building and grounds.

LAWRENCE (MASS.) POST-OFFICE SITE

The Senate proceeded to consider the bill (H. R. 8907) to authorize the Secretary of the Treasury to acquire land adjoining Lawrence (Mass.) post-office site.

Mr. WALSH of Massachusetts. Mr. President, at the request of the Senator from Utah, I will simply say that this bill proposes to permit the Treasury Department to grant permission to purchase from the Boston & Maine Railroad a portion of its right of way which is needed for the extension of the post-office building in Lawrence, Mass. It does not call for any additional appropriation, though it is additional legislation. Funds for the building under construction will amply take care of this cost.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provision of the act of Congress approved July 3, 1930 (46 Stat. 899), for extension and remodeling of the post-office building at Lawrence, Mass., be, and the same is hereby, amended so as to provide for the acquisition by the Secretary of the Treasury by purchase, condemnation, or otherwise, of such land adjoining said post-office site as may be needed in connection with said extension; and the unexpended balance of the appropriation for said remodeling and extension shall be available for the acquisition of said additional land.

FUNCTIONS OF SUPERINTENDENT OF HAWAII NATIONAL PARK

The bill (S. 4374) to empower the superintendent of the Hawaii National Park to perform the functions now performed by the United States commissioner for the said national park, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the superintendent of the Hawaii National Park, as appointed under the authority of the Secretary of the Interior, with respect to offenses or violations of law occurring within the limits of the Hawaii National Park, shall have all the duties, rights, powers, and jurisdiction now imposed and conferred by law upon the United States commissioner for the

and Control the Contingent Expenses of the Senate with an amendment, in line 5, to strike out "\$10,000" and to insert "\$7,500," so as to read:

Resolved, That the special committee directed by Senate Resolution 246, agreed to April 17, 1930, to investigate appropriate methods for the replacement and conservation of wild animal life recovers of Herweit shall receive no compensation for the services rendered under authority of this act in addition to his compensation as superintendent shall receive no compensation for the services rendered under authority of this act in addition to his compensation as superintendent shall receive no compensation for the services rendered under authority of this act in addition to his compensation as superintendent shall receive no compensation for the services rendered under authority of this act in addition to his compensation as superintendent shall receive no compensation for the services rendered under authority of this act in addition to his compensation as superintendent; and any and all United States commissioners now or hereafter authority of United States commissioners in and all persons who shall hereafter succeed to the duties, powers, and authority of United States commissioners in and for the Territory of Hereafter succeed to the duties, powers, and authority of United States commissioners in and for the Territory of Hereafter succeed to the duties, powers, and authority of United States commissioners in and for the Territory of Hereafter succeed to the duties, powers, and authority of United States commissioners in and for the Territory of Hereafter succeed to the duties, powers, and authority of United States commissioners in and for the Territory of Hereafter succeed to the duties, powers, and authority of United States commissioners in and for the Territory of Hereafter succeed to the duties, powers, and authority of United States commissioners in and for the Territory of Hereafter succeed to the duties, powers, and authority of United States commissioners in ritory of Hawaii shall have full power, authority, and jurisdiction to act, with respect to offenses or violations of law occurring within the limits of the Hawaii National Park, as the United States commissioner for the Hawaii National Park may now act with respect to offenses or violations of law occurring within the limits of

said park.

SEC. 2. All laws or parts of laws, either Federal or Territorial, in conflict herewith are hereby repealed.

FEDERAL BUILDING SITE IN DOVER, N. J.

The Senate proceeded to consider the bill (H. R. 11337) authorizing the Secretary of the Treasury to exchange the Federal building site in Dover, N. J., for another site, was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from Wisconsin whether this was one of the items that came within the cognizance of his committee?

Mr. BLAINE. Mr. President, I understand it does not. The Senator from New Jersey [Mr. KEAN] will be able to inform the Senator from Utah as to what the proposal is.

Mr. KEAN. Mr. President-

Mr. KING. I have no objection to the bill, but I was wondering if the question involved came within the activities of the Senator's committee.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and empowered to exchange by the usual quit-claim deed, without expense to the United States (when title becomes vested in the Government) the Federal building site located on the northwest corner of Dickerson and Warren Streets at Dover, N. J., now under contract to be purchased by the United States, for a site offered by the city of Dover, located on Sussex Street and Morris Street extended: Provided, That the exchange herein set forth shall be subject to such condithe exchange herein set forth shall be subject to such conditions as to the improvements on the Sussex Street site to be made by the city of Dover as may be required by the Secretary of the Treasury, and free rental to the Government of the present post-office quarters located on the Dickerson Street site until the new post-office building is completed and occupied. These conditions to be assented to by the city of Dover in order to equalize tions to be assented to by the city of Dover in order to equalize the price of the Sussex Street site. In the event that the ex-change as herein set forth is consummated it is further provided that the unexpended balance of the appropriation authorized in the act of Congress approved March 4, 1931, for a site and build-ing at Dover, N. J., is hereby made available for the construction of the new building on said Sussex Street site.

FEDERAL AID IN THE CONSTRUCTION OF RURAL POST ROADS

The bill by Mr. ODDIE (S. 36) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, was announced as next in order.

Mr. REED. Over. Mr. ODDIE. Mr. President, I ask the Senator from Pennsylvania if he will withdraw his objection for a few mo-

Mr. REED. I will withhold the objection for a few moments.

Mr. ODDIE. Mr. President, I submit for the RECORD the report I have submitted from the Committee on Post Offices and Post Roads of the Senate on this bill.

The PRESIDENT pro tempore. Without objection, the report will be printed in the RECORD.

The report submitted by Mr. ODDIE on May 19, 1932, is as follows:

[Senate Report No. 719, Seventy-second Congress, first session] FEDERAL AIB IN CONSTRUCTION OF ROADS

Mr. Oddis, from the Committee on Post Offices and Post Roads, submitted the following report (to accompany S. 36):

The Committee on Post Offices and Post Roads, to which was referred the bill (S. 36) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other pur-

poses, after considering the same, reported it favorably, with certain amendments, on May 13, 1932. The committee now submits a report and recommends that the bill, as proposed to be amended,

The bill is as follows:

Seventy-second Congress, first session. Calendar No. 730

IN THE SENATE OF THE UNITED STATES

Mr. Oddie introduced the following bill; which was read twice and referred to the Committee on Post Offices and Post Roads

May 9 (calendar day, May 13), 1932

"A bill to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes

amended and supplemented, and for other purposes

"Be it enacted, etc., That for the purpose of carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following additional sums, to be expended according to the provisions of such act as amended: The sum of \$125,000,000 for the fiscal year ending June 30, 1934; the sum of \$125,000,000 for the fiscal year ending June 30, 1935: Provided, That in apportioning the foregoing sums among the several States and the Territory of Hawaii for said fiscal years deductions shall be made as reimbursement to the United States deductions shall be made as reimbursement to the United States of the \$80,000,000 emergency advance funds apportioned to such States and the Territory of Hawaii and used in road work, such deductions to be made at the rate of \$16,000,000 each fiscal year, in accordance with the item "Federal-aid highway system" of the act approved December 20, 1930 (46 Stat. 1031).

"Sec. 2. That for the purpose of carrying out the provisions of section 23 of the Federal highway act, approved November 9, 1921, there is because authorized to be approved to correct reads.

section 23 of the Federal highway act, approved November 9, 1921, there is hereby authorized to be appropriated for forest roads and trails, out of any money in the Treasury not otherwise appropriated, the following additional sums, to be available until expended in accordance with the provisions of said section 23: The sum of \$12,500,000 for the fiscal year ending June 30, 1934; the sum of \$12,500,000 for the fiscal year ending June 30, 1935.

"Sec. 3. That for the purpose of carrying out the provisions of section 3 of the Federal highway act as amended June 24, 1930 (46 Stat. 805), there is hereby authorized to be appropriated for the survey, construction, reconstruction, and maintenance of roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, the sum of \$3,000,000 for the fiscal year ending June 30, 1934, the sum of \$3,000,000 for the fiscal year ending June 30, 1934, the sum of \$3,000,000 for the fiscal year ending June 30, available until expended.

30, 1933, the sum of \$3,000,000 for the fiscal year ending June 30, 1934, the sum of \$3,000,000 for the fiscal year ending June 30, 1935, available until expended.

"Sec. 4. That for the purpose of carrying out the provisions of the act of April 9, 1924 (43 Stat. 90), entitled "An act authorizing the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks and monuments under the jurisdiction of the Department of the Interior," as amended by the act of January 31, 1931 (46 Stat. 1053), and the act of March 4, 1931 (46 Stat. 1553), there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following additional sums, to be available until expended in accordance with the provisions of said acts: The sum of \$7,500,000 for the fiscal year ending June 30, 1935; of which sums \$1,500,000 may be allocated each year, in the discretion of the Secretary of the Interior, for the construction, reconstruction, and improvement of approach roads to national parks and national monuments, inclusive of necessary bridges: Provided, That in lieu of the total cash appropriations herein authorized the Secretary of the Interior may approve projects, incur obligations, and enter into contracts for additional work each fiscal year not exceeding the difference between the amount of the unobligated appropriation for the particular fiscal year and the amount herein authorized for said fiscal year, and his action in so doing shall be deemed a contractual obligation of the Federal Goyernment for the payment of the construction of roads in national parks and national monuments shall be considered available for the purpose of discharging the obligation so created. parks and national monuments shall be considered available for the purpose of discharging the obligation so created. "Sec. 5. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed, and this act shall take effect on its passage."

SUPPORT FOR THIS LEGISLATION GENERAL

For the first time in several years extensive hearings were held on this subject. Many witnesses appeared in behalf of this legislation and not a single person testified in opposition. Representatives of the State highway departments presented exhaustive testimony as to the value of Federal participation with the States in road construction and the splendid results obtained.

They were supported by the American Farm Bureau Federation, the National Grange, the Chamber of Commerce of the United States, the American Federation of Labor, the American Automobile Association, the American Road Bullders' Association, the National Rural Letter Carriers' Association, the American Motorists Association, and the National Automobile Chamber of Commerce.

REGULAR FEDERAL-AID APPROPRIATIONS FOR FISCAL YEARS 1934 AND 1935

The first section of this bill provides for an authorization to continue the regular Federal-aid program through the fiscal years 1934 and 1935, carrying the same amount as was provided for in the authorizations for the fiscal years 1931, 1932, and 1933. While this bill apparently carries \$125,000,000, the actual net amount is \$109,000,000, since the bill specifically provides for the annual deduction of \$16,000,000, or one-fifth of the emergency advance funds of \$80,000,000 made available to the States in December, 1930, with the condition that the sum so advanced would be deducted in five annual installments from future allotments of Federal aid. Federal aid.

It will be recalled that this emergency allotment of \$80,000,000 was provided to aid in the unemployment situation and the success of this enterprise is overwhelmingly accepted. The annual deduction of the repayment of \$16,000,000 has been made for the fiscal year 1933 and this bill includes two further deductions for the years 1934 and 1935. It can readily be seen, therefore, that if this bill as reported by the committee is enacted the Congress

is really reducing its Federal-aid program on the basis of economy reductions provided for other governmental activities.

In reality, a reduction has already been made and work is proceeding at present on a reduced basis. In the first four months of 1931 about \$81,000,000 of regular Federal-aid funds were pledged to specific projects. In the same period this year only about \$32,000,000 have been obligated—a reduction of \$49,000,000.

NATIONAL-FOREST HIGHWAYS

The second section of this bill provides for an authorization of \$12,500,000 for each of the fiscal years 1934 and 1935 for the construction of roads and trails through the national forests. This is at the same rate as carried in the three previous fiscal years. In actual administration this amount is divided into two funds, \$3,000,000 to be used for the building of roads and trails under the direction of the Forest Service for fire protection and development of the forest reserves; the remaining \$9,500,000 to be used for the improvement of highways within the national-forest areas. Since many of our main interstate highways traverse forest reserves, it has become necessary to provide for the construction of these roads.

ROADS OVER PUBLIC LANDS

The third section of the bill provides the sum of \$3,000,000 for each of the fiscal years 1933, 1934, and 1935 for the construction, reconstruction, and maintenance of roads over lands which are wholly owned by the Federal Government outside of the national forests. These roads form important links in the interstate system of roads the same as those through the forests and yet are wholly of roads, the same as those through the forests and yet are wholly in territory owned exclusively by the United States. This authorization is in the same amount as was provided for the fiscal year

BOADS IN NATIONAL PARKS AND MONUMENTS

ROADS IN NATIONAL PARKS AND MONUMENTS

The fourth section of this bill provides for roads in the national parks and monuments. Heretofore the funds provided for this work have been made available in the appropriation bill of the Department of the Interior, but the committee after careful consideration reached the conclusion that all legislation relating to road construction should be centralized in one bill and it, therefore, provided for an authorization for this work as a part of the general Federal aid road bill.

The sum provided for in this section is \$7,500,000 for each of the fiscal years 1934 and 1935, of which sum \$1,500,000 may be allocated each year in the discretion of the Secretary of the Interior, for the construction, reconstruction, and improvement of approach roads to national parks and national monuments, inclusive of necessary bridges.

bridges.

Furthermore, it is necessary in order that this work may be successfully administered that authority in law in connection with the road appropriation for the National Park Service be similar in authority to that law which now prevails in connection with the Federal aid and forest-highway appropriations. For this reason this section of the bill gives the necessary authority to the Secretary of the Interior for the proper approval of projects.

ALL AVAILABLE FUNDS NOW ALLOCATED

Under the terms of the Federal highway act the Secretary of Agriculture is required to apportion to the States the funds for each succeeding fiscal year on or before January 1, next preceding the beginning of the fiscal year. This provision of the law is for the purpose of allowing the States and the Bureau of Public Roads to make the studies and surveys, and to prepare the plans and specifications necessary before the actual construction operations are started. tions are started.

tions are started.

Normally the allocation of each year's funds has been made just before January 1, but for the past three years the allotments have been made earlier for the purpose of stimulating employment in the building of roads. The making of these Federal funds available during the fall months has made it possible to do all the preliminary work necessary so that the Northern States might begin construction as soon as weather conditions permitted the following spring and so that the Southern States might continue their program of construction through the winter months. This legislation should be passed in this session of Congress in order to provide for construction work during next winter and early spring by enabling the Secretary of Agriculture to make the necessary distribution of funds to the States during the coming fall months.

ing fall months.

ADVANTAGES OF EARLY ENACTMENT

There are other important advantages in the early enactment of this legislation. During the present serious unemployment crisis road construction has been relied upon to a large extent by the States to provide work not only through the summer, but during the past three years, through the winter months. More work has been carried on during the winter months just ended than has ever before been attempted.

Some of the States have been very successful in maintaining a large amount of employment through the winter months. Many of these projects have been made possible only through use of the Federal-aid funds. In such States as Ohio and Michigan, the specifications and plans were drawn to provide the maximum amount of labor possible and a kind of work was selected that could be carried on through the winter months.

There is every reason now to make provision for continuing

There is every reason now to make provision for continuing the same program during next fall, and in order to do this in either the Northern or Southern States it will be necessary to make the allocation of the Federal-aid funds some time early in the fall months.

Another important advantage which will result from the early enactment of this legislation in the present session of Congre-will be its effect on State highway policies. Next winter th will be its effect on State highway policies. Next winter the legislatures of 44 States will meet in regular session. At that time they will provide the funds necessary to carry on the road program and to meet the Federal-aid funds. If Congress acts without delay in the enactment of this legislation the State legislatures will be subject to no uncertainty as to Federal policy. Efficient highway administration is facing a critical period, and it is more necessary than ever that Congress should recognize this condition and make every effort to provide effective leadership to condition and make every effort to provide effective leadership to uphold the present policies which have been thoroughly tried and found satisfactory and upon the basis of which the Federal Government has invested so large an amount of public funds.

1933 BUDGET NOT AFFECTED

While action is necessary now on this measure in order to permit the States to operate as in the past, these authorizations do not affect or add to the Budget requirements for 1933. The expenditures which will be made during the fiscal year 1933 are from the funds already authorized and which have been or are now being put under contract. Taken as a whole, a considerable period elapses between the time that the States award contracts and their actual withdrawal of funds from the Federal Treasury. Some of the States carry the current expenditures and submit vouchers for their Federal aid pro rata after projects are completed

Taking an average of the whole operation, the Federal Treasury is not called upon to meet the obligations to the States until about a year after these have been made. Thus the passage of this regular authorization bill now will permit the States to operate through the late fall and winter months without any material effect upon the Federal Budget for the fiscal year 1933.

effect upon the Federal Budget for the fiscal year 1933.

The committee amendments are as follows:

An amendment has been inserted on page 2, line 4, explicitly providing that \$16,000,000 shall be deducted from the full authorization. Although the existing law now provides for this deduction, a restatement is believed necessary fully to explain the situation. Strike out "1932," on page 3, line 6, and insert "1933"; strike out "1933," on line 8, and insert "1934"; and strike out "1934," on line 9, and insert "1935." Due to the fact that this legislation has been greatly delayed the dates for the authorization are pushed forward one year so that the amounts will run continuously with the other amounts provided in the bill.

the other amounts provided in the bill.

To provide road funds for the National Park Service simultaneously with other Federal road funds section 4 is added to the

Strike out "6" in section 6, page 4, line 16, and insert "5," so as to read section 5.

Mr. ODDIE. Mr. President, this is the regular Federal aid road appropriation bill. Congress has been providing for this work for a number of years past. It is necessary that this authorization be passed at this session and quickly, in order that the various State highway departments may complete their plans which have been worked out in connection with the Bureau of Public Roads. It is highly important that this be done now.

Mr. President, in 1930 the Congress appropriated an emergency sum of \$80,000,000 for Federal-aid highway construction, with the understanding that it would be repaid in five years. Already one payment has been made. This bill of mine provides that the \$16,000,000 a year shall be repaid from the funds for 1934 and 1935, \$125,000,000 each year, which this bill authorizes.

Mr. President, I hope the Senator from Pennsylvania will allow this bill to be passed. It is of great importance. We have discussed the main features of Federal-aid highway legislation many times on the floor of the Senate. I will not now go into details as time will not permit; we are all

hope the Senator will withdraw his objection and allow the bill to pass.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Michigan?

Mr. ODDIE. Yes.

Mr. VANDENBERG. Do I understand that this is the regular highway Federal-aid program?

Mr. ODDIE. This is the regular Federal aid highway bill and provides for a smaller appropriation than was made

Mr. VANDENBERG. May I say to the Senator that the Highway Department of the State of Michigan cordially agrees with his feeling that there is imminence in the necessity for the passage of the bill?

Mr. ODDIE. I am glad to hear the Senator say that. The Highway Department of Michigan has done unusual and splendid work in carrying out the provisions of the Federal aid highway law, I hope no further objection will be made and that the bill will now pass.

Mr. REED. Mr. President, will the Senator tell me why the committee has left out the provision that occurs in the former act requiring trees to be specified as a part of the Federal specifications?

Mr. ODDIE. That provision was included in the law some years ago.

Mr. REED. It has been included in the past, but it seems that it is omitted in this instance.

Mr. ODDIE. It is in the existing law.

Mr. REED. I do not think it is in the present law.
Mr. ODDIE. I would be perfectly willing to include such a provision as an amendment, making it subject to the approval of the State highway departments. I know the Senator from Pennsylvania worked to get such a provision in similar measures a few years ago.

Mr. REED. I do not ask any more than that it be made discretionary with the head of the department to include such a specification. I am perfectly well aware that in certain places it is inappropriate to specify shade trees, but I think the committee in good faith toward those of us who believe in it should include such a provision.

Mr. ODDIE. I am perfectly willing for such a provision to go in. It went in the last similar bill at the request of the Senator from Pennsylvania [Mr. REED]. I recall the Senator from Wisconsin [Mr. BLAINE] discussed it at that time also.

The PRESIDENT pro tempore. Is it the purpose to perfect the bill from the floor or to have the proper amendment

Mr. REED. I will prepare the amendment in a few moments, and will then ask to recur to the bill and will make no objection to it if such a provision shall be incorporated in it.

The PRESIDENT pro tempore. Without objection, the bill will be temporarily passed over.

Mr. GORE. Mr. President, is that the bill appropriating \$113,000,000 for highways?

The PRESIDENT pro tempore. It is the regular annual appropriation bill; but it is not the House appropriation bill, if that is the measure to which the Senator refers.

Mr. ODDIE subsequently said: Mr. President, I ask permission to recur to the Federal-aid highway bill. The Senator from Pennsylvania [Mr. REED] has suggested this amendment, which I agree to:

In every case in which, in the judgment of the Secretary Agriculture and the highway department of the Secretary of Agriculture and the highway department of the State in question, it shall be practicable to plant and maintain shade trees along the highways authorized by said act of November 9, 1921, and by this act, the planting of such trees shall be included in the specifications provided in section 8 of the act of November 9, 1921.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The amendments of the committee will be stated.

The amendments were, on page 2, line 4, after "1935," to familiar with the necessity for this work, and I repeat I insert: "Provided, That in apportioning the foregoing sums among the several States and the Territory of Hawaii for said fiscal years deductions shall be made as reimbursement to the United States of the \$80,000,000 emergency advance funds apportioned to such States and the Territory of Hawaii and used in road work, such deductions to be made at the rate of \$16,000,000 each fiscal year, in accordance with the item 'Federal-aid highway system' of the act approved December 20, 1930 (46 Stat. 1031)"; on page 3, line 6, after "June 30," to strike out "1932" and insert "1933"; in line 8, after "June 30," to strike out "1933" and insert "1934"; in line 9, after "June 30," to strike out "1934" and insert "1935"; and after line 9, to insert:

SEC. 4. That for the purpose of carrying out the provisions of the act of April 9, 1924 (43 Stat. 90), entitled "An act authorizing the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks and monuments under the jurisdiction of the Department of the Interior," as amended by the act of January 31, 1931 (46 Stat. 1053), and the act of March 4, 1931 (46 Stat. 1553), there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following additional sums, to be available until expended in accordance with the provisions of said acts: The sum of \$7,500,000 for the fiscal year ending June 30, 1935; of which sums \$1,500,000 may be allocated each year, in the discretion of the Secretary of the Interior, for the construction, reconstruction, and improvement of approach roads to national discretion of the Secretary of the Interior, for the construction, reconstruction, and improvement of approach roads to national parks and national monuments, inclusive of necessary bridges: Provided, That in lieu of the total cash appropriations herein authorized the Secretary of the Interior may approve projects, incur obligations, and enter into contracts for additional work each fiscal year not exceeding the difference between the amount of the unobligated appropriation for the particular fiscal year and the amount herein authorized for said fiscal year and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction of roads in national parks and national monuments shall be considered available for parks and national monuments shall be considered available for the purpose of discharging the obligation so created.

So as to make the bill read:

Be it enacted, etc., That for the purpose of carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, and all act amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following additional sums, to be expended according to the provisions of such act as amended: The sum of \$125,000,000 for the fiscal year ending June 30, 1934; the sum of \$125,000,000 for the fiscal year ending June 30, 1935: Provided, That in apportioning the foregoing sums among the several States and the Territory of Hawaii for said fiscal years deductions shall be made as reimbursement to the United States of the \$80,000,000 emergency advance funds apportioned to such States and the Territory of Hawaii and used in road work, such deductions to be made at the rate of \$16,000,000 each fiscal year, in accordance with the item "Federal-aid highway system" of the act approved December 20, 1930 (46 Stat. 1031).

act approved December 20, 1930 (46 Stat. 1031).

SEC. 2. That for the purpose of carrying out the provisions of section 23 of the Federal highway act, approved November 9, 1921, there is hereby authorized to be appropriated for forest roads and trails, out of any money in the Treasury not otherwise appropriated, the following additional sums, to be available until expended in accordance with the provisions of said section 23: The sum of \$12,500,000 for the fiscal year ending June 30, 1934; the sum of \$12,500,000 for the fiscal year ending June 30, 1935.

SEC. 3. That for the purpose of carrying out the provisions of

\$12,500,000 for the fiscal year ending June 30, 1935.

SEC. 3. That for the purpose of carrying out the provisions of section 3 of the Federal highway act as amended June 24, 1930 (46 Stat. 805), there is hereby authorized to be appropriated for the survey, construction, reconstruction, and maintenance of roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, the sum of \$3,000,000 for the fiscal year ending June 30, 1933, the sum of \$3,000,000 for the fiscal year ending June 30, available until expended.

1934, the sum of \$3,000,000 for the fiscal year ending June 30, 1935, available until expended.

SEC. 4. That for the purpose of carrying out the provisions of the act of April 9, 1924 (43 Stat. 90), entitled "An act authorizing the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks and monuments under the jurisdiction of the Department of the Interior." as amended by the act of January 31, 1931 (46 Stat. 1053), and the act of March 4, 1931 (46 Stat. 1553), there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following additional sums, to be available until expended in accordance with the provisions of said act; the sum of \$7,500,000 for the fiscal year ending June 30, 1934; the sum of \$7,500,000 may be allocated each year, in the discretion of the Secretary of the Interior, for the construction, reconstruction, and improvement of approach roads to national parks and national monuments, inclusive of necessary bridges: Provided, That in lieu of the total cash appropriations herein authorized the Secretary of

the Interior may approve projects, incur obligations, and enter into contracts for additional work each fiscal year not exceeding the difference between the amount of the unobligated appropriation for the particular fiscal year and the amount herein au-thorized for said fiscal year and his action in so doing shall be deemed a contractual obligation of the Federal Government for deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction of roads in national parks and national monu-ments shall be considered available for the purpose of discharg-ing the obligation so created.

Sec. 6. All acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed, and this act shall take effect on its passage.

The amendments were agreed to.

Mr. REED. Mr. President, will the Senator accept an addition to the amendment which he suggested, in these

And the Federal highway act of November 9, 1921, is amended accordingly.

Mr. ODDIE. Yes. Mr. REED. Then I will not have to renew this every time the matter comes up.

The PRESIDENT pro tempore. Without objection, that amendment is agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MANUFACTURE OF ALCOHOL IN OSAGE COUNTY, OKLA.

The bill (S. 3691) to provide for the manufacture and sale of industrial and beverage alcohol for lawful purposes in Osage County, Okla., was announced as next in order.

Mr. THOMAS of Oklahoma. Mr. President, the House of Representatives has passed an identical bill, being House bill 7123. I ask unanimous consent that the House bill may be substituted for the Senate bill and considered at this time.

The PRESIDENT pro tempore. Is the House bill on the . calendar?

Mr. THOMAS of Oklahoma. It is not on the calendar, but has been referred to the Committee on Indian Affairs.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and, without objection, the Committee on Indian Affairs will be discharged from the further consideration of House bill 7123, and the House bill will be substituted on the calendar for the Senate bill, the title of which has just been stated. Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 7123) to amend the act of March 2, 1917 (39 Stat. 983; U. S. C., title 25, section 242) was considered and ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of March 2, 1917 (39 Stat. 883; U. S. Code, title 25, sec. 242), declaring all of Osage County, Okla., to be Indian country within the meaning of the acts of Congress making it unlawful to introduce intoxicating liquors in the Indian country, shall be, and the same is hereby, amended by adding the following thereto: "Except that the manufacture and sale of industrial and beverage alcohol for lawful purposes shall be permitted in said Osage County, in accordance with the laws of the United States pertaining to the regulation of such industry." industry."

The PRESIDENT pro tempore. Without objection, Senate bill 3691 will be indefinitely postponed.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to insert in the RECORD, following the passage of the bill, the portion of the report of the committee which I have indicated by blue pencil marks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

This bill has the recommendation of the Secretary of the Interior, as set forth in the following letter, which is appended hereto and made a part of this report:

DEPARTMENT OF THE INTERIOR, Washington, May 9, 1932.

Hon. LYNN J. FRAZIER,

Chairman Committee on Indian Affairs, United States Senate.

My Dear Mr. Chairman: In compliance with your request of February 18, 1932, for a report on S. 3691, to provide for the manufacture and sale of industrial and beverage alcohol for lawful purposes in Osage County, Okla., I transmit herewith a memorandum on the subject that has been submitted by the Commis-

Very truly yours,

RAY LYMAN WILBUR, Secretary.

DEPARTMENT OF THE INTERIOR, Office of Indian Affairs, Washington, May 6, 1932.

Memorandum for the Secretary.

This will refer to the request of the chairman of the Senate Committee on Indian Affairs for a report on S. 3691, being a bill to provide for the manufacture and sale of industrial and beverage alcohol for lawful purposes in Osage County, Okla.

The act of March 2, 1917 (39 Stat. L. 969-983), contains the following premision:

lowing provision:

"That all of Osage County, Okla., shall hereafter be deemed to be Indian country within the meaning of the acts of Congress making it unlawful to introduce intoxicating liquors into the

Indian country.

S. 3691 is for the purpose of amending that act. S. 3691 is for the purpose of amending that act. Those promoting this legislation state that the Barnsdall Oil Co. has a large refining and manufacturing plant at Barnsdall, Okla., in Osage County, and that they desire to extend and increase their plant to include the manufacture of alcohol in connection with their other manufacturing activities. It is represented that a part of the operations will be the utilization of waste gases, etc., in their present plant, and in addition thereto they will utilize an increased quantity of crude oil from the immediate vicinity. The said act of March 2, 1917, prevents the manufacture of alcohol in said county.

said county.

The Osage Indian Tribe, whose lands are in Osage County, are of course, interested in obtaining increased markets for their oil and other products. Representatives of the oil company presented their plan to the Osage Tribal Council, and that body, by resolution of February 2, 1932 (copy inclosed), approved the securing of the legislation necessary to permit the manufacture and sale of industrial and ethyl alcohol out of crude oil or its by-

products for lawful purposes.

This office has been informed that if such plant is authorized it will be subject to inspection, supervision, etc., by other branches of the Government to prevent local or illegal diversion. If the plant is operated so as to prevent diversion of alcohol to the Indians, the latter will apparently benefit by increased demand for oil.

In view of the advantages claimed for the Indians, directly and indirectly, and the assurances that there will be little danger of increased sale of intoxicants to Indians, this office does not feel justified in opposing the proposed legislation.

C. J. Rhoads, Commissioner.

PER CAPITA PAYMENT TO RED LAKE INDIANS OF MINNESOTA

The Senate proceeded to consider the bill (H. R. 8393) providing for payment of \$25 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States, which was read as follows:

States, which was read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to withdraw from the Treasury so much as may be necessary of the principal timber fund on deposit to the credit of the Red Lake Band of the Chippewa Indians of the State of Minnesota and to make therefrom payment of \$25 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota, under such regulations as such Secretary shall prescribe. No payment shall be made under this act until the Chippewa Indians of the Red Lake Band of Minnesota shall, in such manner as such Secretary shall prescribe, have, accepted such payments and ratified the provisions of this act. The money paid to the Indians under this act shall not be subject to any lien or claim of whatever nature against any of said Indians. of whatever nature against any of said Indians.

Mr. KING. Mr. President, I desire to ask the chairman of the Committee on Indian Affairs whether this is desired for the Indians and whether the appropriation is wise and

Mr. FRAZIER. Mr. President, the bill provides for a payment of \$25 per capita to the Red Lake Indians of Minnesota out of their own money on account of timber funds. The passage of the bill is necessary on account of the exceedingly hard times and low prices of timber and the poor sale for their lumber. They have a lumber mill and also a cooperative fishing plant. The prices have gone down so low that they feel they need this money. They asked for \$100, but the department suggested \$25, and the bill passed the House in that form. They are badly in need of the money.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3532) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads,

sioner of Indian Affairs, and invite your attention thereto. This department will interpose no objection to the enactment of this less or unnecessary, and for other purposes, was announced proposed legislation. less or unnecessary, and for other purposes, was announced as next in order.

Mr. JOHNSON.

The PRESIDENT pro tempore. The bill will be passed

PROPERTY OF SOCIETY OF SONS OF THE AMERICAN REVOLUTION

The Senate proceeded to consider the bill (S. 2178) to exempt from taxation certain property of the National Society of the Sons of the American Revolution in Washington, D. C., which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 4, after the word "Washington," to insert the words "District of Columbia," and at the beginning of line 9 to strike out "August 26, 1927," and insert "the passage of this act," so as to make the bill read:

Be it enacted, etc., That the property situated in square 196 in the city of Washington, District of Columbia, described as lot 10, together with all the furniture and furnishings now in and upon premises 1227 Sixteenth Street NW., occupied by the National Society of the Sons of the American Revolution, be, and the same is hereby, exempt from and after the passage of this act from all taxation so long as the same is so occupied and used, subject to the provisions of section 8 of the act approved March 3, 1877, providing for exemptions of church and school property, and acts amendatory thereof. amendatory thereof.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BRIDGE ACROSS RIO GRANDE RIVER, FORT HANCOCK, TEX.

The bill (S. 4554) authorizing the Fort Hancock-Porvenir Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Fort Hancock, Tex., was announced as next in order.

Mr. SHEPPARD. Mr. President, I ask unanimous consent that House bill 10585, being Order of Business 745 on the calendar, which is identical with the Senate bill, may be substituted for the Senate bill and acted upon at this time.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 10585) authorizing the Fort Hancock-Porvenir Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Fort Hancock, Tex.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 4554 will be indefinitely postponed.

MERGER OF DISTRICT STREET-RAILWAY CORPORATIONS

The joint resolution (H. J. Res. 154) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes, was announced as next in order.

Mr. BLAINE. Let that go over.

Mr. AUSTIN. Mr. President, I should like to ask the Senator from Wisconsin to withhold his objection for the purpose of permitting me to make a statement.

I should like to say to the Senate that this is a measure which corresponds in very nearly every respect to the Senate joint resolution which was reported favorably by the committee and objected to by two members of the committee, known as Senate Joint Resolution 13.

This House joint resolution is a very important measure, although, apparently, it concerns only the Capital of the United States. It is important because it affects also all of the people of the United States. This matter of public service has needed attention for about 20 years, and the people of the District of Columbia have been coming to Congress to get some remedial legislation for many years.

Congress, in the effort to accomplish this result, has employed expert service to investigate very carefully the transportation of passengers within the District of Columbia, between connecting carriers outside, and also locally. As a result of an investigation by an expert, by the Bureau of Efficiency, and by the Public Utilities Commission this House joint resolution was drawn. It carries out in general all of the provisions recommended by the expert and recommended

by the Bureau of Efficiency and by the Public Utilities | the court may deem necessary to a final determination of such Commission.

It is certainly important that Congress should not turn

The petition shall set forth all the facts upon which the claims

It is certainly important that Congress should not turn away from this vital matter, which has been delayed for so many years. There is ample time to pass this legislation and consider all of the suggestions of amendments which we are notified that the Senator from Wisconsin [Mr. BLAINE] and the Senator from Kansas [Mr. Capper] desire to offer.

I hope the Senate will give this measure the consideration to which it is entitled, not only on account of the fact that is is important in itself but also on account of the fact that the time certainly has come when Congress must give attention to the interests and the affairs of the Capital of this country.

Mr. BLAINE. I ask to have the joint resolution go over. The PRESIDENT pro tempore. The joint resolution will be passed over.

BILL PASSED OVER

The bill (S. 1197) to liquidate and refinance agricultural indebtedness and to encourage and promote agriculture, commerce, and industry by establishing an efficient credit system, through which the unjust and unequal burdens placed upon agriculture, during the period of price fixing and deflation, may be lightened, by providing for the liquidation and refinancing of farm mortgages and farm indebtedness at a reduced rate of interest through the Federal farm loan system, the Federal reserve banking system, and the Postal Savings Depository System, and creating a board of agriculture to supervise the same, was announced as next in order.

Mr. REED. Let that go over.

The PRESIDENT pro tempore. The bill will be passed

Mr. NYE. Mr. President, Senate bill 1197 has just gone over because of an objection which was made. The Agricultural Committee gave extended hearings to this bill; and I hope there is going to be a will on the part of the Senate to afford a chance for its consideration before adjournment is taken.

INDIANS IN OREGON

The Senate proceeded to consider the bill (S. 4572) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, which had been reported from the Committee on Indian Affairs with an amendment, on page 3, line 14, after the word "orders" to strike out "or wrongful actions of the Government," so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims, with the right of appeal to the Supreme Court of the United States, by either party, as in other cases, to here examine, adjudicate, and render final judgment in any and all legal and equitable claims, arising under or growing out of any treaty, agreement, act of Congress, or Executive order, which certain Indian tribes or bands, or portions thereof, and their detain Indian tribes or bands, or portions thereof, and their descendants, may have against the United States, namely, the Indians described in the ratified treaties of September 10, 1853 (10 Stat. 1018), September 19, 1853 (10 Stat. 1027), November 18, 1854 (10 Stat. 1122), November 25, 1854 (10 Stat. 1125), January 22, 1855 (10 Stat. 1143), and December 21, 1855 (12 Stat. 981), together with those described in the unratified treaties published in Senate Executive Document No. 25, Fifty-third Congress, first session (pp. 8 to 15), except the Coos Bay, Lower Umpqua, and Siusiaw Tribes, it being the intention of this act to include all the Indian tribes, or bands, residing in the State of Oregon, west of the Cascade Range, at the dates of the said treaties, respectively, and their descendants, some of whom, in 1855 or later, were removed by the military authorities of the United States to the Siletz, Coast Range, or the Grande Ronde Reservation, in the said State, except the three tribes last named.

Sec. 2. That if any claim or claims be submitted to said courts

Sec. 2. That if any claim or claims be submitted to said courts hereunder they shall settle the rights therein, both legal and equitable, of each and all the parties thereto, notwithstanding equitable, of each and all the parties thereto, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made upon any such claim shall not operate as an estoppel but may be pleaded as a set-off, and the United States shall be allowed to plead and shall receive credit for all sums, including gratuities, if properly chargeable, paid to or expended for the benefit of any of said nations, tribes, or bands of Indians. The claim or claims of each nation, tribe, or band may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action shall make the petitioner or petitioners party plaintiff or plaintiffs and the United States party defendant; and any nation, tribe, or band

are based and the laws, treaties, agreements, Executive orders under and upon which recovery is sought, and shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims and who are under contract with said Indians approved in accordance with existing law. A copy of the petition in such suit shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice designated by him, shall appear and defend the interests of the United States: Provided, That any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 10 years from the date of the

approval of this act.

Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall allow the attorney or attorneys access to such treaties, papers, correspondence, or records as may

be proper.

SEC. 3. Upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery, based upon actual services rendered, together with all necessary and proper expenses incurred in the preparation and prosecution of the suit or suits, to be paid to the attorney or attorneys employed by said nations, tribes, or bands of Indians; and if not otherwise paid, the same shall be included in the decree and shall be paid out of any sum shall be included in the decree and shall be paid out of any sum or sums found to be due said Indians.

or sums found to be due said Indians.

Sec. 4. The proceeds of all amounts, if any, recovered for said Indians, less attorneys' fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 per cent per annum from the date of the original judgment or decree, and thereafter shall be subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, including the purchase of lands and building of homes.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading. read the third time, and passed.

SUPPORT OF WIVES AND MINOR CHILDREN IN THE DISTRICT

The bill (S. 4107) to amend section 3 of an act, as amended, entitled "An act making it a misdemeanor in the District of Columbia to abandon or willfully neglect to provide for the support and maintenance by any person of his wife or his or her minor children in destitute or necessitous circumstances," approved June 10, 1926, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, what is the amendment carried in the bill?

Mr. CAPPER. It increases the amount which may be paid to the wife and children of a man in prison from 50 cents a day to \$1 a day. There was no objection to it on the part of anyone.

Mr. ROBINSON of Arkansas. Very well.

The Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of an act entitled "An act making it a misdemeanor in the District of Columbia to abandon or willfully neglect to provide for the support and maintenance by any person of his wife or his or her minor children in destitute or necessitous circumstances," approved June 10, 1926, is hereby amended by striking out the words "50 cents" and substituting the words "\$1."

DAMAGES RESULTING FROM FLUCTUATION OF LAKE OF THE WOODS

The joint resolution (S. J. Res. 124) to provide for the determination of claims for damages sustained by the fluctuation of the water levels of Lake of the Woods in certain cases, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas in order that the claims of settlers whose property was damaged by reason of fluctuations in the level of Lake of the damaged by reason of fluctuations in the level of Lake of the Woods may be judicially determined, thereby following the expressed intent of the investigation made by the International Joint Commission under a reference from the Governments of the United States and Canada dated June 27, 1912, which terminated in a treaty between the United States and Great Britain in respect of Canada, proclaimed July 17, 1925, in which the two Governments adopted certain recommendations, among which was one that each Government shall on its own side of the boundary assume responsibility for any damage or injury that may have resulted to it or its inhabitants from the fluctuations of the level of Lake of the Woods or of the outflow therefrom, caused by the of Lake of the Woods or of the outflow therefrom, caused by the

construction of dams in the outlets of Lake of the Woods which have destructively flooded the lands along the United States shores and given rise to complaints of landowners: Therefore be it Resolved, etc., That the act entitled "An act to carry into effect provisions of the convention between the United States and Great Britain to regulate the level of Lake of the Woods concluded on the 24th day of February, 1925," approved May 22, 1926, as amended, is amended by adding at the end thereof a new section, to read as follows:

amended, is amended by adding at the end thereof a new section, to read as follows:

"Sec. 4. The Secretary of War shall forthwith file a certified copy of the report and awards made by him under section 3 of this act with the clerk of the United States district court, or his deputy, in the district and division of the district in which the lands involved are situated; and thereupon the same proceedings shall be had in such court on such report and awards as upon awards of the commissioners in the case of condemnation proceedings under the provisions of section 1 of this act."

CLAIMS OF AMERICAN NATIONALS AGAINST GERMANY

The resolution (S. Res. 181) directing the Secretary of State to transmit to the agent of the United States all claims and notices of claims of American nationals against the Government of Germany under the treaty of Berlin of August 25, 1921, was considered by the Senate, and was read,

Resolved, That the Secretary of State be, and he is hereby, directed to transmit to the agent of the United States, before the Mixed Claims Commission, United States and Germany, all claims and notices of claims of American nationals against the Government of Germany, under the treaty of Berlin of August 25, 1921, filed in the Department of State on or before the passage of this

resolution.

That the agent of the United States, Mixed Claims Commission, United States and Germany, shall examine all of the claims and notices of claims filed in the agency of the United States and/or in the Department of State by American nationals against the Government of Germany, to determine the character and amount of such claims under the decisions of the Mixed Claims Commission, United States and Germany, heretofore rendered under the treaty of Berlin, of August 25, 1921, and the principles of international law applicable thereto.

That the agent of the United States Mixed Claims Commission.

That the agent of the United States, Mixed Claims Commission, United States and Germany, be, and is hereby, instructed to prepare and transmit within 60 days after the passage of this resolution a report setting forth as nearly as may be ascertained from the documents now on file the character and amount of the claims, and notices of claims, of American nationals against the Government of Germany, filed on or before the passage of this

Mr. KING. Mr. President, will the Senator from New York advise us of the purpose or necessity of this measure? I have in mind the fact that we have a commission which has been sifting for several years listening to testimony and passing upon the claims. I was wondering if the report of this commission would not furnish all the information

Mr. COPELAND. Mr. President, it is to facilitate the work of the Mixed Claims Commission that this legislation has seemed desirable.

There is in possession of the State Department a great deal of material which has not been handed over to the commission and which the commission deems necessary to complete their work. In other words, they are proceeding with a job which is tremendously indefinite, because they do not know how big it is. The object of this legislation is to put in the hands of the commission all the material the State Department has, all the claims which have been made through the State Department, in order that the Mixed Claims Commission may coordinate its work and attempt to conclude it speedily.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

TRANSPORTATION OF JUVENILE OFFENDERS

Mr. DAVIS. Mr. President, I ask unanimous consent to recur to Order of Business 661, Senate bill 3938, to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes.

Mr. McNARY. Mr. President, in view of the unanimousconsent agreement, I do not think that is a proper request. We started at Order of Business 680, and this is prior to the order from which we started. That is going back into a program that was not contemplated in the unanimous-

consent agreement. I suggest to the Senator that he withhold his request until we have another call of the calendar. The PRESIDENT pro tempore. Objection is made.

BILLS PASSED OVER

The bill (H. R. 10590) to prohibit the misuse of official insignia was announced as next in order.

The PRESIDENT pro tempore. This bill is the same as Order of Business No. 668, Senate bill 940.

Mr. KING. I object to the bill.

The PRESIDENT pro tempore. The bill will be passed

The bill (H. R. 5651) to amend chapter 15 of the Code of Law for the District of Columbia, relating to the condemnation of land for public use, was announced as next in

Mr. ROBINSON of Arkansas. Mr. President, I suggest that there should be a statement by the Senator reporting the bill of the effect of this legislation.

Mr. KING. Mr. President, it has been so long since this bill was before the committee that I have almost forgotten about it; but I understand that it passed the Senate and passed the House, and an amendment has been tendered which provides that in the event the Government pays for property before suit when it takes possession of the property, and the owner of the property elects not to receive the amount paid and to prosecute the suit, and the judgment is that too much money has been paid, the excess shall be returned to the Government. If not enough has been paid, then, of course, judgment is entered against the Govern-

Mr. ROBINSON of Arkansas. Very well.

Mr. JOHNSON. I ask that the bill go over until the next call of the calendar, if you please.

The PRESIDENT pro tempore. The bill will be passed

ORDERS OF STATE ADMINISTRATIVE BOARDS

The bill (S. 3243) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of that bill.

Mr. JOHNSON. Mr. President, the bill is an extremely important one. Perhaps it ought to be given fuller consideration than can be given in the morning hour.

It is a bill that has been introduced at the instance of the utility commissions of many of the States, twenty-odd in number, in order to require in the first instance, where action is commenced in the State, that the public utility shall pursue the remedy in the State in respect to rates before jurisdiction shall attach to the Federal court. I say that very hastily.

Mr. ROBINSON of Arkansas rose.

Mr. JOHNSON. The Senator from Arkansas will see that it is a bill of some consequence and some importance, to which the public-utility companies are objecting; but the State utility commissions, with practical unanimity, have requested it.

Mr. ROBINSON of Arkansas. The report is unanimous? Mr. JOHNSON. I think so.

Mr. ROBINSON of Arkansas. I do not object to the consideration of the bill.

Mr. REED. Mr. President, in the case of a bill of that importance, would it not be wiser to take it up when there is more time for its consideration?

Mr. JOHNSON. I frankly concede to the Senator from Pennsylvania that it is a bill of importance, and that in this particular morning hour it is a very difficult thing to give it the consideration it deserves. I would not take it amiss if the Senator objected to its consideration, in which event we will endeavor to take it up subsequently

Mr. REED. I do not mean to imply by my objection that I am opposed to the bill, but I have not had time to read it or know what is in it. It is vitally important, of course.

Mr. JOHNSON. Yes. It is a departure, and a departure upon which there is a very wide controversy between the utility companies-who want to pursue two remedies, first in the State court and then in the Federal court—and the public utility commissions of the States, which want to require them to exhaust their remedy first in the State court on rates alone.

Mr. REED. I see. I think I shall have to ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed

FORT HALL INDIAN SCHOOL RESERVE, IDAHO

The bill (S. 4510) to authorize exchange of small tribal acreage on the Fort Hall Indian school reserve in Idaho for adjoining land was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to arrange and effect an even exchange with the owner of the west half southeast quarter northeast quarter section 2, township 5 south, range 34 east, Boise meridian, in Idaho, former irrigable allotment No. 175 on the Fort Hall Indian Reservation, in Idaho, in which the United States will acquire, in trust for the Fort Hall Indians, title to that part will acquire, in trust for the Fort Hall Indians, title to that part of the 20 acres above described lying east of the right of way of the Oregon Short Line Railroad, in consideration for a deed from the said Secretary of the Interior, which he is hereby authorized to execute, for that part of the west half northeast quarter southeast quarter said section 2 lying west of the said Oregon Short Line Railroad right of way, subject to all existing rights of way.

FIELD SEASON CONTRACTS OF FOREST SERVICE

The bill (S. 4261) to facilitate execution of and economy in field season contracts of the Forest Service was announced as next in order.

Mr. McNARY. Mr. President, I am advised that a similar bill has passed the House. I am not accurately advised; and for the present, while I make inquiry into the matter, I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be temporarily passed over.

MORTON NURSERY SITE, NEBRASKA

The bill (S. 772) to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized to advertise for sale and to sell to the highest is hereby, authorized to advertise for sale and to sell to the highest responsible bidder the premises known as the Morton Nursery in the county of Cherry, State of Nebraska, comprising an area of 77 93/100 acres of land, more or less, together with the buildings and other improvements thereon, upon such terms as he may deem for the best interests of the United States; to convey such property to the purchaser thereof by quitclaim deed, and to deposit the proceeds of such sale in the Treasury of the United States as a miscellaneous receipt, after deducting the expenses incident to said sale.

incident to said sale.

SEC. 2. The Secretary of Agriculture shall reserve the right to reject any and all bids if, in his judgment, it is in the public interest to do so.

EXTENSION OF NATIONAL BANK ACT TO VIRGIN ISLANDS

The bill (S. 4574) to extend the provisions of the national bank act to the Virgin Islands of the United States, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the national bank act, as amended, and all other acts of Congress relating to national banks shall, in so far as not locally inapplicable hereafter, apply to the Virgin Islands of the United States: Provided, That (1) any bank which shall organize under the authority of this act may, with the approval of the Comptroller of the Currency, establish or acquire and keep in operation not more than two branches in the Virgin States; (2) said bank and its branches shall. and keep in operation not more than two branches in the Virgin Islands of the United States; (2) said bank and its branches shall have the right to act as broker or agent for others as granted by the act of September 7, 1916 (39 Stat. L. 752; U. S. C., title 12, ch. 2, sec. 92), notwithstanding that the population of the place in which it is located may exceed 5,000; (3) the Comptroller of the Currency shall assess and said bank shall pay the expense of examinations of said bank and its branches.

Mr. FLETCHER. Mr. President, I ask that the report on Senate bill 4574 be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[Senate Report No. 705, Seventy-second Congress, first session] EXTENSION OF THE NATIONAL BANK ACT TO THE VIRGIN ISLANDS

Mr. FLETCHER, from the Committee on Banking and Currency,

Mr. FLETCHER, from the Committee on Banking and Currency, submitted the following report (to accompany S. 4574):

The Committee on Banking and Currency, to which was referred the bill (S. 4574) entitled "A bill to extend the provisions of the national bank act to the Virgin Islands of the United States, and for other purposes," having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

This is a departmental bill prepared by the Treasury Department and approved by the Secretary of the Interior.

The following letter from Secretary Wilbur under date of May 2, 1932, in support of the bill, is hereto appended and made a part of this report:

DEPARTMENT OF THE INTERIOR.
Washington, May 2, 1932.

Hon. PETER NORBECK,

Chairman Committee on Banking and Currency,
United States Senate, Washington, D. C.
My Dear Senator Norbeck: The National Bank of the Danish West Indies, with main offices at St. Thomas and branch offices at Christiansted and Frederiksted, St. Croix, Virgin Islands of the United States, was granted a charter in 1904 by the Danish Government, and under this charter it was designated as the bank of issue in the islands for a period of 30 years. This charter was continued in effect until expiration by the treaty of purchase whereby the United States acquired the Virgin Islands from Den-

whereby the United States acquired the Virgin Islands from Denmark in 1917.

In anticipation of withdrawal in 1934 the National Bank of the Danish West Indies has already ceased to make loans and is otherwise winding up its business and failing to serve the interest and needs of the people of the Virgin Islands. This is a situation which will gradually become more and more aggravated as the actual date of withdrawal in 1934 approaches, unless immediate steps are taken to organize and establish an American bank in the Virgin Islands to take over the activities of the Danish bank, which they have indicated they will reliquish at any time a new

Virgin Islands to take over the activities of the Danish bank, which they have indicated they will relinquish at any time a new banking institution is set up to take over its business.

At my request, the Secretary of the Treasury recently directed that two banking investigators proceed to the Virgin Islands for the purpose of making a thorough examination and study of the operations of the Danish bank since it was established in 1904, and also to survey general conditions in the islands as they pertain to the establishment of a new American banking institution to succeed the present bank. These investigators have recently returned and submitted their report, which contains a recommendation that the type of bank needed in the islands is a national bank. In order to organize and establish a United States national bank in the Virgin Islands, it becomes necessary that the provisions of the national bank act be extended to the Virgin Islands.

I inclose a draft of proposed legislation, prepared by the Treasury Department, extending the provisions of the national bank act to the Virgin Islands and it is requested that the matter receive your favorable and prompt consideration.

Sincerely yours,

RAY LYMAN WILBUR.

RIO GRANDE BRIDGE, BOCA CHICA, TEX.

The bill (H. R. 11246) authorizing the Boca Chica Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Boca Chica, Tex., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to facilitate international commerce, improve the postal service, and provide for military and other purposes, the Boca Chica Bridge Co., its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Rio Grande, so far as the United States has jurisdiction over the waters of such river, at a point suitable to the interests of navigation, at Boca Chica, Tex., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act, and subject also to the approval of the International Boundary Commission, United States and Mexico, El Paso, Tex., and of the proper authorities in the Republic of Mexico.

Sec. 2. There is hereby conferred upon the Boca Chica Bridge Be it enacted, etc., That in order to facilitate international com-

SEC. 2. There is hereby conferred upon the Boca Chica Bridge Co., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property in the State of Texas needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of Texas upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation

or expropriation of property for public purposes in such State.

Sec. 3. The said Boca Chica Bridge Co., its successors and assigns, is hereby authorized to fix and charge tolls for transit over

such bridge in accordance with any laws of Texas applicable thereto, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

I can not state offhand the number of children, but there are a great many there.

Mr. REED. Quite seriously, Mr. President, I am impressed with the number of hills on the calendar approximation.

in the act of March 23, 1906.

Sec. 4. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to Boca Chica Bridge Co., its successors and assigns; and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same s fully as though conferred herein directly upon such corporation or person.

SEC. 5. The right to alter, amend, or repeal this act is hereby

expressly reserved.

PUBLIC HIGH SCHOOL, FRAZER, MONT.

The bill (S. 4391) to authorize appropriations for the completion of the public high school at Frazer, Mont., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of \$15,000 for the completion of the public high school at Frazer, Mont., and for necessary equipment in connection therewith for manual, laboratory, and other lines of training.

EXCHANGE OF CERTAIN PATENTED LANDS

The Senate proceeded to consider the bill (S. 4390) authorizing the exchange of certain patented lands, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Interior is hereby authorized, in his discretion, and upon application of Henry J. Kirn and Louise H. Kirn, to cancel fee simple patent issued to them for the southwest quarter of northeast quarter section 12, township 30 north, range 50 east, principal meridian, Montana, containing 40 acres, and to cause a new trust patent to be issued to them covering the same land, of the form and legal effect as provided by the act of February 8, 1887 (24 Stat. 383), and amendments thereto, such patent to be effective from the date of the original trust patent, and the land shall be subject to extensions of the trust made by Executive order on other allotments of members of the same Executive order on other allotments of members of the same tribe: *Provided*, That nothing in this act shall be construed to affect in any way the vested interests of anyone other than the persons named herein.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the Secretary of the Interior to cancel patent in fee issued to Henry J. Kirn and Louise H. Kirn."

PUBLIC SCHOOL, FORT PECK INDIAN RESERVATION, MONT.

The bill (S. 3817) to provide funds for cooperation with the school board at Wolf Point, Mont., in the extension of the public-school building to be available to Indian children of the Fort Peck Indian Reservation was announced as next in order.

Mr. REED. Mr. President, how many children would use that school?

Mr. WHEELER. Mr. President, let me say to the Senator that practically all the children in this vicinity, or at least a large portion of it, are Indian children. The high school is to be where the Indian agency is located, and the children from a vast area on the Indian reservation will come there. The department is doing away with the Indian school now being used by the Government and putting the children into public schools wherever they can. The town and the Government are supposed to build this school together.

Mr. REED. How many children will use it?

Mr. WHEELER. I am sorry to say I can not give the Senator the figures offhand.

Mr. REED. I know the area is vast, but the area is not going to school. It is just the children who are going to

Mr. WHEELER. I will say to the Senator from Pennsylvania that the Indians out there in the vast open spaces are very prolific. If the Senator would come out there-Mr. REED. I have been there; I know.

Mr. WHEELER. There is a tremendous number of chil-

pressed with the number of bills on the calendar appropriating fifty, seventy-five, a hundred thousand dollars, for schools at various points throughout the mountain country, all on the theory that some Indians are going to those schools

Mr. WHEELER. This school is to be right in the heart of an Indian reservation, and, as a matter of fact, I think there are vastly more Indian children than white children there. The Government heretofore has had a boarding school at that place, and they are proposing to do away with that boarding school and send the children to public school. Anybody familiar with conditions will testify that the children are much better off going to the public schools than in going to the Indian boarding schools, that it is cheaper for the Government, as a matter of fact, in the long run, than to have the Indian children in the boarding schools.

Mr. REED. I shall not object, but I have grave doubt about this kind of spending in this kind of times.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be ap-Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of \$50,000 for the purpose of cooperating with the public-school board of district No. 45, town of Wolf Point, and county of Roosevelt, Mont., for the extension and betterment of the public high-school building at Wolf Point, Mont: Provided, That the expenditure of any money so appropriated shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children of Fort Peck Indian Reservation, Mont., on the same terms except as to payment of tuition, as other children. to all Indian children of Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district and that accommodations in said enlarged building to the extent of one-half its capacity shall be available for Indian children from the Fort Peck Reservation: Provided further, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

KICKAPOO INDIAN LANDS, OKLAHOMA

The Senate proceeded to consider the bill (S. 4339) repealing certain provisions of the act of June 21, 1906, as amended, relating to the sale and encumbrance of lands of Kickapoo and affiliated Indians of Oklahoma, which had been reported from the Committee on Indian Affairs with an amendment, on page 2, beginning with line 1, to insert the following paragraph:

All lands from which restrictions have heretofore been removed by operation of said act, still held by the Indians and free from encumbrances, the restrictions under which such lands were formerly held are hereby reimposed, to continue for a period of 10 years from the date of the passage of this act: *Provided*, That the President may, in his discretion, further extend said period in accordance with existing law.

So as to make the bill read:

Be it enacted, etc., That the paragraph relating to the sale and encumbrance of lands of the Kickapoo and affiliated Indians under the heading "Kickapoo" (34 Stat. L. 363) in the act entitled "An act making appropriations for the current and contingent expenses of the Indian Department, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1907," approved June 21, 1906, as amended, is hereby repealed.

All lands from which restrictions have heretofore been removed

by operation of said act, still held by the Indians and free from encumbrances, the restrictions under which such lands were formerly held are hereby reimposed, to continue for a period of 10 years from the date of the passage of this act: *Provided*, That the President may, in his discretion, further extend said period in accordance with existing law.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SNAKE RIVER WATER, IDAHO AND WYOMING

The Senate proceeded to consider the joint resolution (S. J. Res. 148) to permit a compact or agreement between dren there. I have not taken the time to count them, and the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes, which had been reported from the Committee on Irrigation and Reclamation with an amendment, on page 2, line 6, after the word "apportion-ment," to strike out the word "among" and to insert the word "between," so as to make the joint resolution read:

Whereas the Snake River and its tributaries are interstate streams flowing through the States of Idaho and Wyoming; and Whereas the above-named States are vitally interested in the possible development of the Snake River and its tributaries for irrigation, power, domestic, and navigation uses; and Whereas the plans for future reclamation development must take into consideration the needs of the States and the water-right problems of interstate streams, and an agreement must be reached by the States concerned regarding the economic apportionment of waters of said interstate streams; and Whereas it is desirable that a compact for the economic apportionment of the waters of the Snake River and its tributaries for irrigation, power, domestic, and navigation purposes be entered

irrigation, power, domestic, and navigation purposes be entered into by and between the said States of Idaho and Wyoming, and that the interests of the United States be considered in the draw-

that the interests of the United States be considered in the drawing of said compact, by authorized representatives of each of said States and of the United States: Now, therefore, be it Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That consent of Congress is hereby given to the States of Idaho and Wyoming to negotiate and enter into a compact or agreement not later than January 1, 1934, providing for an equitable division and apportionment between said States of the water supply of the Snake River and of the streams tributary thereto, upon conditions that a suitable person shall be appointed by the President of the United States from the Department of the Interior, who shall participate in said negotiations as the representative of the United States and shall make report to Congress of the proceedings and of any comin said negotiations as the representative of the United States and shall make report to Congress of the proceedings and of any compact or agreement entered into: Provided, That any such compact or agreement shall not be binding or obligatory upon any of the parties thereto unless and until the same shall have been approved by the legislature of each of said States and by the Congress of the United States

SEC. 2. The right to alter, amend, or repeal this act is hereby

expressly reserved.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

DIVISION OF THE WATERS OF THE YELLOWSTONE RIVER

The Senate proceeded to consider the bill (H. R. 7914) granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River, which was ordered to a third reading, read the third time, and passed, as follows:

time, and passed, as follows:

Be it enacted, etc., That consent of Congress is hereby given to the States of Montana and Wyoming to negotiate and enter into a compact or agreement not later than January 1, 1936, providing for an equitable division and apportionment between the States of the water supply of the Yellowstone River and of the streams tributary thereto, upon condition that one suitable person, who shall be appointed by the President of the United States, shall participate in said negotiations as the representative of the United States and shall make report to Congress of the proceedings and of any compact or agreement entered into: Provided, That any such compact or agreement entered into: Provided, That any upon either of the parties thereto unless and until the same shall have been approved by the legislature of each of said States and by the Congress of the United States.

AMENDMENT OF RAILWAY LABOR ACT

The bill (S. 4565) to amend the railway labor act was announced as next in order.

Mr. McNARY. Mr. President, at the request of the senior Senator from Delaware [Mr. Hastings], I ask that this bill may go over.

Mr. BINGHAM. Mr. President, I do not think the Senator from Oregon realizes that the bill would permit pilots and other employees of the air-transport lines carrying the mails to have the same right to appeal to the Board of Arbitration that is now granted to workers on the railroads which carry the mails.

The PRESIDENT pro tempore. The Chair undestood the Senator from Oregon to have objected in behalf of a Senator who is absent.

Mr. McNARY. I know nothing about the merits of the bill, but the Senator from Delaware [Mr. Hastings] is necessarily absent to-day, and he requested me, in case this order was reached, to object to its consideration.

Mr. BINGHAM. Mr. President, will the Senator withhold the objection just a moment, so that I may explain the bill. in order that Senators may understand it?

Mr. McNARY. Certainly.

Mr. BINGHAM. The situation, briefly, is this: In the case of mail crossing this country by rail, if there is a disagreement in regard to wages between a railroad company and its employees, in order that there may be no delay in the mails and in order that justice may be done, we permit such a dispute to go to a board of arbitration. That has been the practice for several years, and has worked extremely well. The result has been that instead of strikes and instead of the mail being held up, we have a board of arbitration which takes the matter up and decides it equitably.

Mails now are going across the country by airplane. If there is a dispute between the owner of an airplane, or of a line running an airplane, and the pilots or the mechanics concerned therein, the pilots and mechanics have no other recourse than to strike. There is no board of arbitration to whom they can appeal. This bill would merely permit them to be in the same class with the employees of the railroads and have a chance to have their cases laid before the board of arbitration. It seems to me the only fair thing to do, and I am very sorry the Senator from Delaware is not here, in order that the matter might be explained to him.

I know that there are certain persons interested in air mail lines who object, just as there were certain railway executives who did not want their employees to be able to bring them, with compulsion, before a fair board of arbitration, and I regret that state of affairs. I do not think they are acting wisely in asking anyone to object to the consideration of this bill. It seems to me only fair that the pilots and the mechanics connected with the air transport service should have the same right of appeal to a board of mediation that is now accorded to railway employees.

The PRESIDENT pro tempore. On objection, the bill will be passed over.

EXTENSION OF PROVISIONS OF RIVER AND HARBOR ACT TO VIRGIN ISLANDS

The bill (S. 4680) to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands was announced as next in order.

Mr. JOHNSON. Mr. President, this bill should be passed, and I have sent for the senior Senator from Tennessee [Mr. McKellar], who is in the corridor, to ask him if he will not come in and permit the bill to go through to-day, because if it does not go through to-day it probably will have little chance of becoming a law. It is a perfectly innocuous measure asked for by the Governor of the Virgin Islands.

Mr. ROBINSON of Arkansas. For whom has the Senator sent?

Mr. JOHNSON. For the Senator from Tennessee [Mr. McKellar], and I am glad to see he has come into the Chamber. He had an amendment he stated he would like to offer to the bill. I ask him if he can not withdraw his amendment and let the measure go through?

Mr. McKELLAR. Mr. President, the Postmaster General has been entering into contracts with shipping companies providing subsidies to those companies running lines to various parts of the world. He is granting one now to a line running, I believe, from New York or Savannah to Balboa, which is one of our possessions in the Panama Canal Zone, although he is prohibited by an act from entering into such a contract.

This proposal would permit of a mail contract to the Virgin Islands. Of course, no mail would be carried, or substantially none, because whatever mail is carried is just dropped there. If I could have an assurance that it is not the purpose of the bill to establish a mail subsidy between our country and the Virgin Islands, I should be delighted not to offer the amendment, but otherwise I think that the Congress ought not to give additional opportunity for the Postmaster General to give out these subsidies to companies which do not need them, costing the Government untold millions of dollars.

that this is the genesis of the bill? Governor Pearson, of the Virgin Islands, called upon me and stated that it was utterly impossible to have a vessel or certain vessels stop at the islands under the existing situation. He was seeking to repair a deprivation which had occurred in reference to a vessel stopping there. There was not the slightest idea on his part, I am perfectly certain-and none surely upon mine-and no thought on the part of anybody on the face of the earth in respect to mail contracts. That is the situation, so far as I am aware of it.

Mr. McKELLAR. Have these vessels been stopping there,

and have they ceased stopping there?

Mr. JOHNSON. There was a vessel of some line which stopped there which has quit, and this measure would enable some other vessel to stop there.

Mr. McKELLAR. Of course, I know that the Senator from California does not want to pay an immense subsidy to some American-line vessel or some foreign-line vessel. We pay both American lines and foreign companies in the same way. We pay them all subsidies when they stand in with the Postmaster General.

Mr. JOHNSON. When this matter first came up I asked the Senator from Tennessee if he would not make the requisite inquiry of Governor Pearson or of others who were familiar with the situation, so as to satisfy himself.

Mr. McKELLAR. The Senator did; but I was taken ill,

unfortunately, and I have not made the inquiry.

Mr. JOHNSON. I ask the Senator whether he will not make the inquiry and satisfy himself, and then when we have the next call of the calendar we can take this small measure up?

Mr. McKELLAR. I will be delighted to do that. Mr. JOHNSON. That is all I ask.

The PRESIDENT pro tempore. The bill will go over.

FURTHER CONSIDERATION OF THE CALENDAR

Mr. ROBINSON of Arkansas. Mr. President, I ask the attention of the Senator from Oregon [Mr. McNary] for a moment.

There are a few bills on the calendar which can not be reached by 1 o'clock. I suggest that unless some reason prevents, we arrange to proceed with the call of the calendar under the present order until it is completed. It will take only a few moments, and certainly if Senate bills are to receive consideration by the House at this session, it will be necessary to get them over to the House as hurriedly as possible.

Mr. McNARY. I join with the Senator in that request. I would like to refer the matter, however, to the Senator in charge of the unfinished business.

Mr. JONES. Mr. President, I have not looked at the calendar closely, and do not know how many bills are on it.

The PRESIDENT pro tempore. There are about 60 more bills on the calendar.

Mr. JONES. I will be willing to have the call of the calendar continued for a few minutes, and see if we can not complete the call.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the unanimous-consent agreement is entered into.

LISTON RANGE REAR LIGHTHOUSE RESERVATION, DEL

The Senate proceeded to consider the bill (H. R. 79) to provide for conveyance of a portion of the Liston Range Rear Lighthouse Reservation, New Castle County, State of Delaware, for highway purposes, which was ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF EDISTO RIVER

The Senate proceeded to consider the bill (H. R. 3951) to provide a preliminary examination of the Edisto River and its branches, South and North Edisto, S. C., with a view to the control of its flood, which was ordered to a third reading, read the third time, and passed.

D. EMMETT HAMILTON

Mr. JOHNSON. May I say to the Senator from Tennessee | from the Committee on Claims, with an amendment, on page 1, line 5, to strike out "\$3,000" and insert in lieu thereof "\$1,500," so as to read:

Be it enacted, etc., That the Treasurer of the United States is hereby authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, the sum of \$1,500 to D. Emmett Hamilton, in full settlement for carrying additional mail on route No. 29449, and not covered in his then existing contract with the Post Office Department, and which additional mail forced upon him by the Postmaster General caused the claimant undue financial loss and hardship.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

BEATRICE I. MANGES

The Senate proceeded to consider the bill (S. 329) for the relief of Beatrice I. Manges, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out "\$5,000" and to insert in lieu thereof \$1,000, and \$50 per month in an amount not to exceed \$2,500," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000, and \$50 per month in an amount not to exceed \$2,500, to Beatrice I. Manges, of Cleveland, Ohio, as damages for injuries received November 7, 1918, when a United States Army truck collided with an automobile of which she was an occupant.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NANNIE SWEARINGEN

The Senate proceeded to consider the bill (S. 363) for the relief of Nannie Swearingen, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "\$5,000" and to insert in lieu thereof '\$50 per month in an amount not to exceed \$5,000," so as

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of \$50 per month in an amount not to exceed \$5,000, to Nannie Swearingen to compensate her for the death of her husband, who was struck by a Government-owned postal motor vehicle on November 26, 1926.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 4318) for the relief of Horace G. Knowles was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed

RELIEF ON FEDERAL IRRIGATION PROJECTS

The bill (S. 4614) to amend section 14 of an act entitled "An act to adjust water-right charges, to grant certain other relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended (46 Stat. 249), was announced as next in order.

Mr. KING. Mr. President, I would like to have an explanation of the bill.

Mr. McNARY. Mr. President, the Klamath irrigation district, in the northern part of California and the southern part of Oregon, wants to make a resurvey for the purpose of reclassifying the land with respect to its productivity. It does not require any appropriation. It is simply for the purpose of classifying the lands due to seepage from some of the drainage districts.

Mr. KING. I have no objection.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That an act entitled "An act to adjust water-The Senate proceeded to consider the bill (H. R. 5242) for the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton, which had been reported to the relief of D. Emmett Hamilton and D and the same is hereby, further amended by adding after the subparagraph (a) in section 14 the following new subparagraph: "(a-1) The Secretary of the Interior is hereby authorized to reclassify all lands within the Klamath irrigation district and to place in the temporarily unproductive class such lands as he determines are properly subject to this classification."

SABINE RIVER BRIDGE, LOUISIANA

The bill (S. 4644) to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45 was announced as next in order.

Mr. VANDENBERG. Mr. President, I ask that Calendar No. 827, the House bill, H. R. 11081, bearing the same title, may be substituted for the Senate bill and passed.

There being no objection, the bill (H. R. 11081) to extend the times for commencing and completing the construction of a free highway bridge across the Sabine River where Luuisiana Highway No. 21 meets Texas Highway No. 45 was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and com-He it enacted, etc., That the times for commenting and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45, authorized to be built by the State of Louisiana and the State of Texas by the act of Congress approved January 19, 1929, heretofore extended by act of Congress approved February 18, 1931, are hereby further extended one and three years, respectively, from the date of approval hereof o approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

'The PRESIDENT pro tempore. Without objection, Senate bul 4644 is indefinitely postponed.

SABINE RIVER BRIDGE, LOUISIANA

The bill (S. 4645) to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21 was announced as next in order.

Mr. VANDENBERG. Mr. President, I ask that Calendar No. 828, a House bill of identical title and wording, be sub-

stituted and passed.

There being no objection, the bill (H. R. 11085) to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21 was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21, authorized to be built by the State of Louisiana and the State of Texas, by an act of Congress approved February 18, 1931, are hereby extended one and three years, respectively, from date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The PRESIDENT pro tempore. Without objection, Senate bill 4645 is indefinitely postponed.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (H. R. 96) to punish the sending through the mails of certain threatening communications was announced as next in order.

Mr. WHEELER.

The PRESIDENT pro tempore. The bill will be passed

The joint resolution (H. J. Res. 336) construing section 503 (b) of the tariff act of 1930 was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I think the joint resolution had better go over.

The PRESIDENT pro tempore. The resolution will go over.

PER CAPITA PAYMENT TO MENOMINEE INDIANS, WISCONSIN

The bill (S. 4660) authorizing a per capita payment of \$50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States was announced as next in

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that House bill 12045, which is identical with the Senate bill, be substituted and placed upon its passage and that the Senate bill be indefinitely postponed.

There being no objection, the Senate considered the bill (H. R. 12045) authorizing a per capita payment of \$50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to withdraw from the fund in the Treasury of the United States on deposit to the credit of the Menominee Indians in the State of Wisconsin a sufficient sum to make therefrom a per capita payment or distribution of \$50, in two equal installments of \$25 each on or about October 15, 1932, and on or about January 15, 1933, to each of the living members on the tribal roll of the Menominee Tribe of Indians of the State of Wisconsin, under such rules and regulations as the said Secretary may prescribe.

The PRESIDENT pro tempore. Without objection, Senate bill 4660 will be indefinitely postponed.

IMPORT DUTIES-VIRGIN ISLANDS

The bill (S. 4367) to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail was considered, ordered to be engrossed for a third reading, read the third time, and passed, as

Be it enacted, etc., That section 4 of an act entitled "An act to provide a temporary government for the West Indian Islands acquired by the United States from Denmark by the convention acquired by the United States from Denmark by the convention entered into between said countries on the 4th day of August, 1916, and ratified by the Senate of the United States on the 7th day of September, 1916, and for other purposes," approved March 3, 1917 (39 Stat. 1134; U. S. C., title 48, sec. 1395), as amended by the act of February 25, 1927 (44 Stat. 1235; U. S. C., Supp. V, title 48, sec. 1395), be, and the same is hereby, amended to read as follows:

"Sec. 4. That until Congress shall otherwise provide all laws now imposing taxes in the said West Indian Islands, including the customs laws and regulations, shall, in so far as compatible with the changed sovereignty and not otherwise herein provided, continue in force and effect, except that articles the growth, product, or manufacture of the United States shall be admitted there free of duty: Provided, That upon exportation of sugar to any foreign country, or the shipment thereof to the United States or any of its possessions, there shall be levied, collected, and paid thereon an export duty of \$6 per ton of 2,000 pounds, irrespective of polariscope test, in lieu of any export tax now required by law: Provided further, That the internal revenue taxes levied by the Colonial Council of St. Croix, or by the Colonial Council of St. Thomas and St. John, in pursuance of the authority granted by this act on articles, goods, wares, or merchandise may be levied and collected as the Colonial Council of St. Croix, or as the Colonial Council of St. Thomas and St. John, may direct, on the articles subject to said tax, as soon as the same are manufactured, sold, used, or brought into the island: And provided further, That no discrimination be made between the articles imported from the United States or foreign countries and similar articles procustoms laws and regulations, shall, in so far as no discrimination be made between the articles imported from the United States or foreign countries and similar articles pro-duced or manufactured in the municipality of St. Croix, or in the municipality of St. Thomas and St. John, respectively. The officials of the Customs and Postal Services of the United States are hereby directed to assist the appropriate officials of the munic-ipality of St. Croix, or of the municipality of St. Thomas and St. John, in the collection of these taxes."

AMENDMENT OF SECTION 106

The bill (H. R. 9259) to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187), was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187) be amended to read as follows:

"Sec. 106. The State of South Dakota shall constitute one ju-

dicial district, to be known as the district of South Dakota. territory embraced on the 1st day of January, 1932, in the counties of Aurora, Beadle, Bon Homme, Brookings, Brule, Charles Mix, Clay, Davison, Douglas, Gregory, Hanson, Hutchinson, Kingsbury, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, Sanborn, Turner, Union, and Yankton, and in the Yankton Indian Reservation, shall constitute the southern division of said division the foundation. ner, Union, and Yankton, and in the rankton into the territory shall constitute the southern division of said district; the territory embraced on the date last mentioned in the counties of Brown, Campbell, Clark, Codington, Corson, Day, Deuel, Edmunds, Grant, Hamlin, McPherson, Marshall, Roberts, Spink, and Walworth, and in the particular territory set apart and reserved for the use and benefit of the Sisseton and Wahpeton Bands of the Sioux Tribe of Indians, and known as the Lake Traverse Reservation, and in that portion of the Standing Rock Indian Reservation lying in

South Dakota, shall constitute the northern division; the territory embraced on the date last mentioned in the counties of Armstrong, Buffalo, Dewey, Faulk, Haakon, Hand, Hughes, Hyde, Jackson, Jerauld, Jones, Lyman, Potter, Stanley, Sully, and Ziebach, and in the Cheyenne River, Lower Brule, and Crow Creek Indian Reservations, shall constitute the central division; and the territory embraced on the date last mentioned in the counties of Bennett, Butte, Custer, Fall River, Harding, Lawrence, Meade, Mellette, Pennington, Perkins, Shannon, Todd, Tripp, Washabaugh, and Washington, and in the Rosebud and Pine Ridge Indian Reservations, shall constitute the western division. Terms of the District court for the southern division shall be held at Sibux Falls on the third Tuesday in March and the third Tuesday in October; for the northern division, at Aberdeen on the third Tuesday in April and the second Tuesday in November; for the central division, at Pierre on the second Tuesday in May and the first Tuesday in October; and for the western division, at Deadwood on the first Tuesday in June and the first Tuesday in September. The clerk of the district court shall maintain an office in charge of himself or a deputy at Sioux Falls, at Pierre, at Aberdeen, and at Deadwood, which shall be kept open for the transaction of the business of the court." South Dakota, shall constitute the northern division; the terribusiness of the court."

COLUMBIA RIVER WATERS

The bill (H. R. 5649) to extend the life of "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana, respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes," was considered. The bill had been reported from the Committee on Irrigation and Reclamation with an amendment, on page 2, line 2, after the numerals "1935," to insert:

Provided, That the State of Wyoming shall be made a party to such compact or agreement.

So as to make the bill read:

Be tt enacted, etc., That the time within which the States of Washington, Idaho, Oregon, and Montana may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries as authorized by the act approved March 4, 1925 (43 Stat. L. 1268), and the amendatory acts of April 13, 1926 (44 Stat. L. 247), and March 3, 1927 (44 Stat. L. 1403), is hereby extended to January 1, 1935: Provided, That the State of Wyoming shall be made a party to such compact or agreement. such compact or agreement

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RECORDING OF MORTGAGES, ETC., DISTRICT OF COLUMBIA

The bill (S. 4444) to provide for recording of deeds of trust and mortgages secured on real estate in the District of Columbia and for the releasing thereof, and for other purposes, was considered. The bill had been reported from the Committee on the District of Columbia with amendments, at the top of page 8, to insert:

(c) In the event such banking institution is named in a deed of trust as sole trustee or as cotrustee with an individual trustee, the recorder, upon request, shall identify the note secured by said deed of trust in the manner provided and for the fees prescribed in section 3 of this act.

And on page 9, line 1, after the word "same" and the period, to insert:

When such banking institution shall certify to the recorder that it holds on deposit the sum required by the deed of trust to be paid for the release in whole or in part of said deed of trust, the recorder shall accept for record and record such relief.

So as to make the bill read:

Be it enacted, etc.

DEFINITIONS

SECTION 1. When used in this act the following terms shall, unless the text otherwise indicates, have the following respective

meanings:

"Recorder" shall mean the recorder of deeds of the District of Columbia or anyone authorized by law to act for him.

"Court" shall mean the Supreme court of the District of Columbia or one of the justices thereof.

"Deed of trust" means a deed of trust, a mortgage, or any

other instrument conveying or pledging real estate in the District

of Columbia as security for a debt.

"Note" shall include any note or notes, bond or bonds, or other evidence or evidences of debt secured by a deed of trust, "Release" shall mean a deed of release or other instrument which releases real estate from the effects of a deed of trust, "Trustee" shall include trustees under a deed of trust, a mortgagee or mortgagees, or anyone having power of sale under

a mortgage pledging or conveying real estate in the District of Columbia as security for a debt.

ADDITIONAL DUTIES OF RECORDER

SEC. 2. That the recorder, except upon order of the court, shall not accept for record nor record any deed of trust nor any release thereof except in accordance with the provisions of this act.

IDENTIFYING NOTES

Sec. 3. (a) No deed of trust, except as otherwise provided herein, shall be accepted for record or recorded by the recorder unless the note secured thereby shall have been identified by him by stamping or imprinting thereon over his signature the words:

'This is (one of) the promissory note(s) described in a deed of trust to the trustee(s) named hereon, said deed of trust being recorded —— as instrument numbered ——.

"Recorder of Deeds, District of Columbia."

(b) All notes presented to the recorder for identification as provided herein shall be identified by him in the manner prescribed in this section, and said notes shall be identified and available for return on the same day they are presented.

(c) The fee to be charged for said identification shall be \$1 for

the first note secured under any one instrument, with an additional charge of 10 cents for each additional note secured thereunder: *Provided, however,* That the fee herein provided for shall be in addition to the established fee now charged for recording deeds of trust.

PRESENTATION OF CANCELED NOTES

No release, except as otherwise provided herein, shall

SEC. 4. (a) No release, except as otherwise provided herein, shall be accepted for record or recorded by the recorder unless the note secured by the instrument being released shall be presented to the recorder marked "Paid" and duly canceled: Provided, however, That where any note is lost, destroyed, or otherwise unavailable for presentation to the recorder upon affidavit as to the facts in reference thereto filed with the recorder and the posting with said recorder of a bond, approved by the court, assuring the payment of such note in full, or upon evidence that a sufficient amount of money to assure the payment of such note in full has been deposited in the registry of the court as hereinafter provided, the recorder shall accept for record and record said release.

(b) Partial releases may be accepted for record and recorded by the recorder upon presentation to him of evidence satisfactory to him that the amount required by the terms of the deed of trust authorizing such release in part has been paid and that such payment has been indorsed upon the note secured by said deed of trust: Provided, however, That if the recorder shall refuse to record any such release, such refusal shall be subject to review by the court by bill in equity: And provided further, That where any note is lost, destroyed, or otherwise unavailable for the indorsement of said payment thereon, upon affidavit as to the facts in reference thereto filed with the recorder and the posting with said recorder of a bond, approved by the court, assuring the payment of the amount required by the terms of the deed of trust authorizing such release in part, or upon evidence that a sufficient amount of money to assure the payment of the amount required by the terms of the deed of trust authorizing such release in part has been deposited in the registry of the court as hereinafter provided, the recorder shall accept for record and record said partial release.

(c) In accordance with the provisions of this section the clerk

In accordance with the provisions of this section the clerk of the court shall accept and deposit in the registry of the court any moneys presented to him for such deposit to assure the payment of any note unavailable for presentation to the recorder as provided for in this section; and upon request said clerk of the court shall certify to the recorder the fact that such moneys have

provided for in this section; and upon request said clerk of the court shall certify to the recorder the fact that such moneys have been so deposited for said note.

(d) Upon petition to the court by any party or parties claiming any money deposited in the registry of the court as provided for in this section, the court upon satisfactory proof shall order the payment of said funds so deposited to the party or parties entitled thereto, without poundage or commission.

(e) The fee to be charged for examining any paid and canceled note or notes or evidence of payment presented in connection with recording any release as herein provided, shall be 50 cents for the first note or evidence of payment examined in connection with any release, with an additional fee of 5 cents for each additional note or evidence of payment examined in connection with such release: Provided, however, That the fee herein provided for shall be in addition to the established fee now charged for recording any release.

(f) In any case where the owner and holder of a note shall consent to the release, in whole or in part, of real estate from the effect of a deed of trust, under conditions not provided by the terms of said deed of trust, the owner of said real estate may file a bill in equity in the court setting forth such facts, and if said court finds that the owner and holder of said note did so

said court finds that the owner and holder of said note did so consent to the recording of said release, said court shall enter an order directing said recorder to accept and record said release.

(g) In any case where the owner of real estate is entitled to have the same released, in whole or in part, from the effect of

nave the same released, in whole or in part, from the elect of a deed of trust, in accordance with the terms thereof, which said terms involve the doing of any act or thing or the performance of any condition other than the payment of money, said owner may file a bill in equity in said court setting forth that he has complied with the terms of said deed of trust, and if said court finds that said owner has so complied, said court shall enter an order directing said recorder to accept and record said release.

PUBLIC UTILITIES EXEMPT

SEC. 5. Deeds of trust executed by any corporation operating under the supervision, control, or regulation of the Interstate Commerce Commission or any Public Utilities Commission or like body of any State or possession of the United States or of the District of Columbia, or any release thereof, shall be exempt from the provisions of this act.

CORPORATE TRUSTEES EXEMPT

Sec. 6. (a) The provisions of this act, except as to section 7 hereof, shall not apply to any deed of trust or release in which the trustee, or one of the trustees named, is a banking institution authorized by its charter or by law to act as trustee and doing business under the supervision of the Comptroller of the Currency: Provided, That said banking institution has signified its willingness to act as such trustee by its signature and seal to the deed of trust before the same is recorded.

(b) If an individual shall be named as cotrustee with such

(b) If an individual shall be named as cotrustee with such banking institution and the individual trustee shall die before all the terms and provisions of the deed of trust have been executed, all the powers, estate, and duties conferred and granted by the deed of trust shall, upon the death of said individual trustee, vest in such banking institution with like force and effect as if such institution had been originally named as sole

(c) In the event such banking institution is named in a deed of trust as sole trustee or as cotrustee with an individual trustee, the recorder, upon request, shall identify the note secured by said deed of trust in the manner provided and for the fees prescribed in section 3 of this act.

BANKING DEPOSITORY

SEC. 7. No clause or provision contained in any deed of trust hereafter executed, providing for the payment or redemption in part or in whole of the indebtedness secured thereby, by deposit of funds for that purpose, shall be valid unless the depository so named shall be a banking institution doing business under supervision of the Comptroller of the Currency and the banking institution so named shall have signified its willingness to act as such depository by its signature and seal to the deed of trust before same is recorded, and if such payment or redemption by deposit shall be made pursuant to a privilege of anticipation reserved in the deed of trust, 30 days previous notice of the time of such payment or redemption shall be given, which notice shall be published twice a week in a newspaper having general circulation in the District of Columbia for three successive weeks during said 30-day period, and such notice shall specify the serial number or numbers of the note or notes to be redeemed or paid and the date at which it is intended to redeem or pay the same. When such banking institution shall certify to the recorder that it holds on deposit the sum required by the deed of trust to be paid for the release in whole or in part of said deed of trust, the recorder shall accept for record and record such release. 7. No clause or provision contained in any deed of trust

recorder shall accept for record and record such release.

SEC. 8. The duties of the recorder as now defined by law are hereby enlarged to embrace and include all the duties imposed by this act. The recorder is authorized to employ such additional personnel as may be necessary to carry out the duties imposed upon him by this act within appropriations authorized for his office, the salaries of such personnel to be fixed in accordance with the classification act of 1923, as amended.

SEC. 9. The provisions of this act shall become effective 90 days after its passage: Provided, however, That this act shall not apply either to deeds of trust recorded prior to the date of this act shall become effective or to any subsequent release thereof.

SAVING CLAUSE

SEC. 10. If any section, subsection, sentence, clause, phrase, or requirement of this act be for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions thereof. The Congress of the United States hereby declares that it would have passed this act, and each sec-tion, subsection, sentence, clause, phrase, and requirement thereof, irrespective of the fact that any one or more of the sections, sub-sections, sentences, clauses, phrases, or requirements thereof may hereafter be declared unconstitutional or invalid.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MIGRATORY BIRD SANCTUARIES

The bill (S. 4726) to supplement the migratory bird conservation act by providing funds for the acquisition of areas for use as migratory bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the migratory bird treaty act and regulations thereunder, and for other purposes, was announced as next in order.

Mr. TRAMMELL. Mr. President, this bill seems to provide some kind of tax requirement. I think it had better go over.

Mr. DILL. Mr. President, I am not only against the bill, but I am amazed that the committee having charge of this proposed legislation should have reported the bill to the

Senate. In two separate Congresses we fought out the fight on the dollar Federal license fee, and I thought the Senate had clearly decided the matter. I object to the consideration of the bill.

The VICE PRESIDENT. The bill will be passed over.

TO REGULATE FORECLOSURES IN THE DISTRICT OF COLUMBIA

The bill (S. 13) to regulate foreclosure of mortgages and deeds of trust in the District of Columbia was considered. The bill had been reported from the Committee on the District of Columbia, with amendments, on page 2, line 5, to strike out "six" and insert "three"; in line 9 to strike out "six" and insert "three"; and in line 13, after the word "mortgage," to insert "or deed of trust," so as to make the

Be it enacted, etc., That subchapter 2 of chapter 16 of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, is amended by inserting after section 539 thereof the

"SEC. 540. (a) No real estate in the District shall be sold to satisfy any mortgage or deed of trust hereafter executed, whether or not containing a power of sale, except in pursuance of a decree of the Supreme Court of the District entered in a foreclosure proceeding. No final decree of foreclosure or sale shall be entered in any proceeding to foreclose any such mortgage or deed of trust until after the expiration of three months from the date of the entry of an interlocutory order adjudging that a case for fore-closure or sale has been proved, and every such interlocutory order shall expressly state that no foreclosure or sale is ordered by it. After the expiration of such period of three months and upon application therefor by the plaintiff within 30 days, a final order or decree shall be entered unless prior to the filing of such application the amount due on the most serve or deed of trust application the amount due on the mortgage or deed of trust together with interest at the rate of 10 per cent per annum from the date of the commencement of the action, plus the costs of the

action and a reasonable attorney's fee is paid to the plaintiff; but no such final decree or foreclosure or sale shall take effect until the final disposition of any appeal taken, and every such final decree shall expressly so recite.

"(b) Where, in any action for the foreclosure of a mortgage or deed of trust containing a power of sale, a decree of sale is entered pursuant to section 95, such decree shall provide for the sale, and the sale shall be made, in the same manner as though no such power of sale were contained in such mortgage or deed of trust."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLOSING OF STREETS IN THE DISTRICT OF COLUMBIA

The bill (S. 4689) to authorize the closing of certain streets in the District of Columbia rendered useless or unnecessary, and for other purposes, was considered. The bill had been reported from the Committee on the District of Columbia with amendments, on page 2, line 9, after the word "Columbia," to insert the words "the same," so as to make the bill read:

Be it enacted, etc., That the Commissioners of the District of Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized to close, upon the recommendation of the National Capital Park and Planning Commission, that portion of U Street southwest, lying between First Street and Half Street southwest, as may be rendered useless or unnecessary by reason of the construction of an electric light and power plant on squares 665 and 667 adjoining said street: Provided, That the said Commissioners of the District of Columbia shall sell to the abutting property owners the land contained within the portion of said street to be closed for cash at a price not less than the assessed value of contiguous lots, and the money received therefrom paid into the Treasury of the United States to the credit of the District of Columbia, and that such lands shall thereafter be assessed on the books of the assessor of the District of Columbia the same in all respects as other

such lands shall thereafter be assessed on the books of the assessor of the District of Columbia the same in all respects as other private properties in the District.

SEC. 2. That the Commissioners of the District of Columbia are hereby further authorized to close, upon the recommendation of the National Capital Park and Planning Commission, that portion of Water Street between U and V Streets southwest; and said commissioners are hereby authorized to give title to the owners of square 667 abutting on Water Street that portion of Water Street so closed lying west of the direct southerly projection. Water Street so closed lying west of the direct southerly projection of the west line of Half Street as now existing north of U Street southwest, upon notification from the Director of Public Buildings and Public Parks of the National Capital of the receipt from all claimants in absolute quitclaim deeds to the United States of all land in square east of 667, east of the direct southerly projection of the west line of Half Street, as now existing north of U Street southwest, and such other land as may be acquired by the owners of square 667 in square east of south of 667, subject to the right of said owners to construct and operate any pipe lines and intake and discharge tunnels in or under the same to the Anacostia River, and provided that all of said lands deeded to private owners by the Commissioners of the District of Columbia under this section shall thereafter be assessed on the books of the assessor of the District of Columbia the same in all respects as other private properties in the District of Columbia.

Sec. 3. That the Commissioners of the District of Columbia be,

sec. 3. That the Commissioners of the District of Columbia be, and they are hereby, authorized to grant any and all permits for the construction and operation of any ptpe lines and intake and discharge tunnels in or under the public streets, roads, and highways south of T Street SW. and east of Second Street SW. to the Anacostia River as may become necessary in the construction, installation, and operation of any electric lighting and power plant, provided the same will not interfere with the development of other

provided the same will not interfere with the development of other property located within this area.

SEC. 4. That the Secretary of War be, and he is hereby, authorized to permit the construction and operation of any intake and discharge tunnels and/or other structures in the Anacostia River in so far as they affect navigable waters of the United States; and that the Director of Public Buildings and Public Parks of the National Capital to be when authorized the considerations of the National Capital to be when authorized the considerations of the National Capital to be when authorized the considerations of the National Capital to be when the consideration of the Research of the National Capital to be when the consideration of the National Capital to be when the consideration of the National Capital to the constitution of the National Capital to the constitution of the National Capital to the National Capital Capital to the National Capital Capital Capital Capital Capital Cap that the Director of Public Buildings and Public Parks of the National Capital is hereby authorized, in consideration of the abovementioned quitclaims to the United States, to convey, on behalf of the United States, to the owners of square 687 that portion of square east of 667 lying west of the direct southerly projection of the west line of Half Street as now existing north of U Street SW; and that said Director of Public Buildings and Public Parks of the National Capital is hereby authorized to permit the construction and operation of any pipe lines and intake and discharge tunnels, upon such terms and conditions as shall be fair and reasonable, under and on any lands owned or claimed by the Government of the United States lying in the above area and/or between the east line of Water Street, or other streets, and the Anacostia River. All areas conveyed by the United States to the owners of square 667 shall thereafter be assessed on the books of the assessor of the District of Columbia the same in all respect as other private properties in the District of Columbia. erties in the District of Columbia.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PHILADELPHIA, BALTIMORE & WASHINGTON RAILROAD CO.

The bill (S. 4736) to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States Navy Yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Philadelphia, Baltimore & Wash-present controlled and occupied by the United States Navy Department for navy yard and ordnance storage purposes, thence over, across, and through square 743 to First Street SE., thence southward on First Street SE to and thence along Potomac Avenue to the west line of Second Street SW., with all necessary switches, extensions, turnouts, and sidings, and such other track extensions through and along One-half Street SW., One-half Street SE, and Second Street SW., south of Potomac Avenue and north of Potomac Avenue to P Street as may be or become necessary for the establishment of adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia District of Columbia

District of Columbia.

SEC. 2. The Secretary of the Navy is hereby authorized to sell and transfer or to lease to the Philadelphia, Baltimore & Washington Railroad Co., its successors and/or assigns, upon such terms and for such amount as he may deem to be both just and reasonable, the existing railroad track connection with the United States Navy Yard as constructed and established under authority conferred by an act of Congress approved August 29, 1916, entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes": Provided, That the title to any right of way or property provided by the United States for the purposes of such construction and now occupied by said track connection shall remain in the United States: And provided jurther, That said track connection, in so far as the requirements of the United States Navy Yard may be affected, at all times shall be maintained and operated by said railroad company, its successors or assigns, to the satisfaction of the Secretary of the Navy.

Sec. 3. Said railroad company is hereby authorized to construct, maintain, and operate branch tracks, spurs, or sidings into any lot or square now or hereafter zoned for industrial or second commercial use abutting upon any street or avenue over and along

mercial use abutting upon any street or avenue over and along mercial use abutting upon any street or avenue over and along which said railroad company is hereby specifically authorized to lay and operate tracks, and also to construct tracks to serve any wharf which may be established on the Anacostia River: Provided, That the construction of all such railroad tracks and appurtenant turnouts, branch tracks, and sidings, in all respects and things, shall be subject to the prior approval of the Commissioners of the District of Columbia after report by the National Capital Park and Planning Commission, such approval to be noted upon

identical copies of a suitably prepared plat or chart, one copy to be kept on file in the office of the engineer commissioner of the District of Columbia and the other thereof to be kept on file in the office of the National Capital Park and Planning Commission.

SEC. 4. Subject always to the approval of the Commissioners of the District of Columbia, all such railroad tracks, turnouts, branch the District of Columbia, all such railroad tracks, turnouts, branch tracks, spurs, and sidings may be located and constructed in, upon, along, and through public grounds, space, and streets of the United States and/or of the District of Columbia as same are now or hereafter may be located and established: Provided, That except as herein expressly authorized no tracks, turnouts, branches, spurs, or sidings shall be constructed along or through South Capitol Street or First Street SW. in the north and south direction, at grade or otherwise, but each of said streets, with prior approval of said Commissioners of the District of Columbia, may be crossed to such extent as may be necessary for the estabprior approval of said Commissioners of the District of Columbia, may be crossed to such extent as may be necessary for the establishment of adequate railroad facilities: Provided further, That no permit for the construction of tracks, turnouts, branches, spurs, or sidings shall be issued with respect to squares 600, 602, 604, 606, 608, 610, and 612, or any of said squares, until the particular square or squares for which a permit is sought shall have been zoned industrial: And provided further, That the plans for any building fronting on Canal Street from the Anacostia River to P Street SW, shall have the approval of the Fine Arts Commission as to height and design. and design

Nothing herein contained shall be construed as limiting or abridging the authority of the Commissioners of the District of Columbia under the act of Congress approved March 3, 1927 (44 Stat. L. 1353), entitled "An act to provide for the elimination of grade crossings of steam railroads in the District of Columbia, and

for other purposes.

SEC. 6. The Philadelphia, Baltimore & Washington Railroad Co., its successors or assigns, is hereby authorized to acquire any land or property other than public grounds, space, or streets of the United States or the District of Columbia necessary or expedient for right of way for said track extensions, turnouts, branch tracks, for right of way for said track extensions, turnouts, branch tracks, spurs, sidings, and connections by purchase or condemnation. In event that said company, its successors or assigns, shall be unable to acquire any piece or parcel of land necessary or expedient for any of the purposes indicated in this act at a price deemed by it to be reasonable, then, and in such event, the Philadelphia, Baltimore & Washington Railroad Co., its successors and assigns, is authorized to acquire the same by condemnation proceedings to be instituted in its own name by petition filed in the Supreme Court of the District of Columbia for the ascertainment of its value, in accordance with the provisions of sections 483 to 491, inclusive, of Chapter XV of the act of Congress approved March 3, 1901, entitled "An act to establish a code of law for the District of Columbia," as amended by the act of Congress approved March 1, 1929, entitled "An act to amend Chapter XV of the Code of Law for the District of Columbia, and for other purposes" (45 Stat. L. 1437), so far as the same may be applicable. Stat. L. 1437), so far as the same may be applicable.

SEC. 7. If and when the Commissioners of the District of Columbia shall decide to pave or repave any of the streets over or along which tracks are authorized to be constructed, the railroad company shall be required to bear the expense of the paving and/or repairs to pavements between the rails and on either side of the tracks for a distance of 2 feet.

SEC. 8. The authority to establish, construct, acquire, maintain, and operate the tracks, switch connections, extensions, turnouts, sidings, branches, spurs, and other facilities provided for in this act is given upon the following conditions, to wit: The said facilities shall be open to any and all freight traffic by rail, whether originating within or without the District of Columbia either on the said The Philadelphia, Baltimore & Washington Railroad Co. or any other common-carrier railroad, upon such just, reasonable, and nondiscriminatory rates, terms, and conditions as may be and nondiscriminatory rates, terms, and conditions as may be embraced in public tariffs, subject to the jurisdiction of the Inter-state Commerce Commission as provided for other rates under the provisions of the interstate commerce act: Provided, That no greater charge shall be made for deliveries to be made upon said greater charge shall be made for deliveries to be made upon said facilities than is or are or may be made for delivery of like traffic consigned for delivery at any other delivery point on the Philadelphia, Baltimore & Washington Railroad Co. in the District of Columbia; special, free, or reduced rates or charges for deliveries of property consigned to the United States or any of its departments, bureaus, or subordinate branches, or to or for use of the municipality of the District of Columbia not included: And provided further, That any common carrier by railroad now or hereafter authorized to operate in the District of Columbia shall, upon application to and approval by the Interstate Commerce Commission, be permitted to use jointly all such facilities as provided in this act on such terms and for such compensation as may be prescribed by the said Interstate Commerce Commission in accordance with the provisions of the interstate commerce act, as amended.

with the provisions of the interstate commerce act, as amended.

SEC. 9. The right to alter, amend, or repeal this act is hereby reserved without regard to any payments required or agreements established under its terms.

SALE OF BREAKWATER, INDIANA HARBOR, IND.

The bill (S. 4573) authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind., was considered.

Mr. REED. Mr. President, I notice the bill authorizes the sale of a tract of land, and instead of covering the proceeds into the Treasury, it instructs the application of \$114,180 to the maintenance and improvement of Indiana Harbor.

Surely we are not going to make an appropriation for a specific river and harbor project in that fashion. I move to amend by striking out, on page 1, line 10, all after the numerals "\$114,180," as follows:

And to apply the same sum to the maintenance of the improvement of Indiana Harbor, Ind.

And to insert in lieu thereof the words "and to pay the proceeds into the Treasury of the United States."

Mr. ROBINSON of Indiana. Mr. President, I think I am willing to accept the amendment. The War Department passed on the bill and is very heartily in favor of its provisions. However, I have no objection to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War, in his discretion, is authorized to sell to the Inland Steel Co. approximately 1,903 feet of the southerly end of the existing east breakwater of the river and harbor improvement, Indiana Harbor, Ind., subject to such conditions and limitations as he may impose to insure proper maintenance of the breakwater and to protect the interests of navigation, for the sum of \$114,180, and to pay the proceeds into the Treasury of the United States.

STREET LINES AND LAND TRANSFERS, DISTRICT OF COLUMBIA

The bill (S. 4396) to provide for readjustment of street lines and the transfer of land for school, park, and highway purposes in the northeast section of the District of Columbia, and for other purposes, was considered. The bill had been reported from the Committee on the District of Columbia with an amendment, on page 2, after line 7, to insert:

And the said commissioners are further authorized and directed to close that portion of First Street NE. lying between the south line of Riggs Road and the north line of Ingraham Street, and to transfer title to the portion of First Street so closed to the Director of Public Buildings and Public Parks of the National Capital for park purposes

So as to make the bill read:

Be it enacted, etc., That in order to provide for a readjustment of street lines and for the transfer of lands for school, park, and highway purposes in the territory lying south of Riggs Road between First Street and Rock Creek Church Road NE., the Combetween First Street and Rock Creek Church Road NE., the Commissioners of the District of Columbia be, and they are hereby, authorized to close the part of Ingraham Street and part of Riggs Road lying within the parcels designated B, C, and E, as shown on map No. 1672 on file in the office of the surveyor of the District of Columbia, the title to the land comprised within said parcels designated B and E to revert to the District of Columbia for school purposes and the title to the land comprised within said parcel designated C to be transferred to the Director of Public Buildings and Public Parks of the National Capital for park purposes. And the said commissioners are further authorized and directed to close that portion of First Street NE. lying between directed to close that portion of First Street NE. lying between the south line of Riggs Road and the north line of Ingraham Street, and to transfer title to the portion of First Street so closed to the Director of Public Buildings and Public Parks of the Na-

tional Capital for park purposes.

SEC. 2. That the Director of Public Buildings and Public Parks of the National Capital is hereby authorized and directed to transfer to the Commissioners of the District of Columbia all of the land comprised within the parcels designated A and F, as shown on said map No. 1672, the title to the land comprised within said parcel designated A to revert to the District of Columbia for school purposes and the title to the land comprised within said parcel designated F to revert to the District of Columbia for highway

SEC. 3. The land comprised within the parcel designated D, as shown on said map No. 1672, is hereby authorized and directed to be abandoned as school property, and the said commissioners shall transfer said parcel designated D to the Director of Public Buildings and Public Parks of the National Capital for park

purposes.

SEC. 4. The surveyor of the District of Columbia is hereby authorized to prepare the necessary plat or plats showing all parcels of land to be transferred, and portions of streets to be closed and transferred, in accordance with the provisions of this act, with a certificate affixed thereon to be signed by the authorized officia certificate affixed thereon to be signed by the authorized officials representing the Government agencies designated, after which said plat or plats shall be recorded upon the order of the Commissioners of the District of Columbia in the office of the surveyor of the District of Columbia; and said plat or plats, when duly recorded in said office of the surveyor of the District of Columbia, shall constitute a legal closing of streets and transfer of property for the purposes as set forth in the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CARE OF CHILDREN

The bill (S. 2331) to provide for the care, maintenance, and education of children born out of lawful wedlock was considered. The bill had been reported from the Committee on the District of Columbia with an amendment, on page 4. line 17, to strike out:

In case of his failure to enter into such bond the court shall commit him to the Washington asylum and jail, there to remain until he shall give such bond or pay the total amount of the sums adjudged. If the child shall die before the expiration of the aforesaid bond, upon payment of the amount or amounts due to the date of the death of the said child and including necessary funeral expenses, the person adjudged to be the factor of the funeral expenses, the person adjudged to be the father of the child and his sureties shall be discharged therefrom.

And insert in lieu thereof the following:

This order may be modified or amended in the discretion of the This order may be modified or amended in the discretion of the court as changes in the circumstances of the accused may justify. In case of his failure to enter into such bond the court shall commit him to the Washington asylum and jail, there to remain until he shall give such bond or pay the total amount of the sums adjudged: Provided, however, That the accused may be placed on probation for the entire period of the bond, or any part thereof, in the discretion of the court, such period of probation to be conditioned upon the payment of the sums adjudged. If the child shall die or shall be adopted before the expiration of the aforesaid bond, upon payment of the amount or amounts due to the date of the death or adoption of the said child and including necessary funeral expenses in the event of such death, the person necessary funeral expenses in the event of such death, the person adjudged to be the father of the child and his sureties shall be discharged therefrom.

So as to make the bill read:

Be it enacted, etc., That every child born out of wedlock is entitled to care, maintenance, and education, as hereinafter provided. This section shall apply alike to all cases whether the putative father of said child is married to one other than the mother of such child as well as where such father is unmarried.

SEC, 2. Any unmarried woman who is quick with child or if

such child as well as where such father is unmarried.

SEC. 2. Any unmarried woman who is quick with child, or if she has been delivered of a child born out of wedlock in the said District of Columbia, or (if the District of Columbia be her place of legal residence) if she was delivered of said child outside of the said District, may go at any time when quick with child or within two years after the birth of the child, before the clerk of the juvenile court of the District of Columbia, and accuse any person of being the father of the child. Before issuing a warrant the clerk shall examine such unmarried woman, under oath, concerning her residence and her marriage or single condition when the child was begotten; where and when she was delivered of such child; and if she was delivered of the child outside of the District, the reason therefor, and reduce her statement to writing, and sign same as clerk. If, however, the clerk shall fail to reduce the state-If, however, the clerk shall fail to reduce the state ment to writing, or if it should be lost, such failure or loss shall be no cause for dismissing the warrant. Or such warrant may be applied for by the Board of Public Welfare of the District or any person as next friend of said child under 2 years of age born out of lawful wedlock.

SEC. 3. On such examination, if the woman be quick with child, or the child having been born and still under 2 years of age, a warrant shall be issued by the clerk, directed to the United States marshal, or to the major and superintendent or any member of the Metropolitan police force of the District of Columbia, require ing the person accused to be arrested and brought for preliminary examination before the judge of the juvenile court, District of examination before the judge of the juvenile court, District of Columbia, who, upon such preliminary examination, may require the accused to enter into bond, with good surety to the United States of America, in a sum to be fixed by such judge, not to exceed \$2,500, for his appearance and trial in the juvenile court, District of Columbia, on any succeeding date to be fixed by the court, without regard to the term of court, but in the event that the woman be quick with child at the time of the arrest, final trial shall not take place until after the birth of the child. If the person accused shall fall to give bond required of him, the judge shall forthwith commit him to the Washington asylum and jail, there to remain until he enter into the required bond or otherwise

son accused shall fall to give bond required of him, the judge shall forthwith commit him to the Washington asylum and jail, there to remain until he enter into the required bond or otherwise be discharged by due process of law. In all prosecutions under this act the accused shall, upon his demand therefor, be entitled to a trial by jury; otherwise the trial shall be by the judge.

SEC. 4. If the accused shall fall to appear, the bond for his appearance as aforesaid shall be forfeited and execution issued thereon; and the trial of, or other proceedings in the cause shall, nevertheless, proceed as though he were present; and the court shall, upon the verdict of the jury, make all such orders as it shall deem proper as though the accused were in court. In any event, if the accused acknowledge in open court the paternity of such child, or if at the trial the finding of the jury be against the accused, the court, in rendering judgment thereon, shall make an order for the annual payment, until the child be 16 years of age, of such sum of money, in such installments, monthly or otherwise, and in such manner as shall to the court seem best, and shall also make such order for the keeping, maintenance, and education of the child as may be proper; and in case of forfeiture the proceeds of said bond shall be applied in payment of the judgment against the accused; and if any balance remains after

the payment of the said judgment it shall be covered into the Treasury through the collector of taxes, to the credit, half and half, of the District of Columbia and the United States.

SEC. 5. The accused, if he shall be adjudged to be the father of SEC. 5. The accused, if he shall be adjudged to be the latther of the child, shall thereupon enter into bond, with or without sureties, in the discretion of the court, conditioned for the payment of the sums adjudged, in such installments and in such manner as the court shall direct. This order may be modified or amended in the discretion of the court as changes in the circumstances of the accused may justify. In case of his failure to enter into such bond the court shall commit him to the Washington asylum and bond the court shall commit him to the Washington asylum and jail, there to remain until he shall give such bond or pay the total amount of the sums adjudged: Provided, however, That the accused may be placed on probation for the entire period of the bond, or any part thereof, in the discretion of the court, such period of probation to be conditioned upon the payment of the sums adjudged. If the child shall die or shall be adopted before the expiration of the aforesaid bond, upon payment of the amount or amounts due to the date of the death or adoption of the said child and including necessary funeral expenses in the event of such death, the person adjudged to be the father of the child and his sureties shall be discharged therefrom.

Sec. 6. When the defendant shall have been confined for six

death, the person adjudged to be the father of the child and his sureties shall be discharged therefrom.

SEC. 6. When the defendant shall have been confined for six months, solely for failure to make the payments required or to enter into the bond as ordered, such defendant may make application in writing to the judge of the juvenile court, District of Columbia, setting forth his inability to make such payments, or enter into such required bond, upon which application the judge of the juvenile court, District of Columbia, shall proceed to hear and determine the matter. If, on examination, it shall appear to the court that such defendant is unable to make such payments or to execute the required bond, and that he has no property exceeding \$20 in value, except such as is by law exempt from being taken on execution for debt, the judge shall administer the following oath: "I do solemnly swear that I have not any property, real or personal, to the amount of \$20, except such as is by law exempt from being taken on civil process for debt by the laws of the District of Columbia, and that I have no property in any way conveyed or concealed, or in any way disposed of for my future use or benefit. So help me, God." Upon taking such oath such prisoner shall be discharged from imprisonment only, but not from his obligation as such putative father to support his child; and the judge of the juvenile court, District of Columbia, shall give to the superintendent of the Washington Asylum and Jail a certificate setting forth the facts. to the superintendent of the Washington Asylum and Jall a certificate setting forth the facts.

cate setting forth the facts.

SEC. 7. Should the accused fail to comply with any order of the court entered as aforesaid, the bond shall be forfeited, and the money collected upon the forfeiture shall be applied in payment in full of the judgment against the accused; and if any balance remains after the payment of the said judgment it shall be refunded to the person or persons entitled thereto.

SEC. 8. Any person who shall depart or leave the District of Columbia with the purpose or intent of evading any of the provisions or terms of this act shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than \$300 or imprisonment of not more than 90 days. The Supreme Court of the District of Columbia is hereby given concurrent jurisdiction with the juvenile court of the District of Columbia to try such person so offending who shall be subject to extradition or removal proceedings.

SEC. 9. The juvenile court of the District of Columbia is hereby

extradition or removal proceedings.

SEC. 9. The juvenile court of the District of Columbia is hereby given jurisdiction in all cases arising under this act as well as concurrent jurisdiction with the Supreme Court of the District of Columbia in all cases arising under the act approved March 23, 1906, entitled "An act making it a misdemeanor in the District of Columbia to abandon or willfully neglect to provide for the support and maintenance by any person of his wife or of his or her minor children in destitute and necessitous circumstances." And the court in its discretion may order payments to be made by the court, in its discretion, may order payments to be made by delinquent husbands or fathers, at the precinct wherein they reside, through the Metropolitan police of the District of Columbia.

SEC. 10. The act of Congress approved June 18, 1912, entitled "An act to provide for the support and maintenance of bastards in the District of Columbia," is hereby repealed.

Mr. ROBINSON of Arkansas. Mr. President, this appears to be a bill of some importance. I think its provisions should be explained.

Mr. COPELAND. Mr. President, this bill is founded on the model bill, so called, which has been enacted by many of the States to take care for children born out of wedlock. There were long hearings held by the District Committee. It was the unanimous view of the committee that we should have a provision in the District laws similar to the provisions in most of the States. The matter was discussed at length by the Senator from Wisconsin [Mr. BLAINE] and the Senator from Vermont [Mr. Austin] and other lawyers upon the District Committee. Senators who read the bill will find nothing in it that is novel. It follows the usual custom as regards the care of illegitimate children.

Mr. ROBINSON of Arkansas. It appears to have been approved by the District Commissioners and by the corporation counsel.

Mr. COPELAND. Yes.

Mr. ROBINSON of Arkansas. I do not object to its consideration.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BERTA C. HUGHES

The bill (H. R. 3527) for the relief of Berta C. Hughes was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Berta C. Hughes, widow of John H. Hughes, out of any money in the Treasury not otherwise appropriated, the sum of \$500 in full satisfaction of all claims against priated, the sum of \$500 in run satisfaction of an claims against the United States on account of the sale for alleged storage charges, not in fact due, by the Alaska Railroad Co. at Nenana, Alaska, on July 31, 1926, of a drilling outfit belonging to such John H. Hughes, deceased.

SALE OF BONDS BY JUNEAU, ALASKA

The bill (H. R. 5052) to authorize the incorporated town of Juneau, Alaska, to use the funds arising from the sale of bonds in pursuance to the act of Congress of February 11. 1925, for the purpose either of improving the sewerage system of said town or of constructing permanent streets in said town was considered.

Mr. KING. Mr. President, I would like to ask with respect to this and the next bill whether the inhabitants, speaking through the municipal council of the two cities or the Governor of Alaska, favor the two measures.

Mr. BINGHAM. Mr. President, I may say to the Senator from Utah that the inhabitants have requested it, and it has the approval of the Alaskan authorities.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as

Be it enacted, etc., That the incorporated town of Juneau, Alaska, is hereby authorized and empowered to use the funds arising from the sale of bonds issued in accordance with the provisions of the act of Congress of February 11, 1925, for the purpose either of improving the sewerage system of said town or of constructing permanent streets in said town.

Sec. 2. That the common council of said town is hereby authorized to direct the amount, if any, of the funds arising from said bonds that shall be used for either or both of said purposes.

SALE OF BONDS BY PETERSBURG, ALASKA

The bill (H. R. 6487) to authorize the incorporated town of Petersburg, Alaska, to issue bonds in any sum not exceeding \$100,000 for the purpose of improving and enlarging the capacity of the municipal light and power plant and the improvement of the water and sewer systems and for the purpose of retiring or purchasing bonds heretofore issued by the town of Petersburg, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the incorporated town of Petersburg, Alaska, is hereby authorized and empowered to issue bonds in any sum not exceeding \$100,000, to be used for the following purposes, namely: The sum of \$40,000 for necessary improvements to the municipal electric light and power plant, owned by the town of Petersburg, Alaska, and the transmission lines and distribution system and for the purpose of doubling the capacity of said electric light and power plant; the sum of \$25,000 for necessary improvements to the water system and water supply and sewer system of the town of Petersburg, Alaska, and the distribution systems thereof; and the sum of \$35,000 to be used to purchase or retire outstanding bonds of the said town of Petersburg, Alaska, which bear interest at the rate of 7 per cent per annum.

SEC. 2. That before such bonds shall be issued, a special election shall be ordered by the common council of the town of Petersburg, Alaska, and held in the manner pursuant to law after legal notice thereof, at which election the question of the issuance of said bonds shall be submitted to the qualified electors of said town of Petersburg, whose names appear on the last assessment roll or tax roll of said town for the purposes of municipal taxation. Not less than 30 days' notice of such election shall be given in a newspaper Be it enacted, etc., That the incorporated town of Petersburg,

printed and published in said town, and of general circulation, before the date fixed for such election.

before the date fixed for such election.

SEC. 3. That said election shall be conducted in all respects in accordance with existing statutes enacted by Congress and the legislature of the Territory of Alaska, and the canvass of the returns of said election shall be as far as possible and practicable in accordance with the requirements of existing laws governing general or special elections in said municipality. Said bonds shall be issued only upon condition that a majority of the votes cast at such election in said town shall be in favor of the issuance of such bonds.

SEC. 4. That the bonds above specified, when authorized to be issued as hereinbefore provided, shall bear interest at a rate to be fixed by the common council of the city of Petersburg, Alaska, before the issuance of such bonds and which said interest shall not exceed 6 per cent per annum, payable semiannually, and the same shall not be sold for less than their par value with accrued interest, and they shall be in denominations not exceeding \$1,000 each, the principal to be due in 25 years from the date thereof: Provided, That the common council of the town of Petersburg may reserve the right to pay off said bonds or any portion thereof in numerical order at the rate of not to exceed \$15,000 thereof per annum from and after the expiration of five years from the date of issuance of such bonds as shown on the face thereof. The principal and interest shall be payable in lawful money of the United States of America at the office of the town treasurer of the town of Petersburg, Alaska, or at such bank or banks or such place or places as may be designated by the common council of the town of Petersburg, Alaska, such place or places of payment to be designated and set forth in each of the respective bonds issued: Provided further, That each of such bonds shall bear the written signature of the mayor and clerk of the town of Petersburg, Alaska, at the time of their issuance, and there shall be impressed thereon the official seal of said town.

Sec. 5. That no part of the funds arising from the sale of said

SEC. 5. That no part of the funds arising from the sale of said bonds shall be used for any purpose other than that specified in this act, and such bonds shall be sold only when, and in such amounts as the common council shall direct, and the proceeds thereof shall be dispensed for the purposes hereinbefore mentioned and under the orders and directions of the said common council from time to time as the same may be required for said purposes hereinabove set forth.

GOVERNMENT WHARF AT JUNEAU, ALASKA

The bill (H. R. 6713) for estimates necessary for the proper maintenance of the Government wharf at Juneau, Alaska, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized to submit, for the consideration of Congress, such estimates as are in his judgment necessary for the proper maintenance of the Government wharf at Juneau, Alaska, constructed under authority contained in Public Resolution No. 33, Sixty-ninth Congress, approved May 28, 1926.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 127) authorizing appropriations for the maintenance by the United States of membership in the International Council of Scientific Unions was announced as next in order.

Mr. KING. Mr. President, does it cost \$5,000 for membership in that organization? I thought we were rather opposed to international associations and agreements and what not. I would be glad to learn if this is the entrance fee and the cost per year?

The VICE PRESIDENT. The Senator who reported the joint resolution is not present.

Mr. KING. Let it go over.

The VICE PRESIDENT. The joint resolution will be passed over.

STATUE OF GEN. JOHN SEVIER

The concurrent resolution (S. Con. Res. 7) submitted by Mr. McKellar on January 7, 1932, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound 5,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the acceptance of the statue of Gen. John Sevier, presented by the State of Tennessee, of which 1,000 shall be for the use of the Senate, 2,500 for the use of the House of Representatives, and the remaining 1,500 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Tennessee.

copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Tennessee.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

STATUES OF JUNIPERO SERRA AND THOMAS STARR KING

The concurrent resolution (S. Con. Res. 21) submitted by Mr. Shortede on the calendar day of May 27, 1932, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound 5,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the acceptance of the statues of Junipero Serra and Thomas Starr King, presented by the State of California, of which 1,000 shall be for the use of the Senate and 2,500 for the use of the House of Representatives, and the remaining 1,500 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of California.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

STATUES OF JEFFERSON DAVIS AND JAMES Z. GEORGE

The concurrent resolution (S. Con. Res. 24) submitted by Mr. Harrison on the calendar day of May 27, 1932, was considered and agreed to, as follows:

Resolved, etc., That there be printed with illustrations and bound 15,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the acceptance of the statues of Jefferson Davis and James Z. George, presented by the State of Mississippi, of which 1,000 shall be for the Senate and 2,300 for the use of the House of Representatives, and the remaining 11,700 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Mississippi.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

LYNN BROS.' BENEVOLENT HOSPITAL

The bill (S. 2613) for the relief of Lynn Bros.' Benevolent Hospital was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, may I ask why the Government is paying this hospital bill?

Mr. THOMAS of Idaho. Mr. President, this bill covers a claim filed by a hospital at Pocatello, Idaho, for payment of services rendered. It covers one of a number of bills filed by the hospital at Pocatello, Idaho, for the treatment and care of Indians on the reservation at that place. There is no hospital on the reservation and no hospital facilities there. From time to time services are rendered by this hospital. There is no way of collecting for them without a special act of Congress. The object of the bill is to provide for their payment.

Mr. ROBINSON of Arkansas. Were the services rendered under contract or on what authority does the hospital receive Indian patients for treatment?

Mr. THOMAS of Idaho. There are oftentimes emergency cases taken to the hospital without definite authority. That is the reason for the passage of the bill.

Mr. KING. Mr. President, I see that Mr. Rhoads, the Commissioner of Indian Affairs, recommends against the passage of the bill. I want to observe, also, that from my State a number of communications have been addressed to me by persons who have furnished hospitalization to Indians and have cared for them. I have appealed to the Indian Bureau, and they say that there is no provision for the payment of such services. If we shall pass this bill, there will be an enormous number of claims presented to the Government for hospitalization and for care of Indians. It seems to me it would be a dangerous precedent. If this be a legitimate claim, it ought to come through the Indian Bureau and be charged against the Indian Bureau and against the funds of the Indians. I do not think we ought to pass this proposed legislation.

Mr. WHEELER. Mr. President, let me say to the Senator from Utah that the only reason why this proposed legislation is asked for is that some of the Indians need hospital attention and can not get it otherwise. If some doctor or some hospital takes them in and treats them, should they go without being compensated? I submit that we can not expect people, without compensation, to care for Indians who are the wards of the Government. By reason of the fact that they have no funds of their own, we have either got to let them go about the streets diseased and without

must do its duty and pay for such services. This, in my judgment, is a proper and just claim. The Committee on Indian Affairs examined it very carefully, and we decided that it ought to be paid.

Mr. KING. I regret exceedingly to offer any objection to this claim. The Senator from Montana knows the sympathy that I have for the Indians and the fight I have been making for years for their protection. I feel that in many instances the Indian Bureau has been derelict, but I know of scores and scores of cases in my own State and elsewhere where charges will be made against the Government for the care of Indians if we shall pass this bill and establish this precedent.

I have no objection to referring the question to the Indian Bureau, and if the Indian Bureau shall make an investigation and find that these Indians were the wards of the Govment or that they ought to be wards of the Government and shall make a recommendation, and some policy shall be determined upon by which the wards of the Government or Indians that are without protection shall, under certain circumstances, be cared for, and a general plan shall be adopted to deal with the situation, I will be very glad to support such a measure. But it seems to me that to pass this bill at the present time, with the uncertainties that will attend it, would be most unfair, and I object to the consideration of the bill.

The PRESIDING OFFICER (Mr. Couzens in the chair). Objection is made, and the bill goes over.

DR. A. M. NEWTON, OF POCATELLO, IDAHO

The bill (S. 3188) for the relief of Dr. A. M. Newton, of Pocatello, Idaho, was announced as next in order.

Mr. VANDENBERG. Mr. President, that bill falls in the same classification as the bill to which the Senator from Utah just objected, does it not, may I ask the Senator from Titah?

Mr. THOMAS of Idaho. The bill covers the same kind of a claim.

Mr. KING. I think it would fall under the same category. There is an adverse report on the bill, and I object to its consideration.

The PRESIDENT pro tempore. Being objected to, the bill will be passed over.

HOLY FAMILY HOSPITAL, ST. IGNATIUS, MONT.

The Senate proceeded to consider the bill (S. 2941) for the relief of the Holy Family Hospital, St. Ignatius, Mont., which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 6, to strike out "\$14,957.20" and to insert "\$8,825.66," and on page 2, line 3, after the name "Montana," to strike out "between July 1, 1914, and" and insert "prior to and including," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to the Holy Family Hospital, St. Ignatius, Mont., out of any money in the Treasury not otherwise appropriated, the sum of \$8,825.66, in full satisfaction of all claims against the United States for compensation for the care by such hospital of persons admitted thereto under authority of the Flathead Indian Agency, State of Montana, prior to and including November 30, 1931.

Mr. ROBINSON of Arkansas. It appears that the claim contained in that bill was originally reported for \$14,957.20. The committee reduced it by nearly one half. That illustrates the difficulty of merely taking anybody's word for bills of this character.

Mr. WHEELER. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON of Arkansas. Certainly.

Mr. WHEELER. I will state to the Senator that this bill was introduced by myself for the original amount, basing it upon the hospital's statement. I submitted the matter to the department; the department checked it up, and recommended to the committee that the amount should be reduced, as the bill is now proposed to be amended, to the sum of \$8,825.66. As reduced, the bill should be paid. As a matter of fact, the department does not dispute that the remainder of the amount claimed was incurred, but it was read the third time, and passed.

medical care or else the Government of the United States, prior to the time when we had a policy similar to the one which we have now.

Mr. KING. Is the bill based on a contract?

Mr. WHEELER. The Holy Family Hospital is the only hospital upon the Flathead Reservation. The Government has a contract with the mission there, but the bureau ran out of funds; they notified the hospital that they had run out of funds, but the hospital said, "We are not going to turn out the Indians who need hospital treatment because you have not the funds; we will go ahead and treat them and apply for payment."

Mr. ROBINSON of Arkansas. The department recommends the passage of the bill which the appropriation re-

Mr. WHEELER. The department recommends the passage of the bill with the reduced appropriation.

Mr. VANDENBERG. Mr. President, will the Senator vield?

Mr. WHEELER. Yes.

Mr. VANDENBERG. Will the Senator indicate in what fashion this measure differs from the previous bills which were not passed.

Mr. WHEELER. Yes. The department has checked the items and recommended the bill's passage, and let me say that there is this difference, that this is a hospital located right on the reservation where the Indians are wards of the Government. There is not any question about that whatsoever.

Mr. KING. Mr. President, I understand there is also this difference, that there was a contract entered into by which the Indians were to be received and cared for; but the funds became exhausted and the hospital continued to care for them, relying upon the bureau to obtain the necessary

Mr. WHEELER. The department itself says-and I quote from the report-

However, in view of the fact that no Government hospital facilities are available and that the Holy Family Hospital has been giving good service to these Indians for a number of years at reasonable charges, it is the opinion of this office that settlement should be made for the accounts of all enrolled Flathead Indians designated on the list as "ward" and "nonward" from the list as "ward" and "nonward" from the list as "ward". July 1, 1926, to November 30, 1931. These accounts total \$8,825.66.

We took the recommendation of the department as they had checked the items, accepted the statement that the bill was just, and recommended its passage for the amount the department said was just.

Mr. THOMAS of Idaho. Mr. President, before disposing of this particular bill, let me say with respect to the two bills which we have just passed over that the information I have is that they are all on the same common plane. What I have not been able to get from the department is why they recommended the passage of the bill now pending and did not make a favorable recommendation on the others. I am sure that the pending bill is meritorious; I do not want to be put in the position of objecting to it.

Mr. WHEELER. I hope the Senator will not object. Let me say to him that I am a member of the Committee on Indian Affairs; I felt the bills in which he is interested should be passed and I recommended to the committee that they be passed and suggested that, notwithstanding the recommendations of the department, in my judgment the bills were just. I hope now that the Senator will not take the position because the department did not recommend his bills but did recommend the pending one that he will object upon that ground.

Mr. THOMAS of Idaho. Mr. President, in order to make myself perfectly clear about the matter, let me say that I am advised that the circumstances surrounding the bills are practically the same. I am, however, going to withhold objection to the passage of the pending bill because I think they all should be passed.

The VICE PRESIDENT. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading.

SPECIAL MEDICAL AND SURGICAL WORK, FORT PECK RESERVATION

The bill (H. R. 10239) creating a reimbursable fund to be used for special medical and surgical work among the Indians of the Fort Peck Indian Reservation, Mont., and for other purposes, was announced as next in order.

Mr. KING. I ask that that bill go over. I may say with respect to the bill that there is a provision for a continuous appropriation of \$3,000 for special medical and surgical attention. Appropriations of that kind are wholly improper, and, moreover, all these Indian items ought to come to us in the Indian appropriation bill and should be included in the amount carried in that bill. I think it is very unfortunate these separate bills come before us dealing with Indian questions

The VICE PRESIDENT. Objection being made, the bill will be passed over.

CRIMES BY INDIANS

The bill (S. 4511) to amend sections 328 and 329 of the United States Criminal Code of 1910 and sections 548 and 549 of the United States Code of 1926 was announced as

Mr. KING. Mr. President, I should like an explanation of that bill and to inquire if there is any necessity for this proposed criminal statute?

Mr. FRAZIER. Mr. President, was objection made to

The VICE PRESIDENT. The Senator from Utah has asked that the bill be explained.

Mr. KING. I asked if there is not a statute now sufficient to deal with the alleged offenses covered by the bill?

Mr. FRAZIER. There is; but the bill provides an amendment to the existing statute which the department asked to have adopted in order to better prosecute certain crimes among the Indians. After careful consideration of the matter, the committee suggested amendments, and, with the amendments incorporated, recommended the passage of the bill.

Mr. KING. I will not object.

The Senate proceeded to consider the bill, which had been reported from the Committee on Indian Affairs with amendment on page 1, line 8, after the word "incest," to strike out "carnal knowledge"; in line 9, after the word "kill," to strike out "assault with intent to rape"; on page 2, line 1, after the word "weapon," to strike out, "assault with intent to do great bodily harm "; and in line 13, after the word "the," to strike out "offenses rape and carnal knowledge," and insert "offense rape," so as to make the bill

Be it enacted, etc., That section 328 of the United States Criminal Code of 1910 and section 548 of title 18 of the United States Code of 1926 are hereby amended to read as follows:

Code of 1926 are hereby amended to read as follows:

"All Indians committing against the person or property of another Indian or other person any of the following crimes, namely, murder, manslaughter, rape, incest, assault with intent to kill, assault with a dangerous weapon, arson, burglary, robbery, and larceny on and within any Indian reservation under the jurisdiction of the United States Government, including rights of way running through the reservation, shall be subject to the same laws, tried in the same courts, and in the same manner, and be subject to the same penalties as are all other persons comsubject to the same penalties as are all other persons committing any of the above crimes within the exclusive jurisdiction of the United States: *Provided*, That any Indian who commits the crime of rape upon any female Indian within the limits of any Indian reservation shall be imprisoned at the discretion of any indian reservation shall be imprisoned at the discretion of the court: Provided further, That as herein used the offense rape shall be defined in accordance with the laws of the State in which the offense was committed.

"The foregoing shall extend to prosecutions of Indians in South Dakota under section 329 of the United States Criminal Code of 1910 and section 549 of title 18 of the United States Code of 1926."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PEARL RIVER BRIDGE, PEARLINGTON, MISS.

The bill (S. 4679) authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington, Miss., was announced as next in order.

Mr. VANDENBERG. Mr. President, I ask unanimous consent that order of business No. 826, being House bill 11020, may be substituted for the Senate bill and passed, and that order of business 803, being Senate bill 4679, may thereupon be indefinitely postponed.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 11020) authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington, Miss.

The bill was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Order of Business 803, being Senate bill 4679, will be indefinitely post-

REIMBURSABLE DEBTS OF INDIANS

The Senate proceeded to consider the bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians, which had been reported from the Committee on Indian Affairs with amendments.

Mr. FRAZIER. Mr. President, this is a House bill. After it passed the House, hearings were held before the Senate committee, and certain amendments were agreed to by Congressman Leavitt, of Montana, who was on the House Committee on Indian Affairs, and members of the Indian Bureau, together with our committee. There are two more amendments that they have asked to go in, and I ask unanimous consent to offer these two amendments.

Mr. KING. Mr. President, if the Senator will yield, this is a very important measure. It involves millions of dollars, as the Senator knows-perhaps tens of millions, if we take into account the twenty-five to practically forty millions which have been expended for irrigation projects. My attention has been called to what it is believed are some defects, and I desire to offer one or two amendments. I have not prepared them. Will the Senator let the measure go over until the next call of the calendar?

Mr. FRAZIER. Perhaps the amendments I have are the ones to which the Senator refers.

Mr. KING. I am not sure, because I have not had time to confer about the matter.

Mr. FRAZIER. I should like to offer these amendments: On page 2, line 1, after the word "Indian," insert the word "owned," and on page 2, line 6, after the word levied," insert "against such lands."

The VICE PRESIDENT. Those amendments will be considered as offered and pending.

Mr. FRAZIER. Mr. President, this is a very important bill. The department is very anxious to have it passed.

Mr. KING. I ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

LANDS ADJACENT TO NATIONAL FORESTS IN OREGON

The bill (S. 763) to extend the provisions of the Forest Exchange act to lands adjacent to the national forests in the State of Oregon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as

Be it enacted, etc., That the provisions of the act of Congress approved March 20, 1922 (42 Stat. 465; U. S. C., title 16, sec. 485). be, and the same are hereby, extended and made applicable to any lands within 6 miles of the boundaries of national forests in the State of Oregon. Lands conveyed to the United States under this act shall, upon acceptance of title, become parts of the national forest nearest to which they are situated.

USE OF NATIONAL FOREST LANDS FOR RECREATION, ETC.

The Senate proceeded to consider the bill (S. 773) to facilitate the use and occupancy of national-forest lands for purposes of residence, recreation, education, industry, and commerce, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 2, after line 9, to strike out:

Ssc. 2. That in the administration of the national forests under the provisions of the act of March 3, 1891 (26 Stat. 1095), and acts amendatory thereof or supplemental thereto, and in coordina-

tion with the activities authorized by such acts, the Secretary of [Agriculture may, and he hereby is authorized to, take such measures as he may deem necessary to develop and make available for public use and enjoyment the recreational, educational, and related values of the national forests so far as may be compatible with the purposes for which they were created and with the proper conservation of their scenic and wild-life resources.

So as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized, in his discretion, to authorize the occupancy and use of national-forest lands by permit or lease for purposes of residence, recreation, education, industry, and commerce, not incompatible with the best use and management of the nanot incompatible with the best use and management of the national forests, for periods of not more than 30 years and for areas of not more than 80 acres, and during the life of any permit or lease issued or executed under the provisions of this act the lands described therein shall not be subject to entry or appropriation under the public land laws of the United States except where the right to make such entry or appropriation was legally established prior to the date of approval of this act, but nothing contained herein shall prevent the Secretary of Agriculture from canceling, revoking, or otherwise terminating such permit or lease because of a breach of its terms and conditions or for other just cause.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RILLS PASSED OVER

The bill (H. R. 11499) for restoring and maintaining the purchasing power of the dollar was announced as next in order.

Mr. REED. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3346) to provide for the escheat to the United States of certain deposits in national banks was announced as next in order.

Mr. KING. Mr. President, a Senator who is not in the Chamber has asked me to request that this bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2370) for the conservation of lobsters, to regulate interstate transportation of lobsters, and for other purposes was announced as next in order.

Mr. WALSH of Massachusetts. I ask that that bill may go over. I also ask that a telegram which I have received may be printed in the RECORD in this connection.

The VICE PRESIDENT. The bill will be passed over, and the telegram will be printed in the RECORD.

The telegram is as follows:

GLOUCESTER, MASS., June 7, 1932.

Hon. DAVID I. WALSH Washington:

Washington:

The Consolidated Lobster Co. (Inc.), largest distributor of lobsters in the world, wish to register in opposition to White-Nelson lobster bill. Passage means 2,250 Maine lobster fishermen and a few more in New England will, of course, reap a harvest by high lobster prices at the expense of hundreds of thousands of your constituents, as well as all lobster eaters in every State in the last and the constituents of lobster are state of the lost of Union. Passage will open up new bootlegging of lobsters, as State laws here vary as to length—legal. This company also has largest holdings in Maine, but haven't been successful in securing enough lobsters to supply demand there, so have had to import. By this you will appreciate with imports cut the price must soar, result public suffers. White-Nelson bill offered as conservation must be public suffers. White-Nelson bill offered as conservation must be cloaked, for we can not see how stopping imports will conserve local supply; it will act entirely opposite. If we could produce more lobsters in this country than demand, it would carry some good, but American supply is inadequate by millions of pounds. If a Federal 9-inch lobster law was passed in place of 10½, it would carry much sounder over the years to follow. We respectfully request your attention, Senator.

R. M. O'CONNELL, General Manager.

RENEWAL AND EXTENSION OF CERTAIN LETTERS PATENT

The bill (S. 1301) to renew and extend certain letters patent was announced as next in order.

Mr. DILL. Let that go over.

Mr. HEBERT. Mr. President, will the Senator withhold his objection in order that I may make a statement of the urgent necessity of action on this bill, if any is to be taken?

Mr. DILL. I withhold it.

Mr. HEBERT. This is a bill to extend letters patent for an instrument known as the telegraphone. It is a recording instrument which operates by means of a metallic tape. The term of the patent is about to expire. The officials who had way.

charge of the development of it did not proceed as expeditiously as the stockholders thought they should. In fact, nothing was done with it at the outset, and the stockholders were forced to institute proceedings in court to obtain control of the affairs of the corporation.

They seek no extension of the term of their patent for the time that elapsed up to the period when suit was brought; but, for some reason which was not made clear to the committee-and we held extensive hearings upon it-the court delayed rendering a final decision for a period of something over seven years. The suit was brought in the courts here in the city of Washington, the District of Columbia courts. Those who are interested in this bill, and who are the owners of the patented device, feel that that was a matter beyond their control; and now that the patent is about to expire they think they should have an extension of approximately the period of time which was lost because of delays over which they had no control-the delays that occurred in the proceedings in court.

The bill would provide for an extension of the letters patent for a period of eight years. I repeat that the patent is about to expire; and if any action is to be taken upon the matter, it should be taken at this time.

Mr. DILL. Mr. President, this is something that Congress has never done. To pass a bill of this kind without any consideration to me is unthinkable. There is no bill of the kind in the House. It would be a futile thing to do, and would serve as a precedent. I must object.

The VICE PRESIDENT. Objection being made, the bill will be passed over.

ADDITION OF LANDS TO COLUMBIA NATIONAL FOREST, WASH.

The bill (S. 1492) to add certain lands to the Columbia National Forest in the State of Washington was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from Washington whether the inhabitants of his State are desirous of having this done? There is an ambition upon the part of certain officials to get as much as possible of the public domain within forest reserves.

Mr. JONES. Mr. President, I do not remember having received any obection to the legislation. I have received several communications urging that something of the kind

Mr. KING. Does the Senator know who initiated the movement under which this large area is sought to be added to the Columbia National Forest? It embraces a great many sections of land.

Mr. JONES. My recollection is that it was initiated in the first instance by some of our people down in Vancouver, in Clark County; and then I think the bill was amended because of some other legislation that had passed through the Senate, and this measure was made somewhat to correspond to that.

Mr. SHORTRIDGE. Mr. President, may I suggest to the Senator from Washington that this land would be withdrawn from State taxation, and thereby would indirectly impose additional burdens upon the people of Washington?

Mr. JONES. The land that is now in the ownership of the National Government is withdrawn from taxation.

Mr. SHORTRIDGE. Precisely; and this bill proposes to add to the acreage, does it not?

Mr. JONES. No; these lands are to be exchanged for a similar acreage, which would then become taxable.

Mr. SHORTRIDGE. I put the question for the reason that I understand there is a movement on foot to ask for the enlargement of a certain national-forest reservation in the State of California, to which I object, and for the moment I was under the impression that this bill involved the same proposition.

Mr. JONES. On the proposition that the Senator suggests, the land that is restored to the Government, of course, would not be taxable, but the land that would be received from the Government would be taxable.

Mr. SHORTRIDGE. Precisely.

Mr. JONES. So I think it would be balanced in that

Mr. KING. Mr. President, I see that there is no provision for any exchange. This is a complete cession. I have had a large number of complaints made by persons in the West who are interested in mining exploration, trying to discover some minerals, and they find a great deal of difficulty in prosecuting their explorations because many mineral sections really are not timberlands at all but are incorporated within these forest reserves; and I want to offer an amendment to this bill.

Mr. JONES. I desire to say that there has been no objection based on that ground from our State; and, furthermore, the mineral law would not be changed at all. The lands would still be subject to the mineral law.

Mr. KING. I want to offer a specific amendment, and I ask the Senator to let the bill go over.

Mr. JONES. Very well.

The VICE PRESIDENT. The bill will be passed over.

TRANSPORTATION OF KIDNAPED PERSONS

The Senate proceeded to consider the bill (S. 1525) forbidding the transportation of any person or persons in interstate or foreign commerce, kidnaped or otherwise unlawfully detained, and making such act a felony, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert:

That whoever shall knowingly transport or cause to be transported, or aid or abet in transporting, in interstate or foreign commerce, any person who shall have been unlawfully seized, confined, inveigled, decoyed, kidnaped, abducted, or carried away by any means whatsoever and held for ransom or reward shall, upon conviction, be punished by imprisonment in the penitentiary for such term of years as the court, in its discretion, shall determine: Provided, That the term "interstate or foreign commerce" shall include transportation from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia, or to a foreign country; or from a foreign country to any State, Territory, or the District of Columbia: Provided further, That if two or more persons enter into an agreement, confederation, or conspiracy to violate the provisions of the foregoing act and do any overt act toward carrying out such unlawful agreement, confederation, or conspiracy, such person or persons shall be punished in like manner as hereinbefore provided by this act.

Mr. KING. Mr. President, I ask the Senator from Missouri whether he thinks it would be an offense cognizable in the Federal courts for two or more persons residing within a State to confederate together to kidnap some person, but not to convey him beyond the State?

Mr. PATTERSON. No; I do not believe that that would be such an offense.

Mr. ASHURST. Mr. President-

Mr. KING. I yield to the Senator from Arizona.

Mr. ASHURST. I infer from the Senator's question that he is disturbed as to whether Congress has power to pass a law punishing intrastate seizure and transportation of persons?

Mr. KING. Yes.

Mr. ASHURST. I am of opinion that under the rights, immunities, and privileges granted to persons by the four-teenth amendment Congress has the power to pass such a law.

Mr. KING. That it does?

Mr. ASHURST. I think so.

Mr. KING. That is to say, Congress would have the power to define and punish the conspiracy of two or more persons to commit a felony within a State, to commit an assault or to commit a robbery?

Mr. ASHURST. Has the power to punish the seizure, the abduction, the carrying away of a person wholly within a State. I admit that it is a close question. Under the privileges, rights, and immunities guaranteed to persons not only by the fourteenth amendment but by other parts of the Constitution, I believe that it is within the power of Congress to pass a law penalizing and punishing such acts. I am not going to be so offensively presumptuous as to put my opinion on a legal question against that of the able junior Senator from Utah, but I submit this for his consideration.

Mr. PATTERSON. Mr. President, will the Senator yield? Mr. KING. I yield.

Mr. PATTERSON. The bill makes it an offense to enter into a conspiracy. It provides in very plain language that the conspiracy shall relate to the violation of "the provisions of the foregoing act." It does not purport to cover a conspiracy entered into by two or more persons to kidnap a person in a State, so the question suggested by the Senator from Utah is not involved in this bill.

Mr. ASHURST. That is true.

Mr. KING. Then the Senator thinks that the provision to which I am challenging attention relates to a conspiracy to kidnap a person and convey that person beyond the limits of a State?

Mr. PATTERSON. That is it exactly. I think the language of the bill is susceptible of no other construction.

Mr. KING. I shall not object.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony."

FEDERAL BUILDING SITE, DOVER, N. J.

Mr. KEAN. Mr. President, I ask unanimous consent that the vote whereby House bill 11337 was passed be reconsidered, and that the bill may go over.

The VICE PRESIDENT. Is there objection? The Chair hears none. The vote is reconsidered, and the bill will be passed over.

BILLS PASSED OVER

The bill (H. R. 10494) to provide a postage charge on notices to publishers regarding undeliverable second-class matter was announced as next in order.

Mr. DILL. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 278) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn was announced as next in order.

Mr. DILL. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 4594) to fix the rate of postage on publications mailed at the post office of entry for delivery at another post office within the postal district in which the headquarters or general business offices of the publisher are located was announced as next in order.

Mr. DILL. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 10244) fixing the fees and limits of indemnity for domestic registered mail based upon actual value and length of haul, and for other purposes was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (H. R. 10247) prescribing fees and corresponding indemnities for domestic insured and collect-on-delivery mail of the third and fourth classes, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

ACQUISITION OF INDIAN LANDS

The bill (S. 4808) relating to the acquisition of restricted Indian lands by States, counties, or municipalities was announced as next in order.

Mr. SMOOT. There is no printed report in the calendar on this bill, and I ask that it may go over.

Mr. THOMAS of Oklahoma. Mr. President, I will ask the Senator to withhold his objection for a moment. I think when he hears the bill explained he will have no objection to it.

homa that lands can be condemned for water supply and other public purposes. It is the law in the Five Civilized Tribes that where land is sold the money derived from the sale can be used for buying other lands, and such other lands may be placed under restriction, and thereby exempt from taxes.

At Pawnee, Okla., outside of the Five Civilized Tribes. the Indian Department wants to secure some Indian lands for public purposes, and the bureau wants to take the money and buy other lands, so that such lands when purchased for Indians will be restricted and not be subject to taxation.

This measure extends the Five Civilized Tribes law relating to Indian lands to Indian tribes generally. It is a departmental bill and is an emergency matter.

Mr. SMOOT. With the explanation, I have no objection. There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to relieve re stricted Indians in the Five Civilized Tribes whose nontaxable lands are required for State, county, or municipal improvements or sold to other persons, and for other purposes," approved March 2, 1931, is amended to read as follows:

"That whenever any nontaxable land of a restricted Indian of

the Five Civilized Tribes or of any other Indian tribe is sold to any State, county, or municipality for public-improvement pur-poses, or is acquired, under existing law, by any State, county, or poses, or is acquired, under existing law, by any State, county, or municipality by condemnation or other proceedings for such public purposes, or is sold under existing law to any other person or corporation for other purposes, the money received for said land may, in the discretion and with the approval of the Secretary of the Interior, be reinvested in other lands selected by said Indian, and such land so selected and purchased shall be restricted as to allenation, lease, or incumbrance, and nontaxable in the same quantity and upon the same terms and conditions as the nontaxable lands from which the reinvested funds were derived, and such restrictions shall appear in the conveyance."

SUITS IN ADMIRALTY

The bill (H. R. 7238) to amend section 5 of the suits in admiralty act, approved March 9, 1920, was announced as next in order.

Mr. AUSTIN obtained the floor.

Mr. DILL. Mr. President-

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Vermont yield to the Senator from Washington?

Mr. AUSTIN. I yield.

Mr. DILL. I think the Senator had better let this bill go over. I have an amendment which may take some time to discuss, and I think the bill had better go over. It is the first time it has been reached on the calendar.

Mr. AUSTIN. Will the Senator withhold the objection so that I may make a brief explanation?

Mr. DILL. I withhold my objection.

Mr. AUSTIN. Mr. President, I would like to have the RECORD show that this is a remedial measure, designed to remove the bar of the statute of limitations, which has run on claims of approximately 187 claimants for personal injuries incurred in the service of the Shipping Board of the United States, and for cargo injuries and losses suffered by the owners thereof, through the negligence of the United States Shipping Board Fleet Corporation. It is a measure of the greatest equity. It is necessary, if we are going to do by private individuals what we ask as a Government that private individuals should do unto each other.

This Government, through its judicial department, placed an interpretation upon the admiralty act, which governed the Fleet Corporation, which fooled the customers of that corporation. In other words, the United States Government went into the business of transporting goods and passengers in competition with private corporations and individuals, and when it found itself embarrassed by the seizure of its vessels in ports here and there to answer to claims for damages, it went to Congress and said, "Now, we will put the Government upon the same plane with private enterprise, and we will allow suits in personam to be brought against the United States Government in these cases, in the same manner in which they can be brought against private corporations and individuals." Thereupon, business went

It is now the law in the Five Civilized Tribes in Okla- | ahead and employed these Fleet Corporation vessels in competition with private corporations, and there arose these

> Many years, more than 10 years, after that admiralty act was passed, the Supreme Court of the United States made an interpretation of the law which defeated the entire purpose of the act. In the meantime, it can be readily seen, time had passed upon these claims, and upon 187 of the claims time had so far run that they became outlawed under the terms of the admiralty act.

> The simple proposition of this bill is to do justice, and nothing but justice, to those claimants who have proceeded under the theory of the law as held by the courts for years, and who suddenly were discovered without remedy because of that decision of the Supreme Court of the United States. That is all there is to this measure.

> I should say something which is not in the report, and which was not overlooked intentionally; that is, that the Attorney General's Department objected to the passage of this legislation on the ground which is commonly urged and always recognized by lawyers, that the evidence, in case of the long passage of years, is likely to be obscured and difficult to obtain, and therefore, as a matter of policy, it was contended that it was not good legislation. But the Attorney General's Department said also, "If you pass this measure, you ought to limit it to those cases where the action was brought within two years after the discovery of the disability." However, the committee, on a thorough examination of the evidence, were convinced that the regular common-law limitation of six years should be regarded in these cases instead of two years.

> I realize that in making this statement I ought to call attention to the fact that the Senator from Washingon [Mr. DILLI believed, as the Attorney General believes, that it should be limited to two years, whereas the other members of the subcommittee believed it ought to be six years, and there the controversy lies, if there is any, over this measure.

> Taking it as a whole, I ask whether the Senator who has objected to this measure will not withdraw his objection to it, so that this action may be taken in the interest of equity and honesty by the United States Government.

> Mr. DILL. Mr. President, I do not want unduly to delay the bill, but the bill has just been reported, and I am not prepared to discuss it without taking a great deal more time than if I were prepared. For that reason I think it had better go over for to-day, and by the next time it is reached on the calendar I will have my amendment ready.

> Mr. ROBINSON of Arkansas. Mr. President, before the bill goes over, I want to state that it had been my hope that the measure might be disposed of to-day. The Senator from Washington states that he desires to offer an amendment, and to submit some remarks touching the bill, and that he will not interpose an objection to taking it up later. I am not in sympathy with the amendment which I understand the Senator from Washington intends to propose, but favor the attitude taken by the majority of the Committee on the Judiciary. With the understanding that the bill will come up shortly, I shall refrain from further remarks at this time.

> Mr. DILL. I want to say to the Senator that the matter has been pending for a considerable time, and I do not think delay will make any very great difference. But I have some material which I should want to gather before I attempt to offer my amendment.

> Mr. ROBINSON of Arkansas. My understanding is that the bill may be disposed of during the present session.

> Mr. DILL. I have no objection to that. I only want to say that practically all, indeed, I think all, of the personalinjury cases are covered by the admiralty provision. There is one big case which would not be covered by the admiralty provision.

The PRESIDING OFFICER. The bill will be passed over.

WAR DEPARTMENT APPROPRIATIONS

The bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes, was announced as next in order.

Mr. REED. Mr. President, that is a very meritorious bill, but I shall have to ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

COMPENSATION TO GOVERNMENT EMPLOYEES

The bill (S. 3531) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof, was announced as next in order.

Mr. KING. I would like to have an explanation of the

The VICE PRESIDENT. The Senator from Wisconsin [Mr. BLAINE] reported the bill.

Mr. McNARY. That Senator is not present.

The VICE PRESIDENT. The bill will be passed over.

NIAGARA RIVER BRIDGE

The Senate proceeded to consider the bill (S. 4778) granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y., which had been reported from the Committee on Commerce with amendments.

Page 1, line 3, strike out the words "consent of Congress is hereby granted to the" and insert in lieu thereof the following: "times for commencing and completing the construction of a bridge authorized by act of Congress approved June 17, 1930, to be built by the."

Page 2, line 1, beginning with the word "is," to strike out the language down through the word "thereto" in

Page 2, line 3, strike out the words "at a point suitable to the interests of navigation."

Page 2, line 8, beginning with the word "in," to strike out all the language down through line 10 and insert in lieu thereof the words "are hereby extended two and five years, respectively, from June 17, 1932."

Page 2, to strike out through line 11, page 3.

Page 3, line 12, to strike out the figure "4" and insert in lieu thereof the figure "2."

So as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge authorized by act of Congress approved June 17, 1930, to be built by the Niagara Frontier Bridge Commission, a State commission, created by act of the Legislature of the State of New York, chapter 594 of the laws of 1929, across the east branch of the Niagara River, from the town of Tonawanda, about midway between the southerly city limits of the city of Tonawanda and the northerly city limits of the city of Buffalo, to Grand Island, in the county of Erie and State of New York, are hereby extended two and five years, respectively, from June 17, 1932.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to extend the time for the construction of a bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y."

TRANSPORTATION OF JUVENILE OFFENDERS

The Senate proceeded to consider the bill (H. R. 10598) to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes, which was ordered to a third reading, read the third time, and passed as follows:

Be it enacted, etc., That for the purpose of cooperating with rates (and for the purposes of this act the words "State" and Be it enacted, etc., That for the purpose of cooperating with States (and for the purposes of this act the words "State" and "States" shall include the District of Columbia) in the care and treatment of juvenile offenders, whenever any person under 21 years of age shall have been arrested, charged with the commission of any crime punishable in any court of the United States or of the District of Columbia, and, after investigation by the Department of Justice, it shall appear that such

person has committed a criminal offense or is a delinquent under the laws of any State that can and will assume jurisdiction over such juvenile and will take him into custody and deal with him according to the laws of such State, and that it will be to the best interest of the United States and of the juvenile offender to surrender the offender to the authorities of such State, the United States attorney of the district in which such person has been arrested is authorized to forego the prosecution of such person and surrender him as herein provided.

It shall be the duty of the United States marshal of such district upon written order of the United States attorney to convey

It shall be the duty of the United States marshal of such district upon written order of the United States attorney to convey such person to such State or, if already therein, to any other part thereof and deliver him into the custody of the proper authority or authorities thereof: Provided, That before any person is conveyed from one State to another under the authority herein given, such person shall signify his willingness to be so returned, or there shall be presented to the United States attorney a demand from the executive authority of the State to which the prisoner is to be returned, supported by indictment or affidavit as prescribed by section 5278. Revised Statutes (U. S. C., title 18, sec. 662), in cases of demand on State authorities. The expense incident to the transportation, as herein authorized, of any such person shall be paid from the appropriation "Salaries, Fees, and Expenses, United States Marshals."

The VICE PRESIDENT. Senate bill 3938, a similar bill, will be indefinitely postponed.

That completes the calendar.

INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. McNARY. Mr. President, before departing from the calendar, I ask unanimous consent to revert to Order of Business 640, Senate Resolution 174, for an investigation of campaign expenditures of presidential and senatorial candidates in 1932.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will state the first amendment.

The first amendment of the committee was, on page 2, after line 5, to insert a new paragraph, as follows:

No Senator shall be appointed upon said committee from a State in which a Senator is to be elected at the general election in November, 1932.

The amendment was agreed to.

The next amendment of the committee was, on page 3. line 21, to strike out "\$100,000" and to insert in lieu thereof \$25,000," so as to make the resolution read:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to investigate the campaign expenditures of the various presidential candidates, vice presidential candidates, and candidates for the United States Senate, in both parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in tributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage, and all other facts in relation thereto which would not only be of public interest but which would aid the Senate in enacting any remedial legislation or in deciding any contests which might be instituted involving the right to a seat in the United States Senate.

No Senator shall be appointed upon said committee from a State in which a Senator is to be elected at the general election in November, 1932.

The investigation hereby provided for, in all the respects above enumerated, shall apply to candidates and contests before primaries, conventions, and the contests and campaign terminating in the general election in November, 1932.

in the general election in November, 1932. Said committee is hereby authorized to act upon its own initia-Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee, under oath, by any person, persons, candidate, or political committee, under oath, by any person, persons, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpæna or otherwise; to require the production of books, papers.

subpæna or otherwise; to require the attendance of witnesses by subpæna or otherwise; to require the production of books, papers, and documents, and to employ counsel, experts, clerical and other assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee or any member of any subcommittee may administer oaths to witnesses and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as Dale Davis

The expenses of said investigation, not exceeding in the aggregate \$25,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate on the first day of the next session of the Congress.

Mr. BLAINE. Mr. President, I fear that \$25,000 will scarcely afford an opportunity to the committee to do anything. I think it ought to be \$50,000. May I inquire what

calendar number it is?

The VICE PRESIDENT. Calendar No. 640, Senate Resolution 174.

Mr. BLAINE. The original resolution provided for \$100,-000. It was my understanding that the committee cut that to \$50,000. I did not know the \$25,000 provision had been recommended.

Mr. ROBINSON of Arkansas. I assume from the form in which the resolution appears in our calendar docket that the \$25,000 is an amendment by the committee.

Mr. BRATTON. Mr. President, it is my recollection the Committee on Privileges and Elections substituted \$50,000 for \$100,000, and I think the Committee to Audit and Control made the further reduction.

The VICE PRESIDENT. That is the action which was

Mr. BLAINE. I ask that the action recommended by the Committee to Audit and Control, reducing the amount to \$25,000, be rejected.

The VICE PRESIDENT. The question is on the committee amendment to strike out "\$50,000" and insert " \$25,000."

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will report the amendment in order that Senators may know what is the pending question.

The Chief Clerk again reported the pending amendment, to strike out "\$50,000" and insert "\$25,000."

Mr. BORAH. Mr. President, before we determine how much we shall vote as a fund to make the investigation I think we ought to determine whether we are going to adopt the amendment offered by the Senator from Oklahoma [Mr. THOMAS]. It would make a very great difference in the expenses, in my judgment.

The VICE PRESIDENT. That amendment can be taken up first by unanimous consent.

Mr. BORAH. I ask unanimous consent that we complete the measure with reference to its terms before determining upon the amount.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Chair is advised that the amendment of the Senator from Oklahoma [Mr. Thomas] was proposed but has never been formally offered. The Senator from Oklahoma is not present.

Mr. BORAH. The amendment had never been offered?

The VICE PRESIDENT. It has been printed, but not formally offered.

Mr. ROBINSON of Arkansas. Then how does it get before the Senate?

The VICE PRESIDENT. It has been ordered to be printed and lie on the table.

Mr. ROBINSON of Arkansas. Then no one is offering it. Mr. BORAH. If it has not been offered, I do not offer it. Mr. WALSH of Montana. Mr. President, in the absence

of the Senator from Oklahoma [Mr. Thomas] I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Bingham Ashurst Bulow Connally Austin Blaine Byrnes Coolidge Bailey Bankhead Barbour Barkley Capper Caraway Carey Cohen Copeland Costigan Bratton ard Bulkley

Moses Smoot Neely Dickinson Norbeck Thomas, Idaho Hull Norris Thomas, Okla. Fletcher Jones Nye Oddie Townsend Trammell Vandenberg Kendrick Patterson Keyes
King
La Follette
Lewis
Logan
McGill Glass Reed Wagner Walcott Walsh, Mass. Walsh, Mont. Robinson, Ark. Robinson, Ind. Goldsborough Schall Sheppard Shipstead Shortridge Hatfield Wheeler Hawes Hayden McNary Smith

The VICE PRESIDENT. Eighty-three Senators have answered to their names. The Chair will state that unanimous consent was given to perfect the resolution before the committee amendment with regard to the amount is considered. The Senator from Oklahoma has an amendment which has been printed and is lying on the table.

Mr. THOMAS of Oklahoma. Mr. President, when in order. I desire to offer an amendment.

The VICE PRESIDENT. It is in order now.

Mr. THOMAS of Oklahoma. I submit the following amendment.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 22, at the end of the line, add the following:

Provided, That upon application in writing made by any candidate requesting the appointment of a special agent or agents to observe the progress of any campaign with special reference to expenditures and practices, the said special committee is authorized to appoint a special agent or agents to represent such committee is authorized to appoint a special agent or agents to represent such committee in any such State: Provided further, That no expense, directly or indirectly, shall be incurred by such appointed agent or agents without specific instructions in the form of a special order of said committee.

Mr. THOMAS of Oklahoma. Mr. President, as I view the matter, there should be no objection to the amendment. It does not limit the power of the committee. It only extends the power of the committee. It simply provides that in any State if any candidate for the Senate thinks he is being dealt with unfairly by the press or by any power, he has a right to appeal to the committee to appoint some one in the State to observe the practices in the State so that in the event something should be disclosed there will be some one there as the appointee of the committee checking up on appearances, if not upon facts, so that at a later date there will be something authentic that could be referred back to the committee-in other words, checking up on campaign expenditures, checking up on representations, checking up on activities of committees either in the open or in secret.

It provides that the committee shall be at no expense unless they specifically authorize expenditures. It is an unofficial matter. At the same time it gives the committee power to appoint some one within the State to represent them, without expense unless they authorize it, during the progress of the campaign. Personally I can see a vast benefit that might come to the committee and to the State by having this procedure permitting a method whereby this information could be secured.

Mr. ROBINSON of Arkansas. Mr. President, I regret to find myself in a position of being unable to support the amendment of the Senator from Oklahoma. It has aspects which are not closely related to the provisions and purposes of the resolution under consideration. To make it incumbent upon the committee or to authorize the committee to appoint a special agent or agents on the application of any candidate to observe proceedings in districts and States would be going far beyond the purview of the resolution and would be imposing a supervisory function on the committee. The committee is authorized to ascertain all the facts about contributions and expenditures, but it is not authorized at the mere instance of a candidate to send out an indefinite number of agents to represent it in watching the election. It is a proposal to extend the Federal function a very great distance. I am unable to give the amendment my support.

Mr. NORRIS. Mr. President, the intent of the amendment no doubt is ideal; but I doubt very much whether the plan proposed therein is practical. I think the Senator from

Arkansas [Mr. Robinson] has stated one fundamental objection which I believe has a great deal of force. The amendment would empower the committee really to supervise elections. As there would be no obligation on the part of the committee to pay the expenses, it may readily be seen, it seems to me, that organizations, political or otherwise, or individuals interested in a campaign would be willing to pay the expenses of men who are selected by the committee for the purpose of supervising an election.

In addition to that, Mr. President, I want to state an objection that suggests itself to me. In the first place, a special agent or agents, if appointed, ought to be paid for out of the funds in the hands of the committee. Otherwise there would be grave danger, and I think in actual practice it would be the result, that persons interested in a campaign of some candidate or some party or a set of candidates would try to obtain from the committee the appointment of a number of agents who would in reality represent their candidates for office or parties or factions of parties or organizations or who would be interested in the election or defeat of some specific candidate or candidates. So, as a matter of fact, it seems to me, any agent ought to be selected exclusively by the committee, and he ought to be paid by the committee, which would mean a vast expenditure of money, much more, I think, than the Senate would be willing should

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Nebraska yield to me?

'The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. There are only two theories under which such a committee can operate: One is that the committee, appointed as this resolution proposes, after an election has been held and complaints have been made, shall go into the State and proceed to ferret out what has happened. That is one theory. The theory proposed by my amendment is that if trouble arises in a State or in a district prior to the election, the committee shall have some means of getting into that district or into that State and gathering information while the situation is being developed.

If the Senate does not desire to investigate until after the election is over and after to a great extent the irregularities are covered up, that is perfectly all right; but it occurs to me that this amendment, if adopted, would prevent much trouble. If trouble did develop, the committee would have the power and the means of going there when the development wast taking place and of getting on the inside. That is the theory I had.

Mr. NORRIS. Mr. President, let me say to the Senator that I think if the committee shall be granted the authority to make investigation, every candidate will have the right to ask that that investigation shall be conducted before the election as well as after it.

I understand that the resolution, with the exception of applying to presidential electors, as now amended by the committee amendment, is in identical terms with the resolution that was submitted by myself and adopted by the Senate prior to the last election. The committee appointed under that resolution did a great deal of its work—indeed, most of its work—before the election. They investigated before the primaries were held. I think I am safe in saying that nine-tenths of the committee's work was done before the election, and I believe, I will say to the Senator from Oklahoma, that all that authority is already delegated to the committee by the resolution as it now stands.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Nebraska yield further?

The VICE PRESIDENT. Does the Senator from Nebraska yield further to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. If this amendment should be incorporated; if I, being a candidate, knew that there might be agents in my State watching my expenditures and watching the people who are in the State working for me, and presumably being paid by myself or by my committee,

inserting advertisements in the press, and so on; if I knew that some one was there checking up on those advertisements, ascertaining the cost of the different advertisements, getting information as to how much I was paying my different workers, I would be deterred, in all probability, from incurring an expense beyond that allowed by the statutes of my State. On the other hand, if this amendment should not be adopted, and the resolution were largely a blank, I might be influenced to expend more money than the law would allow, if I had the money and had the inclination to do so.

So, it occurs to me that the adoption of this amendment would have a good effect upon those running for various offices.

Mr. NORRIS. Mr. President, in reply to the Senator from Oklahoma, I wish to say that, as I understand, this resolution as now framed authorizes the Senator in the case of which he speaks to go before the committee and make any charge that he may see fit in regard to the conduct of the campaign by anybody in his State, and the committee would give him a hearing. The resolution defines the duties of the committee. It provides:

Upon complaint being made before said committee, under oath, by any person, persons, candidate, or political committee, setting forth allegations as to facts which, under this resolution it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

So it seems in the case the Senator puts, his rights would be fully protected.

I want to say to the Senate that, while it might not necessarily happen, the door would be open, if the Senator's amendment were agreed to, for the employment of an unlimited number of agents, paid for by private parties, snooping around, watching elections, trying to supervise and look after elections in every State where an election takes place.

Mr. THOMAS of Oklahoma. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield further to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. THOMAS of Oklahoma. That could only be done in the event the committee should appoint such agents and commission them to represent them especially, and I do not have that in mind, I want to assure the Senator from Nebraska. But I did have in mind that, in the event the committee should be convinced the public could be served by having an agent or two in a State to represent them, sub rosa it might be, to gather information which might not appear on the surface, that later they would have the data upon which to predicate action, perhaps in the Senate, as to whether or not a candidate elected was entitled to his seat.

Mr. NORRIS. It seems to me that is all provided for. The Senator may complain in the case he speaks of, and at a hearing before the committee, if the committee believes that the complaint is well founded and material, it could send a subcommittee the next day or could send one of its agents—and it will have to have quite a number of investigators—to go out and look up the evidence so as to save the time of the committee when it comes to consider the case. It could do all that, but the agent would not be a supervisor of the committee. There would be a great deal of feeling, I think, over the country if we undertook in any way to infringe upon the rights of the States by trying to supervise their elections.

I would not want such a condition to prevail under the Senator's amendment, and, unless the committee paid the agents, I would not like to have the committee put in the predicament of employing agents who are going to be paid for by interested parties. They might do the very best they could, giving them credit for being perfectly honest and conscientious, but they would probably be deceived and get men as agents who really had a selfish interest in behalf of some candidate who was running for office.

I want to say to the Senate that if this resolution shall be adopted the very fact of its adoption, the very fact that the

the expenditure of money in every State in the Union. I think that was true in the case of the Nye committee. There were many places where nothing wrong took place simply because it was known that the committee was diligent and that it would expose any wrongful act and would put on the witness stand persons who would have to testify under oath, with all the penalties that would come in the case of perjury or otherwise.

In my State two men were indicted for perjury after the Nye committee was there. One of them was tried last week, and, though the jury disagreed, it was as clear a case of perjury as I ever knew of, or read of, or heard of, in my life. It seemed that there could be no two views, but the jury, after being kept out for 27 hours, were discharged on failure to agree, although upon the principal and main count in the indictment they stood 11 to 1 in favor of conviction. As the Senator knows and as all others know who have had any experience in trying criminal cases, one of the most difficult cases in the world to try is a perjury case,

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from Nebraska yield further to the Senator from Oklahoma?

Mr. NORRIS. I will yield in a moment. If the evidence is gathered even in that kind of a case by the agents appointed by the committee, but not paid for by the committee, the Senator can easily see how a shrewd attorney in the case of a trial of some one for perjury might prejudice the jury against evidence gathered by some one who probably at heart was really the agent of one of the parties to the controversy. I now yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, it occurred to me that if this amendment could be adopted, its very language would have a deterring influence against the unwarranted and probably unlawful expenditure of very large amounts of money.

I want to say to the Senate that I strongly favor the adoption of the resolution, and whether my amendment shall be adopted or not will have nothing to do with my favoring the resolution. I know personally that in some States a vast amount of political advertising is carried with this sort of a notation underneath the advertisement, "Paid for by friends of the candidate."

Mr. NORRIS. Yes.

Mr. THOMAS of Oklahoma. While I do not know whether that notation is true or is not true, I do know in my own mind that practically all that kind of political advertisements are paid for by the candidate and that the line is put under the advertisement simply as a camouflage to try to mislead some one into believing that some organization or some real friends of the candidate are putting up the money, when I know that it is not true.

If there were some secret agent in the State representing the committee, an investigation oftentimes could disclose whether that practice was a genuine practice or a camouflage practice; but unless the amendment suggested has merit, I do not care to press it.

Mr. NORRIS. I will say to the Senator that I think the point he makes is an excellent one. I realize that those things happen. In my opinion, however, that is fully provided for. The committee can investigate, either before or after the election, all such things as that.

In the case of the Nye committee—I happen to know

about it, because it took place in my State—a thing similar to that happened. An organization, styling itself "the Loyal Republican League"-a beautiful name-sent literature all over that State. I think the evidence disclosed that they sent out three-quarters of a million copies of literature, and the only signature to it was the Loyal Republican League. The committee investigated that, and they discovered upon their investigation that that beautiful title applied to an organization that had just two men in it-just two. One drove a laundry wagon, and the other did some similar work. They were the only two members of the organization.

The Nye committee had no such amendment as the Sen-

committee is appointed, will have a wholesome effect upon | ator proposes. They had no difficulty in developing the facts, however, and bringing them out. I think it is important that they should be brought out. I would not for a moment think of opposing the Senator's amendment if I thought it was necessary in order to achieve the desired result. But does not the Senator think that his amendment would put the committee at a disadvantage? I think it would, because the impression would go out that here are a lot of snoopers; here are a lot of fellows from the Federal Government looking after and supervising the elections in the States. I am afraid it would hurt the standing of the committee.

> Mr. THOMAS of Oklahoma. Mr. President, I am free to say that it was my idea that this proceeding would not be made public. I think perhaps what the Senator says would be true if minutes were made of the meetings of the committee, and if it were stated that John Doe had made application for the appointment of half a dozen agents in his State, and the committee had acted favorably on the application, and had appointed certain persons, and the names of these parties were given. I think that would be objectionable; but it is my idea that that would not be made

> Mr. NORRIS. Suppose they do the other way and do it secretly, and it is known over the country that a lot of secret agents are out. Would not that hurt more than the

Mr. THOMAS of Oklahoma. I do not think so.

Mr. NORRIS. The Senator may be right. I realize, of course, the utmost good faith of the Senator in offering this amendment. He may be entirely right and I may be entirely wrong. I simply want to give the Senate the impression that strikes me.

Mr. THOMAS of Oklahoma. The Senator from Nebraska has been through all of these controversies and I regard him as an expert on this matter. I shall be very glad to defer to his judgment; and if he thinks this amendment does not in any way strengthen the resolution, I shall be very glad to withdraw it.

Mr. NORRIS. I would not ask the Senator to do that.

Mr. THOMAS of Oklahoma. I will ask the Senator this question, Does the Senator think that this amendment does not add any force or good purpose to the resolution?

Mr. NORRIS. I will say to the Senator that I am rather of the opinion that it injures the resolution.

Mr. THOMAS of Oklahoma. Mr. President, I withdraw the amendment.

The VICE PRESIDENT. The Senator from Oklahoma withdraws the amendment. The question now is on the committee amendment.

Mr. NORRIS. Mr. President, on that I desire to be heard for a few moments.

The VICE PRESIDENT. Let the amendment be stated. The LEGISLATIVE CLERK. On page 3, line 21, the committee proposes to strike out "\$50,000" and insert "\$25,000."

The VICE PRESIDENT. The question is on the amendment of the committee.

Mr. NORRIS. Mr. President, upon this question the yeas and nays have been ordered; and I think the proposition is a very important one.

As I understand, the resolution, when it was introduced, provided for the payment of \$100,000 from the contingent fund to defray the expense of the investigation. The first committee that had the resolution was the Committee on Privileges and Elections. They reported the resolution back striking out "\$100,000" and inserting "\$50,000"; and then the resolution went to the Committee to Audit and Control the Contingent Expenses of the Senate. They struck out \$50,000 " and inserted "\$25,000."

My own opinion is that it would be of little use to pass this resolution if we did not provide more than \$25,000 for the investigation. If the Senate were to be in session during the campaign, this would not make any difference, because then the committee could come back and, on the proper showing, could get additional money. That will not be true, however. We shall probably adjourn now in a week or 10 days, and we shall not be in session again until after the | election is over.

Mr. COSTIGAN. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. I do.

Mr. COSTIGAN. May I ask the Senator from Nebraska what the expense of the Nye committee was in the last campaign?

Mr. NORRIS. I am informed by the chairman of the committee that it was \$150,000. Some little of that was spent after election. Most of it was spent before election.

I believe myself that both amendments ought to be rejected and that the resolution, so far as this amount is concerned, ought to be passed just as the Senator from Iowa introduced it. But at least we ought not to strike out "\$50,000" and insert "\$25,000." The moment it becomes known that this committee has no money and can not make any investigation, just that soon the moral effect, at least, if no other, of this committee for good and honest elections will disappear.

So it seems to me that we ought not to leave this committee in such condition that right during the campaign. perhaps, they will be shut off from making any further investigation. That is what I think this amendment will mean. We must understand that the committee's work will take it from Maine to California, and from Michigan to Florida. It will cover the entire country, and necessarily its investigation will cost a good deal of money. The committee will have to hire quite a number of investigators, and to get a competent man it will have to pay a pretty good sum, especially for work that will last only a short time. Necessarily the expense in such a case is much more than it would be if the committee were hiring a permanent employee.

The ordinary person, however, is not of much consequence as an investigator. The men selected will have to be of the very highest type, because they will be subjected to all sorts of temptations. They will be subjected to all kinds of offers of money and other things if there is any idea that by these offers they can be led astray. It will be necessary to have men who are absolutely unimpeachable and who can not be impeached, regardless of the prize that may be set before them. Then they must be men of ability. They must be men of good character, who will not deceive the committee, who will make honest and fair investigations. Again, the investigation will last but a few months. We can not expect to hire an ordinary person to go out and make the investigations that this committee will be called upon to make.

I believe that we ought to defeat both amendments, and let the committee be backed by \$100,000-something that will last during the campaign, that will be known to all people who otherwise might try illegally to influence elections by the wrongful use of money or other methods. If what I suggest is done, they will know that this committee is equipped to investigate their acts, and that it has the money to pay for the investigation which it is necessary to make.

I hope, therefore, that both of these amendments will be defeated.

Mr. WATSON. Mr. President, do I understand that this resolution is being considered by unanimous consent?

The VICE PRESIDENT. That is correct.

Mr. WATSON. I desire to make a very frank statement about it.

The theory is that three Republicans and two Democrats should be selected to serve on this committee. I have not yet been able to find three Republicans who are willing to serve. I have investigated very carefully, and I can not yet find Senators who are willing to serve.

Mr. NORRIS. Mr. President, will the Senator yield? Mr. WATSON. Certainly.

the personnel of the committee had been agreed upon by the Senator.

Mr. WATSON. The personnel was partially agreed upon; but when I came to talk to the Senators about it, they declined to serve. Three members of the majority party had been selected, including the Senator's colleague [Mr. Howell], but the other Senators declined to serve. Therefore at this time I desire to object to the further consideration of the resolution until I have an opportunity to look over the ground.

Mr. NORRIS. Mr. President, let me ask the Chair whether the resolution is before the Senate in such a parliamentary condition that an objection puts it over?

The VICE PRESIDENT. It was taken up by unanimous consent. The objection can be made at any time before final action is taken.

Mr. NORRIS. It comes up under the ordinary rule in

The VICE PRESIDENT. Yes.

Mr. NORRIS. That means, then, that it will have to go

Let me say that, of course, I have no interest in this resolution or its passage except to help to bring about, if I can, honest elections. This will not fully accomplish that. I realize that; but I do not intend, if I can prevent it, to permit the Senate to adjourn without acting one way or the other upon a resolution of this kind. If it is known that no committee of investigation is to be appointed, we will see a great deal of fraud and corruption by the illegal use of money that can be prevented by this method.

I desire to ask the Senator from Indiana, before he makes his objection, if he will not permit us to pass on these amendments. Would that suit the Senator?

Mr. WATSON. I am entirely willing to have that done. Mr. NORRIS. A roll call has been ordered on the first

Mr. WATSON. I want to say that I am not seeking to interpose an objection to the final passage of the resolution

Mr. NORRIS. No; I understand that. Mr. WATSON. Not at all; but I do not think, as a matter of fairness, that the committee should consist of five Demo-

Mr. NORRIS. No; I do not either.

Mr. WATSON. Of course the Senator does not. I do not think it ought to consist of five of what we ordinarily call insurgents.

Mr. NORRIS. No; I do not either.

Mr. WATSON. No; the Senator does not. Therefore, I am trying to get two of what I call regular Republicans, if the Senator will permit the use of the expression-

Mr. NORRIS. I have no objection whatever to it.

Mr. WATSON (continuing). To serve with Senator Howell, from the Senator's own State, and with two Democrats that the Senator from Arkansas [Mr. Robinson] is all ready to name; but I have not found two Republicans, and I will say to the Senator that I have been quite diligent in my search.

Mr. NORRIS. Suppose, then, that we have this understanding: Let us vote on these amendments now.

Mr. WATSON. I have not the slightest objection in the world to that.

Mr. NORRIS. Then the Senator will withdraw his objection temporarily?

Mr. WATSON. Temporarily; until the final vote comes. Mr. NORRIS. Very well.

The VICE PRESIDENT. The question is on the first committee amendment, on which the yeas and nays have been ordered. The clerk will call the roll.

Mr. NORRIS. Mr. President, there seems to be some misunderstanding. As I understand, there are two amendments to be voted on. The first is the amendment striking out "\$50,000" and inserting "\$25,000."

Mr. NORRIS. My understanding was that in order to re-tieve the Vice President of any embarrassment in the matter, striking out "\$50,000" and inserting "\$25,000."

on the question of substituting it for \$100,000?

The VICE PRESIDENT. That will be the vote. The first vote is on the amendment striking out "\$50,000" and inserting "\$25,000." The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GLENN (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. Long], who is necessarily absent. I therefore refrain from voting.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison], which I transfer to the senior Senator from Delaware [Mr. Hasrings], and vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson]. I do not know how he would vote if present. If I were at

liberty to vote, I would vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens], who is necessarily absent. In his absence, not knowing how he would vote, I withhold my vote.

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from Alabama [Mr. Black], who is absent. If permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. Glass], who is necessarily absent. Not knowing how he would vote, I withhold my vote.

Mr. COPELAND. I have a general pair with the senior Senator from Ohio [Mr. Fess]. Not knowing how he would vote, I withhold my vote.

Mr. McNARY. I desire to announce the following general pairs:

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. Typings], and the Senator from Pennsylvania [Mr. Reed] with the Senator from Arkansas [Mr. Robinson].

The result was announced—yeas 39, nays 30, as follows:

YEAS-39 Austin Bailey Bankhead Davis Dill Keyes Smoot King Steiwer Thomas, Idaho Fletcher George Goldsborough Logan McKellar Barbour Townsend Trammell Vandenberg Barkley McNary Harrison Hatfield Bratton Moses Byrnes Wagner Caraway Carey Hebert Kean Patterson Shortridge Watson White Kendrick Cohen Smith NAYS-30 Sheppard Shipstead Thomas, Okla. Walsh, Mass. Walsh, Mont. Blaine Cutting Hull Dale Dickinson Borah Johnson La Follette Lewis McGill Bulkley Bulow Frazier Capper Connally Costigan Gore Hawes Hayden Norris Couzens Howell Nve NOT VOTING-27 Fess Glass Metcalf Stephens Swanson Tydings Bingham Morrison Glenn Hale Hastings Black Neely Pittman Brookhart Reed Robinson, Ark. Robinson, Ind. Broussard Walcott Coolidge Long Copeland

So the amendment of the Committee to Audit and Control the Contingent Expenses of the Senate to the amendment of the Committee on Privileges and Elections was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. As the Chair understands it, the resolution will go over.

Mr. WATSON. Yes; I want that understood, for the present.

Mr. NEELY subsequently said: Mr. President, a few moments ago the Senate adopted an amendment in line 21 on page 3 of Senate Resolution 174, being Calendar No. 640, submitted by the Senator from Iowa [Mr. Dickinson], by virtue of which the authorized expenditure for investigations

Mr. NORRIS. Yes; and then after that the vote will be | conducted under the resolution was reduced from \$50,000 to \$25,000. I did not vote on that question. I now desire to enter a motion to reconsider the vote whereby that amendment was agreed to.

The VICE PRESIDENT. The motion of the Senator from West Virginia will be entered.

QUOTA EXEMPTION

Mr. REED. Mr. President, this morning when Order of Business 707, House bill 10600, was reached on the calendar, my attention was diverted and I was not able to examine the bill before it was passed. Now, on my own behalf, and also on behalf of the Senator from West Virginia [Mr. HATFIELD], the chairman of the Committee on Immigration. I ask unanimous consent that the vote by which the bill was passed may be reconsidered and the bill go back to the calendar.

Mr. WHEELER. Mr. President, what is the bill?

Mr. REED. It is a bill to allow the entry, apart from the quota, of foreigners who marry American women in the future or have married them in the past.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote whereby the bill was passed is reconsidered, and the bill will be restored to the calendar.

PRESCOTT, ARIZ., WATER SUPPLY

Mr. ASHURST. Mr. President, I introduced a bill, Senate bill 4791, proposing in effect better to preserve the supply of water for domestic purposes for the city of Prescott, Ariz. The bill was reported upon favorably by the Department of the Interior and the Department of Agriculture, and has been unanimously favored by the Committee on Public Lands and Surveys of the Senate. I was directed by the committee to report the bill with an amendment, and I submit a report (No. 781). It is somewhat in the nature of an emergency bill, and I should not ask the Senate to bear. with me on it now except that it ought to go to the other branch of Congress at the earliest possible moment if it is to become a law at this session.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

Mr. DILL. Mr. President, the bill proposes to guarantee fresh drinking water in the town of Prescott, which is the Senator's home town?

Mr. ASHURST. That is true.

Mr. DILL. It might affect the Senator's health if there were no fresh drinking water there, so I favor the bill.

Mr. ASHURST. I thank the Senator.

There being no objection, the Senate proceeded to consider the bill. The amendment was, on page 2, line 4, after the words "an area of." to strike out "two" and insert "three." so as to read:

Be it enacted, etc., That hereafter mining locations made under the United States mining laws upon lands within the municipal watershed of the city of Prescott, within the Prescott National Forest in the State of Arizona, specifically described as the west half southwest quarter section 13; south half section 14; southeast quarter and east half southwest quarter section 15; east half and south half southwest quarter section 22; all of section 23; west south half southwest quarter section 22; all of section 23; west half section 24; all of sections 26 and 27; north half north half section 34; and north half north half section 35, township 13 north, range 2 west, Gila and Salt River base and meridian, an area of 3,600 acres, more or less, shall confer on the locator the right to occupy and use so much of the surface of the land covered by the location as may be reasonably necessary to carry on prospecting and mining, including the taking of mineral deposits and timber required by or in the mining operations, and no permit shall be required or charge made for such use or occupancy: Provided, however, That the cutting and removal of timber, except where clearing is necessary in connection with mining operations or to provide space for buildings or structures used in connection with mining operations or to provide space for buildings or structures used in connection with mining operations with the rules for timber cutting on adjoining national-forest land, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining and prospecting shall be allowed except under the national-forest rules and regulations, nor shall the locator prevent or forest rules and regulations, nor shall the locator prevent or obstruct other occupany of the surface or use of surface resources under authority of national-forest regulations, or permits issued thereunder, if such occupancy or use is not in conflict with mineral development.

SEC. 2. That hereafter all patents issued under the United States mining laws affecting lands within the municipal watershed of the

city of Prescott, within the Prescott National Forest, in the State of Arizona, shall convey title to the mineral deposits within the claim, together with the right to cut and remove so much of the mature timber therefrom as may be needed in extracting and removing the mineral deposits, if the timber is cut under sound principles of forest management as defined by the national-forest rules and regulations, but each patent shall reserve to the United States all title in or to the surface of the lands and products thereof, and no use of the surface of the claim or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except under the rules and regulations of the Department of Agriculture.

Sec. 3. That valid mining claims within the municipal watershed

SEC. 3. That valid mining claims within the municipal watershed of the city of Prescott, within the Prescott National Forest in the State of Arizona, existing on the date of the enactment of this act, and thereafter maintained in compliance with the law under which they were initiated and the laws of the State of Arizona, may be perfected under this act, or under the laws under which

they were initiated, as the claimant may desire.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FEDERAL POWER COMMISSION-LEGAL EXPENSES

Mr. NORRIS. Mr. President, a subcommittee of the Committee on the Judiciary that had charge of the selection of an attorney or attorneys to represent the Senate in the matter involving the right of George Otis Smith to retain his position as a member of the Federal Power Commission, have allowed expenses and attorney's fees in that matter which exceed by \$395.40 the amount which the Senate allowed to be expended for that purpose. I offer a resolution to increase the amount to be expended in that litigation by \$395.40, which pays all the bills and all the attorney's fees in the case. I ask unanimous consent, first, that it be read and then for its present consideration.

The VICE PRESIDENT. Let it be reported for the information of the Senate.

The resolution (S. Res. 222) was read, as follows:

Resolved, That the Committee on the Judiciary, authorized by Senate Resolution No. 415, agreed to February 5, 1931, to engage counsel for the purpose of instituting proceedings to secure a determination of the right of George Otis Smith to the position of member of the Federal Power Commission, and to pay the counsel fees and other expenses necessarily incident to such proceedings, hereby is authorized to expend from the contingent fund of the Senate \$395.40 in addition to the amount heretofore authorized for said nurpose.

The VICE PRESIDENT. Under the rule the resolution would have to go to the Committee to Audit and Control.

Mr. NORRIS. I had not thought of that, but I believe the Chair is right.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. JONES. Mr. President, on page 91, under "Transfer of Personnel Classification Board to Civil Service Commission," we have provided for the abolishment of the board and the position of the director of classification. I think we ought not to abolish that position. It ought to be available to the Civil Service Commission, so that the work can promptly be done by one party instead of having to have the cooperation of all three. I desire therefore to offer the amendment which I send to the desk.

The VICE PRESIDENT. Let the amendment be reported. The CHIEF CLERK. On page 91, line 13, strike out the words "and the position of director of classification are" and insert the word "is", so as to read:

(a) The Personnel Classification Board is hereby abolished.

The amendment was agreed to.

Mr. BYRNES. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 56, strike out lines 21 to 25, and lines 1 to 9, on page 57, and insert:

During the fiscal year ending June 30, 1933, in so far as practicable, all overtime work, both day and night, and all Sunday and holiday work, shall be performed by substitutes or unemployed regulars in lieu of persons who have performed a day's work during the day in which the overtime work or night work is performed; or in the case of Sundays and holidays by persons who have performed a week's work during the same week: Provided, That this section shall not apply to compensation for overtime services performed by Federal employees under existing laws at the expense of private interests.

Mr. JONES. Mr. President, the Senator from California [Mr. Shortridge] was interested in the proposition involved in the amendment.

Mr. BYRNES. Mr. President, the Senator from California is in accord with the amendment which I have offered. The language which is stricken out is the language of the House text. It was not the intention of the committee that the compensation for overtime work, for night work, or on Sundays and holidays should be affected, but that a restriction should be placed upon the use for overtime work at night of employees who were working during the day. The object of the subcommittee was to give employment to substitutes and to regulars for night work and for Sunday work. The Senator from Connecticut [Mr. Bingham] and I so stated to the Senate on the day the amendment was first offered to the Senate.

Mr. BINGHAM. Mr. President-

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Connecticut?

Mr. BYRNES. I yield.

Mr. BINGHAM. May I ask the Senator whether it is true that the amendment as he has offered it in section 210, on pages 56 and 57, if adopted, would permit the extra pay for night work and overtime work whenever that is required?

Mr. BYRNES. Yes; it does. The language of the House text is stricken out, so that the law will remain as it now exists.

Mr. BINGHAM. I hope it will be adopted. It was not the intention of the committee at all to reduce the amount that may be paid for night work to those regularly so employed.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. BYRNES. Mr. President, on yesterday a committee amendment was considered on page 56, known as section 208, and reading as follows:

Hereafter no law or regulation authorizing or permitting transportation at Government expense of the effects of officers, employees, or other persons shall be construed or applied as including or authorizing the transportation of an automobile.

The amendment was rejected upon the suggestion of the Senator from Pennsylvania [Mr. Reed], who advised the Senate that according to the information received by him from the War Department the total saving effected by that section would not exceed \$3,000. This morning in the Appropriations Committee officials of the Navy Department testified that as a result of the elimination of that section we would have to appropriate \$307,000 in order to transport automobiles for naval officers from place to place. The Senator from Pennsylvania was unaware of the effect on the Navy and advises me that he is rather amazed at the information. I do not think he would have any objection to the motion I now make to reconsider the vote whereby the committee amendment was rejected, in order that the section of the bill may be reconsidered.

I note that the Senator from Pennsylvania has just at this moment entered the Chamber, and for his benefit I wish to state that I have moved to reconsider the vote by which the committee amendment was rejected relating to the transportation of automobiles.

Mr. REED. Mr. President, I hope the Senator will not insist upon a vote immediately. I have been trying to call the War Department to get some information about it. The showing in the hearings on the Army bill was that their total expenditures for that item are about \$3,000. I am

told a showing in the hearings on the Navy bill was that ! the Navy is spending over \$300,000 for that purpose.

Mr. BYRNES. The Senator is correct. It is \$307,000 that the Navy expends. Further, as a result of my inquiry, I learned that this expense is due to crating and transportation and involves in great measure the freight upon railroads. I ascertained that if an officer is sent from the Atlantic coast to the Pacific coast his automobile is shipped and that the average cost of crating and shipping a machine is a little over \$200, and that the total cost to the Navy last year was \$307,000.

My intention in asking for reconsideration, I may say, is to ask the adoption of the committee amendment. It will then go into conference, and certainly it would be my purpose to work out a plan which would not work a hardship upon anyone, and yet at the same time would put a stop to the expenditure by the Navy Department of \$307,000 for the transportation of automobiles across the continent. An automobile which has been used may not be worth more than \$600 or \$800. When it is shipped across the continent at a cost of \$200, that is, in my judgment, a practice that is indefensible. This is the only opportunity we will have to correct it. If not corrected, we will have to add \$307,000 to the Navy appropriation bill for the transportation of automobiles.

Mr. REED. I agree with the Senator that that is shocking. I can not imagine how there could be such a difference in administration in the two departments that one of them, with more officers-because there are more Army officers than Navy officers-should hold this item down to \$3,000 and the other one spend \$307,000. I wonder if we could not fix it in this way as a premium on good administration? Let us restore section 208 with a proviso that the Army and Navy may each spend for this purpose not to exceed \$5,000 a year. That will get economy.

Mr. BINGHAM. Mr. President-

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Connecticut?

Mr. BYRNES. I yield.

Mr. BINGHAM. I do not know whether the Senator would be willing to let the matter go over until a further study can be made, but it occurs to me that probably the difference is due in large part to this fact. When an Army officer is transferred from the Atlantic coast to the Pacific coast he quite likely goes in an Army transport with his family and the automobile, and there is no transportation expense. If he goes by land he drives his own car. If a Navy officer is transferred from the Atlantic coast to the Pacific coast he is probably on board a ship and travels on the ship to the Pacific coast, and his family must go by train. In view of the fact that probably his family would not care to drive the car, it is quite possible that that may be the reason why in the case of the Navy the car is crated and shipped by train, whereas in the Army the officer would be likely to drive his own car. I ask the Senator if he will not let it go over until we can get further information about it.

Mr. BYRNES. Admitting that the information furnished by the Senator from Pennsylvania is correct, it would not be a very material matter, but I will say to the Senator from Pennsylvania that if the Senator will permit us to reconsider the vote by which the committee amendment was rejected, I should be glad to confer with him and I know the Senator from Connecticut will, too, and we can then work out a plan whereby this saving can be effected in a way to do justice to all parties concerned.

Mr. REED. Will not the Senator withhold his motion for a few minutes so as to afford me an opportunity definitely to get the facts?

Mr. BYRNES. I shall be glad to do so.

Mr. DILL. Mr. President, when this bill was before us a day or so ago I entered a motion to reconsider the vote whereby section 515, on page 95, was agreed to. I should like to make that motion now and to have that section taken up and reconsidered. I was called off the floor at the time the section was adopted; and if there is no objection, I should like to have it now reconsidered.

Mr. BINGHAM. Mr. President-

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Connecticut?

Mr. DILL. I yield.

Mr. BINGHAM. The Senator's motion will undoubtedly lead to some discussion. Before the Senator makes his motion to reconsider, will he permit me to make a request for the correction of a committee amendment, which I think will not lead to any discussion? If it does, I will withdraw the

Mr. DILL. Very well.

Mr. BINGHAM. On page 45, subsection (b), from lines 12 to 20, the committee struck out the language of the House bill because in the bill as reported by the committee there were no exemptions whatsoever in the reduction of pay. Since that time the committee has adopted an amendment proposed by the Senator from Maryland [Mr. Typings] making an exemption of all salaries under \$1,000. Whatever the exemption may finally be, it is likely that there will be an exemption in the bill as passed. Because of the fact that there is now in the bill an exemption, I ask unanimous consent that the vote whereby section (b) was stricken out may be reconsidered and that the committee amendment may be disagreed to.

Briefly, Mr. President, the reason for that request is this: There are quite a number of persons employed casually, for a few days at a time, some of them highly paid experts, who receive as much as \$25 a day. There would be no sense whatever in their receiving no exemption from deduction. Section (b) was drafted to take care of any exemptions that might be made and to place them on a basis of annual pay, so as not to relieve from deduction persons, for instance, who are engaged in appraising real estate at \$10 to-day and enable them, merely because they only get two or three hundred dollars a year, to have no reduction. I think there will be no objection to my proposal.

The VICE PRESIDENT. The question is on the motion of the Senator from Connecticut to reconsider the vote whereby subsection (b) on page 45, from lines 12 to 20, was stricken out.

The motion to reconsider was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment.

The amendment was rejected.

Mr. DILL. Mr. President, I ask the chairman of the committee if there is any objection to reconsidering the vote by which section 515 was adopted in order that I may dis-

Mr. JONES. I shall not object to the Senator doing so. The VICE PRESIDENT. Is there objection to the motion to reconsider the vote whereby section 515 was adopted? The Chair hears none, and without objection the vote is reconsidered.

Mr. DILL. Mr. President, I ask for a reconsideration of the vote whereby section 515, page 95, was agreed to, because I think that the adoption of that section is likely to lead to confusion, to say the least. In the second place, it would be bad legislation. That section relates to section 511, which provides for the transfer of the Radio Division of the Department of Commerce to the Radio Commission. On page 93, subsection (c) reads, as follows:

(c) such of the officers and employees of the division as, in the judgment of the President, are indispensable to the efficient operation of the Federal Radio Commission, shall be transferred to such commission, and all other officers and employees of such division shall be dismissed.

I think that is a very proper provision, but section 515. which the committee added, provides:

SEC. 515. Such of the officers and employees of the Radio Division of the Department of Commerce and the Federal Radio Commission as, in the judgment of the President, are indispensable to the efficient operation of the consolidated bureau, shall be retained, preference being given to length of service and efficiency.

In the first place, when Radio Division shall have been consolidated with the Radio Commission by the President it will all be under the Radio Commission, and the President should no longer interfere and have the right to say who

shall be retained and who shall be dropped from the service. In the second place, the last line provides-

preference being given to length of service and efficiency.

The length of service of those employed in the Radio Division of the Department of Commerce is greater than that of anybody in the Radio Commission, including the commissioners themselves. So, it seems to me, in the first place, that it is a useless and needless provision; in the second place, that it is an improper provision; and, in the third place, that it might be construed to give those employees of the Radio Division of the Department of Commerce an advantage in holding positions over the employees of the Radio Commission.

I think the whole matter can be safely left to the commission once the Radio Division of the Department of Commerce has been consolidated with the commission. So I hope the amendment of the Senate committee will be disagreed to:

Mr. DAVIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Pennsylvania?

Mr. DILL. I yield.

Mr. DAVIS. Does the Senator propose to strike out the

language at the bottom of page 93?

Mr. DILL. No; I have proposed to strike out nothing on page 93. I am in entire accord with the provision on page 93. I referred only to that to show that the President has full power in transferring the division in the Department of Commerce to drop employees who are not needed. However, the section on page 95, lines 3 to 8, inclusive, proposes to give the President the power to go into the commission after the consolidation and determine who shall be retained. I think that is improper.

Mr. DAVIS. The Radio Division of the Department of Commerce is the oldest organization of the Government so far as radio is concerned.

Mr. DILL. It is.

Mr. DAVIS. And I should think it would be wise, after the word "commission" on page 93 in line 19, to strike out the semicolon and insert a period and also strike out the word "and" and all of lines 20, 21, 22, 23, and 24. In that event section 515 will give the right to preference on account of length of service and efficiency, and the President may exercise his discretion.

Mr. DILL. He has that right before the transfer takes place to drop anybody he pleases, but after the transfer it is a matter for the commission to pass upon and not for the President.

Mr. DAVIS. It says here-

Mr. BRATTON. Mr. President-

The VICE PRESIDENT. Does the Senator from Washington yield and, if so, to whom?

Mr. DILL. I yield to the Senator from Pennsylvania.

Mr. DAVIS. Section 515 reads:

Such of the officers and employees of the Radio Division of the Department of Commerce and the Federal Radio Commission as, in the judgment of the President, are indispensable to the efficient operation of the consolidated bureau, shall be retained, preference being given to length of service and efficiency.

What I am trying to do is to give preference to those who have been in the Radio Division of the Department of Com-

Mr. DILL. I think they will have preference so far as that particular work is concerned.

Mr. DAVIS. I think it would make it a little more clear and give them that much more right if we should strike out the language on page 93 to which I have referred.

Mr. DILL. The Senator can make that motion if he sees fit. I am not making such a motion. I am now only addressing myself to the proposal to strike out section 515, which I consider entirely unnecessary and which I think will lead to confusion.

Mr. BRATTON. Mr. President-

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New Mexico?

Mr. DILL. I yield.

Mr. BRATTON. Let me suggest to the Senator that section 515 be amended by striking out the word "President" in line 5, and inserting in lieu thereof the word "commission," and in line 7, striking out the words "preference being given to length of service and efficiency," so that the section would then read:

Such of the officers and employees of the Radio Division of the Department of Commerce and the Federal Radio Commission as, in the judgment of the commission, are indispensable to the efficient operation of the consolidated bureau, shall be retained.

Mr. DILL. I shall be entirely satisfied with that amendment, and I think in some ways it would be preferable to striking out the section; but as it stands now I think it is objectionable.

The VICE PRESIDENT. Does the Senator from New Mexico propose an amendment?

Mr. BRATTON. I propose what I have suggested as an amendment to the committee amendment.

Mr. BINGHAM. Mr. President, I am sorry to differ with my colleague on the committee, with whom I have worked in agreement as to most of the items in the bill; but if what is suggested shall be done, what will happen will be this: The Federal Radio Commission will decide, naturally, that its employees shall be retained, and those now in the Department of Commerce whom it does not like it will not have to retain. The commission will make the decision, of course, and if that is done we might as well strike it all out.

The reason the committee put this paragraph in was to try to protect the employees of the Department of Commerce who have been in the field trying to carry out the orders of the Government with regard to radio activities. The Radio Commission, as I understand, has had very few employees in the field. The Senator from Washington, however, knows much more about this thing than I do.

Mr. DILL. The fact of the matter is that the Federal Radio Commission has no inspection force as such, and it would have no employees in competition with the employees of the division in the Department of Commerce. So that, so far as that character of employment is concerned, there is nobody in the commission who has been doing such work. There will be some overlapping, no doubt, in the case of clerks who will handle the work; but, so far as the inspection service itself is concerned, undoubtedly the commission will keep the men who have been doing that work, because they have nobody to do it. It seems to me to be a mistake to have the President step in and interfere and decide who shall be retained and who shall be dropped by the Radio Commission after the radio division of the Department of Commerce has been consolidated with it.

Mr. BRATTON. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from New Mexico?

Mr. BINGHAM. I yield. Mr. BRATTON. The thought I had in mind in offering the amendment was that there were not two inspection services; that, therefore, there would be no overlapping there, and there would be no dismissal of those in one group in preference to those in the other group. As I understand, the actual operation under the amendment will be for the Federal Radio Commission to take over bodily the inspection service, including the personnel, from the Department of Commerce; and, as the Senator from Washington has said, I think there will be an overlapping only in the matter of clerks and the indoor staffs.

Mr. BINGHAM. May I ask the chairman of the committee who it was that suggested this amendment to the com-

Mr. JONES. My recollection is that the amendment was suggested to the full Appropriations Committee by the Senator from Pennsylvania [Mr. Davis]. I should like to suggest that I think the language of page 93 is really sufficient, where the President is authorized to make the transfer of those whose services are deemed indispensable, and so I think we could very well strike out the language on page 95.

There is one thing about which the Senator from Pennsylvania, I think, is very anxious, and that is to have stricken out, on page 93, the words "and all other officers and employees of such division shall be dismissed." Personally I | rules the provision for having matters decided in the Comsee no objection to striking that language out. I think if we would incorporate in the bill the words, on page 93, "such of the officers and employees of the division as, in the judgment of the President, are indispensable to the efficient operation of the Federal Radio Commission shall be transferred to such commission," that would cover both propositions. That would cover the proposition on page 95 and allow that section to go out, and also cover the point the Senator from Pennsylvania desires covered.

So I suggest that that section 515 be stricken out, and then on page 93, after the word "commission," in line 23, that there be stricken out the words "and all other officers and employees of such division shall be dismissed." Of course the President will keep all that he deems indispensable; and we need not say that he shall dismiss the balance, but their services will be dispensed with.

I think the motion of the junior Senator from Washington can very well be adopted.

Mr. BRATTON. Mr. President, I withdraw the amendment which I proposed relative to section 515.

The VICE PRESIDENT. The question is on the committee amendment.

The amendment was rejected.

Mr. JONES. Now, Mr. President, on page 93 I move to strike out, in line 23, after the word "commission," the words "and all other officers and employees of such division shall be dismissed."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I move to reconsider the vote whereby the amendment offered by the Senator from New Hampshire [Mr. Moses] was rejected; and I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Reed Robinson, Ark. Robinson, Ind. Schall Hull Austin Bailey Bankhead Couzens Johnson Jones Kean Cutting Davis Sheppard Shipstead Shortridge Barbour Barkley Kendrick Kendrick Keyes King La Follette Lewis Dickinson Bingham Dill Fletcher Smith Frazier Smoot Borah Logan McGill McKellar Steiwer Thomas, Idaho Thomas, Okla. Bratton George Glass Glenn Broussard Bulkley McNary Bulow Goldsborough Townsend Trammell Gore Byrnes Capper Caraway Neely Hale Vandenberg Wagner Walsh, Mass. Walsh, Mont. Watson Harrison Hatfield Carey Cohen Connally Norris Hawes Hayden Nye Oddie Coolidge Hebert Patterson Wheeler Howell Pittman White

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

Mr. BINGHAM. Mr. President, I dislike to take up the time of the Senate on what appears to be a technicality. I desire to have the motion which the Senator from Wisconsin [Mr. La Follette] is making voted upon—at least, I have no objection to its being voted upon, although I shall vote against it—but I think it is establishing a very bad precedent to permit a Senator who was present when a vote was cast. and was paired on the nonprevailing side, to move to reconsider.

I admit that Rule XIII explicitly says now, as it was amended May 16, 1930, that a Senator who voted with the prevailing side, or who has not voted, may on the same day, and so forth, move a reconsideration. I remember very distinctly when the Committee on Rules was considering this whole matter. I think Senators will remember that it came up in connection with the fact that on the tariff bill there were so many motions to reconsider that we had three or four motions on one subject, and an effort was made to cut down the number of times we would have to vote on reconsideration. At that time we took out of the

mittee of the Whole, and then later in the Senate, in order to prevent a duplication of reconsideration.

At that time the matter was raised in the Committee on Rules. I am not sure whether it was discussed on the floor of the Senate; but I remember that the senior Senator from Virginia [Mr. Swanson] raised the question as to whether we should not permit any Senator to move to reconsider. It was my feeling at that time that perhaps that was a good rule; that there was no reason why any Senator could not move to reconsider. The committee, however, thought otherwise, and it was limited to Senators who voted with the prevailing side. An exception, however, was made for Senators who did not vote. The presumption is that they were not present. It is true that nothing was said about Senators who were paired; but it seems to me that it is not in accordance with the spirit of the rule that a Senator who was paired on the side which did not prevail should move to reconsider.

I wish very much, for the sake of the Senate precedents. that the Senator from Wisconsin would secure some one to make the motion who did vote with the prevailing side, or who was not present and did not vote. I dislike to make the point of order against it because I do not want to appear to be obstructing a vote on this question, which I am perfectly willing to have take place.

Mr. LA FOLLETTE. Mr. President, I flatter myself that I know just as much about the rules and the spirit in which they were written as the Senator from Connecticut.

When the procedure in the Committee of the Whole was done away with this change in the rule was made so that a Senator who desires to move a reconsideration, there not being a second consideration of the bill in the Senate after it passed from the Committee of the Whole, should be protected either if he were absent or if he did not vote.

The question came up in the consideration of the tax bill concerning the reconsideration of votes on the tariff items; and it was my contention, and I so advised in consulting with a number of Senators, that if they voted with the minority side, and desired to move a reconsideration, it was not necessary for them to register themselves permanently in the records of the Senate in a position contrary to the one which they wished to take, but they could accomplish the purpose of putting themselves in a position to move a reconsideration by simply withdrawing their vote.

I do not want the Senator from Connecticut or anyone else to put me in the position of having technically taken advantage of a rule. I have simply exercised the right which I have under this rule, under its spirit as well as its letter, in view of the fact that I did not vote, to enter this motion to reconsider.

The logic of the position of the Senator from Connecticut is that if a Senator had been quoted in the newspapers as having been opposed to a piece of legislation, and was not even in the Chamber, he ought to be foreclosed from moving a reconsideration if the position which he had publicly taken was one which happened to be with a minority.

The VICE PRESIDENT. The Chair is ready to rule.

In the opinion of the Chair, the rule is very plain. It says that if a Senator did not vote he has a right to move a reconsideration. The RECORD shows that the Senator from Wisconsin did not vote, and therefore he is entitled to enter the motion. The point of order raised by the Senator from Connecticut is overruled.

Mr. JONES. I call for the yeas and nays on the motion to reconsider.

Mr. LA FOLLETTE. Mr. President, just one moment.

I do not wish to detain the Senate long to discuss this matter, because it has been thoroughly argued, and I am sure every Senator is familiar with the proposition involved.

I merely wish to say that some question was raised, in considering the furlough amendment on a previous day, as to what was the attitude of the employees affected by these various amendments.

Under date of June 7 I received a letter from the president of the American Federation of Labor which I beg the indulgence of the Senate to read:

WASHINGTON, D. C., June 7, 1932.

Washington, D. C., June 7, 1932.

Hon. Robert M. La Follette,
United States Senate, Washington, D. C.

My Dear Senator: Notwithstanding the appeals which labor has made to preserve wage and living standards established through years of effort for Government employees, Congress now seems determined to reduce the income of Federal employees either through a horizontal reduction in wages or through the substitution of a furlough plan, which includes a provision for the 5-day work week

Labor firmly believes that the policy being pursued by Congress is economically unsound, because through a reduction in the earning power of thousands of Government employees the market for manufactured goods will be further reduced and most seriously curtailed. All of this, in my judgment, will tend to delay a return of normal conditions. I know there are millions of people who of normal conditions. I know there are millions of people who share this opinion with the officers and members of the American Federation of Labor.

Notwithstanding this fact, labor realizes that Congress is determined to pass an economy measure. Perhaps even at this late hour it would not be amiss if I would venture an opinion as to what in my judgment would be the lesser of the two evils. For this reason I am taking the liberty of sending you this communication.

It is my opinion that the 5-day work week furlough plan for Government employees, surrounded with such safeguards as labor's friends in Congress might be able to impose, would be more preferable and advantageous to Federal employees and to labor generally than a horizontal reduction in salaries and wages.

I therefore suggest that Congress adopt the 5-day week furlough plan for Government employees as herein referred to as a substi-tute for the proposal that the wages and salaries of Government employees be reduced 10 per cent as provided for by the pending economy bill.

I sincerely hope the friends of labor in the Congress of the United States will share with me this expressed opinion and will find it possible to follow the suggestions which I have herein made.

With my highest personal regards, I beg to remain,

Sincerely yours,

President American Federation of Labor.

I also received a letter to-day, under date of June 8, from Thomas F. Flaherty, secretary-treasurer of the National Federation of Post Office Clerks, in which he said:

Please be advised that the National Federation of Post Office Clerks prefers the furlough plan in lieu of the Senate Economy Committee's bill for a 10 per cent reduction in wages. We opposed both pay cuts and the furlough plan until it became manifest that one or the other must be accepted. Of the two, the fur-

fest that one or the other must be accepted. Of the two, the furlough is more acceptable, as it means a wider diffusion of available work, pointing the way toward a postal 5-day week; and also the maintenance of existing wage standards.

There is a serious unemployment situation in the postal service of which the public knows little. Twenty thousand substitute clerks and carriers are virtually without any work, due to a falling off in mailings. The furlough plan, provided service is given to the public at present standards, should provide work opportunities for these substitutes, many of whom are in actual distress and are being supported and aided by regular employees.

For these reasons we hope the Senate will adopt the furlough plan.

plan.

So much for the attitude of those most vitally concerned in this question which the Senate is about to determine.

Briefly, Mr. President, let me recapitulate the situation as I see it. The committee's plan is a plan for reduction of wages which will be taken as a precedent by industrial organizations all over the country, despite the fact that they have already reduced wages. Once the Federal Government acts, they will take its action as a justification for further reduction in the wage standards already so materially lowered in this country.

The committee's plan also embodies the furlough plan, as I pointed out on yesterday. If the Congress fails to provide sufficient appropriations, then it is, under the committee's plan, possible for any officer of the Government at the head of a bureau to require the employees in that bureau not only to take a 10 per cent cut in wages, which will be automatic, but to furlough them for an indefinite period of time.

A man may have his wages reduced 10 per cent for six months while employed, and then be asked on top of that to take a 6-month furlough in order to make up any deficit which may accrue due to the failure of Congress to provide sufficient funds for salaries.

This is an indefensible proposition. The Senator from New Mexico [Mr. Bratton] and the Senator from Washington [Mr. Jones] have tried to justify it on the ground that it was merely an admonition to the executive officers

of the Government not to exceed their appropriations, and not to send up any deficiency estimates. That, in my judgment, is no answer at all. The question remains as to what Congress will do with the six appropriation bills which are yet to be passed by this body. We may err in the estimates, and, if so, there will not only be taken a 10 per cent flat reduction in salary from the employees, many of them in the very low income groups, but it is also proposed to give administrative authority to heads of bureaus and divisions in the Government service to put employees on furlough for an indefinite period of time.

Mr. President, the furlough plan has the further advantage that it commits the Government to a step in the direction of the 5-day week. I believe the 5-day week is an adjustment which must come in the employing practices of both public and private organizations in this country before we may remedy the discrepancy between our capacity to produce and the capacity of the masses of the people to

Much is made of the fact that, according to the estimates of the enemies of the furlough plan, its adoption means a difference of \$33,000,000 in economies. Granting, for the sake of the argument, such is the case, does any Senator maintain on the floor of the Senate that we are justified, in order to obtain that \$33,000,000, in taking it out of the Government employees rather than making an honest effort to reduce some of the six appropriation bills which are yet to come before the Senate?

The Senate Committee on Appropriations, which recommends this bill and which up until yesterday was beseeching the Members of the Senate to follow it in its wisdom on this measure, has already restored, in the Army appropriation bill, 2,200 officers who were cut out by the House.

Mr. McKELLAR. Mr. President, will the Senator yield? Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. I will say that I have learned that the deductions in the Army bill fall very much lower than those in other bills which have been agreed to both by the committee and the Senate, and I intend to make a motion to return that bill to the committee, with instructions to reduce it 10 per cent, as in the case of all other bills.

Mr. LA FOLLETTE. I understand; but the Senator will find, when he comes to make that motion, that he will not have the support which he had to take savings out of the salaries of the low-income groups in the Government employment, many of whom have no opportunity to vote or to register their will in this body. He will find it more difficult when he comes to move to reduce the Army or Navy appropriation bills by 10 per cent.

So it will be, Mr. President, with the other bills which will come along. There will be greater resistance to the economies in those bills, and that is the reason why the members of the Committee on Appropriations have taken the position that the only way by which they could get this money was to fry it out of the salaries of the low-income groups in the Government service.

Mr. President, I do not subscribe to that position. I say that the Senate should not admit that it is impotent, that it is incompetent, in passing upon a \$4,000,000,000 Budget, to find \$33,000,000 of economies in order to make up the difference between the two plans.

Mr. BRATTON. Mr. President, it is not my purpose to extend the debate unduly. Virtually every aspect of the matter has been discussed. Every consideration has been canvassed.

The Senator from Wisconsin says that under the committee proposal, in addition to the 10 per cent cut, a furlough may be imposed. Let me remind the Senator that under the furlough plan, sponsored by the Senator from New Hampshire, if the Congress fails to appropriate sufficient money to operate the furlough system as contemplated-that is to say, to furlough the employees only so many days throughout the year-the moment the money becomes exhausted there will be more furloughs and less employment. In other words, under either system the employees will be paid what Congress appropriates. When the appropriations are exhausted, the employees will be off the league the junior Senator from Connecticut were present he pay roll, furlough plan or no furlough plan. So that in that respect the one proposal has no advantage over the other.

As I undertook to say on a recent day, it was the thought of the committee that the Congress should appropriate enough money to continue the pay roll uninterruptedly at the 90 per cent rate, but anticipating that through oversight or miscalculation, Congress might fail to do that, the furlough provision was inserted in the bill to prevent dismissal of employees.

Mr. President, the real purpose I had in mind in addressing myself to the pending motion was to inquire whether, if the motion is adopted, it will bring before the Senate the entire proposal, that is to say, whether the amendment proposed by the Senator from New Hampshire will be open to amendment.

For instance, the Senator from Michigan offered an amendment superimposing graduated reductions on the furlough system. If we are going into the matter at all, we may as well go into the whole matter; and if the entire matter is to be reopened and recanvassed from all viewpoints, the consideration of the bill will probably be extended indefinitely. If it were passed with the furlough provision in it, the difficulty presented by the fact that the body at the other end of the Capitol rejected the proposal by an overwhelming vote will have to be met and solved if possible.

I have already said everything within my power with respect to the justice of the 10 per cent cut, with respect to its uniformity, with respect to its fairness, with respect to the manner in which it exacts an equal toll which all of us regret to require. I hope that after the committee has labored with the matter long, after the Senate has recorded its judgment upon the proposal, at this late hour we will not reverse our attitude on the question.

Mr. BINGHAM. Mr. President, as has been stated before by various members of the subcommittee, the matter of the furlough plan was laid before us almost at the very beginning of our study of the entire question. One of the reasons why we adopted the other plan instead of the furlough plan was the very large difference in the amount of savings, something like \$40,000,000. Another was the difficulty of putting the furlough plan fairly into effect.

It happens, through coincidence, that this very morning I received a letter from an official of one of the relief funds conducted by the post-office clerks, in which I find these

The furlough plan is real bad, and the men are bitterly opposed to it. It can't or won't be done equally, and is the opening wedge to break down the civil service laws. We could get thousands to write you letters protesting-

And so forth.

That letter states one of the reasons which led us to adopt a simple cut right along the line instead of adopting a plan which would be extremely difficult to operate, and one which would be bound to result in injustices and irregularities, with the best will in the world. As was stated yesterday, there are a number of employees in the Government service and in the service of the District of Columbia to whom it could not apply.

The PRESIDING OFFICER (Mr. Johnson in the chair). The question is on agreeing to the motion made by the senior Senator from Wisconsin [Mr. La Follette] to reconsider the vote by which the amendment in the nature of a substitute offered by the Senator from New Hampshire [Mr. Moses] was rejected.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS], who is necessarily absent. On this question I have been released from my pair by the arrangement of a special pair of the junior Senator from Virginia [Mr. Glass] with my colleague the junior Senator from Connecticut [Mr. WALCOTT]. I understand that if the junior Senator from Virginia were present he would vote "nay," and if my col-

would vote "yea." I vote "nay."

Mr. BANKHEAD (when Mr. Black's name was called). My colleague the senior Senator from Alabama [Mr. BLACK] is necessarily absent. I am not informed how he would vote on this question.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. I am not informed how that Senator would vote if present. I therefore withhold my vote. If permitted to vote, I would vote "yea."

Mr. McNARY (when his name was called). Upon this vote I have a pair with the junior Senator from Illinois [Mr. Lewis]. In his absence I withhold my vote. If permitted to vote, I should vote "nay."

Mr. PITTMAN (when his name was called). I have a pair with the senior Senator from Rhode Island [Mr. METCALF], who is necessarily absent to-day. I am not advised how he would vote on this matter if he were present. If I were permitted to vote, I would vote "yea."

Mr. ROBINSON of Indiana (when his name was called). Again announcing my general pair with the junior Senator from Mississippi [Mr. Stephens], who is necessarily absent from the Senate, I withhold my vote. If free to vote, I would vote "yea."

Mr. SCHALL (when his name was called). I have a general pair with the senior Senator from Alabama [Mr. Black]. If permitted to vote, I would vote "yea."

Mr. TOWNSEND (when his name was called). On this vote I am paired with the senior Senator from Wyoming [Mr. KENDRICK]. Not knowing how he would vote I withhold my vote. If permitted to vote, I would vote "yea."

Mr. VANDENBERG (when his name was called). On this vote I have a pair with the senior Senator from Virginia [Mr. Swanson], who is detained in connection with the Geneva conference. If he were present, I understand that he would vote "nay." If I were permitted to vote, I should vote "yea."

Mr. WHEFLER (when his name was called). On this matter I have a pair with the senior Senator from Colorado [Mr. WATERMAN]. I am not informed how he would vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. COPELAND. On this matter I am paired with the senior Senator from Ohio [Mr. Fess], who is absent on important business. Not knowing how he would vote, I withhold my vote, being unable to obtain a transfer. If permitted to vote, I should vote "yea."

Mr. BULKLEY. I am paired with the junior Senator from Wyoming [Mr. CAREY], and therefore withhold my vote. If that Senator were present, he would vote "yea," and if permitted to vote I should vote "nay."

Mr. GLENN. I have a general pair with the junior Senator from Louisiana [Mr. Long], who is necessarily absent. Therefore I withhold my vote.

Mr. TOWNSEND. I desire to announce the necessary absence of my colleague [Mr. Hastings], who is paired with the senior Senator from Maryland [Mr. Tydings]. If my colleague were present, he would vote "yea," and if the senior Senator from Maryland were present he would vote "nay."

Mr. BINGHAM. I desire to announce that the Senator from Rhode Island [Mr. METCALF], if present and not paired. would vote "nay."

The result was announced—yeas 36, nays 33, as follows:

	YE	AS-36	
Austin	Dale Davis Frazier Goldsborough Hawes Hebert Johnson Kean La Follette	Logan	Smith
Barbour		Moses	Smoot
Blaine		Neely	Steiwer
Broussard		Nye	Thomas, Idaho
Capper		Oddie	Trammell
Coolidge		Patterson	Wagner
Costigan		Reed	Walsh, Mass.
Couzens		Shipstead	Watson
Cutting		Shortridge	White
	NA	YS-33	
Ashurst	Barkley	Bratton	Caraway
Bailey	Bingham	Bulow	Cohen
Bankhead	Borah	Byrnes	Connally

King McGill McKeliar Sheppard Thomas, Okla. Walsh, Mont. Dickinson Harrison Hayden Fletcher Howell Hull George Norbeck Norris Gore Jones Hale Keyes Robinson, Ark. NOT VOTING-27

Townsend Tydings Vandenberg Walcott Black Brookhart Glenn Metcalf Hastings Bulkley Hatfield Pittman Kendrick Robinson, Ind. Carey Copeland Waterman Lewis Schall Fess Glass Stephens McNary Swanson

So Mr. La Follette's motion to reconsider was agreed to. The VICE PRESIDENT. The question is on the substitute of the Senator from New Hampshire [Mr. Moses].

Mr. MOSES. I demand the yeas and nays.

The yeas and nays were ordered. Mr. HOWELL obtained the floor.

Mr. GORE. Mr. President-

The VICE PRESIDENT. The Senator from Nebraska has the floor.

Mr. GORE. I rose to make a motion to lay the substitute on the table.

The VICE PRESIDENT. The Senator was not recognized for that purpose. The Senator from Nebraska has the floor.

AGRICULTURAL RELIEF

Mr. HOWELL. Mr. President, we indeed are passing through the worst depression in the history of this country. During the first three years of the depression of 1837, prices declined 23 per cent; during the first three years of the depression of 1873 prices declined 18 per cent; but during the first three years of the depression of 1929 prices declined 30 per cent. These comparative figures are the result of a study of the Duration of Major Panics in the United States, by Doctors Warren and Pearson, professors of economics at Cornell University, and published in the May, 1932, issue of Farm Economics issued by that institution.

Mr. ASHURST. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Arizona?

Mr. HOWELL. I yield. Mr. ASHURST. I have observed the able Senator from Nebraska rise from day to day with appropriate demeanor. He has moved me. He has convinced me. I want to know what is the bill he desires the Senate to pass? I am anxious to vote for it. Will he please tell me what is the bill for which he wants me to vote?

Mr. HOWELL. Mr. President, I do not propose to detain the Senate long. I am speaking in behalf of agriculture.

Mr. ASHURST. Mr. President, will the Senator further yield?

Mr. HOWELL. I yield. Mr. ASHURST. I believe the Senator is sincere. Other Senators are also sincere. This session is making some signs of drawing to a close. I want to vote for some bill to relieve agriculture. Will not the Senator, able as he is, name the bill and give us an explanation of the particular bill to which he refers, so that those who are with him in this movement may have a chance to vote on the same?

Mr. HOWELL. Mr. President, I rose for a purpose, and I will express that purpose at this time. I rose to ask unanimous consent for the consideration of Calendar No. 780, a bill (S. 4536) to amend the agricultural marketing act, approved June 15, 1929. This bill was introduced by the senior Senator from Oregon [Mr. McNary] and reported by the Committee on Agriculture and Forestry. I now ask unanimous consent that the bill may receive consideration immediately following the close of the final vote upon the economy bill now before us.

Unless something is done, and done immediately, we will have no chance at this session to do anything for agriculture. That must be evident to all. We can not wait for the various appropriation bills to be passed by the Senate. The bill to which I have referred must be considered, it must be passed by the Senate, it must go to the House and receive consideration there. Let us not avoid the situation. Let us face exactly what is before us and act as we should act. That is the reason why I have risen to speak here to-day upon the subject of the depression and agriculture, and to point out definitely why we should act, and act now.

Mr. SHIPSTEAD. Mr. President, I rose to make a parliamentary inquiry. If the Senator's request for unanimous consent should be granted, as I understand the parliamentary situation then created would not interfere with the privilege of considering the conference report on the agricultural appropriation bill in case that report should be submitted to the Senate before the bill proposed by the Senator from Nebraska [Mr. Howell] should be disposed of.

The VICE PRESIDENT. A conference report is always in order; it is a privileged matter, but it does not displace whatever may be pending.

Mr. SMOOT. Mr. President, does the Senator from Nebraska now make the request for unanimous consent?

Mr. HOWELL. I ask unanimous consent for the consideration, following the final vote upon the economy bill, which is now before the Senate, of Order of Business 780, being the bill (S. 4536) to amend the agricultural marketing act approved June 15, 1929.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Mr. President, during the coming week there will be quite a number of appropriation bills ready to be considered by the Senate, and I shall, therefore, object to the request for unanimous consent.

The VICE PRESIDENT. Objection is made. The question is on the amendment offered by the Senator from New Hampshire [Mr. Moses].

Mr. HOWELL. Mr. President, it must be evident to everyone that there is not the will on the part of some to consider a constructive measure for agriculture. We are now entering the seventh month of the present session, and we have not had on the Senate Calendar until two weeks ago a bill contemplating any constructive relief for agriculture. Now, with adjournment at hand, if my request for unanimous consent is refused, it must be acknowledged that there is not the possibility for the passage of an agricultural relief bill.

Mr. President, I do not wish to detain the Senate, and I ask unanimous consent that the remainder of my intended remarks may be printed as if delivered.

The VICE PRESIDENT. Is there objection?

Mr. MOSES. Mr. President, that can not be done under the rules.

Mr. HOWELL. Mr. President, this study by Warren and Pearson, to which I referred before being interrupted, further shows that there is little prospect for improvement in the present situation unless something is done to check the fall of commodity prices. I quote the following conclusion from their study:

The United States has had no previous experience with a panic of this severity, and no one can foresee what social and political disturbances may occur if the policy of deflation continues. Not only is the decline in prices far greater than the declines in 1837 or 1873 but the credit structure is far more complicated. In 1873 farms were much more nearly self-sufficient than they are to-day. No large debts were incurred for the purchase of machinery. A much higher proportion of the city population was self-employed. There were relatively few public services, and taxes were therefore less important. The more highly developed the civilization the more serious the results of unstable money.

The price decline after the panic of 1837 lasted six years, and the price decline after the panic of 1873 likewise lasted six years. Unless something is done to check the presentcourse of deflation, it may last even longer on account of its greater severity.

Yet what has this Congress done to cope effectively with this situation? Has it passed any effective, constructive measure to check the decline in commodity prices? Has it passed one measure to restore the purchasing power of agriculture, the basic industry of this country? Has it passed one constructive measure to stabilize values so that these recurring booms and panics will be prevented or greatly minimized in their disastrous effects?

We are now entering upon the seventh month of this session of Congress, yet we have not passed one bill to restore the purchasing power of agriculture and place it on | ago to-day-the McNary bill designed to restore the puran equality with other groups. We have not even been permitted to vote upon any such measure.

To-day it is exactly two weeks since the Senate Committee on Agriculture reported favorably the McNary bill amending the marketing act as desired by the national farm organizations of the country. Several distinguished Members of this body have given assurances of their desire for the enactment of such legislation before adjournment. But when are we to have a vote on this measure? Must agriculture be continually pushed aside until every other interest in the country is served? It has waited for six months for Congress to act on this legislation, but so far it has had to stand aside and see this measure and that measure for other industries given preferred status and prompt action, while the measure for the restoration of the agricultural buying power still awaits a vote, with no definite assurance of early consideration.

I appreciate the fact that we have been engrossed in the passage of the revenue bill and, following that, the so-called economy bill and therefore have had no opportunity to consider the McNary bill during the past two weeks. But I repeat, how much longer must agriculture wait for action? When we get through with the economy bill, why not give agriculture its day? Why delay any longer discharging our pledges to restore equality to agriculture? What more constructive action could we take to check the depression and restore prosperity to this country than to restore the purchasing power of agriculture on which 44 per cent of our population directly depends? What more constructive action could we take to reopen our closed factories and put to work our 8,000,000 of unemployed than to restore the buying power of 44 per cent of our population to consume the products of industry?

That is what the McNary bill proposes to do-to restore the purchasing power of agriculture and to give the farmers control of their marketing system to the end that they may receive fair prices for their products.

Mr. President, while the Congress is putting agriculture aside and withholding action to restore its purchasing power, the desperate condition of agriculture is daily growing worse and worse. Last November, just before Congress convened, the farm price index was 71. In December, it had declined to 66, or a drop of 5 points, the lowest point in the history of such records kept by the United States Department of Agriculture. Farmers were paying an average price of 119 per cent of pre-war prices for what they had to buy, leaving them a buying power of 55. The farmer's dollar therefore was worth 55 cents in exchange for what he had to buy. Yet Congress did nothing about it.

In January the farm price index sunk below the record low of December, dropping 3 more points to 63, and the purchasing power of agriculture dropped to 53. Still Congress did nothing.

In February the farm price index sunk 3 more points, dropping to 60, and the purchasing power of agriculture dropped to 52. Still Congress did nothing.

In March the farm price index made a temporary recovery of 1 point, but in April this gain was lost and a new low record of farm prices was reached, the farm index dropping to 59. But still Congress did nothing.

In May the farm price again sunk to a record low level, dropping to 56, with its purchasing power approximately 50 per cent of the pre-war level.

All during the months the farmers were beseeching Congress to act upon the measures recommended by them to correct this inequality. Through their organizations they presented early in the session-nay, even before the session began-several constructive proposals to restore the purchasing power of agriculture. A little later they agreed upon a joint program, which included, among other measures, the principles now embodied in the McNary bill. But yet we have had no vote on these measures.

I want to give the credit due to the Senate Agricultural Committee. Under the leadership of its distinguished chairman, it reported favorably to this body in May-two weeks chasing power of agriculture.

Why should we longer delay action on this important measure, when the condition of agriculture constantly grows more and more acute?

Notwithstanding the facts I have brought to the attention of the Senate, unanimous consent is refused to make this bill the unfinished business at about the only time it is possible, before adjournment, to consider it, pass it, and get it over to the House in time for consideration there.

Mr. ASHURST. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Arizona?

Mr. HOWELL. I yield.

Mr. ASHURST. Since the request of the Senator for unanimous consent has been denied, I suggest to him that, as soon as the pending bill shall have been disposed of, he move that the Senate proceed to the consideration of the bill to which he refers. The Senator has that right; such a motion would be in order parliamentarily; and in that fashion the Senator could immediately have a test vote on the question as to whether or not the Senate wished to consider the bill. I am sure the Senator will find some gratifying results if he will only make such a motion.

Mr. HOWELL. I thank the able Senator from Arizona for his suggestion; and I give notice now that I will ask for a vote on a motion to consider this measure immediately following the disposal of the economy bill. It must be done, for, Mr. President, agriculture must be rescued.

SEVERAL SENATORS. Regular order!

LEGISLATIVE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the Senator from New Hampshire, on which the yeas and nays have been ordered.

Mr. BYRNES obtained the floor.

Mr. HARRISON. Mr. President, will the Senator yield in order that I may suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from South Carolina yield for that purpose?

Mr. BYRNES. I yield for that purpose.

Mr. HARRISON. I suggest the absence of a quorum. The VICE PRESIDENT. The Secretary will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Jones	Robinson, Ind.
Austin	Davis	Kean	Schall
Bankhead	Dickinson	King	Sheppard
Barkley	Dill	La Follette	Shipstead
Bingham	Fletcher	Logan	Shortridge
Blaine	Frazier	McGill	Smith
Bratton	George	McKellar	Smoot
Bulow	Glenn	McNary	Stelwer
Byrnes	Goldsborough	Moses	Thomas, Idaho
Capper	Gore	Neelv	Thomas, Okla.
Caraway	Harrison	Norbeck	Townsend
Carey	Hatfield	Norris	Trammell
Cohen	Hawes	Nye	Vandenberg
Connally	Hayden	Oddie	Wagner
Coolidge	Hebert	Patterson	Walsh, Mass.
Costigan	Howell	Pittman	Walsh, Mont.
Couzens	Hull	Reed	Watson
Cutting	Johnson	Robinson Ark	White

The VICE PRESIDENT. Seventy-two Senators having answered to their names, a quorum is present.

Mr. BYRNES, Mr. President, I desire to address the Senate for a few minutes with reference to the vote which has just been taken in this Chamber.

When this so-called Economy Committee was appointed we entered upon our duties with the sole desire to effect a reduction in the expenditures of government. At no time during the consideration of this bill was there ever any political discussion or any partisan difference among the members of the committee.

On the first day that the committee entered upon the consideration of the various proposals, we were asked to visit the White House. There we were assured of the cooperation of the President of the United States. We relied upon that cooperation. It was our aim to effect a reduction in expenditures amounting to at least \$250,000,000. Certainly that was the goal set by the committee.

We worked day and night in an effort to bring about such a reduction in expenditures. We knew that the President had proposed the furlough plan. There were members of the committee who looked with favor upon it before we entered upon the consideration of the bill and analyzed its provisions. I was one of those members.

As we entered upon the consideration of the furlough plan, we saw its weaknesses. We knew that its advocates asserted it would not effect a saving of more than \$80,000,000. We recognized that it would open the door to favoritism; that under the provisions of that plan it would be left to the head of a department to say that one man was indispensable and therefore should be exempted, while others should be furloughed for a month without pay. We knew that it placed upon the rural carriers a deduction greater than was placed upon any other employees of the Government. We knew that inevitably, throughout the service of the Government, there would be men who could not be furloughed without injury to the service, and that no matter what estimate might be submitted by the Bureau of the Budget the total savings would be speculative in any event. We knew that district attorneys, marshals, collectors of internal revenue, and other political appointees could not be furloughed and would suffer no reduction.

At most, I say, it was estimated that the furlough plan would accomplish a saving of \$80,000,000. We concluded to agree upon the plan known as the committee plan, with a cut of 10 per cent affecting all from the President to the porter in the service of the Government. That plan, when agreed upon, was submitted to the President by one member of the committee. He reiterated that he was in favor of the furlough plan, but expressed no intention to oppose the plan agreed upon by the Economy Committee.

Thereafter the minority members of that committee, together with the minority members of the Finance Committee, were invited to the White House. We informed the President of the result of our deliberations. We told him that the only question was as to whether there would be a saving of \$200,000,000 or \$250,000,000, and that that decision depended upon the action upon what was known as the veterans' provision.

The President made no comment, other than regret that we could not accomplish a greater saving than that which the committee was finally able to agree upon. The President never once intimated to us that his pride of opinion in the furlough plan was such that he would oppose the agreement of the Economy Committee and insist upon the adoption of his furlough plan. On the contrary, on the day following the conference at the White House the President came to the Senate, and referring to the work of the Economy Committee, he told the Senate and told the Nation:

I do know that the committee has made honest and earnest effort to reach a just reduction in expenditures, and I trust, therefore, that despite any of our individual views or the sacrifice of any group, that we can unite in support and expeditious adoption of the committee's conclusions.

He gave his unqualified indorsement to the report of the committee. He asked the Senate to adopt it expeditiously. He told the Nation that he was in favor of the adoption of that report.

The members of the committee made their fight on the floor of the Senate—the Senator from Washington [Mr. Jones], the Senator from Connecticut [Mr. Bincham], the Senator from Iowa [Mr. Dickinson], the Senator from Tennessee [Mr. McKellar], and the Senator from New Mexico [Mr. Bratton]. As that fight proceeded and amendment after amendment was offered seeking to make an exemption there were certain Members of the Senate known to be close to the administration who voted with the committee on every vote, until finally, on Friday, a change came over their dreams. On Friday for the first time I learned that the President of the United States, after making this declaration

to the Senate and to the Nation that he was in favor of the plan adopted by the Economy Committee and pleading for its expeditious adoption, was anxious to have his own pet furlough proposal adopted by the Senate. After declaring that individual views should be sacrificed and the committee plan adopted, he was working against that plan and for his own individual view.

I am violating no confidences; I now mention no names; but I was advised by more than one Senator that on Friday the President requested a Member of this body to introduce his furlough proposal. When that Member of the Senate did not offer the furlough proposal it was submitted to another Senator. That Senator likewise refused to offer the furlough proposal. It then was presented to the Senator from New Hampshire [Mr. Moses], who offered it.

Up to that time the Senator from New Hampshire, the President pro tempore of this body, had supported the committee on every motion that was made, so far as my recollection goes, with reference to the committee proposal of 10 per cent. On the last vote on the adoption of the committee proposal the Senator from New Hampshire voted against it. The Senator from Indiana [Mr. Warson], the leader of the Republican Members of this body, voted against it, and for the first time cast a vote against the recommendations of the Economy Committee. If the other Republican Members had followed them, that amendment would not have been adopted, and no plan recommended by the Economy Committee would have been adopted by the Senate.

Since that time there has been considerable delay. Somehow, somewhere, somebody has been at work. All that we who labored to bring about a reduction in the expenditures of the Government know is that the President, having on Tuesday asked the Senate to adopt the plan of the Economy Committee, on Friday began his efforts to have his furlough proposal adopted; and, failing to follow the advice that he gave us to sacrifice our individual views, he has insisted upon his individual view to have this furlough proposal adopted. He succeeded; and by the action of the Senate a few moments ago the vote whereby it was defeated has been reconsidered, and it is before this body.

Mr. President, we may as well understand what this means. The President of the United States told us what it means, for after he publicly begged the Senate to do that which he now privately opposes being done—namely, to adopt the committee plan—he said that he counted on savings of \$250,000,000 being effected by this committee. If he counted on that, we might at least have had some cooperation from him in effecting savings of \$250,000,000. Instead of that, we find him pressing his furlough proposal to reduce by \$40,000,000 the amount of savings that were contained in the bill. He has cooperated with the Economy Committee by privately urging his own proposal and thereby causing a reduction of \$40,000,000 in the savings effected by the Economy Committee.

The President told the Senate this:

As this sum-

The sum total of the savings recommended by the Economy Committee—

forms the basis of calculations as to increased taxes necessary it is essential that no matter what the details may be, that amount of reduction must be obtained or taxes must be increased to compensate.

Now, Mr. President, we can congratulate the President of the United States on having caused a reduction in savings of \$40,000,000.

Mr. KING. Mr. President, will the Senator yield?

Mr. BYRNES. Yes.

Mr. KING. Appreciating the fact that the torpedoing of this program will necessitate an increase in taxes, I have requested the chairman of the Finance Committee to call the committee together for the purpose of levying more taxes in order to balance the Budget.

to the administration who voted with the committee on every vote, until finally, on Friday, a change came over their dreams. On Friday for the first time I learned that the President of the United States, after making this declaration of the United States advised the Senate that that amount of reduction must be obtained or taxes must be increased to compensate. If, by reason of his action in forcing the adoption of the

furlough proposal, there is a reduction in the savings, the only fair, the only straightforward, manly thing for him to do is to demand that taxes be levied to supplant the amount of money taken from this bill by reason of his action. He said that saving was necessary to balance the Budget. He has now prevented that saving in order to promote his personal view.

Mr. President, the President of the United States knows what the action of the House was on this matter. The furlough proposal was submitted and was voted down by the House. The House voted in favor of a straight cut in the salaries of Federal employees. There is a difference between the Senate Economy Committee plan and the House plan, because the House had an exemption of \$2,500, and there is an exemption of salaries below a thousand dollars in the Senate bill as the provision was first adopted. The Senate plan saved \$121,000,000, the House plan \$9,000,000.

Now, if anything is plain, it is that the House considered this bill, and after a vote was taken the furlough plan was voted down. If the furlough plan should be adopted by the Senate and go to conference, there is every reason to believe that the House will insist upon its position, that there will be no reduction at all in the salaries of Government employees, that the plan worked out by the committee will be utterly wrecked, and when it is wrecked the country should know that it was wrecked by the President of the United States insisting upon the adoption of his pet scheme, the furlough proposal.

Mr. JONES. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. JONES. I call attention to the fact that the vote in the House was nearly 2 to 1.

Mr. BYRNES. Against the furlough proposal?

Mr. JONES. Yes.

Mr. BYRNES. I thank the Senator from Washington for that statement.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator permit a question?

Mr. BYRNES. I yield.

Mr. ROBINSON of Arkansas. If the furlough plan is incorporated by the Senate and is not agreed to in conference, what will be the difference in the economies which will result?

Mr. BYRNES. The furlough proposal would represent at most a saving of \$80,000,000 as against the \$121,000,000. If the furlough plan is adopted, and not agreed to in conference, the Senate will agree to the House proposal with savings of only \$9,000,000.

Mr. BINGHAM. Mr. President, will the Senator yield? Mr. BYRNES. I yield.

Mr. BINGHAM. I think the Senator made a mistake in saying that the total amount of savings under the bill as reported by the committee would be \$120,000,000.

Mr. BYRNES. I meant in the salary reductions.

Mr. BINGHAM. That is merely in the salary reductions. In addition to that, there are some \$47,000,000 in veteran reductions, and about \$90,000,000 of other reductions.

Mr. BYRNES. The Senator from Connecticut has labored unceasingly to effect economies, and there never has been a time when the Senator from Iowa [Mr. Dickinson], the Senator from Connecticut [Mr. Bingham], and the Senator from Washington [Mr. Jones] have not worked with the Members on this side of the Senate, having but one object in view, to bring about a reduction in expenditures and in such a way as would not impair the efficiency of the service.

When the Senator from Washington refers to the vote in the House, it brings to the attention of the Senate forcibly the situation now confronting us. If the House, by a vote of 2 to 1, voted against the furlough plan, what use is there in the Senate adopting the plan and going to conference with it, knowing in advance the attitude of the House? The only result will be that we will have nothing left in the bill at all except the minor savings which would be effected by some of the permanent legislative proposals which are in the bill. So far as I am concerned, I have had no pride of opinion about any one provision in the bill.

Mr. President, I am more disappointed in the attitude of the President of the United States than I ever thought I could be disappointed in the attitude of any man. I relied upon his cooperation, cooperation which we had a right to expect of him after his public statements, and particularly his address to the Senate. I regret exceedingly that at the last minute, when members of his own party and of the Democratic Party have worked faithfully to bring about some economies in expenditures, he should make appeals to Members of this body to vote against the very provision he urged the Senate to adopt only Monday of last week.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. BYRNES. I yield.

Mr. CONNALLY. Let me ask the Senator from South Carolina, skilled in parliamentary procedure, what better method could be adopted for wrecking the whole bill by those who are opposed to any reductions at all than to have the Senate adopt the furlough plan and the House adopt the other plan?

Mr. BYRNES. Mr. President, we know that the adoption of this plan will mean no reductions, and if any man is in favor of no reductions, he ought to vote for the substitute. There can be but one result, and we may as well recognize it. When we adopt the furlough plan and this bill goes to conference, there will be no reduction of salaries, and when that is accomplished, I want the Record at least to show that it is not due to any fault of the Senator from Washington, the Senator from Connecticut, the Senator from Iowa, or of my colleagues on this side of the Chamber, the Senator from Tennessee, or the Senator from New Mexico, but the blame for the failure of this plan will lie at the door of the President of the United States, because of his pride of opinion in a pet proposal.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. HARRISON. I hope the Senator will include the statement that it is no fault of some of us who are merely privates in the ranks, who are trying to follow the Economy Committee, and when we think we have passed a bill which in a way meets the wishes of the President, for this whip to be popped and gentlemen to jump, and then the Senate is going to be held up to the scorn of the country as having failed to perform its duty, when, as a matter of fact, from what the Senator from South Carolina says, it is because the President has "butted in" and kept the Senate from performing its duty.

Mr. BYRNES. Mr. President, the members of the committee have been actuated by but one thought, that of reducing expenditures, and there has been no partisanship in the matter. It was not until the last 48 hours that there was any evidence of it. During that time I have seen it, I have known what was going on. I hoped that the result we now see would not be accomplished. It was accomplished. The bill has been wrecked, and it has been wrecked by the President of the United States.

If the President of the United States lives up to the statement he made to the Senate, he should insist upon the levying of taxes upon the people of the United States to take the place of the savings which we had effected and which he has defeated. Throughout the United States there has been an opinion, a general opinion, that all of the balancing of the Budget should not be effected by levying taxes. States, counties, municipalities have been appealed to by the people of the United States for a reduction of taxes. In every instance they have responded. The Federal Government has responded, not with a reduction in taxation but with additional taxation amounting to more than a billion dollars. When the people look to Congress for a reduction in Federal expenditures, our answer to them is that we can do nothing about it, that we can levy an additional \$1,100,-000,000 of taxes, that we can take that much from the pockets of the people, but we can not reduce expenditures. The President of the United States appeals for a balancing of the Budget, but he seems to think that the only way to balance the Budget is by the levying of taxes, and not by

reducing expenditures. It makes no difference what a man says speaking from the rostrum of the Senate; what I want to know is what he is saying to those who are willing to follow him when he appeals to them to defeat the Economy Committee program. I wish he had openly opposed the committee plan instead of publicly urging its support and privately urging its defeat.

Mr. BARKLEY. Mr. President, I hesitate to detain the Senate with an expression of my views on this subject, but as I have sat here from day to day trying as best I could to cooperate with the Members on both sides in an effort to meet what I know is the overwhelming judgment of the American people, and then see almost all of our efforts come to naught, I am overcome with a sense of profound humiliation.

From 1929 until this hour the income of the American people has declined from \$85,000,000,000 to about \$45,000,000,000 per annum. Yet, during that time of declining income the cost of government in the United States has gone up from about \$12,000,000,000 to about \$14,000,000,000. While our national income has declined \$40,000,000,000, the expenses of government in the United States have increased \$2,000,000,000.

The cost of operating government in the United States to-day is more than 30 per cent of all of our income. We voted the other day to tax the American people more than a billion dollars a year in the face of a decline in national income of more than \$40,000,000,000. We voted to put upon their backs, already overburdened with taxes, an amount equal to one-fortieth of the entire decline in the American income in the last two years.

We did that, Mr. President, on the theory and with the promise in our hearts and on our lips that we would reduce the expenses of the American Government in some proportion to the amount of taxes we were having to levy. We justified these increased taxes by the statement that we would drastically reduce Government expenses.

In my judgment—and I have said this outside of this Chamber, and I repeat it here—not only will Members of Congress as a whole but Members of this body as a group have a difficult time defending the levying of a billion dollars a year on the American people, and yet go before them with no decrease worth speaking of in the expenses of the Government.

I recognize that the entire \$14,000,000,000 which it costs now to run the governments of the people of this country is not all made up of national expenses but more than a third of the \$14,000,000,000 taken from the pockets of the American people to-day is involved in the expenditures of the Government of the United States. More than one-third of the total cost of all government in the United States is for the National Government.

We can not do anything about a reduction in the costs of running the State governments and the county and municipal governments in the United States; but certainly we can set an example of undertaking to bring about economies in the operation of the Government of the United States.

How can we, in the face of unemployment of more than 8,000,000 of our people, justify our refusal to make any reduction in the expenses of operating the Government of the United States, toward which contributions are made by them, as well as by those who have work and who have incomes?

Mr. President, I voted the other day to reduce my own salary and the salaries of my colleagues by 25 per cent—not because I do not think I am worth every dollar I draw, not because this depression has not already taken a heavy toll from me, but because I am willing for it to continue to take a toll from me as it is taking a toll from every other American, whether he is employed or unemployed, whether he is in the Government service or out of the Government service. Yet, when we are asked to pass a bill which merely scratches the surface of economy, even the committee's proposal making merely a pitiful gesture toward economy in proportion to what the American people have made in their own private affairs, our efforts are to come to naught.

How can we face 8,000,000 men out of work in the United States who are pounding the sidewalks to-day in search of employment? We may assume that each man who is out of work represents a family of four, and that means that more than 30,000,000 of the American people, more than a fourth of our entire population to-day, are without visible means of support and are objects of public charity or may become so.

Mr. President, with the reductions in the cost of living in the last two years, how shall we compare any Government employee with the 8,000,000 of those who are out of work and can not find it in this time of depression? Those in this body who do not know that the American people have become intensely tax-minded ought to leave Washington for a few days and go out among them. So far as I am concerned, I feel that if after having voted an additional billion dollars onto the backs of American business and American labor and American agriculture and American consumers, we go back to them with no more of an economic program than is represented in this presidential proposal, we ought to apologize in sackcloth and ashes to 120,000,000 of our people for our failure to recognize our supreme duty in a great crisis in the history of the American Nation.

We might as well pass no bill at all, so far as economy is concerned, as to pass this substitute. Suppose it does work an economy of \$80,000,000? What does \$80,000,000 amount to in the face of a national expenditure of \$5,000,000,000, which represents an increase of \$1,500,000,000 in the last four or five years in the total expenditures of the American Government? What does \$80,000,000 represent in a system of attenuated economy as compared to the \$1,000,000,000, which we have just voted upon the backs of the American people in additional taxes?

We have been told here that we ought to balance the Budget. It has become a sort of shibboleth, a sacred slogan in the last few weeks. Although, for 150 years as a Nation, we did without a Budget and did not know what a Budget was, now that we have one we do not know what to do with it. We can not balance it and we can not leave it unbalanced. [Laughter.]

Mr. President, I do not wish to be harsh in anything I shall say about anybody in connection with the whole matter, but it seems to me it is a lack of good faith toward the American people to come before the United States Senate and say that in order to balance our Budget we must tax them \$1,125,000,000 and then, in addition to that, reduce Government expenditures \$250,000,000, and on the heels of that, bring secretly into the Chamber a bill that works an economy of only \$80,000,000. We are either going to balance the Budget or we are not going to balance it. If we are not going to balance it, we ought to be honest and frank with the American people and say that while we were considering our efforts to balance it by adding to their taxes and their burdens, by making it more difficult and more impossible for them to meet their own family expenses because of the extravagance of the National Government. yet when it came to the proposition of reducing the expenses of our Federal Government and making our Government exercise the same degree of sacrifice that we require of the 120,000,000 people of the land, that is an entirely different proposition.

Mr. President, I hope the amendment will be defeated. I hope we can go before the people of the country without regard to party, because this is not a partisanship question. It is not a question which ought to arouse any differences between Democrats and Republicans. It is a question that ought to be viewed in the performance of a most solemn obligation. I hope we may be able in some fashion so to bring down the burdens of our Government, even though all of us make sacrifices in order to do it, that we can say to our people that in our efforts to balance the Budget, in our efforts to make income and outgo equal each other, we have been willing not only that we shall levy burdens upon the private citizenship of our land, but that those who are engaged in the processes of government have been willing to make the same sacrifices that we require of everybody else

in the United States. Unless we do that we have been guilty of hypocrisy and deception and of perpetrating a sham upon the people and have failed miserably in the performance of our duty. So far as I am concerned, in my capacity as a Senator in this body I do not propose to be guilty of that duplicity. In an effort upon my part at least to perform what I conceive to be my duty to the people of the United States and those who have honored me with membership in this body, I propose to vote to bring the people's Government into some semblance of harmony with their own condition and their imperative demands.

Mr. GORE. Mr. President, I rose to address a question to the Senator from South Carolina [Mr. Byrnes] at the conclusion of his remarks. I wish to ask him a question after I have made one or two statements.

The Economy Committee devoted a good deal of time and a good deal of thought to this measure. I have closed my eyes and followed that committee implicitly. I have voted to cut down salaries. I voted for amendments that were wormwood to me. I think all Senators join in a feeling of gratitude to the Economy Committee both for the efficiency and for the courage of their labors. I think that ought to be said with peculiar reference to the Senator from Washington [Mr. Jones] and the Senator from Connecticut [Mr. Bingham], whose political fortunes are at this time in the balances.

There has been no partisanship injected into the economy measure. I hesitate now to say even a word that might be considered as giving a partisan turn to the controversy. But I remember that only a short time ago the Assistant Postmaster General, Mr. Glover, I believe, made an address in the State of Missouri to a number of postmasters. In that address he urged the postmasters to support President Hoover for reelection. He gave them that advice notwithstanding the civil service law and the rules and regulations made in pursuance of that law. He gave the postmasters that advice notwithstanding the rules and regulations of the Post Office Department against pernicious activity in political controversies. He said to the postmasters that if his advice was not acceptable to them, their resignations would be acceptable to him. I thought that the President of the United States ought to have removed Mr. Glover from office the next day. His failure to remove him at least implies his consent or his acquiescence in that threat.

As I understand the furlough provision, it makes the head of every department a Mussolini, so far as his department is concerned, and to the extent of the furlough gives him the power of life and death over the employees in his department. He can reward those who will submit to political dictation, and he can punish those who refuse to submit. I would like to ask the Senator from South Carolina if that power of coercion is not implicit in this measure? I do not mean to imply that the President's acquiescence in Mr. Glover's threat has the same motive of urging the adoption of this measure, but it is at least a matter worthy of consideration.

Mr. BYRNES. Mr. President, I will say to the Senator from Oklahoma that I do not care to comment upon the action of the Assistant Postmaster General, but I gladly answer as to the provisions of the bill.

The provisions are that no officer or employee shall be exempted from the provisions of subsections (a) and (b) except in those cases where the public service requires that the position be continuously filled and a suitable substitute can not be provided, and then when authorized or approved in writing by the President of the United States. Every position presumably must be continuously filled. That applies to everyone. The President of the United States manifestly can not act in that respect and it is to be left to heads of departments. It is therefore to be left to the head of a department to say when a position should be continuously filled and a suitable substitute can not be found.

Inevitably the result is that the constituents of the Senator from Oklahoma who are in the service are going to come to him and urge him to see the head of this, that, or the other department and have the head of the department recommend that he be exempted from the furlough pro-

vision. That plea will be made to every Congressman and every Senator. From the date of the approval of the act, indeed from now on, the time of every man is going to be taken up in listening to appeals to have this employee or that employee named as employees to be exempted from the provisions of the act. Whenever one is exempted in an office, every other clerk who will have to suffer the reduction is going to be dissatisfied, and I would not blame him for being dissatisfied. It opens the door to favoritism, and that is one of the reasons why the Economy Committee, after carefully considering it, determined it would be unwise to adopt it.

Mr. GORE. Mr. President, I think the furlough provision opens a Pandora's box of evils. As suggested by the Senator from South Carolina, it will subject every Senator and every Congressman to interminable pressure to protect the employees against threatened furloughs and loss of salary. The furlough provision invites favoritism. It invites coercion. I fear coercion may be resorted to. But even if it be administered with absolute and poetic impartiality, free from any favoritism in fact, we can never free its administration from a suspicion of favoritism. Take a dozen employees working in the same room at neighboring desks. One is certified to be indispensable and is not furloughed. Every other employee in his section will suffer a depression in his morale. He will regard it as favoritism whether it is or not. It will tend to demoralize the service and reduce its efficiency.

Mr. BINGHAM. Mr. President, there has been a great deal said on the floor about the great inequity of the 10 per cent flat cut in pay and in salaries over \$1,000, but it could not be said it was going to lead to great suffering. In reply the argument has been used that the purchasing power of the dollar has increased in the last two years to such an extent that 90 cents to-day buys considerably more than one dollar did two years ago. That can not be contradicted.

Mr. President, recently the National Industrial Conference Board has made a careful study of employment and rates of wages throughout the United States. They completed their survey a few days ago with complete returns from 1,718 business concerns who in 1929 employed 3,258,666 persons. In 1932 the number employed by those concerns had dropped to 2,391,000, a falling off of 26 per cent.

In those concerns that have had to let so many people go the decline in wages has also been severe. In those 1,718 concerns executive salaries have been reduced on an average by more than 20 per cent; other salaries, other than wages and exclusive salaries, by nearly 16 per cent; and wage rates by nearly 14 per cent.

The board has made a weighted average in connection with the purchasing power and the weighted average discloses that the wage rates have been reduced 11.1 per cent; other salaries, 13.1 per cent; and executive salaries, 14.9 per cent.

Mr. President, it is from these enterprises and others that the taxes must come. On them the taxes bear heavily.

Of the taxes raised by the United States Government, about \$1,000,000,000 go to the Veterans' Administration and \$1,329,000,000 go to the employment of persons in the Government service. All those persons—and they number several hundred thousand—are paid out of money raised from taxation. The taxpayers are suffering. Of the taxpayers of this group, some 26 per cent lost their jobs between 1929 and 1932; of those who held their jobs, the average rate of reduction in their compensation was more than 11 per cent, even on a weighted average; and on an average like 10 per cent, which the committee proposes, the lowest wage reduction was nearly 17 per cent.

In the face of those figures, Mr. President, I can not understand why there has been such a tremendous opposition to having the salaries of those who are the direct beneficiaries of the money which the taxpayers contribute to the Government reduced to an extent somewhat comparable to the reduction in the money earned by the wage workers in the great industries of the United States.

It is true that some industries have suffered more than I have others. The National Industrial Conference Board report shows that in some industries, such as extractive and refining, wholesale and retail trade, and public utilities, the reduction of employment has only been about 5 per cent; in the railroads about 19 per cent; but in the manufacturing industry in the States of the Northeast, which have been held up often on this floor to criticism because of the prosperity of their factories-in the manufacturing industry of the Northeast, and wherever in the South and West there are factories, the average decline has been 63 per cent.

Mr. President, the taxpayers all over the country have had to take a substantial reduction in their incomes. Notwithstanding that, we have asked them to take a very material increase in what they must pay in taxes; and the special committee, without any partisanship whatever, a committee on which three members were of the Republican Party and three of the Democratic Party, unanimously agreed that the fairest thing to do was to ask Government employees, excepting the enlisted men in the Army and the Navy, who can not get out of the service if they are not satisfied without incurring punishment and imprisonment-to ask every civilian employee and the commissioned officers of the Army and the Navy to take a 10 per cent reduction. That is a fair and simple thing to do. Furthermore, it will cause less suffering than any other plan, because it means a loss of fewer jobs all through the Government service.

Mr. BARKLEY. Mr. President, will the Senator from Connecticut yield to me?

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Kentucky?

Mr. BINGHAM. I yield. Mr. BARKLEY. As to the attitude of many Federal employees. I can make a statement from my own experience, and I imagine other Senators have had a similar experience. Many Federal employees in my State have told me that they realize the situation which faces the country and that they are willing to take such temporary reduction in their compensation as may be necessary to tide over the situation. I have personally had very few protests from my State against the horizontal reduction which we have put into the bill. It ought to be said to the credit of hundreds and thousands of Government employees-not necessarily all in Washington but scattered all over the United States-that they are patriotic enough to recognize the seriousness of the situation and to accept whatever burden they ought to accept in connection with it.

I think the majority of them if they were conferred with. would prefer the horizontal cut, so that they would know precisely what they are to get and what they are not to get, rather than the makeshift in the form of a furlough now brought in here.

Mr. BINGHAM. I thank the Senator, and I desire to say that I think the same sentiment on the part of many Federal employees exists in my own State and in other States with which I am familiar. When the Senator was not in the Chamber I read part of a letter received to-day from a Federal employee, connected with the Connecticut State Branch Relief Fund of Post Office Clerks in which he

If the Senate is bound to cut the low-paid carriers and clerks, let them exempt the first \$1,0000 or \$1,500; but in the opinion of the men, the Senate should leave them alone and get the money

from big-paid men, or from further taxation.

The furlough plan is real bad, and the men are bitterly opposed to it—it can't or won't be done equally and is the opening wedge to break down the civil service laws.

After all the study which the committee made of the furlough plan I feel convinced that it will not work fairly; that it will be extremely difficult of operation; that in many branches of the Government service it will not operate at all. The furlough amendment also applies to the District of Columbia, and in the hearings which we had on the bill the head of one department after another said the furlough plan would not work in his department. I therefore hope that this amendment will be defeated.

Mr. ASHURST. Mr. President, it is recognized by Senators that I am opposed to reducing the pay of employees. I am now driven to adopt one of two alternatives. I am convinced that the furlough plan is illogical and unjust and is unworkable. I do not by any means intend to reflect upon the literary or the parliamentary ability of the present occupant of the chair. Indeed, it is not regarded as unparliamentary or offensive to refer to a measure as unworkable or as impracticable, and such a reference implies no criticism of its proponent; indeed, I am exempted from any penalty flowing from such a reference, because I do not regard the President pro tempore of the Senate as the proponent of the pending amendment. But whoever may be its proponent, or at least its putative father, the keen, pungent, analytical mind of the Senator from New Hampshire [Mr. Moses | does not make itself manifest in this amendment. If he were drawing an amendment, he would not have drawn such a monstrosity, such an unworkable measure.

Mr. President, whilst I have never said a word for the civil service I wish it understood that I have never had sympathy with the cynics who criticize the civil service. A Vice President 50 years ago referred to it as the "snivel service"; and we remember the bitter criticism of Roscoe Conkling, the proud and imperial Senator from New York a half century ago, who stated that when Doctor Johnson talked about the infinite possibilities of injustice wrapped up in the word "patriotism," Doctor Johnson did not know of the still greater possibilities of injustice wrapped up in the civil

I have no patience with that sort of magnified speech. The civil service of our country has grown; the people believe in it; notwithstanding some of its abuses, it is a part of the administration of the affairs of this Government, and is at this time well administered.

This so-called furlough plan, however, would devastate, disembowel, wreck, and disrupt the civil service. If some powerful Machiavelli who was opposed to the civil service were behind the scenes moving, though quite concealed in his movements, to cripple the civil service, he could not do better than to adopt this furlough plan.

Before the ides of November shall have come we shall see that the furlough plan, if adopted, will have injured the civil service. If Senators desire to do that, peace be with them.

Mr. BRATTON. Mr. President, it has already been stated by those who preceded me in the discussion that the bipartisan committee worked on this phase of the legislation without any partisanship whatever. We were actuated by a common purpose and that was to effect economy. We brought a measure to the Senate not carrying economies to the extent we desired, but the best that could be effected in the short period of time at our command.

The junior Senator from Utah [Mr. King] said a few moments ago that he had requested his colleague the senior Senator from Utah [Mr. Smoot], chairman of the Committe on Finance, to convene that committee in order that additional taxes might be imposed upon the American people so as to overcome the loss in savings which will be occasioned by the adoption of the furlough plan instead of a flat 10 per cent cut. Mr. President, 120,000,000 people in this country are more interested in economies than they are in additional taxes, and the vote which we shall cast in a few moments will not ring down the curtain upon that desire. The situation in the country is one which will remain with us until we have survived the crisis, until expenditures of Government have been reduced, until the tax burden has been lightened, and that will not be accomplished by the junior Senator from Utah calling upon his colleague, the chairman of the Committee on Finance, to convene that committee and levy additional taxes upon the American people.

Mr. President, during recent years too much time has been devoted to increasing revenues and increasing expenditures of Government. That period has ended. The American people from now forward will see to it, in an orderly fashion, that has characterized our Republic throughout her

150 years and more of existence, that the tax burden is | lightened. They will employ orderly but effective methods to accomplish that end. I deplore the day when I hear one Member of this body say that he has called upon a colleague to convoke a committee in order that the tax burden may be increased. I do not mean to criticize the Senator who uttered those words; far from it; I mean to challenge a situation which requires such a declaration on the floor of the Senate. We have such a situation at hand.

Mr. President, we brought a bill here which carried a reduction on this one score of \$121,000,000. By the adoption of an amendment offered by the Senator from Maryland [Mr. Typings] that saving was reduced to about \$117,000,000. Now, by the pending amendment, sponsored by a spokesman for the Administration, it is proposed to deduct about \$40,-000,000 more, thus we are confronted with the situation which may require that additional taxes be levied in order to overcome that loss.

There is not a Member of this body, there is not a Member of the body at the other end of the Capitol, there is not a well-informed individual in the country, who fails to realize that the expenses of the Government must be reduced: that ways and means and methods must be found and employed to accomplish that end. The members of the Economy Committee have acted with perfect good faith in dealing with each other, in responding to the call made upon them when they were named to that bipartisan body to evolve means of reducing expenditures from the Federal Treasury. Aside from other things, let it be said that perfect good faith has characterized the members of that committee. Vote as you will; reduce the saving if you will; impose a heavier burden upon the taxpayers of the country if you are so disposed; that is the effect of the amendment now pending, if it should be adopted. The loss must be supplied from some other

Let the responsibility rest where it should. Let it rest upon the shoulders of those who sustain the amendment, and who strike from the bill an economy of \$40,000,000-and that is merely an estimate. That is somebody's judgment. No man can foresee, no man can foretell, no man can forecast with certitude, how many substitutes will be employed, nor how many certificates of indispensability of service of those already in the ranks will be granted. As those certificates increase, the savings will be reduced. As additional substitutes are employed, the economies will decrease. When we say that the adoption of this amendment will decrease the savings \$40,000,000, that is just somebody's judgment. It may exceed \$50,000,000. It may strike the major portion of economies from the measure.

Not only that, Mr. President, but, as the chairman of the committee so well said a few moments ago, the body at the other end of the Capitol rejected this proposal by a majority of about 2 to 1. Without any prophetic vision, I opine that the adoption of this amendment may imperil the entire bill. If it fails, and we achieve no economy, let that responsibility rest where it should.

Mr. BARKLEY. Mr. President-

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Kentucky?

Mr. BRATTON. I yield. Mr. BARKLEY. In view of the action of the other body, which is said to have effected an economy of \$42,000,000, will not the adoption of this amendment create a situation where the difference between the two Houses will be so narrow that the result of any conference will be practically no economy to speak of in the expenses of the Government of the United States?

Mr. BRATTON. Mr. President, it will be a sham and a mockery under the guise of economy, and nothing more, and the American people will know it.

This legislation hangs in the balance. Its lifeblood depends upon the vote we shall record in a few minutes. I have no hope that anything I say may change a single vote on the floor; but, despite that fact, after having collaborated with my colleagues upon the committee during more than three weeks, after having brought here a measure that

was the best we could devise through our concert of action, I am unwilling to see its very lifeblood spilled by this vote without raising my voice in protest against that action, against its effect here and elsewhere.

Adopt it if you will, Mr. President; defeat the legislation if you will; but in the future let the responsibility rest where it should, upon those who support the amendment.

Mr. McKELLAR. Mr. President, just one word before we

I want to read from the President's message an excerpt that I believe has already been read; but I desire to read it again for the purpose of emphasizing it.

In the message which the President delivered to the Senate in person on May 31, last Tuesday, he said:

An earnest nonpartisan effort was made to secure these purposes in a national economy bill in the House but it largely falled. That subject is under review by the bipartisan committee appointed from the members of the Senate Appropriations Committee, and I am informed it has tentatively agreed upon a recommendation which would aggregate savings of \$250,000,000 recommendation which would aggregate savings of \$250,000,000 together with a number of undetermined further possibilities. I am not informed as to details of these recommendations, although I learn that my own suggestions in many instances have not been accepted.

And here is the crux of his statement:

But I do know that the committee has made honest and earnest effort to reach a just reduction in expenditures, and I trust, therefore, that despite any of our individual views or the sacrifice of any group, that we can unite in support and expeditious adoption of the committee's conclusions.

Was there ever a clearer or a more direct request of the Senate to adopt the committee's conclusions? And that was supposed to be what the Senate would do until the last day or two. I have been informed-and if it is not true. Senators can say so-that within the last two or three days the President of the United States, notwithstanding this statement, has called Senators before him or has conversed with them and urged them to vote against the very proposal that he indorsed last Tuesday.

Senators, do you believe that that is good faith? Do you believe that that is fair to the Senate of the United Statesjust about a week ago urging the Senate to support the recommendations of this bipartisan committee, indorsing the action of the committee in its efforts to reduce expenditures, and then afterwards without saying a word to the Senate, fighting the very proposal that he publicly recommended

Mr. President, it seems to me that if it were anybody else in the world but the President of the United States there would be but one characterization that could be applied, and that is, bad faith; and even in the President it is certainly lack of good faith.

Here was a committee that was fairly and impartially trying to reduce expenditures for an administration that some of us did not support, in order to balance the budget. We thought the President was behind us. He publicly stated in this body that he was behind us. Yet in the last day or two we find that instead of being behind the committee he was undertaking to wreck what the committee had done. I want to say that I believe that if the President's latest undertaking is carried out, if this substitute is adopted by the Senate, it will wreck the entire measure, and that part of the deficit will have to be made up in some other

Mr. JONES. Mr. President, when I came down here last fall I felt satisfied that it would not be necessary to reduce the salaries of any of our Government officials or employees. I think I wrote letters to that effect. I think I said I would not vote to reduce them. I hoped very earnestly that there would be a change, that things would have started for the better; but things have been getting worse, and they have kept getting worse. Lack of employment has spread throughout the land. Wages have been reduced everywhere. Unemployment has become worse and worse. The bill came over from the House making a reduction in the compensation of Government officials and employees.

I have become convinced that it is necessary-not for the welfare of the Government officials and employees, of course, but for the welfare of the country, and for the purpose of creating a better sentiment throughout the country—that Government officials and employees should stand their part of the reduction that is going on everywhere.

Some say that this reduction will encourage private enterprise to cut the wages of their employees. Private enterprise does not need any encouragement along this line. Private industry has been doing that for months, more and more. So I have become convinced that the Government officials and employees should stand some part of the reduction that all of our people must endure.

Coming to that conclusion, the only question for me when this bill came over was to determine what was the wisest plan to follow—whether it should be done by the straight 10 per cent reduction or whether it should be done by this proposed other course. If we must cut wages, what is the best way, what is the most equitable way?

My good friend from Wisconsin [Mr. La Follette] wants the 5-day week to come. So do I. It is coming; nothing can stop it. This bill, however it is passed, will not hasten it or hinder. Necessity will compel it. He reads a letter from Mr. Green, of the American Federation of Labor. I am just as friendly to labor as he. I have done as humble work as he. I have as warm sympathy for it as he. I have toiled as humbly as he. We only differ as to what is best in this great trouble.

I came to the conclusion that a 10 per cent reduction applying to everybody was the best course, on the whole. There are objections, of course, to any program of reduction that could possibly be worked out. There are inequalities in any plan that we may propose. I concluded, however, that this plan was the best. I was glad that the amendment proposed by the Senator from Maryland [Mr. Tydings] was adopted, although I cast my vote against it. I stood by our committee's work; but I was glad when that amendment was adopted. It improved the program that we proposed to follow. We should have proposed it ourselves.

I visited the President this morning. This matter was not mentioned in any way, shape, or form. I say that because I know that some may conclude that because I visited him he probably discussed this matter with me. He did not. The President of the United States has never discussed this matter with me, nor I with him. I have gone along the lines that I felt were the best lines to follow. He has never sought to influence me one way or the other. I say that in justice to him, as well as, I think, in justice to myself, and especially in view of what has been said to-day and taken place since yesterday.

I have no complaint against the Senator from Wisconsin [Mr. LA FOLLETTE], who made this motion. He does not believe that the wages of our employees should be cut at all. I wish they need not be. That is the difference. There are many Senators on this floor even under the present circumstances who are not in favor of any cuts in the salaries of any of the officials or employees of the Government, whether high or low. That is all right. I do not complain about that; but it does not look just exactly right that the Senators who may believe in some form of reduction in the compensation of Government employees to be necessary should unite with those who do not believe any reduction is necessary, and possibly bring about a condition of things where we will really accomplish nothing. That, of courseand I do not complain about it-will please those who do not want to cut salaries at all.

What is the situation? We know what the vote was in the House. I do not think it is inappropriate for me to refer to that. This proposition was dealt with squarely by the House of Representatives. The vote was nearly 2 to 1 against what is proposed here in the United States Senate. Do Senators think that by sending this matter to conference upon a proposition that the House has rejected, 2 to 1, there is any hope of our accomplishing anything? I am afraid not.

Of course, as I said a while ago, this is very satisfactory to those who do not want to cut the salaries of the Govern-

ment employees; but it is a great disappointment to those who feel that there should be economy in the Government expenditures, and that the Government employees should bear their part of that economy. If the people of the country, many of whom are walking the streets or going along the highways without any income or anything to do or anything to eat, should see that we have not asked the Government officials or employees to bear any part of the reduction in the Government's expenses, they will feel that things are not going right; just as I said the other day, that will create a feeling throughout this country among our people that should not exist, and which I think myself is far more important even than the matter of dollars and cents.

Mr. President, I want this bill to pass in some form to-day. The verdict of the Senate is always my verdict although I may not agree with it. We will go to conference, and we will be met by the situation I have pointed out. I shall stand to the limit for the decision of the United States Senate, whatever it may be. But what action may Senators expect the House of Representatives to take after the vote they have already taken upon this very matter? The chances are that this bill will come back to the Senate for its further decision if the Senate votes in accordance with the vote cast on the motion to reconsider. I want the Senate to consider that phase of the matter, too.

This is not said by way of a threat. It is simply telling the Senate what it may expect. The Senate decree will control me in the conference we must have, and I shall not recede from what the Senate does, or something along those lines, until this body says it wants to recede.

What may the Senate expect the other body to do after the vote it has taken? That situation confronts the Senate, and it confronts us now, and it confronts us upon the vote we are about to take with reference to the provision we are asked to put into the bill covering the matter of furloughs.

Mr. SMOOT. Mr. President, I want to say to the Senator from Tennessee and to other Senators who have spoken upon this subject that I have not seen the President of the United States upon this matter, and the President has never said a word to me in relation to any vote I have cast upon it. What action I have taken has been the reflection of my judgment and what I believed would be for the best interests of our country and in the best interest of the employees.

I am a member of the Committee on Appropriations, and I know what a difficult task the subcommittee has had, although I was not a member of the subcommittee. I believe with all my soul that they have reported to us what the majority of the committee thought was the best plan to be adopted.

I think otherwise, Mr. President. I think the furlough plan is the proper one to adopt. I think it is fairer to all the employees of the Government, taken as a whole. If there were no other way of raising the necessary funds than by reducing salaries, I would gladly vote for the report made by the committee; but when my judgment tells me that the furlough plan is the best plan devised for all of the employees—not one class, but the employees as a whole—I find it my duty to at least vote my convictions in the matter.

My vote will be for the furlough plan as it has been offered; and whatever comes from the conference, I want to say to the chairman of the Committee on Appropriations, I will be perfectly willing to abide by. But I do not feel justified, under the conditions, in voting for what I believe is not the best plan.

I do not care to say more. I have stated my position on the question, and I am ready to vote.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the senior Senator from New Hampshire [Mr. Moses]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COPELAND (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. Fess]. Not knowing how he would vote, in his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. GLENN (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. Long], who is necessarily absent. I therefore withhold my

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. Not knowing how he would vote, in his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. McNARY (when his name was called). Again announcing my pair, I withhold my vote.

Mr. ROBINSON of Indiana (when his name was called). Again announcing my general pair with the junior Senator from Mississippi [Mr. Stephens], I withhold my vote.

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from Alabama [Mr. Black], who is absent. Were I permitted to vote, I would vote "yea."

Mr. THOMAS of Idaho (when his name was called). this vote I have a pair with the senior Senator from Virginia [Mr. Swanson]. Not knowing how that Senator would vote, I withhold my vote. If permitted to vote, I would vote " yea."

Mr. WHEELER (when his name was called). On this vote I have a pair with the senior Senator from Colorado [Mr. WATERMAN]. Not knowing how that Senator would vote, I withhold my vote. If I were at liberty to vote I would vote " yea."

The roll call was concluded.

Mr. BANKHEAD. I wish to announce that my colleague the senior Senator from Alabama [Mr. Black] is necessarily absent and is paired with the junior Senator from Minnesota [Mr. Schall]. I am not informed how my colleague would vote on this question.

Mr. DAVIS (after having voted in the affirmative). I have a general pair with the junior Senator from Kentucky [Mr. Logan], who is absent. If the Senator from Kentucky were present. I understand that he would vote as I have voted. and therefore I allow my vote to stand.

Mr. PITTMAN. On this vote I have a pair with the senior Senator from Rhode Island [Mr. METCALF], who is unavoidably absent. If I were at liberty to vote, I would vote "yea." I understand that if the Senator from Rhode Island [Mr. METCALF] were present he would vote "nay."

Mr. McNARY. I desire to announce the following general

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Virginia [Mr. GLASS]; and

The Senator from Delaware [Mr. Hastings] with the Senator from Maryland [Mr. Typings].

The Senator from Connecticut [Mr. WALCOTT] and the Senator from Delaware [Mr. Hastings], if present, would vote "yea," and the Senator from Virginia [Mr. GLASS] and the Senator from Maryland [Mr. Typings], if present, would vote "nay."

The result was announced—yeas 38, nays 35, as follows: YEAS-38

Cutting Moses Thomas, Okla. Townsend Vandenberg Barbour Dale Blaine Brookhart Davis Wagner Walsh, Mass. Broussard Goldsborough Patterson Reed Shipstead Capper Hawes Hebert Carey Coolidge Costigan Watson Shortridge Johnson White Kean La Follette Couzens Smoot NAYS-35 Byrnes Caraway McGill McKellar Ashurst Hale Bailey Bankhead Harrison Cohen Hayden Norbeck Connally Dickinson Howell Hull Bingham Robinson, Ark. Borah Bratton Jones Kendrick Dill Sheppard Fletcher Trammell Bulkley Keyes King Walsh, Mont. Gore Bulow NOT VOTING-23 Glass Hatfield Long Copeland Glenn Hastings Lewis Logan

Schall -Thomas, Idaho Waterman Tydings Pittman Robinson, Ind. Stephens Swanson

So the amendment proposed by Mr. Moses was agreed to, and it is as follows:

On page 44, line 11, strike out Title I of Part II and insert in lieu thereof the following:

"TITLE I-FURLOUGH OF FEDERAL EMPLOYEES

"FURLOUGH PROVISIONS

"Section 101. During the fiscal year ending June 30, 1933-"(a) The days of work of a per diem officer or employee receiving compensation at a rate which is equivalent to more than \$1,200 ca) here days on work of a per them officer or employee realing compensation at a rate which is equivalent to more than \$1,200 per annum shall not exceed five in any one week, and the compensation for five days shall be ten-elevenths of that payable for a week's work of five and one-half days: Provided, That nothing herein contained shall be construed as modifying the method of fixing the daily rate of compensation of per diem officers or employees as now authorized by law: Provided further. That where the nature of the duties of a per diem officer or employee render it advisable, the provisions of subsection (b) may be applied in lieu of the provisions of this subsection.

"(b) Each officer or employee receiving compensation on an annual basis at the rate of more than \$1,200 per annum shall be furloughed without compensation for one calendar month, or for such periods as shall in the aggregate be equivalent to one calendar month, for which latter purpose 24 working days (counting Saturday as one-half day) shall be considered as the equivalent of one calendar month: Provided, That where the nature of the duties of any such officer or employee render it advisable, the pro-

of one calendar month: Provided, I nat where the nature of the duties of any such officer or employee render it advisable, the provisions of subsection (a) may be applied in lieu of the provisions of this subsection: Provided further, That no officer or employee shall, without his consent, be furloughed under this subsection for more than five days in any one calendar month: Provided further, That the rate of compensation of any employee furloughed under the provisions of this act shall not be reduced by reason of the action of any wage board during the fiscal year 1933.

"(c) The compensation paid any officer or employee to whom this section applies shall, notwithstanding the provisions of this section, be an amount not less than an amount calculated at the

"SEC. 102. No officer or employee shall be exempted from the provisions of subsections (a) and (b) of section 101, except in those cases where the public service requires that the position be continuously filled and a suitable substitute can not be provided, and then only when authorized or approved in writing by the President of the United States.

"Sec. 103. All rights now conferred.

SEC. 103. All rights now conferred or authorized to be conferred by law upon any officer or employee to receive annual leave of absence with pay are hereby suspended during the fiscal year ending June 30, 1933.

" DEFINITIONS

"SEC. 104. When used in sections 101, 102, and 103 of this act—
"(a) The terms "officer" and "employee" mean any person
rendering services in or under any branch or service of the United States Government or the government of the District of Columbia, but does not include (1) officers whose compensation may not, under the Constitution, be diminished during their continuance

under the Constitution, be diminished during their continuance in office; (2) Senators, Representatives in Congress, Delegates, and Resident Commissioners; (3) officers and employees on the rolls of the Senate and House of Representatives; (4) carriers in the Eural Mail Delivery Service; (5) policemen and firemen of the District of Columbia; (6) public officials and employees whose compensation is not paid from the Federal Treasury; and (7) the active enlisted personnel of the Army, Navy, Coast Guard, and Marine Corps. "(b) The term "compensation" means any salary, pay, wage, allowance (except allowances for subsistence, quarters, heat, light, and travel), or other emolument paid for services rendered, but does not include (1) retired pay included within section 106; (2) payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of officers or employees; (3) compensation the amount of which is expressly fixed by international agreement; or (4) compensation paid under the terms of any contract in effect on the date of the enactment of this act if such compensation may not lawfully be reduced.

"Compensation Reductions in Senate and House Of Representa-

"COMPENSATION REDUCTIONS IN SENATE AND HOUSE OF REPRESENTA-

"SEC. 105. During the fiscal year ending June 30, 1933—

"(a) The salaries of the Vice President, the Speaker of the House of Representatives, Senators, Representatives in Congress, Delegates, and Resident Commissioners are reduced by 10 per cent.

"(b) The allowance for clerk hire of Representatives in Congress, Delegates, and Resident Commissioners is reduced by 8.3

per cent.

"(c) The rate of compensation of any person on the rolls of the Senate or of the House of Representatives (other than persons insenate or of the House of Representatives (other than persons included within subsection (a), if such compensation is at a rate of more than \$1,200 per annum, is reduced by 8.3 per cent. This subsection shall not apply to session employees or to persons whose compensation is paid out of sums appropriated for clerk hire of Representatives in Congress, Delegates, and Resident Commissioners. As used in this subsection the term "compensation" shall have the meaning assigned to such term in section 104 (b).

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"(d) This section shall not reduce below \$1,200 per annum the rate of compensation of any person to whom this section applies.

RETTRED PAY

"SEC. 106. During the fiscal year ending June 30, 1933, the retired pay of judges and the retired pay of all commissioned, warrant, enlisted, and other personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Lighthouse Service, and the Public Health Service, if such retired pay is at a rate of more than \$1,200 per annum, shall be reduced by 8.3 per cent. This section shall not reduce below \$1,200 per annum the rate of retired pay of any person to whom this section applies.

"PERMANENT SALARY REDUCTIONS

"SEC. 107. Beginning July 1, 1932, the salaries of the commissioners of the United States Shipping Board, the members of the Federal Farm Board (except the Secretary of Agriculture), the members of the Board of Mediation, the commissioners of the Interstate Commerce Commission, the commissioners of the United terstate Commerce Commission, the commissioners of the United States Tariff Commission, the American commissioner of the General Claims Commission, United States and Mexico, and the umpire and American commissioner of the Mixed Claims Commission, United States and Germany, shall be at the rate of \$10,000 per annum; and after June 30, 1932, no officer or employee of the Federal Farm Board, the United States Shipping Board Merchant Fleet Corporation, or of any governmental function named in this section, shall receive a salary at a rate in excess of \$10,000 per annum annum.

"RUBAL CARRIERS' EQUIPMENT ALLOWANCE

"SEC. 108. During the fiscal year ending June 30, 1933, payments for equipment maintenance to carriers in the Rural Mail Delivery Service shall be three-eighths of the amount now pro-

"GOVERNMENT CORPORATION

"SEC. 109. In the case of a corporation the majority of the stock of which is owned by the United States, the holders of the stock on behalf of the United States, or such persons as represent the interest of the United States in such corporation, shall take such action as may be necessary to apply the provisions of sections 101, 102, and 103 to offices, positions, and employments under such corporation and to officers and employees thereof.

"REMITTANCES FROM CONSTITUTIONAL OFFICERS

"SEC. 110. In any case in which the application of the proviresct. 110. In any case in which the application of the provisions of this title to any person would result in a diminution of compensation prohibited by the Constitution, the Secretary of the Treasury is authorized to accept from such person, and cover into the Treasury as miscellaneous receipts, remittance of such part of the compensation of such person as would not be paid to him if such diminution of compensation were not prohibited.

"APPROPRIATIONS IMPOUNDED

"SEC. 111. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any purpose other than the payment of salaries but shall be impounded and returned to the Treasury.

"LIMITATION OF JURISDICTION OF COURTS

"SEC. 112. No court of the United States shall have jurisdiction of any suit against the United States or against any officer, agency, or instrumentality of the United States arising out of the application of any provision of this title, unless such suit involves the Constitution of the United States."

Mr. MOSES. Mr. President, I wish to offer an amendment, which I send to the desk and ask to have read.

The VICE PRESIDENT. The clerk will state the amend-

The CHIEF CLERK. On page 66, line 5, after the word "cost," strike out the remainder of the section and insert the following:

Thereof as determined by the Public Printer plus 50 per cent: Provided, That a discount of not to exceed 25 per cent may be allowed to authorized book dealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The surplus receipts from such sales shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by book dealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective department or establishment of the Government. The selling price of publications as provided for herein shall be in lieu of that prescribed in the public resolution approved May 11, 1922 (U. S. C., title 44, secs. 72 and 220), and section 42 of the act of January 12, 1895 (U. S. C., title 44, sec. 114).

Mr. MOSES. Mr. President, this is an amendment which I feel quite sure the Senator in charge of the bill can accept. It is designed merely to extend the sale of Government publications by making them more readily available to people

in all parts of the country through having them placed on sale with authorized book sellers in different sections of the country instead of having every purchase made through the Superintendent of Documents in Washington with the attendant delay and difficulty which attends their purchase by mail.

Last year there were sold \$701,000 worth of such documents, and \$218,000 of that represented profit. This is a matter which the Senator from Utah [Mr. Smoot], when he was chairman of the Joint Committee on Printing; the Senator from Florida [Mr. FLETCHER], when he occupied the same office; and I, now that I hold that office, have been working on for a good many years. It is a practical plan of getting the documents more readily into the hands of the people who wish to purchase them. I have here a great many letters from educational and other institutions suggesting that some plan of this sort be worked out. I am quite sure it is an amendment which the Senator can accept.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from New Hampshire what is the relationship of the amendment to the subject matter of the legislation?

Mr. MOSES. On page 66, at the top of the page, the Senator will find in section 306 a section fixing the price at which additional copies of Government publications are to be offered for sale to the public. My amendment merely provides that the added price, which by the bill is 30 per cent, to the cost of printing shall be made 50 per cent, and that that sum shall be divided with authorized dealers throughout the country who buy the books and sell them to local purchasers.

Mr. ROBINSON of Arkansas. It is a mere administrative matter and not presented as an item of economy?

Mr. MOSES. I would say to the Senator, to his amazement I have no doubt, that I am now offering an amendment which is designed to bring money into the Treasury.

Mr. FLETCHER. Mr. President, I believe this will mean additional money in the Treasury of the United States to the extent of between \$300,000 and \$400,000.

Mr. SMOOT. Mr. President, if we could only adopt this plan, and then stop the everlasting printing in the RECORD of communications, petitions, editorials, and speeches that anyone wants to have there inserted, we would save another \$300,000 or \$400,000.

Mr. KING. Mr. President, a few moments ago, when it became apparent that the purpose to destroy the pending bill would succeed, I suggested to the chairman of the Senate Finance Committee that the committee be reconvened for the purpose of considering what steps should be taken to raise additional revenue in order that the Budget might be balanced. I understand, of course, that revenue legislation must originate in the House; but I thought that both the Ways and Means Committee of the House and the Finance Committee should be in readiness to draft another tax bill, when the work of destruction now in progress-so far as the pending measure is concerned-was consum-

It is now manifest that the work of the Economy Committee is to be torpedoed, the result of which will be that the economies promised and expected will not be realized. When the tax bill which passed the Senate a day or two ago was under consideration it was conceded by the President and the Congress that it would not meet the expenditures for the next fiscal year, and that several hundred million dollars were to be realized from economies which would be effected and carried into execution, under the terms of the so-called economy bill.

The committee having the latter bill in charge brought to the Senate a measure that was to raise between two hundred and fifty and three hundred million dollars. In my opinion, the bill as reported had serious defects but it represented an honest effort to meet the needs of the Government. It has been so mutilated and changed that it is certain that it will utterly fail to produce the expected revenue.

With the shrinking revenues of the Government there must be at least between three hundred and four hundred millions of dollars made available to supplement the revenues derived from taxation if the Budget is to be balanced. It had been supposed that the "economy bill" would yield this indispensable and precious amount. No other fountain was in sight, and to it the country looked for succor.

But we are destroying the fountain and the result is certain—that without additional taxes or drastic cuts in pending appropriation bills there will be a deficit that will be a menace to the credit of the Government.

In my opinion, this bill should be recommitted in order that it may be so framed as to effect reductions in the Federal Budget for the coming year of at least \$300,000,000. I inquire of the chairman of the committee whether he does not think this course should be pursued?

Mr. JONES. Mr. President, we will take the bill to conference, and if we can not work out a satisfactory agreement then we will come back to the Senate and the Senate will have an opportunity to act on it again.

Mr. WALSH of Montana. Mr. President, I desire to ask the Senator in charge of the bill by what sum the amount which the bill as presented to the Senate has been reduced from the estimate made of savings as the bill was presented?

Mr. JONES. Of course, we do not know exactly. There have been various estimates with reference to the change the Senate has just adopted. We thought we would realize about \$230,000,000 as the bill was reported to the Senate. Estimates relating to the amendment just adopted range from \$80,000,000 to \$100,000,000, that it will save. We figure now that the bill as it is will save about \$150,000,000.

Mr. WALSH of Montana. As against \$230,000,000?

Mr. JONES. Yes.

Mr. WALSH of Montana. That is, by the amendments adopted by the Senate the amount to be saved has been reduced by about \$80,000,000?

Mr. JONES. Something like that. There are several provisions in the bill that are entirely indeterminate. They may raise more and they may raise less.

Mr. WALSH of Montana. Of course, we understand the figures can not possibly be entirely accurate.

Mr. BYRNES. Mr. President, the so-called furlough plan was first presented in the House by a committee headed by Congressman Wood. They presented a detailed statement prepared by the Bureau of the Budget claiming it would effect a saving of \$81,000,000 outside of the legislative establishment, and their guess at the savings in that establishment made a total saving of \$83,000,000. The savings affected by the Economy Committee plan were \$121,000,000 after making the deductions as a result of amendments, so that by reason of the action of the Senate this afternoon \$40,000,000 is taken out of the bill and as the bill goes to conference the question will be between \$80,000,000 saving claimed to be effected, but which I am satisfied never will be effected, and the saving claimed by the action of the House.

Mr. WALSH of Montana. The answer is that practically \$150,000,000 is the total saving accomplished by the bill as it now stands, being \$80,000,000 less than the bill as it was reported to the Senate.

Mr. BINGHAM. Mr. President, it is a little more than that. Yesterday the Senate, in taking out all of the matters referring to veterans, reduced the amount in the bill by nearly \$48.000.000.

Mr. WALSH of Montana. The Senate seems to put itself very much in the position of the hound.

Mr. BYRNES. No, Mr. President; the Senate has not done it; the President has done it.

Mr. JONES. Mr. President, I want to say just a word about the amendment of the Senator from New Hampshire [Mr. Moses]. Of course, this is the first time I have seen the whole amendment or heard it read, but it seems to me it is right along the line of probably bringing into the Treasury more money than we are getting now and more than we will expend; so I am glad to accept the amendment so far as I can.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

Mr. NEELY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. Strike out all of sections 101 and 102 and insert in lieu thereof the following:

During the fiscal year ending June 30, 1933, the compensation of the Members of the House and Senate and all other Federal employees whose salaries are \$10,000 a year or more is hereby reduced 15 per cent of the amount thereof.

Mr. NEELY. The sole object of the amendment is to place the entire burden of salary reductions upon the Members of the Congress and other Federal office holders and employees who receive \$10,000 a year or more.

The VICE PRESIDENT. The amendment as offered would have to be changed to follow the amendment of the Senator from New Hampshire.

Mr. NEELY. I ask unanimous consent that it be inserted immediately after the amendment which, upon the motion of the Senator from New Hampshire, was adopted by the Senate after my amendment had been printed.

Mr. JONES. Mr. President, let the amendment be read.

The VICE PRESIDENT. Let the amendment be read again and will the Senate please be in order so Senators may hear.

Mr. NEELY's amendment was again read.

Mr. BINGHAM. Mr. President, is that amendment in order in view of the fact that the amendment offered by the Senator from New Hampshire [Mr. Moses] was adopted referring to the same question?

The VICE PRESIDENT. The Chair is not advised as to the provisions of the Senator's amendment and whether it does cover salaries. If it covers salaries, the amendment is not in order.

Mr. MOSES. My amendment has a provision in it reducing, by 10 per cent, the salaries of Senators.

Mr. NEELY. Mr. President, my proposal is to reduce the salaries of the Members of the Congress 15 per cent. I ask for a vote on my amendment as a substitute for the amendment of the Senator from New Hampshire.

The VICE PRESIDENT. The other amendment having been agreed to, the amendment of the Senator from West Virginia is not in order.

Mr. NEELY. That is very unfortunate for the underpaid Federal employees whom I should like to protect.

Mr. COPELAND, Mr. COSTIGAN, and Mr. ODDIE addressed the Chair.

The VICE PRESIDENT. The Chair recognizes the Senator from New York.

Mr. NEELY. Mr. President, let me invite the attention of the Senate to the following telegram:

CHARLESTON, W. VA., June 6, 1932.

Hon. M. M. NERLY, United States Senate:

Due to present law a number of supervisors in this State will be reduced \$200, effective July 1, account reduced receipts of their respective offices. On this account 10 per cent additional reduction as voted will create hardship. Suggest amendment that one or the other be eliminated.

LEWIS NEARMAN, State Secretary National Association Postal Supervisors.

Mr. President, in order to prevent the injustice to which this message directs attention I had intended to request that the following be added to line 11 on page 45 of the bill: "In lieu of all other reductions authorized by existing law"; but the adoption of the furlough amendment, proposed by the Senator from New Hampshire, makes this language inappropriate in the place in which I had intended to request that it be inserted. Therefore, may I not urge those in charge of the bill to protect the postal supervisors from the double penalty in question?

Mr. WALSH of Massachusetts. Mr. President, I will say to the Senator from West Virginia that I have an amendment to offer covering that amendment, which will probably be accepted by the committee and will accomplish the purpose he has in mind.

Mr. NEELY. If the matter is to be taken care of in the way the Senator from Massachusetts suggests, then I withdraw my request.

Mr. WALSH of Massachusetts. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Massachusetts will be stated.

The CHIEF CLERK. In the proper place in the bill, the Senator from Massachusetts proposes to insert:

Provided, That this act shall not apply to postal employees who will be automatically reduced 10 per cent or more in salary on July 1, 1932, by reason of reduced postal receipts for the calendar year 1931.

Mr. WALSH of Massachusetts. Mr. President, under existing law, on the 1st day of July of this year the salaries of groups of postal employees will be either raised or decreased, depending upon the receipts of the particular offices in which they are employed. At the end of December each year the Post Office Department makes up a record, so that it is known now just what officials will have their salaries reduced or increased on July 1 next, assuming that the pending measure is not enacted into law. These officials include postmasters in first-class post offices, assistant postmasters in first-class post offices, supervisors in first-class post offices, and special clerks in first-class offices; and also assistant postmasters in second-class offices. In some instances the reduction which some of these postal officials will receive automatically under existing law will amount to \$500 or \$600, and if the reduction proposed in this bill is also applied to them the total reduction they will suffer will amount to nearly \$1,000 in some cases.

All postoffice employees will at least have a reduction of 10 per cent in their compensation, but the amendment provides that in cases where, in addition to the automatic reduction, there would be a further reduction due to the operation of existing law equal to or greater than 10 per cent, the reduction under this proposed act shall not apply because of the fact that these employees will already have had their salaries very materially reduced. I will say now to the Senator from Washington that the matter might well go to conference and be worked out there, because there appears to be an inequity here.

Mr. GEORGE. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. GEORGE. I ask the Chair if this amendment is in order. The substitute amendment, which is known as the furlough plan, definitely provides for the furloughing of all employees except certain enumerated employees. There is no reduction in the salaries of the great body of employees except through the furloughing of those employees. I do not understand, therefore, how the amendment can now be

Mr. WALSH of Massachusetts. This amendment exempts from the operation of the act certain employees, and, of course, exemptions can be made. It has reference to employees whose automatic reductions are more than 10 per cent of their wages.

Mr. BINGHAM. Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. BINGHAM. Is the amendment in the form of a proviso to the language of title 1 which we have just adopted

The VICE PRESIDENT. It is not in order to that title. The question is whether it would be in order to some other part of the bill, for instance, to the House text. The amendment, as proposed, indicates that it is "to be inserted at the proper place." It does not indicate whether it is an amendment to the House text or an amendment to the amendment of the Senator from New Hampshire. It is not in order if it is an amendment to the amendment of the Senator from New Hampshire or to any committee amendment without such amendment being reconsidered.

Mr. GEORGE. Mr. President, the amendment can not be applied to anything other than the so-called furlough plan, which has been adopted as a substitute for the committee amendment.

The VICE PRESIDENT. The Chair is of the opinion that the amendment is not in order.

Mr. JONES. Mr. President, I was going to say I did not know whether it was in order; but, if it was, I was perfectly willing to have it go to conference. It seems to me the whole matter is covered, however, by what has already been adopted by the Senate.

Mr. COPELAND. Mr. President, I wish to invite the attention of the chairman of the committee to section 319 on page 73. Did the committee estimate that this section would save any material sum of money?

Mr. JONES. We did; we thought it might save a considerable sum of money. It was suggested by the Comptroller General; and, while he did not know what it would save. he thought it would save several hundred thousand dollars probably, and the saving might run to more than that.

Mr. REED. It might be several million dollars.

Mr. JONES. It might be; yes.

Mr. COPELAND. My attention was called to this matter to-day by Major Heath, in charge of public buildings. He said the adoption of this amendment as written would seriously embarrass, if not make impossible, the erection of the two Federal buildings in New York City, the new post-office building and the Federal courts building.

Mr. SMOOT. Mr. President-

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I yield.

Mr. SMOOT. The buildings to which the Senator refers are under way now, are they not?

Mr. COPELAND. The contracts have not been let. If the contracts had been let, it would not matter.

Mr. SMOOT. Was there not a direct appropriation made for the two buildings in New York City?

Mr. COPELAND. Yes.

Mr. SMOOT. Then I do not think this section will affect them.

Mr. COPELAND. Is the interpretation which the chairman of the committee gives to the section that it does not affect the two buildings to which I have referred?

Mr. JONES. Has the appropriation been made for the buildings?

Mr. COPELAND. Yes.

Mr. JONES. Then I do not see how this section would apply to them. The section provides "for a reduction of 10 per cent of the limit of cost as fixed in such authorization."

Where the money has been actually appropriated for the work there is a different situation.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.
Mr. BINGHAM. Let me say that in line 5 he will note the words, "whether an appropriation therefor has or has not been made."

Mr. JONES. That is right.

Mr. BINGHAM. I may say to the Senator from New York that the committee was informed that most contracts that have recently been entered into for Government buildings have been at least 15 per cent below the limit of cost provided at the time the authorization was made, due to the great reduction in the cost of construction. Therefore, the section to which the Senator refers would really not work any hardship. What actually has been happening is this: Where an authorization of, say, \$100,000 was made for a Government building, and a contract for it was let for only \$90,000, great pressure has been brought to bear upon the department to add various attractive features, such as shower baths and other pleasant devices which were not contemplated in the original plan at all but which could be provided, because they could all be added under the original authorization of cost. The provision in the bill is an effort to take advantage of the great decrease in the cost of construction and save the Government money which otherwise might be wasted.

Mr. COPELAND. Mr. President, I realize that the purpose was to take up the lessened cost of construction, but Senators will bear in mind that in great buildings such as are the

buildings in New York to which I refer, the estimate is more or less of a guess, to begin with; it is not until pen and pencil are put to paper that it is actually ascertained what the cost is to be.

With reference to these two buildings-and they are not local buildings but have to do with the Federal court, and so forth, in New York-it was found that it was the lessened cost of material which made it possible to go forward with the projects on the original estimate. Now, if, in addition, it is necessary to take off 10 per cent, Major Heath assures me that it is going to work a very serious impairment of those projects.

Mr. JONES. When were the estimates made for these buildings?

Mr. COPELAND. The estimates were made some time ago.

Mr. JONES. Two or three or four years ago?

Mr. COPELAND. Not that long ago.

Mr. SMOOT. They were made a couple of years ago.

Mr. JONES. A couple of years ago?

Mr. COPELAND. A considerable time ago.

Mr. JONES. It seems to me that for these buildings, like all the other buildings throughout the country, while the estimates originally were much higher than now, a 10 per cent reduction would be very light.

Mr. COPELAND. Let me say just a little bit more about that. It is a very simple matter to make an estimate on a building costing \$100,000 or \$200,000, but when it comes to a building that costs \$5,000,000 or \$6,000,000 it is a different proposition. Major Heath assures me that when they came actually to get the bids they found their estimates to be all wrong, and it was only because of the lessened cost of construction that it was possible to go forward with the appropriations available. Now, if upon top of that comes a further reduction of 10 per cent in those great buildings, it will make a very serious interference with the projects.

Mr. SMOOT. Mr. President, I do not think there is any doubt that this section will not affect such buildings as those to which the Senator refers. If he will take the authorizations for buildings even as late as last year and the bids upon them, he will find that the estimates were a great deal higher than the bids which were received. In some cases the bids received were 20 per cent less than the estimate; in other cases 10 per cent less; but certainly under the conditions which will exist this year and next year-and most of the work will have to be done next year-we will save more than 10 per cent.

Mr. COPELAND. Mr. President, the Senator must bear in mind that we have had legislation that relates to copper, for instance, so that the cost of copper roofing and other materials going into the buildings will be increased.

Mr. President, I have no interest in the matter beyond the fact that my attention was called to it to-day by Major Heath, who is supposed to be the authority on this particular matter; he assured me that this is a grievous mistake and that it will seriously impair those building projects in New York City.

Mr. JONES. Mr. President, I will say to the Senator that if it appears a year or two later that it is a serious mistake, of course, it will take a long time to construct those buildings, and in the meantime, if necessary, Congress can take care of that matter. I think, under the circumstances, this is a very reasonable proposition.

Mr. COPELAND. I think, in the generosity of his heart, the Senator has promised me that if it is found that more money is needed as we proceed, in his powerful position as chairman of the Appropriations Committee he will help us to get it.

Mr. JONES. There will have to be a very strong showing of need.

Mr. ODDIE. Mr. President, I offer the following amendment:

On page 55, paragraph (c), line 13, I move that "\$2 per day" be increased to "\$3 per day."

I will read paragraph (c):

(c) The traveling allowances provided for in the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on

an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (U. S. C., title 39, sec. 633), shall not exceed \$2 per day.

Mr. President, this refers to the travel allowance. I have here two statements which illustrate the effect of the provisions of the economy bill, now before the Senate, upon railway postal clerks. One statement illustrates the effect of the 10 per cent pay cut plus the other deductions, and the other statement illustrates the effect of the proposed furlough system plus other deductions.

From the viewpoint of the railway postal clerk, the furlough system is preferable, provided the annual vacation be not surrendered. It might be held that the annual vacation would not be a cash loss. If so, the net cash loss under the furlough system, plus other deductions, would be less than under the 10 per cent deduction. The railway postal clerks believe that the furlough proposition is preferable.

However, I see no justification in penalizing railway postal clerks not only by reductions in salary but by loss of nightdifferential pay and the 33 1/3 per cent deduction in traveling expenses. Even with full allowance under basic law for traveling expenses, the railway postal clerk only receives \$3 per day after the expiration of the first 10 hours that he is on duty. For the first 10 hours he does not receive any expense allowance. The pending bill proposes to reduce that allowance 331/3 per cent, or to \$2 per day, so that this employee would only have \$2 allowed for expenses for the first 34 hours that he was away from his initial terminal.

The night differential is paid at the rate of 10 per cent of that of those working daytime, and that is certainly not excessive or unreasonable. The employee working nights should receive that little consideration. That is a very small thing to ask. It is simply a humane act on our part to allow the night postal clerks what the law has previously allowed them, and which is little enough.

I ask that the amendment be adopted. I also ask unanimous consent that the two statements to which I have referred be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Senate economy bill, as it affects the Railway Mail Service. Ten per cent reduction in salary, plus loss of night differential and travel allowance.

Total number of employees in Railway Mail Service, approximately 22,000.

Railway postal clerks

	\$2,700	\$2,600	\$2,450
	salary	salary	salary
Retirement deductions 10 per cent cut in salary Loss of night-differential pay Loss of 33½ per cent travel allowance	\$94.50	\$91.00	\$85, 75
	270.00	260.00	245, 00
	1160.00	160.00	1 160, 00
	292.00	292.00	2 92, 00
Total loss	616. 50	603, 00	582, 75

¹ Approximately two-thirds of the clerks draw night-differential pay, resulting in the above average for that number.

² Approximately 14,000 clerks receive travel allowance, with an average of \$273.

Respectfully submitted.

W. M. COLLINS. President Railway Mail Association.

Senate economy bill, as it affects the Railway Mail Service.

One month furlough, loss of annual vacation, plus loss of night differential, and travel allowance.

Total number of employees in the Railway Mail Service, approximately 22,000.

Railway postal clerks

	\$2,700	\$2,600	\$2,450
	salary	sulary	salary
Retirement deductions Furlough Loss of night-differential pay. Loss of 33½ per cent travel allowance.	\$94.50	\$91.60	\$85, 75
	204.24	196.80	185, 52
	1160.00	1160.00	160, 00
	192.00	292.00	2 92, 00
Total loss. Loss of annual vacations (cash value)	550. 74	539, 80	525, 27
	127. 65	123, 00	115, 95

Approximately two-thirds of the clerks draw night-differential pay, resulting in the above average for that number.

Approximately 14,000 clerks receive travel allowance, with an average of \$273.

Respectfully submitted. W. M. COLLINS. President Railway Mail Association.

Mr. JONES. Mr. President, what is the amendment the | activities, the President is authorized and requested to pro-Senator proposes?

Mr. ODDIE. It is on page 55, line 13, that the amount be raised from \$2 to \$3 per day.

Mr. JONES. I hope that amendment will be voted down at this time.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. ODDIE!

The amendment was rejected.

Mr. COSTIGAN. Mr. President, may I direct the attention of the chairman of the committee to page 78, line 5?

In order to make this section conform to other sections, and to fulfill what is understood to be the purpose of the committee, I move to insert, after the word "and," the words "or any of," prior to the words "the functions."

Mr. JONES. I think I have no objection to that amendment.

Mr. BINGHAM. Mr. President, I ask to have the amendment stated.

The VICE PRESIDENT. The amendment will be stated. The LEGISLATIVE CLERK. On page 78, line 5, after the word "and," it is proposed to insert the words "or any of," so that it will read:

STATUTORY AGENCIES

SEC. 406. Whenever, in carrying out the provisions of this title, the President concludes that any executive department or agency created by statute should be abolished and/or any of the funccreated by statute should be abolished and/or any of the functions thereof transferred to another executive department or agency or eliminated entirely the authority granted in this title shall not apply, and he shall report his conclusions to Congress, with such recommendations as he may deem proper.

Mr. BINGHAM. Mr. President, I should like to understand this proposal.

Mr. COSTIGAN. It is assumed that the purpose of this section is to provide for the transfer of statutory duties by the President, subject to the approval of Congress

Mr. BINGHAM. Yes; and what the Senator is doing is undoing exactly what we do. The Senator wants to make the provisions which apply to an entire executive department apply to any part of it, and, therefore, that would prevent the President from transferring a part of one department to another department under another provision of the bill.

I hope the amendment will be rejected.

Mr. COSTIGAN. It is not my intention-

Mr. JONES. I did not understand that is was the intention of the Senator from Colorado to do that. Of course, we would not want to do that.

Mr. COSTIGAN. My understanding is, Mr. President, that if the Senator from Connecticut is upheld it will be possible to achieve a transfer of a department piecemeal to Congress rather than fulfill the original purpose of the section, which is to bring back the question of a transfer to the Congress. If I am in error, I desire to be corrected.

Mr. BINGHAM. Mr. President, there are provisions in the bill which give the President the right to make certain transfers during the recess of Congress, and the amendment proposed by the Senator from Colorado would prevent those transfers from becoming effective.

Mr. GEORGE. Mr. President, inasmuch as this particular part of the bill seems to be the joint resolution which I drew, and which was approved by the committee, and which is now on the calendar and has been for some time, I beg to say that I do not think that the amendment offered by the Senator from Colorado affects the matter at all. The President is not authorized to abolish any agency created by statute, nor to transfer the functions of such agency, unless he shall make his report to Congress. I think that the reference to the transfer of the functions thereof would necessarily include any part of the functions of an agency created by statute. So I do not think that the amendment offered by the Senator from Colorado would have the effect which the Senator from Connecticut seems to think it would

Mr. BINGHAM. Mr. President, on page 79 there is a proviso that "in order to expedite the merging of certain

ceed, without the application of this section," and so forth.

Mr. GEORGE. That is quite true with respect to certain specific agencies.

Mr. BINGHAM. Those agencies were created by statute. Mr. GEORGE. Those are named in the bill specifically, and, of course, they fall outside of the general rule which is laid down in section 406.

Mr. BINGHAM. The amendment suggested by the Senator from Colorado either restricts the President's power or is not necessary. The Senator from Georgia thinks it is not necessary and is covered; but, if it is not covered, then it restricts the power of the President to do that which he is authorized to do in the other parts of the bill.

I hope the amendment will not be adopted.

Mr. GORE. Mr. President, I desire to ask the Senator from Connecticut if there is a provision in this bill, and, if not, whether we could not insert a provision in the bill in connection with the clause to which he refers, that when the President does abolish a bureau or an office or a job, the salary of the employee shall not be reduced without the

employee's consent. [Laughter.]
Mr. BINGHAM. I think, in view of the action of the Senate in some of its votes, the suggestion of the Senator from Oklahoma is well taken.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr.

The amendment was rejected.

Mr. REED. Mr. President, I propose an amendment on page 63, line 4. A word of explanation before I send it to the desk. It deals with the make-up of the Shipping Board.

The present law requires the board to be made up from particular localities. One commissioner is required to come from the States touching the Atlantic Ocean; and that provision, as the Senate will see, is retained in line 4, page 63. of this bill.

Some genius—it took genius—has held that the State of Pennsylvania is not a State touching the Atlantic Ocean, in spite of the fact that Philadelphia, its chief port, is probably, next to New York, the most important port from the standpoint of tonnage and general commerce upon the Atlantic Ocean fringe of the United States. Therefore, it seems only reasonable to insert at that point a provision which would make it clear that Pennsylvania is on the Atlantic Ocean. The commerce of the world knows it, if the Attorney General does not; but if we could put something in there that would make him know it, then everybody would be happy.

So I send this amendment to the desk and ask to have it

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. The Senator from Pennsylvania offers the following amendment:

On page 63, in line 4, after the word "Ocean," insert "or a navigable river directly tributary thereto."

Mr. JONES. I myself have no objection to that amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania. The amendment was agreed to.

Mr. BINGHAM. Mr. President, would that put Pennsylvania on the Gulf of Mexico? [Laughter.]

Mr. REED. No.

Mr. ROBINSON of Arkansas. Mr. President, it must be apparent to all of us that the so-called economy program has broken down.

As first presented it was a modest program, contemplating reductions aggregating \$231,000,000. By the action of the Senate between \$88,000,000 and \$100,000,000 have been stricken from the bill, so that the probable amount which will actually be realized in reductions will be between \$140,-000.000 and \$150,000,000.

Mr. BYRNES. Mr. President, will the Senator yield to

Mr. ROBINSON of Arkansas. Yes.

Mr. BYRNES. A while ago I made the statement that it would possibly be \$140,000,000. I overlooked the fact that in the bill there is a provision which reduces the annual leave of all employees to 15 days, by which a saving of \$20,000,000 was claimed. By reason of the furlough plan now, furloughing everybody for 30 days, that must necessarily go out; so \$20,000,000 additional will go out of the bill, reducing the saving to \$120,000,000.

Mr. ROBINSON of Arkansas. I accept the figures of the Senator from South Carolina. Then if the furlough plan goes out of the bill, as I believe it will, by reason of the refusal of the House of Representatives to accept it, there will be nothing of very great importance left in the measure.

We might just as well recognize the fact that this is no triumph. It is a signal failure—a disgusting failure in view of all the talk that has occurred regarding this subject. If the figures of the Senator from South Carolina are approximately correct—and I believe they are concurred in by the able chairman of the committee—

Mr. JONES. Mr. President, I think the saving will be about \$150,000,000. Of course that is only a guess.

Mr. ROBINSON of Arkansas. May I ask the Senator from Washington what will be the net amount of reduction if the furlough plan is rejected by the House?

Mr. JONES. The Senator means, if it is finally rejected in conference?

Mr. ROBINSON of Arkansas. Yes.

Mr. JONES. That depends upon what we may accept in place of it in conference.

Mr. ROBINSON of Arkansas. But the trouble about that is that there will be very little in conference. The only matters that will be in conference will be the \$9,000,000 reduction contemplated by the House with respect to compensation—

Mr. JONES. Mr. President, I may say to the Senator that I have been consulting with some who seem to know something about conferences, and they appear to think that it may be possible for us to bring back to the Senate a proposition covering a different amount.

Mr. ROBINSON of Arkansas. Mr. President, under the well-known rule of the Senate, new provisions can not be reported by the conferees, except at the risk and peril of having the conference report sent back to the conference committee.

Mr. JONES. I understand that. But the question is, What will be done?

Mr. ROBINSON of Arkansas. Is it true, may I ask the Senator from Washington, that the adoption of the furlough plan cuts out the leave item referred to by the Senator from South Carolina?

Mr. JONES. I do not think so. I do not see why it does. Mr. BYRNES. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. BYRNES. Does the Senator from Washington say that we can adopt a bill furloughing every employee for 30 days without pay and then have a provision in it that will entitle them to 15 days with pay?

Mr. JONES. I am not going to commit myself now as to exactly what is within the limits of the bill as the Senate has agreed upon it. I am inclined to think that something of that kind can be done. We may not want to do it.

Mr. BARKLEY. Mr. President, will the Senator from Ar-

Mr. BARKLEY. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. BARKLEY. If either the House of Representatives or the conferees eliminate the so-called furlough plan, can any substitute that would reduce salaries be offered in lieu of that under the rules of the Senate or of the House governing the conduct of conferees?

Mr. ROBINSON of Arkansas. Not unless it is in either the bill as it passed the House or the bill as it passes the Senate.

Mr. BARKLEY. It is not in either.

Mr. ROBINSON of Arkansas. Then I think not.

Mr. BYRNES. It is between \$9,000,000 and nothing.

Mr. BRATTON. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. BRATTON. If the chairman of the committee will give me his attention, I want to call his attention to the item of \$22,000,000 referred to by the Senator from South Carolina. That is found in section 213 of the bill, on page 59. It is a part of title 1, part 2. It embraces a saving of \$22,000,000. Under the amendment offered by the Senator from New Hampshire, which is a substitute for all of title 1, part 2, that item of \$22,000,000 goes out.

Mr. JONES. No-

Mr. BINGHAM. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON of Arkansas. I yield to the Senator from Connecticut.

Mr. BINGHAM. I think my good friend from New Mexico is mistaken. It is part of title 2, as he will find, if he will look at page 50, and is not a part of title 1. The sections which are under title 1 all begin with the numeral "1," as section 101, and those in title 2 begin with the numeral "2," as section 201.

Mr. ROBINSON of Arkansas. Mr. President, it not only appears that we have done very little, but it is also apparent that we do not know what we have done. [Laughter.]

I know we laugh, Mr. President, but it is a deplorable failure. It is one that will reflect itself in great disappointment to the country. I am speaking now without regard to the relative merits of the amendments which have been presented. The fact is, that for many days the Senate has been dealing with the question of reducing Federal expenditures. It has come to a conclusion which, stated in its most favorable light, must be disappointing to every man here who believes in reductions. There are some Senators who frankly say that there is no occasion to cut Federal expenditures, that the United States can afford a four billion or a four billion and a half dollar a year Government, and that new sources of revenue can be found to meet whatever deficit may arise. The people of the country who expected a \$300,000,000 reduction or a \$500,000,000 reduction, when they realize that a reduction of about \$100,000,000 or \$120,-000,000, as it will finally come out, has been approved by the Senate, are going to feel that it is doubtful whether the result has justified the effort.

Mr. President, as a protest against this miserable failure to function with a fair degree of efficiency, I move that the bill be recommitted to the Committee on Appropriations, and on that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. Glass], but I have been released from that pair on this bill, and, therefore, I am at liberty to vote. I vote "nay."

Mr. HATFIELD (when his name was called). Repeating the announcement of my general pair with the senior Senator from North Carolina [Mr. Morrison], I withhold my vote. If permitted to vote, I would vote "nay."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson]. I transfer that pair to the senior Senator from Colorado [Mr. Waterman], and vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the junior Senator from Illinois [Mr. Lewis], which I transfer to the junior Senator from Oregon [Mr. Steiwer], and vote "nay."

Mr. ROBINSON of Indiana (when his name was called), Making the same announcement as before with reference to my pair with the junior Senator from Mississippi [Mr. Stephens], I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKellar]. Not knowing how he would vote, I withhold my vote.

Fletcher

Mr. McNARY. I desire to announce the following general

The Senator from Ohio [Mr. FESS] with the Senator from New York [Mr. COPELAND]:

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER]:

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. Long];

The Senator from Minnesota [Mr. Schall] with the Senator from Alabama [Mr. BLACK]; and

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. Typings].

I also desire to announce that if the Senator from Ohio [Mr. Fess] were present, he would vote "nay."

Mr. CUTTING. I have a pair for the evening with the senior Senator from Florida [Mr. Fletcher], which I transfer to the senior Senator from Delaware [Mr. Hastings], and vote "nay."

Mr. DAVIS. Mr. President, I have a general pair with the junior Senator from Kentucky [Mr. Logan]. I find that I can transfer that pair to the junior Senator from Connecticut [Mr. Walcott], and I do so and vote "nay." I do not know how the junior Senator from Kentucky [Mr. Logan] would vote on this question.

Mr. BULKLEY. I have a pair with the junior Senator from Wyoming [Mr. CAREY], which I transfer to the senior Senator from Mississippi [Mr. Harrison], and vote "yea."

The result was announced—yeas 23, nays 43, as follows:

	YE	AS-23	
Ashurst Bailey Bankhead Barkley Bratton Bulkley	Bulow Byrnes Caraway Cohen Connally Costigan	George Gore Hayden Howell Hull Kendrick	King Robinson, Ark. Sheppard Walsh, Mont. Wheeler
	NA	YS-43	
Austin Barbour Bingham Blaine Brookhart Capper Coollidge Couzens Cutting Dale Davis	Dickinson Frazier Goldsborough Hale Hawes Hebert Johnson Jones Kean Keyes La Follette	McGill McNary Moses Neely Norbeck Norris Nye Oddie Pittman Reed Shipstead	Shortridge Smith Smoot Thomas, Idaho Thomas, Okla. Trammell Vandenberg Walsh, Mass. Watson White
	NOT V	OTING-30	
Black Borah Broussard Carey Copeland Dill Fess	Glass Glenn Harrison Hastings Hatfield Lewis Logan	McKellar Metcalf Morrison Patterson Robinson, Ind. Schall Steiwer	Swanson Townsend Tydings Wagner Walcott Waterman

So the Senate refused to recommit the bill to the Committee on Appropriations.

Stephens

Long

Mr. REED. Mr. President, earlier in the day the Senator from South Carolina entered a motion to reconsider the vote by which section 208 was stricken from the bill. Since then we have made some inquiry as to the amount spent by these various services in the shipment of automobiles privately owned to where officers were assigned to different stations. We find that the exact amount spent by the Army in the last fiscal year was \$3,541.30, and I urged the elision of the amendment on the ground that it would not affect a material saving, which was the ground on which the Senate acted yesterday. That was entirely true as far as the Army was concerned, but we have learned this morning that the Navy spent on an item for the same service rendered to a smaller group of officers the astonishing sum of \$307,000. That seems to come from the fact that the Navy ships all of the automobiles of officers in crates by commercial steamers and by railroad. The cost of crating is very high, and the cost of shipping of the crated automobiles in that manner is very high.

Mr. HALE. Mr. President, I think it is fair to state the reason why the Navy ships automobiles by commercial ships is that they have not the transports the Army has and therefore they have to do it in that way.

Mr. REED. The Navy has some transports.

Mr. HALE. The Navy has two transports in all. Mr. REED. The Army has not very many.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED. I yield.

Mr. NORRIS. Could not the Navy ship their automobiles by Army transports?

Mr. REED. They could and I think should.

Mr. NORRIS. Of course they should.

Mr. REED. I know the Army would be glad to render that service for its sister arm in the military defense.

Mr. President, I am making this statement because it is not fair of me to ask the Senate to sustain its action yesterday, which was made after I had stated that the saving was negligible. It is obvious that the saving is not merely negligible and that the section ought to stay in the bill. At the same time, in order that the service may be rendered to those officers if it is kept within reason, I have agreed with the Senator from South Carolina that I would join him in asking the restoration of the section with this proviso:

Provided, That not more than \$5,000 in any fiscal year may be expended for such purposes by the War Department and not more than \$5,000 in any fiscal year by the Navy Department.

Mr. BYRNES. Mr. President, I entered the motion to reconsider because the facts as developed show that the Navy is shipping automobiles at a cost of \$200 each for crating and for freight. I hope the amendment will be adopted with the proviso suggested by the Senator from Pennsylvania. I hope it will be acted upon at this time, because I fear if we wait until to-morrow, the same influences which have heretofore been at work might prevent us from saving \$300,000.

Mr. HALE. Mr. President, I may say that I have talked with the Navy officers about the matter and I have no objection whatever to the amendment.

Mr. BARKLEY. Mr. President, will this item finally succeed in balancing the Budget? [Laughter.]

The VICE PRESIDENT. The question is upon agreeing to the motion to reconsider.

The motion was agreed to.

The VICE PRESIDENT. The question now is upon the amendment proposed by the Senator from Pennsylvania, which will be stated.

The CHIEF CLERK. On page 56, line 16, insert the following proviso:

Provided, That not more than \$5,000 in any fiscal year may be expended for such purposes by the War Department and not more than \$5,000 in any fiscal year by the Navy Department.

Mr. BINGHAM. Mr. President, may I inquire if that still permits the Army to send in Government transports, automobiles of officers ordered to the Philippines?

Mr. REED. Yes; it does.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. NYE. Mr. President, I send to the desk the following amendment.

The VICE PRESIDENT. Let the amendment be stated. The CHIEF CLERK. On page 31, line 9, strike out "\$60,000," and insert "\$74,790."

Mr. NYE. That is the item with reference to the legislative reference service in the Library.

The VICE PRESIDENT. The committee amendment has already been agreed to, and that action would have to be reconsidered.

Mr. NYE. Then, I move to reconsider the action by which the amendment on page 31, line 9, was agreed to.

The VICE PRESIDENT. The Senator is too late with the motion.

Mr. GEORGE. Mr. President, yesterday an amendment was offered by the Senator from Pennsylvania [Mr. Reed] to the provision found on page 57, section 211, and it was adopted. Thereafter the Senator from Florida [Mr. the moment, offered an amendment in lieu of subsection (b) on page 58. That amendment was voted down. Thereupon the Senator from Florida asked the Senate to disagree to the committee amendment striking out subsection (b).

I was somewhat active in opposition to that motion. On consideration and in view of the amendment offered by the Senator from Pennsylvania in section 211, I feel that some injustice would be worked to those officers who had retired as lieutenants and officers in the lower grades who had not advanced very far. Therefore, I ask unanimous consent that the action of the Senate in agreeing to the committee amendment striking subsection (b) on page 58 may be reconsidered.

The VICE PRESIDENT. Is there objection?

Mr. REED. Mr. President, I think the Senator's thought is exactly correct, but I believe that he can accomplish the same result more simply and without helping persons who do not deserve to be helped. I am thinking of those in the Veterans' Bureau-if he would put in, on line 4, page 58,

This section shall not apply to any person whose combined retired pay and civilian pay amounts to less than \$3,000.

That will then take care of those cases he has in mind and will not result in giving undue benefit to the highsalaried officers in the Veterans' Bureau.

Mr. GEORGE. Mr. President, if I may have unanimous consent to offer the amendment, I shall then offer it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, I should be glad to offer the amendment suggested by the Senator from Pennsylvania because it does accomplish what I believe upon examination is substantial justice as applied to these officers.

The VICE PRESIDENT. Let the amendment be stated. The CHIEF CLERK. On page 58, at the end of line 4, insert the following:

This section shall not apply to any person whose combined retired pay and civilian pay amounts to less than \$3,000.

Mr. BINGHAM. Mr. President, I would like to add to that an amendment in the nature of a further proviso. reading as follows:

Provided further, That this section shall not apply to emergency officers retired for disability incurred in combat with an enemy of the United States.

I am informed that there are 18 emergency officers retired for battle wounds, shock, and shell, many of whom are maimed and 5 of whom have been awarded the distinguished-service cross, who now work for the Government and who have been placed upon the emergency officers' retired list. In view of the small number and the fact that many of them are maimed and are in the class just suggested, I move that the amendment proposed by the Senator from Georgia be further amended by adding the proviso which I send to the desk.

Mr. GEORGE. Mr. President, if the Senator from Connecticut will permit me, I will accept his amendment so that it can go to conference and then the matter can be ironed

The VICE PRESIDENT. The question is on the amendment of the Senator from Georgia, as modified.

The amendment, as modified, was agreed to.

Mr. REED. Mr. President, I would like to say just a word about that so our silence will not be construed as too much acquiescence.

Everyone pays honor to those officers who were wounded in action, but they do not deserve any more honor than their fellow officers who underwent great hardships beside them in the trenches in France, and many of whom incurred diseases that still cripple them. I think one is entitled to just as much honor and just as much consideration as the other. The wound received from the elements-frozen feet, for example, in the trenches—is just as much deserving of our sympathy as the wound caused by an enemy bullet.

Mr. ODDIE. Mr. President, a few moments ago a viva voce vote was had on an amendment of mine to raise allow-

FLETCHER], who, I regret, is not present in the Chamber at | ances from \$2 a day to \$3 a day. I ask that that vote may be reconsidered in order that we may have a rising vote. I do not think the purpose of the amendment was understood.

The VICE PRESIDENT. Is there objection to the reconsideration of the vote referred to by the Senator from Nevada?

Mr. JONES. Mr. President, that would simply give us another vote, and I must object,

The VICE PRESIDENT. Objection is made. There is a motion pending by the Senator from California [Mr. Short-RIDGE] to reconsider the amendment on page 46, line 15.

Mr. SHORTRIDGE. Mr. President, the subject matter, I think, has been satisfactorily disposed of by the Senate, and therefore I withdraw the motion to reconsider.

The VICE PRESIDENT. The motion to reconsider is withdrawn. The question now is on the third reading of

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is on the passage of the bill.

Mr. REED. Mr. President, I have another amendment which I should like to offer. I ask unanimous consent that it may be offered. My attention was distracted at the moment when proper opportunity came for offering it.

The VICE PRESIDENT. Is there objection to the Senator from Pennsylvania proposing an amendment which will be sent to the desk and read for the information of the Senate?

The CHIEF CLERK. On page 50, line 18, strike out the words "or noncivilian."

Mr. REED. Mr. President, I will not delay the Senate five minutes in explaining it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania?

Mr. COUZENS. I object.

The VICE PRESIDENT. Objection is made. The question is on the passage of the bill.

The bill was passed.

ORDER OF BUSINESS

Mr. JONES obtained the floor.

Mr. REED. Mr. President-

Mr. HOWELL. Mr. President-

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Pennsylvania?

Mr. JONES. I yield. Mr. REED. I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate may proceed to the consideration of Calendar No. 822, the bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania?

Mr. HOWELL. Mr. President, I was standing here and addressed the Chair before the Senator from Pennsylvania addressed the Chair.

The VICE PRESIDENT. The Senator from Washington was recognized, and he yielded to the Senator from Pennsylvania. Is there objection to the request of the Senator from Pennsylvania?

Mr. HOWELL. Mr. President, I stated a short time ago to the Senate that I would move that the Senate proceed to the consideration of the bill (S. 4536) to amend the agricultural marketing act, approved June 15, 1929. I stated that I should make a motion that that be made the unfinished business of the Senate. If this measure is not considered before the appropriation bills are considered there will be no chance at this session for agricultural legislation. Therefore I object to the request of the Senator from Pennsyl-

EMERGENCY RELIEF

Mr. ROBINSON of Arkansas. Mr. President, a day or two ago notice was given that upon the conclusion of the consideration of the bill which has just been passed, a motion would be made to proceed to the consideration of the

so-called emergency relief measure, which is on the calendar. Since that statement was made the committee has reported a provision relating to that subject carrying \$300,-000,000 for advances to the States upon certain conditions. I should like to have that measure taken up as soon as practicable. Of course, there is necessity for the passage of the appropriation bills, and all other measures, but I am wondering if the Senator from Pennsylvania, in view of the objection that has been made, would yield to a request that upon the convening of the Senate to-morrow the Senate proceed to the consideration of Senate bill 4860, which was reported this morning from the Committee on Banking and Currency, and which carries \$300,000,000 for emergency relief.

Mr. REED. Mr. President, I hesitate to do that. We can discuss that question after the Army appropriation bill shall have been taken up. I do not think it will take over an hour to pass the Army appropriation bill. Then there will be a sufficient opportunity for the bill to which the Senator refers. The naval bill will not be ready to be reported tomorrow.

Mr. NORBECK. Mr. President-

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from South Dakota?

Mr. ROBINSON of Arkansas. I yield.

Mr. NORBECK. I want to say that the Banking and Currency Committee did take final action on the bill introduced by the Senator from New York [Mr. Wagner], as the Senator from Arkansas has said, but it took action on merely one-third of the bill. The other two-thirds of that bill are still in the making and will probably be reported to the Senate to-morrow. My thought was that it might be better to get the whole subject of relief together before taking up any part of it. That is all I desire to say.

Mr. BARKLEY. Mr. President, will the Senator yield there?

The VICE PRESIDENT. The Senator from Arkansas has the floor. Does he yield to the Senator from Kentucky?

Mr. ROBINSON of Arkansas. I yield.

Mr. BARKLEY. The two-thirds to which the Senator from South Dakota refers are in a separate bill; we can not consider both of them at once; and the measure referred to by the Senator from Arkansas is considered more emergent than the measure carrying the other two-thirds.

Mr. COUZENS. Mr. President, will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Michigan?

Mr. ROBINSON of Arkansas. I yield to the Senator from

Mr. COUZENS. I wish to say, in connection with what the Senator from Arkansas has just said, that the Senator some days ago asked unanimous consent to have the bill taken up in substitution for another bill on the calendar. I think it was generally agreed that that should be done. I objected and asked the Senator from Arkansas to withhold the request until the Committee on Banking and Currency could pass upon that section of the original Wagner bill. The Senator from Arkansas did withhold the request for unanimous consent until the committee had brought in its report. The committee has reported, and I think, in justice to the Senator from Arkansas, that we should grant the consent he has asked now, because everybody was in agreement at the time, practically on both sides of the Chamber, except as to the details of the bill.

Mr. REED. Oh, no, Mr. President; I do not think so.

Mr. COUZENS. I mean in giving the Senator from Arkansas consent to have the bill taken up.

Mr. REED. I do not think so at all. There were a number of Senators who would have objected if objection had not been made by the Senator from Michigan.

Mr. ROBINSON of Arkansas. Mr. President-

Mr. REED. Mr. President-

The VICE PRESIDENT. The Senator from Arkansas has the floor.

Mr. ROBINSON of Arkansas. I will yield to the Senator from Pennsylvania in just a moment.

Mr. REED. I merely want to say that I think we could pass both these bills to-morrow.

Mr. ROBINSON of Arkansas. If the Senator will permit me to reply to the statement he has just made, I do not think there was any objection indicated to the arrangement which I requested. The Senator from Indiana at first stated that he would probably object, but later, as I understood him, receded from that position; and the Senator from Michigan, as he has just stated, asked that the second request be deferred, as he has explained. I think it is entirely true that both these bills may be disposed of to-morrow, and I certainly do not wish to get in the way of an appropriation bill or of a farm relief bill, but this is an emergency matter.

Mr. REED. I know that.

Mr. ROBINSON of Arkansas. We all agree about that, and it is my thought that it probably would not require more than a couple of hours to dispose of the bill.

Mr. REED. Let me suggest this to the Senator.

Mr. McNARY. Mr. President-

The VICE PRESIDENT. The Senator from Arkansas has the floor. To whom does he yield?

Mr. REED. Will the Senator be so kind as to yield to me for a moment?

Mr. ROBINSON of Arkansas. Certainly.

Mr. REED. I was going to ask the Senator from Oregon if the Army bill can now be taken up, to let us recess at once to 11 o'clock to-morrow morning. There is not anything controversial that I know of in the Army bill. The committee, as I recall, was unanimous in every decision. I feel confident that we will be out of the Senator's way by 12 o'clock to-morrow, so that he will accomplish his desire by letting us do that and we will have the advantage of getting over to the House a message as to passage of the Army appropriation bill, having the conferees appointed, and starting the conference to-morrow afternoon.

Mr. NORRIS and Mr. THOMAS of Oklahoma addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON of Arkansas. I yield first to the Senator from Nebraska.

Mr. NORRIS. I would not interrupt this agreeable conversation were it not for the fact that I did not want by my silence to give acquiescence to the statement of the Senator from Pennsylvania that if we take up the Army bill at 11 o'clock to-morrow we shall probably finish it by 12 o'clock. I doubt very much whether we shall be able to do that.

Mr. THOMAS of Oklahoma and Mr. McNARY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Arkansas yield; and if so, to whom.

Mr. ROBINSON of Arkansas. I yield first to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, I have on the table an amendment to the Army appropriation bill which proposes to limit post exchanges on Government reservations. At the present time such exchanges are developing department stores and selling everything; and unless the chairman of the committee will accept the amendment, I shall be prepared to discuss it at some length, because I want the Senate and the country to know the extent to which these exchanges are being developed in competition with private industry. If the practice is to continue, I am wondering where people are going to make the money with which to pay the taxes that are being levied upon them. I merely want to suggest to the chairman of the committee that this matter is of some concern, and I propose to use some time in discussing it, unless I can get an agreement in advance that the amendment may go to conference.

Mr. McNARY. Mr. President-

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. ROBINSON of Arkansas. I yield.

Mr. McNARY. I think it is fair to meet at 11 o'clock to-morrow when the time comes to take a recess, but I

think I should state, so long as we are considering a program, that to-morrow I shall ask to call up the conference report on the agricultural appropriation bill. I do not think that will take long, but I want it to be known to all Senators that that is my intention.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. ROBINSON of Arkansas. I yield.

Mr. NORRIS. I suggest to the Senator from Oregon that he move now to take a recess. We are not going to agree upon anything by unanimous consent.

Mr. REED. I have moved to take up for consideration Order of Business 822, being House bill 11897.

The VICE PRESIDENT. The Chair has not heard that

motion. If the Senator made the motion, that is the pending motion.

Mr. ROBINSON of Arkansas. Mr. President, I understood I had the floor, and I had not yielded for a motion to be made.

Mr. REED. Mr. President, I made the motion before the Senator from Arkansas was recognized.

Mr. ROBINSON of Arkansas. Very well, if that is true.

Mr. REED. I am perfectly willing to have a recess taken with that motion pending.

Mr. McNARY. Very well, I move that the Senate-

DISTRESS OF COAL MINERS IN WEST VIRGINIA

Mr. LA FOLLETTE. I ask unanimous consent to have printed in the RECORD a telegram from Frank Keeney, president of the West Virginia Mine Workers' Union.

There being no objection, the telegram was ordered to be

printed in the RECORD, as follows:

CHARLESTON, W. VA., June 8, 1932.

Senator ROBERT LA FOLLETTE,

Senator Robert La Follette,

United States Senate, Washington, D. C.:

Six hundred starving coal miners, women and little children among them, are now encamped on Kanawha River at edge of Charleston, W. Va., where they were driven by State police on orders of Mayor Devan on June 4. They had gathered State house lawn to petition Governor Conley for relief. Conley refused to act, saying State can do nothing for its starving unemployed citizens. County funds exhausted. After three days and nights on the river bank these destitute people are now no nearer relief than when they came. Their numbers being increased hourly by other starving miners from the camps. We urge you to bring this disgraceful affair to the attention of Congress in behalf of national unemployment relief. unemployment relief.

FRANK KEENEY. President West Virginia Mine Workers' Union.

RADIO ADDRESS ON TAXATION BY HON. WESLEY L. JONES

Mr. WATSON. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of an address delivered by the distinguished senior Senator from Washington [Mr. JONES], chairman of the Committee on Appropriations, over Station WRC night before last on the subject of taxation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Radio friends, our people to-day are interested as never before in their Government and its operations. They look to it for help and relief, and its legal limitations are forgotten in the emergency of a situation such as confronts our country now.

Nearly 40 years ago we went through times like these. Conditions were worse. Strikes and vious heavight bloods had an administration of the confidence of the c

tions were worse. Strikes and riots brought bloodshed and death to our land while hunger and starvation stalked through the countryside. The lesson learned then served us well. Only sporadic spells of short duration have halted our progress as time has

gone on.

The World War began. We were not involved in it. Our industry, however, was stimulated in every line. We were the granary of Europe, not only for war supplies but for the world's food supplies. Then we entered the war. Not only were we called upon for men, for more war supplies, but agriculture had to be intensified and to broaden its efforts to supply the food needed by the armies at the front. Prices were curtailed by law. Naturally, at home, people of every class and occupation prospered.

The war ended. Industrial activities continued to expand, develop, and grow. Agriculture stopped; demand for its products ceased. As other industries continued to expand, it kept on shrinking—proportionately as it shrunk, industry seemed to prosper. Speculation of every kind and character was rampant. Stocks and bonds soared. People became rich overnight. The making of money became a frenzy. One class of our people was delirious with gain, another class was in the depths of poverty and despair. This could not go on. The one must fall or the

other rise. Industry slowed down. With its fall it has brought agriculture lower, and both must arrive at a common level. We ourselves must arrive at a common plane of living. I hope we have reached it now, and that hand in hand we will start upward

on the road of prosperity.

We have learned many lessons that we will remember for years

We have learned many lessons that we will remember for years to come. One of them is to live within our income as individuals and as a nation, and one essential of that lesson is that, while income may decrease, debts and obligations do not grow less—they remain steady and even more difficult to meet.

In our day of great prosperity we were reckless in our expenditures, not that we wasted our money, although that criticism is made time and again, but we took upon ourselves obligations that could have been delayed and others that were not absolutely necessary. The cry "reduce taxes" can not be met now as many would have us meet it without repudiating our obligations or taking action that would cause more harm and loss than it would do good.

The direct burden of taxes from which our people are suffering

The direct burden of taxes from which our people are suffering comes from city, county, and State taxes with which Congress has nothing directly to do. We should consider them, however, in taking on obligations by the National Government. In the heyday of prosperity we are apt to forget that the reckoning is bound to come and that it may come when we are not prepared, when the burden will be heavy.

My concern to-night is especially with the national expenditures and obligations. We are a peaceful people, and yet our national burdens from which we suffer come largely from war. Sixty-five or seventy per cent of our taxes are a direct result of war or preparation for war. When war is over its burdens do not cease—in days of adversity like these they do not lessen. If we were careless in our day of prosperity in fixing those burdens, we may correct them now in time of adversity, and no one, I am sure, will more cheerfully aid in correcting them than the soldiers themselves. We can not, however, bring about reductions to any great extent. We must not overlook, either, the fact that those who bore the brunt of the battle and who endured its privations must continue to aid in carrying its burdens. They are among our best citizens—they are more and more taking on the duties of the State and its responsibilities.

Our people are complaining at the increased cost of government. There is greatly increased cost. Why? Is it through waste or extravagance? If so, it must be stopped at any cost. Let us see:

In the present fiscal year we are appropriating \$945.438.878 for

Let us see:

In the present fiscal year we are appropriating \$945,438,878 for the Veterans' Administration. A sum even larger, \$990,410,600, for sinking-fund requirements and interest on the public debt must be provided. These two amounts, representing practically \$2,000,000,000, are a direct outgrowth of the World War, which has been one of the main factors in our increased appropriations and which will remain a chief reason for our large appropriations for many years to come many years to come.

many years to come.

One of the most necessary and needed appropriations we have is for the Postal Service. It is the heart of our very existence—it reaches the hearthstone of every citizen, whether rich or poor, In 1913 this service cost us \$273,054,249; in 1932, \$841,483,777, or three times as much. What has made this increase? Not waste or extravagance, but the needs and welfare of our people. Their wants have increased, their needs have multiplied. The service

wants have increased, their needs have multiplied. The service has been expanded, and with it have come increased conveniences for our citizenry. Would you have this development stopped?

Rural delivery of mail is another service the cost of which has mounted steadily. In 1913 we spent for it \$47,000,000, while this fiscal year we are spending \$107,550,000. Would our people be willing to curtail this service? I think not.

Again, in 1913 we spent for public buildings \$10,057,432. Now we have a program upon which we are spending \$87,924,450 annually. In normal times that would be considered good policy. Now, there is a difference of opinion. This program, of course, gives employment to labor of various kinds, but the money expended must be raised by taxes on the people. Another fact, too, is overlooked—the site for the building is taken off the tax roll forever. Local taxes are increased from year to year. This may

pended must be raised by taxes on the people. Another fact, too, is overlooked—the site for the building is taken off the tax roll forever. Local taxes are increased from year to year. This may be why we see in the press from time to time that cities and towns are beginning to ask that appropriations heretofore made for public buildings be not expended. Expenditures for productive works may well be made, but is it wise during these times to spend the people's money for public works that are not only unproductive, but deprive the community of some revenue to defray its own expenses? Here we might make some savings for the time being if the people would look with favor upon it.

I will mention one other service that has greatly expanded. In 1913 we spent \$525,000 for Federal-highway work, while now we are following a regular program that calls for an annual expenditure of \$125,000,000. That is wise policy, but I can not help but think more real good would be done if we used this money, or a substantial part of it, for a few years in cooperation with counties or the States in making better the local or feeder roads. This would help communities to get their products to market rather than simply aid outside people to pass through. This kind of road program would help the farmers to and from market in addition to providing good post roads, which are badly needed, especially in some sections of our country.

These are a few examples that show why our appropriations have increased from \$1,021,349,990 in 1913 to \$4,674,073,917 in 1932. They may indicate where or how some reductions can be made if the people are willing—they indicate, too, how difficult it will be to make substantial reductions. These difficulties are many

and exceedingly hard to overcome. The ambition of our people is, justly, great. Their cumulative demands, through their representatives, are tremendous. In a forward-looking country such as ours it is easier to accede to this pressure than to curtail Federal

activities by cutting the total appropriations.

Do away with bureaus, commissions, and other governmental Do away with bureaus, commissions, and other governmental bodies, we are told. Probably we can dispense with some. Howmany, and what are they? What will become of their activities? Will they be abandoned? If not, who will perform their functions? These are questions that are never answered. We are effecting one or two changes along these lines by our economy bill, but we are told it will bring little, if any, economy. We are going to give the President authority to abolish some, consolidate some, and submit plans to Congress for other reorganization. We will have to wait and see what economies are effected under that authority. We will hope for many.

We will hope for many.

I need not say that we have to do many things we do not like to do. That comes to all of us. I do not want to cut any

like to do. That comes to all of us. I do not want to cut any one's wages. We have to do it, however, in one way or another, but we are going to make it as easy and for as short a time as possible. I earnestly hope it will not need to be extended.

Let me tell you how carefully our appropriation bills are studied so that no unnecessary or undesirable item may be included. The executive departments and independent governmental establishments first present their needs to the Bureau of the Budget. Hearings are held there and every demand scrupulously examined with a view to excluding those estimates lacking in merit. These estimates are submitted to the President. This year I understand he made an arbitrary cut of 5 per cent. The Budget Office. he made an arbitrary cut of 5 per cent. The Budget Office, through the President, then sends these estimates to Congress for its consideration. The Appropriations Committee of the House for its consideration. The Appropriations Committee of the House holds extensive hearings on each bill, examining each item, and reducing or striking out sums as it deems wise. This year it has followed the rule of increasing no item above the Budget estimate. The bill then undergoes the scrutiny of the whole committee, is reported to the House, and is considered item by item before passage. After passing the House, the bill goes through the same process in the Senate although not in so much data! What additions or charges are made there are to conformation. through the same process in the Senate although not in so much detail. What additions or changes are made there go to conference and are most carefully studied and worked out by the representatives of the two Houses. This year the bills, thus far, have been cut in the Senate arbitrarily 10 per cent in the aggregate below the House figures, and these cuts are generally accepted. Is it possible to use more care? As a matter of fact, I am afraid we have cut too deep but these are times that require

extreme economy.

I want to say to our people we are making an earnest effort to economize. I have never known a more determined or more honest attempt to reduce appropriations than has been put forth

honest attempt to reduce appropriations than has been put forth during the first session of the Seventy-second Congress. We know the conditions throughout the country. We appreciate the difficulties our people face. We want to help all we can.

I am not complaining, nor am I scolding, but when I get a strong letter from a constituent urging a proposition and then, in the same mail, an equally strong letter from a second constituent earnestly opposing the identical proposition, what am I to do? Let me say that this is no uncommon thing. It often occurs with matters affecting economy.

We do the best we can. We want our Government run as economically as possible, especially now, and we are going to so run it. I trust that when our people and our country are on the road of prosperity as they are going to be, the lessons of the past will not be forgotten and that the future may escape the suffering and hardships we have endured and are enduring now.

ADDITIONAL PETITIONS

Mr. ROBINSON of Arkansas presented telegrams in the nature of petitions from W. A. McCartney, president of the Gate City Building and Loan Association, of Texarkana; Southern Building and Loan Association, by Charles A. Gordon, secretary, of Pine Bluff; D. T. Hargraves, mayor of Helena; Helena Real Estate Board, by J. B. Lambert, secretary; the Helena World; and the Guaranty Loan & Trust Co.; all of Helena, in the State of Arkansas, praying for the prompt passage of the home-loan bank bill, which were referred to the Committee on Banking and Currency.

He also presented a telegram from D. M. Burford, of Pine Bluff, Ark., relative to section 5d of the bill (S. 4822) to amend the Reconstruction Finance Corporation act to authorize loans for the purpose of providing additional employment through the construction of economically sound projects, and for other purposes, authorizing and directing the Reconstruction Finance Corporation to allocate and make available to the Federal Farm Board sums not exceeding in the aggregate \$50,000,000, to enable that board to make additional loans to cooperative associations and stabilization corporations, etc., and protesting against the making of such appropriations and requesting a full investigation thereof, which was referred to the Committee on Banking and Currency.

RECESS

Mr. McNARY. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 7 o'clock and 24 minutes p. m.) the Senate took a recess until to-morrow, Thursday, June 9, 1932, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

Wednesday, June 8, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We look again to Thee, Heavenly Father, for light and guidance; show us Thyself. What is entire justice, entire fidelity, and entire beneficence? O let us receive a broad conception of duty and government. Our deep desire is that there may be no continuance of uncertainty, no unrest, and no temptation. On every side may there be harmonious wisdom, and may we patiently wait and work for its consummation. We would that our souls were caught up into the knowledge and beauty of the heart of the great Teacherled by His truth and have His love pulsating in our breasts. Bring it to pass, Father in Heaven. Then it will be bright above, bright beneath, and bright through the years to come. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent, and I trust there will be no objection to it, that the gentleman from Maryland [Mr. Goldsborough] may have permission to address the House for 30 minutes.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the gentleman from Maryland [Mr. Goldsborough] have permission to address the House for 30 minutes. Is there objection?

Mr. CONNERY. Mr. Speaker, I reserve the right to object. I shall not object to this, but I shall object to any further request of this kind after that.

Mr. SNELL. Mr. Speaker, I would like very much to have some one tell us what the program is going to be for the afternoon, after this address.

The SPEAKER. The Chair does not know what the program is. He understood that the Committee on Labor has the call. Just how long it is going to take that committee to finish the Chair does not know. The next committee on call as the Chair understands is the Committee on Patents. If it is called, and it has business, the Chair presumes that would be in order for the remainder of the afternoon.

Mr. SNELL. I understood the majority leader to say last night that the Committee on Patents was not to take up anything to-day.

Mr. RAINEY. I did state that, but they want to take something up. They are entitled to it under the rules, unless the House determines otherwise.

Mr. SNELL. Then they are going to take it up, and it comes in immediately after the Labor Committee?

Mr. RAINEY. Yes.

Mr. SNELL. And that will not take very long, and I presume we may depend upon that for the remainder of the

Mr. STAFFORD. Mr. Speaker, will the majority leader tell us what the Committee on Patents is going to take up? Mr. RAINEY. I do not know. The gentleman will have

to ask the Committee on Patents that question.

Mr. STAFFORD. May I inquire how many bills the Committee on Labor plans to call up?

Mr. CONNERY. Two bills, the Senate bill 3847, the Metcalf-Connery bill, and the Black back-to-the-farms bill. Mr. UNDERHILL. And may I ask the chairman of the Committee on Labor if there will be opportunity during the consideration of those two bills for Mr. Goldsborough to get time from the chairman, and address the House in that way?

Mr. CONNERY. I do not think so. Mr. STAFFORD. It is much better the other way, because under the rules of the House on Calendar Wednesday

the discussion must be confined to the bill, whereas Mr. Goldsborough's discussion is not upon these bills.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the gentleman from Maryland [Mr. GOLDSBOROUGH] may address the House for 30 minutes. Is there objection?

Mr. SNELL. I think if there is no other program, this better be agreed to.

The SPEAKER. Is there objection?
Mr. PURNELL. Mr. Speaker, I reserve the right to object. The gentleman from North Carolina is trying to get recognition to make an announcement that we are all very much interested in.

The SPEAKER. The Chair agreed to recognize the gentleman from North Carolina for two minutes to make a statement. With the permission of the gentleman from Alabama the Chair will recognize the gentleman from North Carolina [Mr. Pow] for two minutes. Is there objection?

There was no objection.

HOME LOAN BANK BILL

Mr. POU. Mr. Speaker, I simply seek this opportunity to announce that on Friday next I shall call up the rule providing for the consideration of the so-called administration home loan bank bill. [Applause.] The hearings which have been had before the Committee on Rules were concluded only vesterday.

THE GOLDSBOROUGH STABILIZATION BILL

Mr. BANKHEAD. Mr. Speaker, I renew my request.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the gentleman from Maryland [Mr. GOLDSBOROUGH] may have 30 minutes to address the House. Is there objection?

There was no objection.

Mr. GOLDSBOROUGH. Mr. Speaker, on May 2 the House of Representatives passed H. R. 11499, known as the Goldsborough stabilization bill, a bill providing that the general wholesale commodity price level should be raised to that existing between 1921 and 1929 and afterward maintained at that point. The duty of carrying out that policy was placed on the Federal Reserve Board, the Federal reserve banks, and the Secretary of the Treasury. As will be remembered, the bill passed the House by a vote of 289 to 60. A few days ago the Senate Committee on Banking and Currency adopted an amendment to that bill, the amendment being known as the Glass amendment, it having been introduced by the distinguished Senator from Virginia, Senator Glass. Up until this time no report has been filed covering the Glass amendment. Therefore it is impossible for me to discuss from the standpoint of the report just what the theory is upon which the Senate committee proceeded when it adopted that amendment.

However, I can say, quoting from the New York Times, the New York Herald Tribune, the Baltimore Sun, the United States Daily, the Philadelphia Ledger, and the Philadelphia Record, that after the meeting of the Committee on Banking and Currency, at which this amendment was adopted, Senator GLASS-I am reading from the New York Times of June

Mr. Glass said that he did not believe his or any other legislative device was necessary for such an end at this time—

That is, inflation-

but that he had offered the plan in order to stop the Goldsborough bill, which he opposes.

Quoting again from Senator GLASS:

I dissent from the view that there is any need of artificial inflation of the credits or currency of the country, but nevertheless if there is to be any more inflation it should be brought about by a simple method which everybody may understand and not by the roundabout process which is being vainly tried by the Federal reserve authorities. Again he said.

I distinctly disavow the belief that any of these legislative devices is necessary at this time. I simply offered the bill in question as a substitute for the Goldsborough bill, which I regard with utmost aversion.

The distinguished Senator from Virginia who offered this amendment, and who evidently feels that he has no confidence in his own legislative proposal, did not attend any of the hearings, which took place before the Senate Committee on Banking and Currency. Neither did he appear at the hearings before the House Committee on Banking and Cur-

In my limited time, and it is very limited for the ground I feel it necessary to cover, I shall not read his amendment, but I will be very careful to tell you exactly what it means. His amendment means that if it becomes law it would be possible for national banks to issue nearly \$1,000,000,000 in currency, on the basis of Government bonds owned by them. There are plenty of 4 per cent Government bonds in the market. The 2 per cent consols have all been used up. If this currency should be issued, it would be issued after the banks had purchased 4 per cent bonds—unless they already hold them—and put them up as collateral for the currency.

It costs about 11/2 per cent to issue this member-bank currency, so that it would cost the people of the United States about \$40,000,000, assuming that this currency was all issued. About \$25,000,000 would go principally to the large national banks which would issue the currency. About \$15,000,000, 1½ per cent, would be taken up in the cost of the issue.

Now, that is the proposal of the Senate committee, and that is all there is in the proposal. It does not undertake to say how much of this currency shall be issued. It does not undertake to say what economic end shall be reached by the issue. It does not undertake to say that any price level or any position of business shall be achieved before there is a cessation of the issuing of this currency, and it does not undertake in any way to indicate what will be the effect of

So I think the distinguished Senator from Virginia is thoroughly justified in saying he has not any confidence in his own proposal.

Mr. Speaker, I do not want to digress from this issue, but it seems to me to be necessary in order to make the issue clear and plain. About two weeks ago the distinguished Senator from Pennsylvania (Mr. REED), stated that what this country needs is a Mussolini. A few days ago, in an address to the Senate of the United States, in speaking of the Congress, the President said:

In your hands at this moment is the answer to the question whether democracy has the capacity to act speedily enough to save itself in an emergency.

On last Sunday in an address to the graduating class at Notre Dame University, Mr. Owen D. Young made this statement:

It is quite explainable, therefore, that a government of powers widely distributed into carefully segregated and insulated compartments should function under normal conditions and should fail us altogether when the avalanche comes on. It may be that we shall have to consider some method of putting extraordinary powers in the hands of the President in times like this.

That article is headed "Young Would Give President Power to Combat Crisis."

Within the last week, I am sure you have received, as I have received, numerous letters from individuals requesting a support of the President. So that there seems to me a calculated design to discredit the American Congress, and to minimize its efforts in this great emergency.

Now, leading up to the passage of the Goldsborough bill, I want to go over some of the things which the American Congress has done.

First we pass the farm loan act, an administration measure.

Second, we passed the Reconstruction Finance Corporation act, an administration measure.

Third, we passed the Glass-Steagall Act, an administration measure, but a measure, my friends, which did not emanate from the executive branch of this Government, but emanated from the House of Representatives.

On January 19 I introduced in the American Congress a bill, H. R. 8026. I sent a copy of that bill, with a covering letter, to the Secretary of the Treasury, to the Governor of the Federal Reserve Board, to every member of the Federal Reserve Board, and to the Comptroller of the Currency. That bill included, in section 1, what, in substance, is known now as the Goldsborough bill, and in sections 2 and 3 it contained the real substance of the Glass-Steagall bill.

On the 11th of February, 23 days after this bill was sent to the Governor of the Federal Reserve Board, and the other officials whom I have mentioned, the Glass-Steagall bill was introduced in the House and in the Senate, and not until the day after, on the 12th of February, more than three weeks after I had written to the Governor of the Federal Reserve Board, did he acknowledge the receipt of my letter in which I inclosed to him this bill.

I had no idea of ever mentioning this fact, although I knew I had written him a personal letter and I was certain he had received it. However, when the time comes that the American Congress is discredited in favor of the executive branch of the Government, I think it is time for the American Congress to show just where these legislative suggestions of the administration originated. [Applause.]

Now, then, what was done with the Glass-Steagall bill after it was passed? Was it utilized by the executive branch of the Government? Was anything done to carry out its genius and evident purpose? For seven weeks the Federal reserve system bought \$25,000,000 of bonds a week, and as fast as rediscounted notes were paid off they retired Federal reserve notes. So the net result was absolutely nothing.

Then what happened? Hearings were about to be held upon the stabilization bill in the Committee on Banking and Currency, and it began to appear that the bill was going to be considered seriously by the American Congress. Then, and not until then, did the Federal reserve system, acting under the direction of the administration, begin to buy bonds to any appreciable extent. The records of the Federal Reserve Board will show the exact date when these accelerated purchases began.

Let us consider the evidence before the subcommittee. When I questioned Governor Harrison of the Federal Reserve Bank of New York as to when they began to really utilize the Glass-Steagall bill he said: "Day before yesterday"; that is only two days before he and Governor Meyer appeared before the committee.

Mr. McFADDEN. Will the gentleman yield for a question?

Mr. GOLDSBOROUGH. For a very brief question only.
Mr. McFADDEN. I was interested in the gentleman's statement that the administration directed the action of the Federal Reserve Board.

Mr. GOLDSBOROUGH. I presume it did.

Mr. McFADDEN. Will the gentleman from Maryland be a little more specific and say what branch of the administration directed the Federal Reserve Board?

Mr. GOLDSBOROUGH. I will say to the gentleman from Pennsylvania that as far as I am able to ascertain the Federal Reserve Board's activities have been in very close relationship to the advice of the Secretary of the Treasury and after consultation with the President of the United States.

Mr. CELLER. Will the gentleman yield for a question? Mr. GOLDSBOROUGH. Yes.

Mr. CELLER. I find that some of the larger banks in the country are buying up Government bonds, and in turn selling them to the Federal reserve system at some profit. So, they are flying in the face of the theory advanced by the Federal Reserve Board that they should make themselves more liquid and thereby be enabled to lend more money to commercial endeavors, because instead of selling their bonds, they are buying them from the small banks and in turn selling them to the Federal Reserve Board. Has the gentleman any information on this?

Mr. GOLDSBOROUGH. I can not go into a detail of that kind. It is perfectly natural that if banks know the Federal Reserve Board is in the market and the banks think they can make a profit on bonds they will buy them, and then sell them to the Federal reserve system. That is unavoidable. The point, however, is that every effort has been made by the American Congress to induce the executive branch of the Government to use the tools it has readily at hand in order to stop the depression, and that these tools have not been effectively used in spite of the fact we have available, if necessary, without reducing our gold reserves, the power to issue some four billions of dollars of Federal reserve notes, and by doing away with our reserves, as the Federal reserve system has the right to do, about nine billions of dollars worth of Federal reserve notes.

The Federal Reserve Board has up to this time purchased only some \$700,000,000 worth of bonds which, obviously, can not take care of a situation where over \$1,200,000,000 has been hoarded. There has never been enough bonds bought even to replace money hoarded.

There has been absolutely no courage shown in the policy of the Federal Reserve Board. There has been no imagination developed. There has been no recognition of the fact that unless this condition of depression is stopped by bold steps that the country has got to go through a condition of bankruptcy. None of this has been visualized by the Federal Reserve System, and so when we come to the stabilization bill passed in the House of Representatives on May 2, not a piece of mushroom legislation, not a piece of legislation conceived in an emergency and ill considered, but legislation the fundamental principles of which have been studied in the Banking and Currency Committee of the House of Representatives for 11 years, and upon which speech after speech has been made in this body for the information of its Members, a measure of direction to the Federal reserve system as to how to use their vast resources, the administration came out in advance and said that if the Senate passed that bill and it was put up to the Executive he would veto it.

Then what did the House of Representatives do? The House of Representatives passed the Steagall bank guaranty bill. This great popular body which springs from the soil and represents the people themselves can not do any thing more than pass legislation which would immediately relieve the great masses of the people from their suffering condition. The House can not force the support of the Executive.

So, the question at this time, Mr. Speaker, is not the fault of the legislative branch of the Government, but whether the executive branch has utterly failed to visualize the needs of the people in this great emergency.

Now, the statement may be made that whatever the value or lack of value of the Glass amendment, it was inserted by a Democrat.

I will call your attention, my colleagues, to the fact that the Democratic Party does not control the Senate, and I call your attention to the further fact, which is a fact, that if this stabilization legislation had the support of the administration it would pass the Senate without five dissenting votes, and I know exactly whereof I speak.

The National City Bank's bulletin, the bulletin of the Chase National Bank, and every piece of economic literature I have seen in the last month states that we must have an expansion of the currency. The last thing I saw was in the Washington Herald of June 8, this morning:

Bankers now agree to need for arresting liquidation.

Great God: some of the rest of us have known it for a year and a half and now the bankers are reaching that conclusion. The great banking houses have reached that conclusion. Why? In order to save the country, in order to protect the people, in order to give work to the great masses who are suffering for something to eat and a place to sleep? No. It is because they know that unless liquidation is arrested the obligations due them can not be

paid, and not until they reach that conclusion do they suggest an arresting of liquidation.

Mr. Speaker, it has been impossible for me, in the very serious, prolonged, and trying study I have made of this matter, to disassociate the action of the great bankers of this country from the point of view of the executive branch of this Government.

As far as I know there are only two economists worthy of any consideration whatever who do not think that this policy is feasible and that it would produce the desired results. One of them is Doctor Anderson, the special pleader of the Chase National Bank in New York, and the other one is the distinguished Senator from Virginia.

Some 10 days ago the distinguished Senator from Virginia stated on the floor of the Senate that he would not be willing to give the power provided in this bill to any seven men that God ever made. Does not the Senator from Virginia know that the Federal reserve system is now exercising these vast powers in an absolutely uncontrolled manner, and does he not know that this legislation would be a limitation upon their powers and their discretion? Does he not know this would be a direction to them which would prevent them from exercising their own judgment instead of the people's judgment as to how the people's money should be employed for the people's welfare? Is it possible that the distinguished Senator from Virginia is so enamored of the mechanics of the Federal reserve act that he has ceased altogether to visualize its possibilities for the welfare of the people? During the present Congress, since we met last fall, they have had in the Senate what they call the Glass bill.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. GOLDSBOROUGH. This Glass Bill provides for certain changes in the administration of the Federal reserve act, including an extension to the banks of the privilege of branch banking, a controversial question which has no relation whatever to the great emergency that is facing the American people. Yet all winter the distinguished Senator has been engaged in deliberating a measure of that kind.

Now then, my colleagues on the Democratic side, I want to take this opportunity to make a suggestion which, of course. I do not know that you will approve. This great body, irrespective of party, passed this stabilization legislation. It is true that the measure was made a part of the House Democratic program for legislative action, but it is also true that some of the most distinguished Representatives on the Republican side supported the legislation. So up to date, whatever merit the idea of stabilizing the people's medium of exchange may have, redounds to the credit of both parties in this House. But, gentlemen, let me make this suggestion to you: The question as to how the production of the people gets out of the hands of those who produce the wealth of the country and into the hands of the great bankers is one with which the minds of the people of this country is now filled. It is the solution of that question-of how the people's money shall be so treated as to redound to the interest of all the people-that is the crying issue of the day and, in my judgment, if the great Democratic Party should follow the lead of the House of Representatives and make stable money a principal plank in its platform-if those who speak for the party would take as their textbook the hearings before the Banking and Currency Committee of the Senate and the Banking and Currency Committee of the House, if they would go before the country on this issue the solution of which will enable producers to produce so that the 8,000,000 people now walking the streets can obtain employment-if that sort of legislation, which involves human justice, were made a serious part of the Democratic platform and carried on to the hustings in every district in the United States, this great party of the people would undoubtedly, in my judgment, come back into power. [Applause.]

WAR DEPARTMENT APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, the gentleman from Mississippi [Mr. COLLINS] requested me to ask that he may have consent to extend his remarks in the RECORD on the War Department bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLLINS. Mr. Speaker, as reported to the House of Representatives on the 5th of May, 1932, the War Department appropriation bill for the fiscal year 1933 (H. R. 11897) provided for appropriations totaling \$386,793,861. This sum represented a reduction under the President's Budget of \$24,569,901.

As passed by the House of Representatives on May 19, 1932, the bill carried \$392,586,146, amendments adopted in the House, contrary to the recommendations of its Committee on Appropriations, having added to the bill a total of \$5.792,285.

This addition involves three propositions, all pertaining to the so-called civil components of the Army, and I have been deluged with inquiries as to the considerations which influenced the Committee on Appropriations of the House of Representatives to advocate reductions in such activities. The report on the bill and explanatory statements made when the bill was under consideration, appearing in the Congressional Record, express the committee's position, but I realize the inconvenience of turning to many places to assemble the complete picture, and I therefore resort to this method of presenting the facts to those who may be interested.

ORGANIZED RESERVES

For the expenses of the Officers' Reserve Corps the Budget included \$6,354,348. The Committee on Appropriations of the House of Representatives proposed to reduce this amount by \$2,109,768.

The Budget figure contemplated active-duty training for 14 days for 20,000 reserve officers and active-duty training for a longer period for 722 officers. The national defense act—section 37a—authorizes active-duty training "to the extent provided for from time to time by appropriations for this specific purpose."

The proposal of the Committee on Appropriations was simply this: Among the 20,000 reserve officers slated for 14-day training are 1,000 Air Corps reserve officers. The committee provided, in accordance with the Budget, for the training of these 1,000 Air Corps officers, and, as to the other 19,000, it allowed the estimated amount to send them to training camps, including all incidental expenses, but provided that if they should elect to go—and it is a matter of election—they should go without pay but be given an allowance of \$1 per diem for subsistence. This action permitted the subtraction of \$2,109,768 from the Budget estimate, justified, the committee maintained, by our economic situation.

Under the committee's proposition those willing to go to camp would have been put to no expense. They would have been paid or furnished their travel and they would have been reimbursed for their subsistence while at camp. They merely would have been required to forego at this time compensation which, no doubt, in a majority of cases, would have been supplemental to their regular compensation, usually continued in cases of military leave.

What great harm would result if any or all of the 19,000 officers refused to go to the 14-day camps without pay? They are all men who have had previous military training or training in the branches to which assigned. Many served during the World War, others have had service in the Regular Establishment, while others are products of the Reserve Officers' Training Corps and the civilian military training camps. A very large majority of all, I dare say, are identified with the business houses and industrial concerns that have been besieging this Congress to economize—to balance the Budget.

RESERVE OFFICERS' TRAINING CORPS

Section 40 of the national defense act authorized the President to establish and maintain in civil educational institu-

tions a Reserve Officers' Training Corps as a feeder of officer material to the Officers' Reserve Corps.

Under the law, besides supplying uniforms in kind or commutation therefor and military instructors and equipment, students identified with the Reserve Officers' Training Corps in their junior and senior years are paid 30 cents per diem, and ex-juniors and ex-seniors, who are required to go to camp for 42 days following their junior and senior years as a condition precedent to a commission in the Officers' Reserve Corps, are paid their transportation expenses to and from camp, are furnished subsistence in kind, and are compensated at the rate of 70 cents per diem. To send 7,200 of these students to camp would cost the Government \$1,080,773.

For all expenses of the Reserve Officers' Training Corps the Budget included \$4,079,484. The Committee on Appropriations of the House of Representatives proposed to reduce this amount by \$1,080,773, or the cost of the camp

As a measure of economy, the House committee concluded that these camps should be suspended for one year without impairing the right of a graduate to a commission in the Officers' Reserve Corps. It did not propose to disturb in any way, shape, or form the school training of the Reserve Officers' Training Corps students. The House committee provided the money for uniforms, the money for instructors and equipment, and the money for paying 30 cents per diem to students during the last two years of their college courses.

The boys who graduate this month have been to one camp. The boys who finish their third year this month will have an opportunity to go to camp at the close of their senior year, and from this very date until that time, under the bill as submitted to the House, they would continue to draw 30 cents a day from the Government.

It was the thought of the House committee that \$1,080,-773 could be saved by suspending these camps for one year for college students who have had from three to four years' instruction in military tactics.

CITIZENS' MILITARY TRAINING CAMPS

The third economy proposed by the House Committee on Appropriations, which the House refused to adopt, relates to the least important of all the civil components, and yet the saving proposed was \$2,603,624.

For the citizens' military training camps the Budget included \$2,603,624, and the House committee omitted the entire amount, proposing that the entire activity be suspended as an economy measure for one year.

Section 47d of the national defense act, as amended, provides in

part as follows:

"The Secretary of War is hereby authorized to maintain, upon military reservations or elsewhere, schools or camps for the mili-tary instruction and training, with a view to their appointment as reserve officers or noncommissioned officers, of such warrant officers, enlisted men, and civilians as may be selected upon their own application. * * * The Secretary of War is authorized application. * * * The Secretary of War is authorized her to prescribe the courses of theoretical and practical infurther to prescribe the courses of theoretical and practical instruction to be pursued by persons attending the camps authorized by this section; to fix the periods during which such camps shall be maintained; to prescribe rules and regulations for the government thereof; and to employ thereat officers, warrant officers, and enlisted men of the Regular Army in such numbers and upon such duties as he may designate."

In consequence of the foregoing, camps are maintained quite generally throughout the country for a period of 30 days without any expense to the trainees, including transportation to and from the camps.

the camps.

The Budget estimate for this activity for 1933 contemplates the training of 37,500 boys.

I shall repeat here from my speech in the House on May 10, 1932:

With regard to this activity I asked General Bridges—and you will find it in the hearings—if any serious harm would be done the Government if this activity should be suspended for one year, and he said, "No; not for one or two years"; and he is in charge

It seems to me his opinion ought to be worth something. eral Summerall in his last report, before he left as Chief of Staff, said that in his judgment about the only worth-while good that the Government got out of the citizens' military training camps is the opportunity that the camps afforded the Army officers in charge to contact with the civilian population.

There is no disposition on the part of the committee to discontinue this work indefinitely, but we do feel that this year it ought to be suspended. If times get to provide for its resumption. get better, I assume we will be asked

Now, let us see about the purpose of this component. This particular activity has been going on about 11 years, and the purpose is, according to the national defense act, to make officers

for the Reserve Corps.
"During the 11 years we have trained 223,198 of these boys. Only 10,562 have taken the 4-year course—that is, four training

"Now, with regard to those who did complete the course and went into the reserve, how many officers did we get?—1,441. And, listen, we would not have gotten the 1,441 had we not stopped giving the boys an examination at the end of the four years, giving the boys an examination at the end of the four years, because they could not stand the examination. So we adopted a new method and told the Army officers to pick out the likely boys and say, 'Son, you can go into the reserves.' If we had not done that, you would not have got the 1,441. During that particular length of time we spent on that activity \$24,022,000. That means that every officer that we have gotten out of it has cost the Government, individually, \$16,670, and if we add to that the cost of the Army officers and the civilian and enlisted men that we have used in the training of these it will increase that amount

we have used in the training of these, it will increase that amount to \$27,000 plus per officer. In other words, we can train a boy to \$27,000 plus per officer. In other words, we can train a boy at West Point or Annapolis for about half of the cost to train one in this activity. In view of that fact, at this particular time I think we can forego this activity for at least one year."

The question before the House was whether or not \$2,603.624 would be saved on this activity alone, or, contrary to the judgment of military men, to spend that amount to send 37,500 boys, mostly in their teens, to camp for 30 days, not primarily to train them as soldiers but to improve them physically and to instruct them in citizenship. I regret to say that the House chose to spend the money, which, in my judgment, might better be expended in helping the physical condition of those who are hungry and in raising the confidence of those whose faith in their Government has been shaken through long deprivation. But precious few of the sons of these unfortunates will be in the citizens' military training camps.

REDUCTION IN THE NUMBER OF REGULAR ARMY OFFICERS

A substantial economy recommended by the House Committee on Appropriations, in which the House concurred, relates to the commissioned personnel of the Regular Army. The House committee proposed to place on the retired list 2,000 of the 12,000 officers of the Regular Army, permitting of an immediate saving of \$3,784,414. The method of removal was changed in the House. That is, instead of retiring officers most advanced in age, as the committee had recommended, the House agreed to their retirement upon the basis of efficiency.

As the War Department appropriation bill, as reported to the Senate on June 7, 1932, strikes out the proposal of the House to reduce the number of commissioned officers on the active list, for the information and assistance of those in sympathy with the action proposed by the House I shall quote from the House committee's report on the bill and from my speech in the House on May 10, 1932, with respect to this proposition:

[From report]

This step is proposed in the interest of economy and efficiency. This step is proposed in the interest of economy and efficiency. As an economy measure, the saving is not all reflected in the amount the committee has deducted. There is an indeterminate amount realizable in travel, in clerical services, in office space and office expenses, in rental allowances by releasing quarters, possibly some freeling of enlisted men, administrative overhead, and probably in other directions. These savings will continue to be reflected in future years, augmented by between \$16,000,000 and \$17,000,000 that would need to be provided in the future on the basis of the minimum requirements of construction based on the War Department study of the housing program as of May 15, 1930 (hearings, pp. 460–461), and augmented by the large saving that would accrue from relieving to the extent proposed the stagnation in promotion that now confronts the Army. in promotion that now confronts the Army.

As to the efficiency side of the proposal: The commissioned strength of the Regular Army is divided between what are termed promotion list and nonpromotion list branches. The strength of the former, including major generals, brigadier generals, and colonels of the line, is fixed by law at 10,930, and of the latter at 1392. The committee's action applies ways layed to the former 1.392. The committee's action applies very largely to the former. The nonpromotion-list branch is composed of doctors, dentists, veterinarians, and chaplains. As to the promotion-list group, promotions to the grades from first lieutenant to colonel, inclusive, are made as vacancies occur, by seniority in the order in which officers are arranged on a single promotion list. The appointment to this list and the precedence given to a large group of World

War officers (roundly 5,000) not only militates against those later commissioned but a large number of such officers themselves may never expect to attain a rank above major. Quoting from the report of the interdepartmental pay-personnel board (S. Doc. 259, 71st Cong., 3d sess.), the Army representative on which was Brig. Gen. G. S. Simonds, United States Army, at that time chief of the war plans division, War Department, General Staff:

"These World War officers constitute the outstanding abnormality in the promotion list. Although they comprise nearly one-half of the promotion-list strength, they vary by less than 18 months in date of entry into the Federal service and are largely of the same age. Under normal conditions, the procurement of so large a number of commissioned officers would be spread over a

large a number of commissioned officers would be spread over a period of 15 to 20 years and they would be uniformly graded among themselves according to age and length of service. The problem presented by the presence of this group on the promotion list is the outstanding obstacle to the establishment of a satisfactory promotion system which will conserve the interests of the Government and the individual officer."

promotion system which will conserve the interests of the Government and the individual officer."

Quoting further from such report:

"* * On the World War group the impending conditions will have a very damaging effect. The bottom of the group will not become majors until about 1950, after more than 30 years of service in company grades, with the inevitable loss of initiative which will result from such stagnation. Due to the relatively large number of World War officers, the grades from captains to lieutenant colonel, inclusive, will become greatly overaged during the next 25 years. Furthermore, this group will practically fill the field grades from 1950 onward, at which time those at the top will be colonels, eligible for selection as general officers, while those at the bottom, though of practically the same age and length of service, will be approaching retirement far down among the majors. Such inequality of opportunity, due to a difference of a few months in date of entry into the Federal service, can not fail to have a disastrous effect upon morale. Since the officers of the postwar group are younger than those who precede them on the promotion list, they will eventually reach the top of the list by the operation of the provision for the compulsory retirement of their predecessors at 64 years of age. They will, however, spend unreasonably short periods in some grades and will become colonels with only a short time to serve and lacking the well-rounded training that would result from a properly distributed career.

"* * The problem which it (postwar group) presents at this time is that of securing such a rate of promotion for the officers who compose it that they will not deteriorate from injurious stagnation in lower grades and later be advanced suddenly in rank, shortly before retirement, to positions of responsibility for which they have received no adequate training.

"To summarize the future working of the present personnel system in the matter of promotion, it can be said that it fails utterly, exc

pre-war group, to provide the reasonable and regular progression through the various grades that is so essential to the maintenance of morale and professional enthusiasm. This condition has a direct influence on the efficiency with which the Regular Army can be expected to fulfill its mission in national defense. In any emergency which calls for even partial mobilization the commissioned officers of the Regular Establishment will be called upon to assume greatly enlarged responsibilities. If stagnation has held them for unduly long periods in the lower grades, they will have been denied the opportunity for a properly rounded training that will fit them for the discharge of these responsibilities.

"The conditions just described will be accompanied by a constantly increasing cost of commissioned personnel which will be

stantly increasing cost of commissioned personnel which will be incurred by the Government with none of the compensating adincurred by the Government with none of the compensating advantages that would be derived from a well-regulated system of promotion. Some officers in the lower grades, notably that of captain, who at present count for pay purposes various kinds of service other than active Federal commissioned service, are receiving compensation that is out of proportion for that grade under the pay schedule now in force. As time passes this condition will become more and more widespread until finally the captain's and major's ranks will be filled with officers who are drawing the maximum rates of pay for their grades but whose professional enthusiasm and efficiency are impaired by the stagnation which prevents their advancement."

prevents their advancement."

What is the remedy for such a situation? The former Chief of the War Plans Division of the War Department General Staff has stated that it has a direct influence upon the efficiency with which the Regular Army can be expected to fulfill its mission in national defense. He also has stated that without corrective measures the Government will be confronted "by a constantly increasing cost of commissioned personnel." The committee believes that there is no better time than right now, when we are seeking ways and means to save money, to initiate a program looking to the correction of the intolerable condition that now obtains, and it submits that this can be accomplished without materially, if at all, lessening available officer strength in the event of war or national emergency. It is not proposing, as will be seen from the provision commencing on page 10 of the bill, the elimination of any officers from the Army. Its proposition generally is to retire those of the most advanced age in the several grades, not all of whom, but many of whom, according to their position on the promotion list, constitute a hindrance to the orderly advancement of their juniors. Those who may be retired will continue to be subject to recall.

Attention is invited to the table on page 104 of the hearings showing the destribution of the line and promotion officers by age and grade. Under a well-ordered scheme of promotion a second lieutenant should become a first lieutenant after 3 years, a captain after 10 years, a major after 17 years, a lieutenant colonel after 22 or 23 years, and a colonel after 28 years of service. Company officers must be young men. According to such order of advancement we find in the table referred to 478 second lieutenants above the age of 27, 1,088 first lieutenants above the age of 34, 1,860 captains above the age of ants above the age of 27, 1,088 first lieutenants above the age of 34, 1,160 captains above the age of 41, 286 majors above the age of 47, and 175 lieutenant colonels above the age of 52. The table speaks for itself. It is these overage officers, too, who are building up the appropriation for pay of the Army. Many of them formerly were enlisted men. Their longevity gives them pay at a rate in excess of some of their seniors and, in some instances, as much as officers two or three grades above them.

The course the committee is proposing is not original. The Interdepartmental Pay Personnel Board recognized the need to resort to enforced retirement. In its report the board stated:

"It can not be expected that any increase in attrition that can be produced by lowering the retirement age or liberalizing volun-

be produced by lowering the retirement age or liberalizing voluntary retirement will result in sufficient elimination to produce a desirable rate of promotion. A certain number of compulsory removals from the active list will still be necessary, and these removals, in order to produce the desired effect, must be confined removals, in order to produce the desired effect, must be confined largely to the officers appointed on or before July 1, 1920; i. e., to the pre-war and World War groups. * * The proper method for obtaining the number of compulsory terminations of active service that are necessary after the resources of retirement for age and physical disability and voluntary retirement have been exhausted, is by having a representative, disinterested, and impartial board select annually the officers who are to be removed from that board select annually the officers who are to be removed from the active list in order to bring about the total attrition that is required. Provided such a board is allowed due latitude in the discharge of its task, the result so obtained can be expected to be in the best interest of the service."

[From my speech of May 10, 1932]

Mr. Chairman, we have over 12,000 officers in the Army. appropriated for the present fiscal year under "Pay of the Army," for 12,000, and there are, in addition, 60 paid out of river and harbor funds and a number of officers professors at West Point; say, all told, about 12,100 Army officers. We have 118,750 enlisted men, aside from the Philippine Scouts. The situation as it confronted us was just this; There came into the Army after the war a lorge number of men. a large number of men.

Mr. Chairman, the ages of those men are getting so high that they were keeping the younger men in the Army from reaching positions of responsibility, and that condition will continue until 1950, so that a lieutenant in the Army has very little hope for the future left, because it is certain he is going to remain a lieutenant and certainly will not advance beyond the grade of major before the date of his retirement. Those men, to a very large extent, were all huddled together in the grades of lieutenant to major, inclusive. We have lieutenants 62 years old in our Army. We have captains 61 years old.

This is how it happened: Immediately after the war a great many ex-soldiers, sergeants and corporals, and so on, had a chance to join the Army as commissioned officers. Field clerks, clerks in the departments, had a chance to get into the Army, and they went into the Army. They, in conjunction with many others taken in from civil life, are in a hump, with the result that that hump is destroying the efficiency of the Army. I am not concerned as to whether the Army has 12,000 officers or 10,000 officers. No patriotic citizen can say that we ought to have the 12,000 that cerned as to whether the Army has 12,000 officers or 10,000 officers. No patriotic citizen can say that we ought to have the 12,000 that we have now, because we all know, and everybody has testified time and again, that many of those officers are overage, and they are preventing, according to their position on the promotion list, the proper flow of promotion for officers junior to them, upon whom we must depend in a future war.

I see my good friend Tilson sitting here, and I want to say to you that I do not have a better friend in this House than the gentleman from Connecticut, and there is no man in this House for whom I have greater respect than the gentleman from Connecticut. [Applause.]

necticut. [Applause.]

The gentleman told me the other day that he talked to a major general who is now in the United States Arms. general who is now in the United States Army. I shall not tell you the officer's name or where he is stationed, but he asked this major general, "Where can a cut be made in the War Department appropriation bill?" And the general told him to take out 2,000 Army officers.

If you look at the interdepartmental pay-board reports—a board made up of Army officers and Navy officers—you will find that they propose reductions in order to make our Army efficient. Do not let our sympathies and the propaganda that is coming to us deter us from doing our plain duty. What are the proper ages for Army officers? West Point graduates should be first lieutenants in 3 years, captains in 10 years, majors in 17 years, lieutenant colonels in 22 years, and colonels in 28 years.

My friends, if an officer in the Navy falls of selection, if he be a captain, which is comparable to a colonel in the Army, he is taken out at about 57; a commander at about 50; and a lieutenant commander at about 43. We are not doing anything in this bill you look at the interdepartmental pay-board reports-

mander at about 43. We are not doing anything in this bill

which we are not already doing. Why is it right to do it in the Navy and wrong to do it in the Army? Have we lost our sense of proportion merely because some old general says that what we are doing does not suit him?

These young men in the Army have no chance whatever unless these overage officers are eliminated. General MacArthur, in his promotion scheme which he submitted to this House, does identically the same thing as is proposed here, except that he carries them as dead weight, while here it is proposed to place them in a retired status. Mind you, an officer is just as much an officer in the United States Army after he is retired as if he were in the Army on the setting list and his services are available to

officer in the United States Army after he is retired as if he were in the Army on the active list, and his services are available to us at any time. I had a colonel tell me not long ago that he did not have enough work to do to make his job respectable. He said he could do it in 10 minutes a day.

Now, then, do you not know that we do not need more than 2,500 officers for the troops we have? A man is lucky if he has an opportunity to serve with troops every six or seven years, and, therefore, every year he is away from them he is going backward rather than forward, and we are permitting the entire mass to become more inefficient day by day.

Now, then, let us do a little figuring. The national defense act, which these gentlemen say they are approving, provides for an enlisted strength of 280,000 men and 15,035 officers. That is 1 officer for every 18½ men. Those estimates were made and submitted to the Congress after deliberate thought on the part of the department. Using that proportion of officers to our present enlisted strength it would give us a maximum of 6,500 officers, yet we have over 12,000. In the Hawaiian Islands we have 734 officers and 14,000 men. Certainly we have enough officers over there, because it is an attractive place in which to live. That is 1 officer to every 22 men. In Chine, we have 395 officers and 14,000 men. In Panama we have 395 officers and 14 officers and 1 officer to every 22 men. In Chine, we have 535 officers and 14 officer to every 22 men. In Chine, we have 535 officers and 14 officer to every 22 men. In Chine, we have 535 officers and 14 officer to every 22 men. In Chine, we have 535 officers and 14 officer to every 22 men. In Chine, we have 535 officers and 14 officer to every 22 men. In Chine, we have 535 officers and 14 officer to every 22 men. In Chine, we have 535 officers and 14 officer to every 22 men. In Chine, we have 535 officers and 14 officer to every 22 men. In Chine, we have 535 officers and 14 officer to every 22 men. In Chine, we have 535 officers and 14 of need only about 5,500 officers. In Panama we have 395 officers and 8,630 men, 1 officer to every 22 men. In China we have 51 officers and 901 men, 1 officer to every 18 men. On that basis we

officers and 901 men, 1 officer to every 18 men. On that basis we find we need 5,900 officers in our Army.

General Pershing in his book figures a division during the World War at 979 officers and 27,082 men. That is about 1 officer to every 30 men. He figures a brigade at 258 officers and 3,200 men. That is 1 to about 35. He figures a company at 6 officers and 250 men. According to these compilations it is necessary to have less than 4,000 officers in our Army, but allowing that we need 50 per cent more back home it would still be less than 6,000 officers.

What is the situation with reference to enother country?

What is the situation with reference to another country? Our Army has been built up on the same plan as the British Army. I have made a table showing the British Army and our own Army. The British have 550,000 men in their army, in their overseas possessions, including Canada, Australia, and so on. own Army. The British have 550,000 men in their army, in their overseas possessions, including Canada, Australia, and so on. The total of the army of the British Empire is 550,000 men, and how many officers? Twenty-three thousand and twenty-nine, all told. What about our own Army? We have, eliminating the National Board for the Promotion of Rifle Practice, about 550,000 men, too, and how many officers have we? One hundred and twenty-seven thousand seven hundred and ninety-two. It looks as though everybody in this country has gotten to be an officer, and if it keeps on we are going to reach the day of the milk-white flag, with a company composed of 100 men, 99 officers and 1 private, and all of the officers taking their turn in drilling him. all of the officers taking their turn in drilling him.

Now, then, we have something which the British do not have. We have the National Guard, which is one of the most efficient military organizations on this earth. The British have no component in their army that even approaches in effectiveness the

ponent in their National Guard.

officers from our Army. What did Mr. Good, when he was Secretary of War, say to my good friend on the Republican side, the gentleman from Washington [Mr. Summers], 11 days before his death? He stated when he was Secretary of War that he was going to propose to the President the taking out of the Army of 5,000 officers. He was unable to do this because of his untimely death.

Now, what is the effect of this reduction? It will take out of the Army the overaged officers, so that promotions will flow for the younger men and give them a chance to be promoted. The method we have adopted this method is because we do not some the description of the Army the overaged officers, so that promotions will flow for the method we have adopted this method is because we do not some the final budgets. France, Finances Ministère, Projet de Loi Portant Fixation du Budget, 1931–32; Italy, Ministero Della Finance, Summarized Treasury Statement, Situation of the National Budget, June 30, 1930; Great Britain, Civil Estimates, 1930–31; Germany, Reichshaushaltsplan, Entwerf für das Rechungsjahr, 1931, Vol. I; United States, Report of the Secretary of Treasury for 1930. Japan, "Japan, Our Economics and Financial Appraisal," by H. S. Moulton, 1931.

1 In the case of France, Finances Ministère, Projet de Loi Portant Fixation du Budget, 1931–32; Italy, Ministero Della Finance, Summarized Treasury Statement, Situation of the National Budget, June 30, 1930; Great Britain, Civil Estimates, 1930–31; Germany, Reichshaushaltsplan, Entwerf für das Recetary of Treasury of Treasu The purpose of this amendment is to take out about 2,000 officers from our Army. What did Mr. Good, when he was Secretary of War, say to my good friend on the Republican side, the gentleman from Washington [Mr. Summers], 11 days before his death? He stated when he was Secretary of War that he was going to propose to the President the taking out of the Army of 5,000 officers. He was unable to do this because of his untimely death

know of anything in the world that affects a man's usefulness

in the Army so much as senility.

There is not a man that I know of in the Army who wants There is not a man that I know of in the Army who wants them taken out in any way except by order of the legislative body, and this method is prescribed because they do not want any politics in it. They say that if we adopted any other method every Member of Congress and every Member of the Senate practically, would be down there saying. "Do not touch this man," and many incompetent men, because of political influence, would be retained in the Army.

I would like to call the attention of the Congress to the expenditures of the United States and the other large countries for military-defense purposes. It is obvious that our expenditures are larger than those of any other country. Under these circumstances, therefore, I fail to appreciate the motives of the groups in this country who oppose any reduction in military costs, especially at this time when so many of our citizens are actually in need and the remainder suffering as a result of excessive taxes and a general economic breakdown. Certainly there can be no excuse to leave untouched the military while every other person, both within and without the Federal service, is making tremendous sacrifices for the common good.

Percentage of total national budgets expended upon land, naval, and air forces i

[In millions of dollars]

Country	Year	Total (net) expendi- ture	Total de- fense ex- penditure	Per cent
Italy France Great Britain Germany Japan United States	1929-30	1, 005, 2	259. 3	23. 6
	1930-31	1, 965, 5	625. 9	21. 9
	1930-31	3, 883, 9	535. 0	13. 8
	1930-31	2, 874, 8	169. 0	5. 1
	1928-29	868, 1	258. 6	28. 5
	1930-31	3, 994, 1	727. 7	18. 2

¹ Source: From official budgets: France, Finance Ministers, Projet de Loi Portant Firation du Budget, 1931-32; Italy, Ministero della Finanze, Summarized Treasury Statement, Situation of the National Budget, June 30, 1930; Great Britain, Civil Estimates, 1930-31; Germany, Reichshaushaltsplan, Entwurf für das Rechnungsjahr, 1931, Vol. I; United States, Report of the Secretary of Treasury for 1930; Japan, "Japan an Economic and Financial Appraisal," by H. G. Moulton, 1931, the Brookings Institution, Washington, D. C.

Percentage of total national budgets expended upon land armaments

[In millions of dollars]

Country	Year	Total (net) expendi- ture	Military expendi- ture ²	Per cent of total ex- penditure
France. Italy Great Britain Germany Japan United States.	1930-31	1, 965, 5	284. 2	14. 4
	1929-30	1, 095, 2	146. 9	13. 4
	1930-31	3, 883, 9	240. 2	6. 18
	1930-31	2, 874, 8	122. 4	4. 2
	1928-29	868, 1	130. 0	14. 9
	1930-31	3, 994, 1	327. 3	9. 99

National-defense expenditures, 1913 and 1926-27 to 1930-31

There will be seen a disparity in the figures given in this table with those in other tables. This table is based upon the Armaments Year Book of the League of Nations. The previous tables were based on special figures supplied by the various governments for the disarmament conference in 1931.

(Compiled by Foreign Policy Association (Inc.)) [In millions of national currency]

Country	1913–14	National defense	1926-27 (appro- priations)	1927-28	1928-29	1929-30	1930-31
Great Britain 1. Do. Do.		Army Navy	43.3 57.3 15.4	43. 9 58. 3 15. 1	41. 0 57. 2 16. 2	41. 1 55. 8 16. 9	40. 5 51. 7 17. 8
Total (pounds sterling)	77. 2		116.0	117.3	114. 5	113. 9	110.0

¹ For pre-war expenditure, cf. Great Britain, Parliamentary White Paper, Cmd. 1685, London, May 15, 1922. Post-war expenditure compiled from League of Nations, Armaments Yearbook, 1929-30, 1930-31. Pre-war and post-war figures show net expenditure, including ordinary pensions and certain war charges shown in the budgets of the fighting services, but excluding World War pensions.

National-defense expenditures, 1913 and 1936-27 to 1930-31-Continued

Country	1913-14	National defense	1926-27 (esti- mates)	1927-28	1928-29	1929-30	1930-31
Total (United States dollars) Exchange rate. Index of wholesale prices	485.0		486.0	570. 3 486. 0 141. 0	556. 7 486. 0 140. 0	553. 6 486. 0 134. 0	535. (486. (116. (
	1913-14	National defense	1926 (esti- mates)	1927	1928	1929	1930-31
France ¹		Ministry of war Ministry of marine Air ministry Ministry of colonies	1, 433. 0	8, 441. 0 2, 221. 2 431. 0	6, 254. 5 2, 433. 4 217. 9 478. 7	6, 836. 2 2, 882. 5 1, 317. 8 719. 2	6, 278. 8 2, 722. 7 2, 018. 9 539. 9
Do		Army of occupation		481.3	451.2	507.8	114.
Total (francs)	1, 807. 0		6, 478. 2	11, 574. 5	9, 835. 7	12, 263. 5	11, 674.
Total (United States dollars) Exchange rate. Exchange rate. Italy 3. Do. Do. Do. Do. Do. Do. Do.	19.3	Ministry of War. Ministry of Marine. Ministry of Aviation Ministry of Colonies Civil mobilization	703. 0 2, 900. 6 1, 227. 2 719. 7 479. 8	451. 4 3. 9 617. 0 2, 508. 8 1, 106. 7 612. 1 (10. 4 1. 2	383, 5 3, 9 126, 0 2, 618, 8 1, 128, 1 686, 1 462, 3 . 8	478. 2 3. 9 124. 0 2, 505. 45 1, 117. 3 639. 4 427. 3 . 6	455. 9 3. 3 105. 6 2, 648. 7 1, 338. 8 639. 9 352. 7
Total (lire)	927. 9		5, 329. 4	4, 839, 4	4, 896. 3	4, 690. 4	4, 978. 9
Total (United States dollars)	19.3		207. 8 3. 9 566. 0	251. 6 5. 2 126. 0	254. 6 5. 2 125. 0	243. 9 5. 2 114. 0	258.9 5, 1 100.0
	1913-14	National defense	1926-27	1927-28	1928-29	1929-30	1930–31
Japan 4		Army: Ordinary Extraordinary	167. 5 29. 3	174. 1 43. 9	167. 6 81. 4	178. 8 48. 3	178. 6 32, 1
Do		Total	196.9	218. 1	249. 1	227. 2	210.7
Do		Ördinary	127.4 109.8	136. 5 136. 9	143. 0 125. 1	147. 6 120. 0	151. 1 111. 7
Do		Tota	237.3	273. 5	268. 1	267. 6	262.0
Total (yen)	191. 8	•	434. 2	491, 6	517. 2	494. 9	473.
Total (United States dollars). Exchange rate Index of wholesale prices Russia 4 Do. Do.	49.8	Military and naval affairs. Special forces. Escort troops.	174.0 €50.7 40.8	240. 9 49. 0 169. 0 764. 8 49. 3 7. 6	253. 4 49. 0 171. 0 874. 5 55. 4 9. 1	242. 5 49. 0 161. 0 1, 046. 8 66. 8 11. 5	232. 1 49. 0 131. 0
Do		Total Special account		821. 7 9. 5	939. 0 12. 9	1, 125. 1 (⁵)	
Grand total (rubles)	THE RESERVE OF THE PARTY OF THE		704. 7	831, 2	951, 9	1, 125, 1	
Grand total (United States dollars). Exchange rate. Index of wholesale prices	51.5	Defense department:	362. 9 51. 5 174. 0	428, 0 51, 5 172, 0	510. 2 51. 5 179. 0	579. 4 51. 5 185. 0	
Germany 7		Ordinary expenditure Extraordinary expenditure	617.3	645. 5 60. 4	757, 8	683. 2	710.
Do		Total	646.5	705. 9 7. 2	757.8 11.2	683. 2 7. 7	710. 3
Grand total (reichsmarks)	1, 947. 7		658.0	713. 2	769. 1	690. 9	716.3
Crand total (United States dollars) Exchange rate. Index of wholesale prices. United States § Do.	23. 8	Army	135. 0 267. 3	169. 7 23. 8 138. 0 293. 2 332. 2	182, 0 23, 8 140, 0 312, 1 366, 1	164. 4 23. 8 135. 0 327. 3 375. 4	170. 6 23. 8 122. 6 345. 3 382. 8
Total	244. 6 100. 0		581. 5 139. 0	625. 4 139. 0	678. 3 140. 0	702. 8 134. 0	727. 1 118. (

² Pre-war figures from League of Nations, Budget Expenditure on National Defense 1913 and 1920-1922, A.31. (a). (Geneva, 1922). Post-war figures compiled from League of Nations, Armaments Year Book, 1929-30, 1930-31. The latter includes various charges resulting from the World War and from internal obligations but does not include cither ordinary or war pensions.

⁴ Pre-war figures from League of Nations, Budget Expenditure on National Defense 1913 and 1920-1922, cited. Post-war figures compiled from League of Nations, Armaments Year Book, 1929-30, 1930-31, do not include ordinary or war pensions.

⁴ Pre-war figures from League of Nations, Budget Expenditure on National Defense 1913 and 1920-1922, cited. Post-war figures compiled from League of Nations, Armaments Year Book, 1929-30, 1930-31.

⁴ Pre-war figures from Jacobsson, Armaments Expenditure of the World cited. Post-war figures compiled from League of Nations, Armaments Year Book, 1920-30, 1930-31. Pre-war figures include pensions. Post-war figures include State expenditures on the social insurance of officials.

⁵ Pre-war figures from Jacobsson, Armaments Expenditure of the World, cited. Post-war figures compiled from League of Nations, Armaments Year Book, 1929-30, 1930-31. Pensions not included in pre-war and post-war figures.

⁵ Pre-war figures from United States Report of Secretary of the Treasury, 1914, cited. Post-war figures from ibid., 1927, 1928, 1929, and 1930 on basis of checks issued. United States expenditure for 1930 from Message of the President of the United States transmitting the Budget for the service of the fiscal year ending June 30, 1932. Army and Navy air forces expenditures included in above figures.

Mr. Speaker, it is apparent from all the facts that the House has dealt generously with the Army, much more so than with the civilian departments, the activities of which are of equal or even greater importance, and also more generously than other countries have dealt with their military establishments.

I do not suggest that we interfere with the efficiency of the military or that they should suffer unduly, but merely that they should not be given a privileged position and be compelled to accept somewhat the same sacrifices as the civilian population of this country.

IS RULE XV FAIR?

Mr. OLIVER of New York. Mr. Speaker, I desire to extend my own remarks on the subject of Members qualifying to vote after the second roll call.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OLIVER of New York. Mr. Speaker, under the privilege of extending my remarks, granted to me by the House, on the right of a Member to qualify to vote after the second call of the roll, I submit the following memorandum:

For a long time I have been interested in the proceeding under which after the second call Members either qualified or failed to qualify to cast their votes. The usual rule for qualification is stated by Congressman Cannon in his book on procedure. It is as follows:

MEMBER. Mr. Speaker, I desire to vote. (I did not hear my name called. Am I recorded?)

Speaker. Was the gentleman present (within the Hall) and

listening when his name should have been called?

Member. I was just entering the Hall (in the lobby, cloakroom, gallery, standing just outside the door).

SPEAKER. The gentleman does not bring himself within the rule.

SPEAKER (if answered in the affirmative). The Chair thinks the gentleman qualifies. The Clerk will call his name.

After watching this proceeding for a number of years and reading the rules that apply, I have prepared a brief rule, which reads as follows:

Resolved, That section 1, Rule XV, of the rules of the House of Representatives is hereby amended by inserting a new paragraph entitled section 1A to read as follows:

entitled section 1A to read as follows:

"Section 1A. Upon the first roll call upon any bill, resolution, or other motion, and after the second call of the roll under said first roll call, any Member present in the House who failed to answer to his name shall, before the vote is announced, have the right to be recognized by the Speaker for the purpose of asking that the Clerk call his name. His vote shall be recorded in the same manner as it would have been recorded had he answered the first or second call."

However if the House shall subsequently order that the roll be

However, if the House shall subsequently order that the roll be called on any other motion relating to the consideration of the same bill, resolution, or motion, no Member shall have the right to have his name recorded after the second call on such roll call unless he shall have been present and listening when his name

should have been called and failed to hear it called.

My object is to permit a Member to vote before the final result is announced by the Speaker. I realize that such a privilege might be used for dilatory or filibustering purposes if too freely granted. Therefore, the rule proposed by me grants the unqualified right to vote before the result is announced merely on the first roll call ordered by the House on any bill, resolution, or motion. I have adopted the theory that when there is one roll call on a bill that that ought to be sufficient notice to Members that there might be another one a short time thereafter. Therefore, on the second roll call ordered by the House on any bill or resolution I have provided that Members must qualify under the existing precedents.

This check, it seems to me, will wholly destroy the use of this privilege as a means of delaying the proceedings of the House. At the same time the right to vote before the result is announced on the first roll call ordered by the House gives, in my opinion, a substantial right to a Member which should not be taken away by any technical rule or ancient precedent. Members of the House are elected to represent constituencies. The right of a Member to vote is the most substantial one that his constituency has. The main reason Members are sent here is to vote. Every opportunity consistent with good order and discipline in the House should protect a Member in this substantial right. The rules of the House ought to be plain and clear in encouraging Members

to vote. No technical ritual ought to deprive them of their right to perform this important function. If the rules can be amended so that orderly procedure is safeguarded while at the same time the right of a Member to vote is granted, it seems to me that we shall be functioning much more in accord with the real purpose of the House than we are under the existing rules.

As the rule stands to-day, a man is frequently the victim of the alphabet. On the second call, two Members may enter the House at the same moment—one whose name begins with "A" and one whose name begins with "M." If the "A's" have already been called by the Clerk and the "M's" have not been reached, then the Member whose name begins with "A" can not qualify under the present rule, but the Member whose name begins with "M" answers his name as it is called. In other words, although Members may be entering the hall while others are voting, the trick of the alphabet may deprive their constituencies of their right to be represented in the vote. This seems to me to be entirely too technical an interpretation of the rules to govern the National House of Representatives. In the Senate of the United States the unwritten rule is that before the final vote is announced by the presiding officer any Senator may ask that his name be called and that he be recorded in the same way he would have been recorded had he answered when the Clerk first called his name. While a few minutes of time may be wasted by the tardy appearance of Members who exercise this privilege, still, since the privilege is in itself bound up with the highest duty of a Representative, it does not seem to me that haste should outweigh the substantial right of constituencies.

If a quorum is not present, the House has the right to send out and arrest Members and make them attend and vote. This power in the House is proof of the recognition of the House of the duty of Members to vote. While it may be said with some force that Members should be in attendance on the floor at all times, the answer is very plain that this is a theory without much basis in fact. Members have manifold duties to perform outside of the Chamber of the House. In all the years of my observation I have never seen the entire membership of the House present from the opening of the session to the close. In no legislative body in the country is the experience of men any different. We should not base our rules upon a concept that defies all practical experience. Roll calls are asked for at very unusual times and when least expected on bills which seem to be lacking in serious contentions. Some bills are read rapidly and few amendments are proposed.

The result is that a man engaged in other duties as a Representative can not forecast the exact minute when his presence is required to answer a roll call. He may be attending to duties in some department of the Government or may be at a Senate or House committee. It may be difficult to reach him. He may enter the Hall during the roll call, but too late, under the present rules, to qualify to vote. What reason is there why the rule should not conform to the facts? What reason is there for forbidding a man to cast his vote on bills if he be present before the final vote is announced? Personally, I can see none. Therefore I have offered the resolution for the purpose of asking the Rules Committee to give consideration to this situation and to amend the rules so as to safeguard both the order of the House and the right and duty of a man to vote.

Many Members, by appearing a few moments too late, have been unable to qualify and have thereby been defeated in elections, although they appeared while others were actually voting. I am not concerned with the personal consequences to individual Members, but I am concerned with the right of constituencies to have their will expressed through the voice of their Representatives under rules which safeguard the discipline of the House and at the same time, by a broad and liberal acknowledgment of the facts, give a Member the right to cast his vote before the polls are closed.

I append hereto the rules that now exist and the precedents as outlined in Hinds' Precedents of the House of Representatives:

1. Upon every roll call the names of the Members shall be called alphabetically by surname, except when two or more have the same surname, in which case the name of the State shall be added; and if there be two such Members from the same State, the whole name shall be called, and after the roll has been once called the Clerk shall call in their alphabetical order the names of those not voting; and thereafter the Speaker shall not enter-tain a request to record a vote or announce a pair unless the Member's name has been noted under clause 3 of this rule.

Member's name has been noted under clause 3 of this rule.
6066: A Member who has failed to respond when his name was called may not, as a constitutional right, demand that his vote be recorded before the announcement of the result.

On April 13, 1874 (43d Cong., 1st sess., Record, pp. 3046, 3047), when a roll call had been completed, but before the announcement of the result, Mr. James Monroe, of Ohio, stated that he had stepped out of the House a few moments and found on his return that the roll call had been completed. He asked if his vote that the roll call had been completed. He asked if his vote might be recorded.

The Speaker (James G. Blaine, of Maine) held that the rule pro-hibited the Member from voting.

The Speaker (James G. Blaine, of Maine) held that the rule prohibited the Member from voting.

Mr. James A. Garfield, of Ohio, made the point of order that before the announcement of the vote, and while the measure was still pending, a gentleman had a right, under the Constitution, to vote and that the rule was unconstitutional.

The Speaker said:

"The Chair does not think this rule violates the constitutional right of any Member. * * This rule operates equally and impartially upon every Member. There is no selection of one Member and placing a disability on him. The roll call must cease at some time, and the House has determined it shall cease at a particular point. But if the House should say by rule that the Representative of the third district of Maine should not vote, or the Representative of any other district who happened to be a Member of the House and elected Speaker, that presents a different case, because that attempts to disfranchise a single Member from a right enjoyed by all other Members, and therefore operates without equal and exact justice. This does not, in the opinion of the Chair, present that point. * * The question presented rests on two constitutional points. The yeas and nays are to be called on the demand of one-fifth of the Members present, and the House has the right to determine the rule under which they shall be called. If the House should decide that the roll should be called through, and when called through that the vote shall be announced and the absentees on the roll call should not have the right to vote, the Chair thinks it would be an entire compliance with the Constitution in every respect."

6067: On February 8, 1878 (45th Cong., 2d sess., RECORD, p. 871), at the conclusion of the roll call but before the announcement of the result, Mr. Thomas T. Crittenden, of Missouri, stated that he called and demanded his right to vote under the Constitution and the rules.

The Speaker (Samuel J. Randall, of Pennsylvania) said:

The Speaker (Samuel J. Randall, of Pennsylvania) said:

"There is a clause of the constitution giving Members the right to vote; but another clause provides that 'each House may determine the rules of its proceeding'; and that rule-making power has been exercised with reference to this question of voting. * * The Constitution gives to every Member the right to vote; but it also provides that each House may make such rules for its government as it may see fit. Under the rules and under the practice, the gentleman from Missouri, not having been in the House during the roll call, has not the right to vote."

the House during the roll call, has not the right to vote."
6068: On December 19, 1883 (48th Cong., 1st sess., Record, p.
189), at the conclusion of a roll call, Mr. Melvin C. George, of
Oregon, stated that he had been giving attention but did not hear
his name called. Therefore he asked that he might vote.

The Speaker (John G. Carlisle, of Kentucky) said:
"It has been the practice of the House to allow a gentleman to
have his vote recorded after the second roll call if he states he did
actually vote or that he was giving attention but did not hear his
name called."

Mr. Samuel J. Randall, of Pennsylvania, objected to allowing the

Mr. Samuel J. Randall, of Pennsylvania, objected to allowing the

name to be recorded.

name to be recorded.

There was debate as to the constitutional right of a Member to vote under such circumstances, but the Speaker held to a rigid construction of the rule, and, unanimous consent being refused, Mr. George was not allowed to vote.

6069: The Speaker may not entertain the request of a Member to answer "present" at the conclusion of the roll call provided for by section 1 of Rule XV.

On May 16, 1900 (56th Cong., 1st sess., Record, p. 5620), there had been a yea-and-nay vote on a motion for the previous question on the bill (S. 2921) to incorporate the American National Red Cross Association, etc., when Mr. Phanor D. Brezeale, of Louisiana, who had not been in the Hall when his name was called, asked that he be recorded as present.

The Speaker (David B. Henderson, of Iowa) said:

The Speaker (David B. Henderson, of Iowa) said:
"That is the same as voting, and it is not within the Chair's power to admit the request."

power to admit the request."

6070: It is not permissible to entertain the request of a Member to record his vote after he has failed to respond because his attention was distracted when his name was called.

On March 10, 1902 (57th Cong., 1st sess., RECORD, p. 2605), the yeas and nays had been taken on a motion to recommit the bill (H. R. 11728) relating to the free rural-delivery service.

Mr. Joseph T. Johnson, of South Carolina, stated that just as the Clerk called his name a gentleman spoke to him, distracting his attention so that he did not respond to his name.

The Speaker (David B. Henderson) said:

"The gentleman was listening to the gentleman who spoke to him and not to the Clerk, and the Chair thinks he can not be allowed to vote on the question."

6071: A Member who is listening when his name should be called and fails to hear it, is permitted to vote at the end of the roll call; but under no other circumstances may the Speaker entertain a Member's request to be recorded.

On June 6, 1896 (54th Cong., 1st sess., Record, p. 6220) at the conclusion of a call of the yeas and nays, Mr. Farish C. Tate, of Georgia, requested that his vote might be recorded. He said he had been present in his seat and did not hear his name.

The Speaker having asked if he was listening when his name should have been called, and falled to hear it, Mr. Tate did not respond in the affirmative, except to say that he was "present and failed to hear."

failed to hear.'

The Speaker (Thomas B. Reed, of Maine) said:
"The Chair desires to say that in matters of this kind he simply enforces the rule of the House. The exception under which gentlemen are allowed to have their vote recorded after the roll call temen are allowed to have their vote recorded after the roll call rests upon the idea that by some mistake the name was not called. The object of the rule is to command the attention of Members during the vote. * * * The Chair thinks that the gentleman can not vote under the rule."

6072: On March 24, 1896 (54th Cong., 1st sess., Record, p. 3140), at the conclusion of a roll call Mr. Loren Fletcher, of Minnesota, announced that he desired to vote.

The Speaker having interrogated him as to whether or not he was listening when his name should have been called and failed to hear it, Mr. Fletcher could not say further than that he did

to hear it, Mr. Fletcher could not say further than that he did not hear his name.

Thereupon the Speaker (Thomas B. Reed, of Maine) said:

"The Chair ought to say to the House that attention has been called to the rule (sec. 1 of Rule XV; see sec. 6046 of this chapter) in regard to the recording of names after the roil call.

"The practice in the Fifty-first Congress, when the same rule prevailed, was to ask a Member if he was listening at the time his name should have been called and failed to hear it, so as to meet the possible contingency that the calling of the name had been omitted. That is the condition of the rule as it stands at present."

been omitted. That is the condition of the service of the present."

6073: The fact that a Member was absent on the service of the House does not justify the Speaker in submitting a request that his name be recorded after the yea-and-nay call is finished.

On February 20, 1889 (50th Cong., 2d sess., Recorp., p. 2106), after a yea-and-nay vote had been concluded, Mr. Joseph G. Cannon, of Illinois, announced that he had been absent at the session of a conference committee until after his name had been called for the last time, and requested that his vote might be recorded.

The Speaker (John G. Carlisle, of Kentucky) said:
"According to the letter of the rule no Member can vote, nor can the Speaker entertain a request for unanimous consent that the Member be allowed to vote, after the completion of the second roll call; but inasmuch as there is at all times more or less noise on the floor, and it frequently happens that a gentleman fails to hear his name called or the Clerk fails to hear his response, it was thought to be manifestly unjust that a Member should be deprived of his vote under such circumstances. * * * * Inasmuch as it might lead to a very great inconvenience if there should be a still further relaxation of the rule, the Chair thinks the gentleman had better content himself with stating how he would have voted."

6074: In the earlier practice of the House, Members were allowed often to record their votes after the close of the roll call, sometimes on the next day, even.

On March 1, 1845 (28th Cong., 2d sess., Journal, p. 532; Globe, p. 383), by the unanimous consent of the House, Mr. John Campbell, of South Carolina, was permitted to have his name recorded on the expectation taken on the preceding day.

of South Carolina, was permitted to have his name recorded on the question taken on the preceding day.

Will the House agree with the Senate in their amendment to the resolution of the House (No. 46) entitled, "A joint resolution for annexing Texas to the United States?"

6075: On February 3, 1863 (37th Cong., 3d sess., Globe, p. 695), several Members were permitted by unanimous consent to have their votes recorded on the bill passed the day previous relative to the enlistment of negro soldiers. The Journal has no reference to

this.
6076: On May 12, 1834 (23d Con., 1st sess., Journal, p. 616), after the list of yeas and nays had been called, and before the decision had been pronounced, Mr. William Allen, of Ohio, asked to have his vote taken, having been out of the House when his name was called, attending to his duties as a member of the Committee on Indian Affairs, which committee had leave to sit during the sitting of the House. The request of Mr. Allen, under the circumstances of his case, was granted by a vote of the House.
6077: On December 23, 1836 (24th Cong., 2d sess., Journal, p. 114), the House suspended the rules in order to give permission to Mr. George N. Briggs, of Massachusetts, to record his vote on the

p. 114), the House suspended the rules in order to give permission to Mr. George N. Briggs, of Massachusetts, to record his vote on the roll call just taken, he having stated that he had been absent on the service of his committee, which had leave to sit during the sessions of the House.

6078: On July 28, 1854 (33d Cong., 1st sess., Journal, p. 1233; Globe, p. 1996), the House made an order that members of the Committees on Ways and Means and Enrolled Bills, who should find their duties keeping them away from the sitting of the House, should be allowed to record their names on roll calls taken during

their absence, provided such recordings would not change any announced results.

6079: On March 16, 1864 (38th Cong., 1st sess., p. 1143), the Committee on Rules made a futile attempt to break up the pracof allowing Members to vote who did not respond on the if they could respond to the Speaker's interrogatory as to their presence within the bar when the name was called. It was proposed to take away from the Speaker the power to submit request for leave to vote. Mr. Speaker Colfax said at this time that it was the practice of the House to allow Members to be recorded who were away on business of the House.

6080: The fact that a Member responded under an erroneous belief as the said form of the House.

belief as to a pair does not justify the Speaker in entertaining a request to change the record after a vote is declared.

On April 9, 1904 (58th Con., 2d sess., Recoap, p. 4574), Mr. George G. Gilbert, of Kentucky, asked that his name on a roll call of the preceding day be changed from "present" to "aye." It

George G. Gilbert, of Kentucky, asked that his name on a roll call of the preceding day be changed from "present" to "aye." It appeared that he had refrained from voting "aye" because he erroneously supposed himself to have been paired.

The Speaker (Joseph G. Cannon, of Illinois), after having read section 1 of Rule XV, said:

"The rule absolutely prevents the Speaker from even entertaining a request for unanimous consent. The matter of pairs is a matter for gentlemen to regulate among themselves. * * * The Chair declines, under the rule, to entertain the request, the rule prohibiting him from submitting the request."

6081: It is not permissible to entertain the request of a Member to record his vote after he has, on the call of his name, refrained from voting because of a misunderstanding as to a pair.

On February 23, 1901 (56th Cong., 2d sess., Record, p. 2915), the yeas and nays had been taken on a motion to concur in a Senate amendment to the agricultural appropriation bill.

Before the announcement of the vote Mr. Charles H. Grosvenor, of Ohio, stated that he had refrained from voting on a misunderstanding. When his name was called he had erroneously supposed himself paired. He therefore asked that his name be called and that he be permitted to vote.

The Speaker (David B. Henderson, of Iowa), after quoting Rule XV, said that it was impossible to recognize the gentleman to vote.

to vote.

to vote.

6082: A Member may not have the record of his vote changed on the statement that he voted on a misapprehension of the question, and a motion relating thereto is not a matter of privilege. (See also secs. 5931–5933 of this volume.)

On August 15, 1850 (31st Cong., 1st sess., Journal, p. 1266; Globe, p. 1577), Mr. Isaac E. Morse, of Louisiana, rose and stated that he had risen to a question of privilege; that on the question just taken upon agreeing to the amendment to the thirty-fourth rule he had voted under a total misapprehension of the question; that he believed he was voting on a motion to lay the amendment upon the table. He therefore moved that the Journal be amended so that his name should appear in the negative upon agreeing to the said amendment.

Objection being made, the Speaker (Howell Cobb, of Georgia) decided that, inasmuch as the Journal was correctly made up, it was not a question of privilege or a privileged question to move an amendment of the Record. When the Journal was incorrectly an amendment of the RECORD. When the Journal was incorrectly made up and the vote of a Member was recorded differently from the fact, a motion to correct the Journal was in order; but the Chair knew no instance wherein the Journal had been amended upon the statement of a Member that he had voted upon a misapprehension of the question.

From this decision of the Chair, Mr. Morse appealed. The de-

cision of the Chair was sustained.
6083: On December 17, 1898 (55th Cong., 3d sess., Record, p. 270), after the approval of the Journal, Mr. John W. Gaines, of Tennessee, announced that on a roll call on the preceding day he had voted under a misapprehension and asked that his vote might be withdrawn and that the Journal might be corrected in accordance therewith ance therewith.

The Speaker (Thomas B. Reed, of Maine) expressed the opinion that the RECORD could not be changed.

REMEMBER THE SOLDIER OF LONG AGO

Mr. ALMON. Mr. Speaker, I ask unanimous consent to extend my remarks by printing a short address made by our colleague the gentleman from New York [Mr. Bloom] on Memorial Day at Arlington Cemetery.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALMON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of the Hon. Sol Bloom, Associate Director United States George Washington Bicentennial Commission, broadcast from Arlington National Cemetery, Memorial Day, May 30, 1932, National Broadcasting Co., as follows:

ADDRESS OF HON. SOL BLOOM

In meeting here to-day upon this beautiful and solemn occasion, we are responding to a sentiment that reaches deep into the

hearts of all humanity.

We are here again to express our tribute of respect and gratitude to our hero dead. But these exalted emotions are not restricted to those who are buried here. They encompass the wide range of all our history and all our Nation's defenders.

We come not to pay a debt, for the debt we owe and acknowledge here is beyond any human ability to pay. Nor are we here to eulogize the heroes who have gone before. They are beyond eulogy.

We come here to reconsecrate ourselves to the preservation of what they achieved. We are here to pledge in loving remembrance, the true hearts of living Americans, to our countrymen, who gave

their lives that our Nation might survive.

Those heroes who have gone before are neither high nor low, rich nor poor. In the democracy of death they are made one, and the love we bear them enobles us and raises before us the

and the love we bear them enobles us and raises before us the radiant symbols of their loyalty and their patriotism.

Many who lie in this vast sacred place were known to us. The record of their lives and their deeds shine forth to brighten the pages of our history. But in other fields, in other acres dedicated to God, heroes lie whose very names do not remain to us.

Those defenders of our land went forth to suffering and to dear the page of the

animated by a single imperishable thought. Whether they were soldiers of a recent war or soldiers of almost forgotten conflicts, we hold them all alike in loving memory and honor.

In this year devoted to the celebration of the two hundredth anniversary of the birth of George Washington it is fitting that we include in these memorial exercises to-day a thought and a prayer for the forgotten heroes who achieved our independence and started our Nation upon its course.

Few records remain to us of the thousands of brave men who followed Washington with a devotion matchless in the history of the world. During that long and terrible winter at Valley Forge alone more than 3,000 of George Washington's soldiers died from wounds, disease, and—starvation.

And of all those who sleep upon that historic field in the companionship of immortality, but one grave alone is marked, one name alone stands for all.

It does not in any way detract from our remembrance of later soldiers that we pause to think of the nameless, forgotten men who were nevertheless Americans, and who died for our flag with the same unselfish patriotism as the heroes who lie about us here. Our eyes fix themselves upon those whose rank and deeds made them especially known, and it is significant that not one of our war heroes is better known than the Unknown Soldier, who stands for all the sevied ranks of markers that his about him here and

war heroes is better known than the Unknown Soldier, who stands for all the serried ranks of markers that lie about him here, and in the fields of France, like mortal tears turned to immortal stone. He stands for those who died in other wars, whose very names are lost behind the misty curtain of the past.

For these unknown there are no flowers to-day. No bugle calls echo over their lonely graves. No mother's grief centers about their resting places. No proud descendants lay flowers upon the earth above them in token of the love we bear them. Their sentinels are the everlasting vigil of the stars. Their requiem is the whispering wind that testifies for all eternity the remembrance of Almighty God. of Almighty God.

Let this memorial of ours to-day reach out to those soldiers whose identity is lost, whose graves the rains have washed away, those blessed patriots who sprang to battle at the living voice of Washington, and who are one with him in the comradeship of

immortal glory.

In the memories of this day, in the solemn beauty of this shrine, let us render thanks to our Heavenly Father for giving this country such men—men of to-day and of yesterday, men of the long, long ago—the noblest manhood of our own America.

FEDERAL EMPLOYERS' LIARILITY BILLS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks on two bills which I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, this bill which I have introduced, H. R. 11181, is intended to remove the ancient and archaic common-law defense of assumed risk in actions brought against a common carrier. This defense is no longer applicable in modern industry. It is a survival of the day when a servant worked alongside of his master in the master's shop, and when the tools with which they both worked were simple and not inherently hazardous. I need not remind you gentlemen that such is not the condition of workmen in industry to-day, and particularly is it not the condition of men working on the railroads of the country. It is unfair to insist that an employee of a railroad shall give up his employment because of some danger involved in such employment of which he has come to have a knowledge sufficient to defeat his chance of recovery in the event of an accident due to that danger.

This bill does not in any way remove the defense of contributory negligence which is now available to the railroad company, and therefore does not put the company to any serious disadvantage. On the other hand, this defense of assumed risk has in innumerable instances defeated recovery of damages by an employee of the railroad who has been injured by reason of some defect or danger, which as a

matter of law the courts have held was within his knowledge, or which he could have learned of before the accident, and, therefore, he assumed the risk which resulted in the injuries of which he complains. This state of the law seems to me to be unfair and unjust to the workmen, and not something that the railroad company has a right to insist upon under the peculiar conditions necessarily incident to employment in railroad transportation.

I have also introduced a second bill (H. R. 11498) which pertains to the same general subject. The purpose of H. R. 11498, which is an amendment to the Federal employers' liability act affecting common carriers by railroad, is to give the courts a reasonable ground for holding that injury sustained by an employee while engaged in both interstate and intrastate commerce was not strictly confined to intrastate commerce, although the particular accident causing the injury may have occurred when the employee was engaged in an act that was of itself purely intrastate.

For this reason, on page 2, line 6, of the bill the words "while he is generally employed by such carrier in both interstate and intrastate commerce" are used. This language will enable the courts to adopt a new and more liberal rule in favor of the employee than is at present possible

under the existing state of the law.

Here again, in many instances, an employee of the railroad has been denied compensation for an injury under the liability act because the injury occurred at a time when the employee was engaged in the performance of an act in intrastate commerce, notwithstanding that the whole or the major part of his employment during the day or night on which he was injured was in interstate commerce.

The amendment which I propose in this bill will make possible a broader field of interpretation on the part of the courts in bringing certain cases within the provisions of the liability act which are now in many jurisdictions excluded. The present state of the law also at times makes it difficult for the injured workman to know whether or not he should bring his action in the State courts or in the Federal courts under the Federal employers' liability act. This bill will clear up that difficulty to a very large extent because, except in only a very few instances, it will be apparent that the accident occurred at a time when the workman was generally employed in both interstate and intrastate commerce.

No injustice will be done to the railroad company by the amendment of the law in this respect, while, on the other hand, such a change will be distinctly beneficial to the employee and will, it is thought, prevent a failure of justice which can and does happen under the present state of the

As one who has been employed for a number of years in hazardous occupations on railroads, I fully appreciate the necessity for the adoption of the principle contained in these two measures. I hope they will both receive your committee's approval.

WAGES PAID BY CONTRACTORS AND SUBCONTRACTORS ON PUBLIC BUILDINGS

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

Mr. CONNERY (when the Committee on Labor was called). Mr. Speaker, by direction of the Committee on Labor, I call up the bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings, and ask unanimous consent that in the consideration of the bill in Committee of the Whole House on the state of the Union the substitute recommended by the Committee on Labor may be considered as an original bill for the purpose of amendment.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers

and mechanics employed by contractors and subcontractors on public buildings, with Mr. Boehne in the chair.

The Clerk read the title of the bill.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. STAFFORD. Mr. Chairman, I have read the bill, but I think it might be well to have it appear in the RECORD in toto, and so I shall object.

Mr. BLANTON. Just ask unanimous consent that the bill appear in the Record at this point without reading.

Mr. STAFFORD. No; I think the committee ought to be acquainted with its provisions. Let it be read.

Mr. CONNERY. I withdraw the request, Mr. Chairman. The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors or subcontractors, and for other purposes," approved March 3, 1931, is amended to read as follows:

"That the advertised specifications for every contract in excess

of \$500 for construction, alteration, and/or repair, including painting and decorating, of public buildings or public works, except shipbuilding, in the District of Columbia, the Canal Zone, or in any city, town, village, or other civil subdivision of any State or Territories to which the United States or the District of Columbia is to become a party and which requires or involves the employment of mechanics or laborers shall contain a provision stating the prevailing rate of wages as determined by the Secretary of the prevailing rate of wages as determined by the Secretary of Labor for various grades of mechanics and laborers for work of a similar nature in the District of Columbia, the Canal Zone, or in the city, town, village, or other civil subdivision of any State or Territories in which all or the principal part of the particular contract work is located, and every contract for the construction of public buildings or public works, except shipbuilding, to which the United States, the District of Columbia, or the Panama Canal shall become a party shall contain a stipulation that the contractor and his subcontractors shall pay the mechanics and laborers employed directly on the site of such work at not less than the employed directly on the site of such work at not less than the rate of wages stated in the advertised specifications. The Secretary of Labor shall, from time to time, reexamine the prevailing rate of wages being paid to mechanics and/or laborers for work of a similar character in the District of Columbia, the Canal Zone, city, town, village, or other civil subdivision of the State or Territories in which all or a principal part of the work is located, and if such rate is found to be increased or decreased from that stated if such rate is found to be increased or decreased from that stated in the specifications and made a part of the contract, he shall notify the contractor thereof, and the contractor and his subcontractors shall pay not less than the rate of wages stated in said notification from the beginning of the next pay period following the date of receipt of such notification. In event the rate of wages contained in the specifications is so increased, an amount equal to the amount of such increase in wages in any one month shall be paid at the end of such month to the contractor by the United States upon a satisfactory showing by the contractor the United States upon a satisfactory showing by the contractor as to the amount thereof, and in the event of a decrease in the rate of wages, the contract price shall be decreased by the amount

rate of wages, the contract price shall be decreased by the amount of such decrease in wages, and such decrease in the contract price shall be computed on the basis of satisfactory evidence submitted by the contractor. The books and pay rolls of the contractor and his subcontractors shall be so kept as to show the actual wages paid mechanics and laborers, and shall be open to inspection by an authorized officer or employee of the United States.

"Sec. 2. Any contractor or subcontractor who fails to pay not less than the rate of wages stated in the advertised specifications and made a part of the contract, or not less than any rate of wages subsequently ordered in writing by the Secretary of Labor in accordance with section 1 of this act, or who, after making proper payment, requires a laborer or mechanic to refund any part of the wages so paid, shall forfeit to the United States the sum of \$10 per day per laborer or mechanic for every day any laborers or mechanics are paid less than such prevailing rate of wages, and for each such refund required from any mechanic or laborer, shall forfeit to the United States a sum not less than or laborer, shall forfeit to the United States a sum not less than five times the value thereof. Any laborer or mechanic employed on any such work who accepts a rate of wages less than that prescribed in the advertised specifications, or in any subsequent revision thereof made by the Secretary of Labor, or who makes any refund to the contractor or subcontractors shall, within 10 days effor such payment or refund file a sworp statement with days after such payment or refund, file a sworn statement with the Secretary of Labor setting forth the facts, and any amounts to be forfeited as provided in this section shall be deducted by the Comptroller General from any sums due the contractor from the United States, or if nothing remains due the contractor, such amounts may be recovered by the United States as a debt in a suit at law against either the contractor and his surety or his subcontractors. The amounts so forfeited or recovered shall be applied, first, to the payment to the laborers and mechanics of any difference between the amounts found by the Comptroller General to have been paid them and the prevailing rate of wages, or of the amounts which such laborers and mechanics were required to refund, and the balance shall be covered into the Treasury as miscellaneous receipts.

"Sec. 3. When any of the departments or independent establishments of the United States, including the District of Columbia, perform work by Government plant and hired labor which could have been performed under contract, but not including work in arsenals or navy yards, or work performed by the Panama Canal, arsenas or havy yards, or work performed by the Fahama Cahan, such departments and establishments, including the District of Columbia, shall also pay not less than the prevailing rate of wages as established by the Secretary of Labor at the time the work is undertaken. The Secretary of Labor shall, from time to time, reexamine the prevailing rate of wages being paid to laborers and mechanics for work of a similar nature in the city, town, village, or other civil subdivision of the State, Territories, the District of Columbia or the Canal Zone in which all or a principal. District of Columbia, or the Canal Zone, in which all or a principal part of the work is located, and if such rate is found by him to have increased or decreased he shall notify the head of the department, independent establishment, or other agency of the Government concerned, who shall pay not less than the rate of wages stated in said notification from the beginning of the next

pay period following the date of receipt of such notification.
"Szc. 4. If the provisions of section 1 of this act, or the application thereof to any person or circumstances, shall be held invalid, the act of March 3, 1931, or the application thereof to any such person or circumstances, as the case may be, shall not be affected by the enactment of this act."

Mr. BLANTON. Mr. Chairman, I ask recognition in opposition to the bill.

The CHAIRMAN. If there is no member of the Committee on Labor seeking recognition in opposition to the bill, the Chair will recognize the gentleman from Texas.

Mr. CONNERY. Mr. Chairman, this bill (S. 3847) was passed unanimously by the Senate. It was referred to the Committee on Labor and we have amended it by substituting the Connery bill. We have changed the contract provision from \$5,000 to \$500, the reason for this being that painters and other crafts on contracts for post offices, public buildings, and public works have contracts that sometimes amount to \$2,000 or \$3,000 and under, and therefore they did not come within the provisions of the present Davis-Bacon bill.

You will notice also there is a provision with the words "including painters and decorators." This was because the Comptroller General had ruled that painters, when the building was completed, did not come under the term "construction of a building," and therefore could not benefit under the present law. In many cases, after they build the public building they let it stay as it is until it dries and then they paint the interior. This was not considered a part of construction under the Davis-Bacon law, therefore in order to bring them within the law we put in this provision.

Then we have a provision which includes the Territories and the Panama Canal Zone. This was done at the request of the gentleman from Hawaii [Mr. Houston] and the representative of labor, Mr. McConaghy, from the Canal Zone, because they did not want any discrimination in these public-building projects.

Then there is another change wherein shipbuilding is exempted. This is at the request of both the representatives of the shipbuilders and of the labor organizations, both being united against this being put into the bill. So we exempted that work.

Mr. LaGUARDIA. How about the United States Government? Is it exempt?

Mr. CONNERY. On building ships? Mr. LaGUARDIA. No; with respect to the provisions of the bill. The gentleman knows we have had considerable trouble in enforcing the provisions of this bill or making it applicable where the Government itself does the work.

Mr. CONNERY. That is provided for in the bill. Where the Government does its own work the Government is responsible and is supposed to pay the prevailing rate of

Mr. LaGUARDIA. The gentleman knows some of the experiences I have had in that respect.

Mr. CONNERY. Yes. And I will say to the gentleman that we had very pathetic stories told to us with regard to men working on flood-control work in the Mississippi Val-There was one man who was working for 121/2 cents an hour. He worked for 10 days and then was discharged. During the time he worked he paid for tent hire, his food from the commissary, and paid for ice water, and when he was discharged he owed the contractor \$1.05.

Mr. LAGUARDIA. We had cases at West Point where they were putting up structures by the Quartermaster Corps and not only paid wages far below the prevailing rate of wages but the worker had to bring a pint of whisky to the foreman to hold his job.

Mr. STAFFORD and Mr. BLANTON rose.

Mr. CONNERY. I yield to the gentleman from Texas. Mr. STAFFORD. Will the gentleman yield in connection with the statement about West Point?

Mr. CONNERY. I promised to yield to the gentleman from Texas, and I shall then yield to the gentleman from Wisconsin.

Mr. BLANTON. Then the gentleman can get in his Milwaukee froth.

Mr. STAFFORD. I did not get the frothy remark of the gentleman from Texas.

Mr. BLANTON. I said the gentleman can then put in his frothy remarks about the pint of liquor that had to be brought to the foreman.

Mr. STAFFORD. Milwaukee is a city that was used to good beer and not bad whisky.

Mr. CONNERY. I yield to the gentleman from Texas. Mr. BLANTON. I want to ask my friend if he is in favor of his bill doing what it will do along this line? There is in Washington now a controversy between the contracting constructors and the carpenters of Washington whereby the carpenters are, in this terrible time of depression, demanding \$11 a day, which has been the prevailing wage in Washington. The contractors state they can not pay but \$9 under the circumstances, and the carpenters, nearly a thousand of them, are threatening to strike and tie up all public works if they are not paid \$11 a day.

Now, there are carpenters, skilled laborers, in many cities of the United States who have not had a job in 12 months. They are anxious to work even for \$5 a day to support their families; thousands of them are out of jobs. Does not the gentleman from Massachusetts, one of the ablest men in this House, know that if you continue to pay the carpenters of Washington on public works \$11 a day, which comes from the taxpayers—does not the gentleman know that it is going to cause dissatisfaction among all workers of the country?

Mr. CONNERY. In answer to the gentleman from Texas, I want to say that if they do not keep up the wage to \$11 a day it will have a far worse effect than it would if we keep up the wages.

Mr. BLANTON. Does the gentleman want to pay them \$11 a day?

Mr. CONNERY. Yes; of course, pay them \$12 a day when they are earning that.

Mr. BLANTON. When wages are only seven or eight dollars a day in other parts of the country.

Mr. CONNERY. Bring up your pay in other parts of the country. The gentleman knows that bricklayers and carpenters do not get 12 months' work at any time. Your bricklayer, your plasterer, your carpenter do not get an allthe-year-round job, and the end of the year they are lucky if their income reaches \$1,500 or \$2,000.

Mr. LaGUARDIA. It is between \$1,200 and \$2,000 a year. Mr. CONNERY. I am surprised that my colleague from Texas wants to decrease wages-

Mr. BLANTON. No; I want to equalize them for all carpenters of the United States alike. For instance, if you fix the wages at \$11 a day for carpenters on public works all over the United States, it would come nearer being satisfactory than the present bill.

Mr. CONNERY. When you set the price on all public buildings-for instance, \$11 a day-then, all over the country, you are bound to make private industry come up to

Mr. BLANTON. But this bill does not do that. Mr. CONNERY. If the gentleman will read the bill closely, he will see that it does.

Mr. O'CONNOR. Will the gentleman yield? Mr. CONNERY. I yield.

Mr. O'CONNOR. Does this bill take into account the conditions in different localities?

Mr. CONNERY. Yes; but New York and Chicago will come pretty close to having the same rate of wages.

Mr. O'CONNOR. And the contractor in Texas will not pay the same wages as the contractor in Washington?

Mr. BLANTON. I will guarantee right now that the prevailing wage in Dallas, Tex., will equal any wage paid in New York City. There are places in the United States where the wages are not more than half of what is paid in Dallas, Tex.

Mr. CONNERY. We are going to bring them up. We want to protect them. We want to bring them up to Dallas. Houston, San Antonio, and all the wonderful cities in Texas; and that is what we are doing in this bill.

The committee had long and exhaustive hearings on this bill and similar bills, beginning back in January. We went into the matter thoroughly. We believe this is a bill for the best interests of labor and that it will be a good thing for the country. It will do away with a great many disputes. I doubt if there is a Congressman here who has not had some dispute in his district on a veterans' hospital or a post office or some other public work, where the contractor had not paid the prevailing rate of wage. In Huntington, W. Va., they had to indict the contractor to get any effect

Mr. SNELL. What will be the effect of this on contracts in existence at the present time, if we pass the bill? What will be the effect on contractors who have already taken contracts?

Mr. CONNERY. None.

Mr. SNELL. This does not apply to them?

Mr. CONNERY. No; this applies to contracts which will be entered into in the future.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield? Mr. CONNERY. Yes. Mr. GIFFORD. I hope to be able to vote for this bill, but what does the gentleman think the effect will be when a contract is awarded and the public in a certain community know that the contractor would be reimbursed if the prevailing rate of wages were raised? Would it not have a tendency in all communities for the labor organizations to get together and purposely get the wage put up, knowing that the contractor would not suffer?

Mr. CONNERY. The Secretary of Labor is the man to decide that, and when he goes into Worcester, Mass, or any city in any other State, he looks over the situation as to what is the prevailing rate of wage in that community. I do not see how you could raise the prevailing rate of wage in private industry up to the point the gentleman refers to for the purpose of getting the Government to reimburse the contractor.

Mr. GIFFORD. The Department of Labor has to determine whether there has been a raise in the prevailing rate of wage?

Mr. CONNERY. Yes. Mr. GIFFORD. If the local mechanics know that the contractor would have to pay the prevailing rate of wage and be reimbursed, they might easily get together and raise the wages and the contractor might not care if they did get together and demand a general raise.

Mr. CONNERY. I do not think it would have that effect. That will have to apply to private business as well as public. If the men on a job get to work and say that they will have to have \$13 a day instead of \$11 a day, that is not sufficient. The Secretary of Labor looks over the whole situation and decides himself whether the wages have gone up or down. If they go down the contractor is to reimburse the Government and if they go up the Government is to reimburse the contractor.

Mr. BRUMM. What is to be the test as to the prevailing rate of wage?

Mr. CONNERY. The prevailing rate of wage is not difficult to find. The Secretary of Labor has decided that in disputes now. This has already been done. He comes in, and some say that the prevailing rate of wage is a unionlabor rate in that city.

Mr. BRUMM. Is that the way they do it?

Mr. CONNERY. Not always. He looks over the situation and if the wages for a bricklayer are \$11 a day and in some place else they are \$9 a day, he may work out an average of \$10 as between the two. He does not take the union scale of wage as a last resort. He looks over the situation and tries to get a fair rate.

Mr. BRUMM. And the Secretary of Labor is to be the arbitrator?

Mr. CONNERY. Yes. He sets the wages before they take the contract, and both the contractor and labor have an opportunity to come in before him and say that they object to this or that or dispute this or that.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. HOLMES. According to this bill, the contractor will be furnished the prevailing rate of wage in a given community before the bids are submitted.

Mr. CONNERY. Yes.

Mr. HOLMES. So that there will be no question at all about it?

Mr. CONNERY. Yes; he will know what he has to pay his workers. This situation developed in the hearings: There are a number of so-called fly-by-night contractors. Suppose they are going to build a post office in Topeka, Kans., or in Des Moines, Iowa, or some other place and they come in on the bids and specifications and are not compelled to say what they will pay the bricklayer. Suppose it is a \$500,000 post office. They will come in and bid \$300,000, they will say that they will build the post office for \$300,000. The fair contractor, who pays decent union wages to labor, will come in and say that he can not build that post office for \$300,000 at the rate of wages that he pays. He bids \$400,000. The first contractor wins the contract, and then goes out and shops around with the subcontractors and tells them that they will have to take \$60,000 instead of \$80,000, that they will have to do this and do that, and he brings in labor, perhaps, from some other State and pays them starvation wages, and those are the abuses that we want to correct.

Mr. HOLMES. The gentleman knows that I have had many years of experience in the contracting business. The question in my mind is whether this bill is really constitu-

Mr. CONNERY. We believe that it is constitutional. Mr. HOLMES. I think the intention of the bill is very good, and I am heartily in favor of it, because I know it will erase an evil that has entered into the contracting business.

Mr. CONNERY. In section 2 of the bill there is a typographical error. It says section 4. That will be corrected. An amendment was put on in the Senate by Senator La FOLLETTE that if this law should be declared unconstitutional we would revert then to the Davis-Bacon bill, so that the gentlemen need have no fears on that account.

Mr. O'CONNOR. Will the gentleman yield? Mr. CONNERY. I yield.

Mr. O'CONNOR. I might preface my remarks by saying that I have had considerable experience in prevailing rate of wages cases in which we compelled contractors and a municipality to pay the prevailing rates. The bill provides on page 7 that the wages to be paid shall be the prevailing wages "in the city, town, village, or other civil subdivision in which the particular work is located." I think that restriction may be erroneous as a base for prevailing wages in two respects. The territory taken may be either too small or too large. I will give you an example. For instance; in the city of New York, with five boroughs or counties, the wages paid are not always the same in all the boroughs throughout the city. Carpenters, for instance, are paid a different rate in Brooklyn than in Manhattan. Often the same trades are paid different rates in different boroughs of the city of New York.

Now, as to the other possible error, if there is to be a post office built in a "village," one of the many for which we voted yesterday, there might not be in that village a steam fitter or a plasterer working. As the territory might be too large when you take in an entire "city," on the other hand a village may be too small a territory on which to arrive at a prevailing rate. Nor do I understand why you specifically left out "counties." The territory taken ought to be in some community or territory that is reasonably large, so that you can get all rates for all trades employed in the contract.

Mr. CONNERY. We went into that matter thoroughly, and the most perfect example we had was Boulder Canyon Dam. It would be necessary to go 500 miles to find a city large enough to make a prevailing rate of wage around there.

Mr. O'CONNOR. But there may be many villages that have no plumbers in them, men actually working as plumbers. Bricklayers and metal workers and other highly skilled trades may not be found in a village in sufficient numbers to enable the Secretary of Labor to establish a prevailing rate of wage.

Mr. CONNERY. I think the Secretary of Labor, when he figures out these predetermined rates of wages, will be able to determine that. Generally there is a town near enough to ascertain the prevailing rate of wage for that town. If there is a job in a little town in New York, there will be a city near enough in order to determine the prevailing rate of wage for that little town.

Mr. O'CONNOR. But the bill reads "in the city, town, or village where the public work is carried on."

Mr. CONNERY. As a practical matter, they have had no trouble in that regard in connection with the Davis-Bacon bill.

Mr. O'CONNOR. If they limit it to the language in this bill, there may be trouble about it.

Mr. CONNERY. In the Davis-Bacon bill there is the same proposition, and they have been getting along.

Mr. MEAD. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MEAD. At one time I was employed as a journeyman, and then I became a contractor, so I may be able to help the gentleman with the question brought up by the gentleman from New York. Trade associations and contractors' associations have for years adopted the practice of establishing territorial rights not only within the confines of a large city or a small city but including in some cases the adjacent territory. These parties have made certain agreements and adopted certain scales of wages. The Secretary of Labor, being an experienced labor man, is very familiar with these practices and customs.

So the question brought up by the gentleman from New York might not hold in all cases because of these established practices and customs of labor organizations and building contractors. For example, if a hospital was to be constructed in a little village outside of the city of Buffalo, they could not possibly get mechanics in that village. Therefore, within that jurisdiction the rate of wages paid in Buffalo should prevail. That is the custom in many places and should be made universal. If this bill is amended in one particular, it will be an improvement over existing law.

Mr. FISH. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. FISH. I congratulate the distinguished gentleman from Massachusetts, who is perhaps the most sincere friend of labor in this House, for bringing in a bill of this kind. I would like to ask the gentleman if it applies to work conducted at West Point?

Mr. CONNERY. I think it does. As near as I can see from the wording of the bill, where the Government does its own work, they are obliged to pay the prevailing rate of wages.

Mr. FISH. Does it apply where the Government does its own work and also where the Government has the work done by contractors?

Mr. CONNERY. Yes.

Mr. FISH. It applies in both cases?

Mr. CONNERY. Yes.

Mr. FISH. That would cover West Point.

Mr. CONNERY. Yes.

Mr. FISH. West Point is in the identical situation as that brought up by the gentleman from New York [Mr. O'Connor]. There are five or six surrounding cities and villages,

and the prevailing wage scale is based on the various cities. I would like to ask whether this covers road construction?

Mr. CONNERY. No. We intended to bring in a separate bill with regard to roads. We would be confronted by constitutional objection unless we brought in different wording than we have in this bill. On the \$132,000,000 road bill there has been an amendment offered in the Senate to put in the predetermined rate of wages by the State highway commissions of those States; a minimum wage.

Mr. FISH. I suppose the gentleman knows that many complaints are being received that wages are being paid at 30 cents an hour on the roads?

Mr. CONNERY. Oh, yes; and less than that.

Mr. FISH. The gentleman thinks that might be taken care of by some other legislation?

Mr. CONNERY. Yes.

Mr. FISH. It can not be taken care of in this bill?

Mr. CONNERY. I do not think so, without getting into trouble.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. LaGUARDIA. As the gentleman knows, under the present engineering methods a great deal of the building is really constructed in the steel mill and it is assembled on the spot.

Mr. CONNERY. Yes.

Mr. LaGUARDIA. As I read this bill, it is not sufficiently broad to reach out and compel the prevailing rate of wages in the particular material built for that building.

Mr. CONNERY. I see what the gentleman is after; and while I heartily sympathize with his views on that, if we started in to take materials in connection with this, we would cover many, many industries in the United States, including the United States Steel Corporation, and we would be telling them what wages they would have to pay in that industry. We thought that was too big a field to cover at this time.

Mr. LaGUARDIA. There is a difference between material like brick and cement which may be used anywhere and the steel structure that is made for that building and that building alone.

Mr. CONNERY. Yes; but it would affect the bricks and everything else that is manufactured, and the Government would be regulating the wages of private industry. The committee thought that was a little too far to go at this time. I heartily sympathize with the views of the gentleman from New York.

Mr. LINTHICUM. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Maryland [Mr. Linthicum].

Mr. LINTHICUM. I called upon the gentleman with a committee to ascertain whether when work was being done by the United States Government the wage scale would be protected.

Mr. CONNERY. That is in the bill.

Mr. LINTHICUM. That has been taken care of in the bill, has it?

Mr. CONNERY. That has been taken care of.

Mr. LINTHICUM. What has been done with reference to Government contractors bringing labor from other States?

Mr. CONNERY. We did not touch that, for we feel that under this bill, if passed, that will take care of itself. We had an example in New York where they brought in men from Alabama to work on a veterans' hospital. The only reason they brought them there was that they could pay them small wages. But when the wages are to be determined by the Secretary of Labor, and the contractors know they have to pay workers a certain amount, they are not going to bring workers to New York from Alabama. This practice will be stopped once rates of pay have been determined

Mr. LINTHICUM. I think in the case of the new post office we built in Baltimore, it was built almost entirely by Chicago labor. I do not think any of our Baltimore people had anything to do with it.

Mr. CONNERY. We want to deal with such situations. I would like to say to the gentleman that if this bill becomes law and we find such conditions still exist, I feel sure the committee will bring out another bill that will remedy

Mr. SPARKS. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. SPARKS. I observe the bill provides that the advertised specifications for every contract shall contain a statement by the Secretary of Labor as to the prevailing rate of wages. Now, between the time of the advertising of the specifications for the contract and the time of the actual work of building there might be a change in the prevailing rate. Should not that possibility be provided for in the bill?

Mr. CONNERY. No; I think as a practical matter that will take care of itself, because you will notice if the wages go up or down the cost is taken care of.

Mr. BLANTON. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BLANTON. I want to ask the gentleman from Massachusetts about work done by the Government. Several years ago Smedley Butler down here at Quantico found himself in possession of a lot of surplus material. He used that material in building beautiful homes for the officers over there and good barracks for the men, using his own men. Is this bill going to require an officer who does work like that somewhere else to pay prevailing rates of wages to the men?

Mr. CONNERY. No. Mr. BLANTON. The Government can still do that kind of work in its own interest?

Mr. CONNERY. Yes.

Mr. BLANTON. That is what I wanted this RECORD to show clearly.

Mr. O'CONNOR. This only applies to contracts.

Mr. CONNERY. This only applies to contracts where the Government is a party and where the Government is doing its own work by hired labor.

Mr. GRANFIELD. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. GRANFIELD. Mr. Chairman, at a previous session the Congress passed what is known as the Davis-Bacon Act, which provided regulations for the payment of the prevailing rate of wages in the localities in which public buildings were being erected. As I understand this bill, it provides supplementary legislation to the Davis-Bacon Act; that is, among other considerations, it predetermines the prevailing wage on contracts, so that the contractor may know definitely and in advance of the submission of his bid what the approximate labor cost will be.

Mr. CONNERY. Yes.

Mr. GRANFIELD. You believe that this legislation will prove advantageous to the contractor, the employee, and the Government?

Mr. CONNERY. It amends that law.

Mr. WOLVERTON. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. WOLVERTON. I have given this proposed legislation careful consideration. I have considered it in the light of the situation that developed in my own city of Camden, N. J., where the Government is now engaged in constructing a post-office building. Innumerable disputes have arisen over the question of what is the prevailing rate of wages which the contractor is required to pay under the Davis-Bacon Act. The dissatisfaction and discontent growing out of these disputes have resulted in strikes-holding up the completion of the building and creating a spirit of bitterness between the contractor and his employees. All of these unfortunate occurrences would have been avoided had the provisions of this present bill been operative. Furthermore, the charge has frequently been made that contractors to whom have been awarded the construction of Federal buildings have imported cheap labor from other sections of the country and have endeavored to supplant

the local worker by giving employment to the imported cheap labor. This condition has naturally brought forth a justified protest against such an unfair and improper practice. The bill now before us would have prevented such a situation, because the rate of pay would have been determined before the work was started. When the contractor can not individually receive the benefit of reduced pay to workers there will be no inducement to bring in cheap labor or beat down the prevailing rate of wages. This legislation is particularly necessary at this time, when there is a tendency upon the part of some to take advantage of our economic conditions and reduce to even a lower level our wage scale.

The purpose and intent of the Davis-Bacon law, requiring employers to recognize and pay the prevailing rate of wages in the locality where Federal work is being done, is fundamentally sound and just. I was glad to give my support to that act, and likewise glad to support the present proposed act, because it will preserve and make more effective the provisions of the original law.

The passage of this bill will tend toward a more intelligent bidding by contractors on public works and will be highly beneficial to labor in that it will remove very largely all possibility of labor troubles in connection with the construction of Federal projects. I sincerely hope that the proposed law will receive the favorable consideration of the

Mr. HOLMES. Will the gentleman yield?
Mr. CONNERY. I yield.
Mr. HOLMES. This does not involve any road construction work at all?

Mr. CONNERY. No; it does not touch roads. The bill just applies to public works.

Mr. Chairman, I reserve the balance of my time.

Mr. BLANTON. Mr. Chairman, I realize I am doing a futile thing in raising any opposition to this bill. There is no chance in the world to stop its passage, any more than there was a chance to stop the passage of the antiinjunction bill. Both of them were greased. One has gone through the House already, and this shortly is going through the House in like manner. In my judgment both will be declared unconstitutional by the Supreme Court whenever the issue reaches there.

But there are some things about this bill that ought to be discussed as we go along. I am thinking about the effect of this kind of a measure on the body politic of the United States. Every one of us here is a friend of the rural carrier. We have been the loyal, dependable friends of our rural carriers in every district in the United States. We have done much for them, but I will guarantee right now that every single Member of this House during the past two or three months has been getting complaints from citizens of his district about what the rural carriers are getting from the United States Government. Such complaints are coming to all of us. There are idle, starving men in your cities who now watch the rural carriers because they are the Government employees who come in direct contact with them, and they are claiming that some work 3, 4, or 5 hours a day and get big wages, and they can not get a dollar themselves, when they are anxious to work.

Now, when you pass to the people of the United States the fact that Congress here in Washington has prescribed with respect to all the Government works scattered over the United States, hundreds of millions of dollars to be spent, and that you have provided to pay, for instance, the carpenters \$11 a day, the ones who are fortunate enough to get work on these public jobs, that you have got to pay them \$11 a day out of the Public Treasury when there are thousands of carpenters without work and have been without work for months, who would gladly work for \$5 or \$6 a day, you are going to create dissatisfaction all over the United States against the very men who get these jobs. That is inevitable. Can the Congress afford to do that thing in this time of turmoil and stress and want of confidence?

Mr. HOLMES. Will the gentleman yield?

Mr. BLANTON. Certainly.
Mr. HOLMES. The gentleman wants to be fair?

Mr. BLANTON. Certainly; and I am thinking of the whole 120,000,000 people; and, listen, I want my friend to remember this: I am not merely the representative of the 400,000 people who live in my particular district. You are not merely the representative of the people who live in your district. We are the representatives of the 120,000,000 people who live in the United States, and it is our sworn duty, it is our bounden duty, to look out for the interest of them as a whole and not for a particular section or corner of the United States.

Mr. HOLMES. I fully agree with my colleague, but the prevailing rate in my district is \$9. That will be the rate which will be predetermined.

Mr. BLANTON. No. Whenever they learn that the Gov-ernment is paying \$11 per day to carpenters here and is spending hundreds of millions of dollars here in Washington, \$17,500,000 on the Hoover monument down here at Seventeenth Street, and that is the greatest monument to extravagance that any successful business man has ever witnessed, your \$9 per day carpenters are going to rebel. I want to tell you that you do not often fool seasoned statesmen like WILL Wood. You know, there is an old saying down in my

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BLANTON. They fooled my friend from Chicago, but they do not fool my friend from Indiana often.

Mr. CHINDBLOM. As the gentleman has referred to me, why does he not yield to me?

Mr. BLANTON. I will yield later. There is an old saying down in my district that lots of different kinds of trees are fooled by the early frost, but there is one tree that is never fooled, and that is the old mesquite tree, that weathers all the elements. Whenever you begin to see it bud out you can just bet your life that spring is here and winter is over. And just like that old mesquite tree you do not often fool the statesman from Indiana.

When Will Wood got up on this floor and said that Herbert Hoover was the most extravagant piece of furniture with which this Government had ever been afflicted he told the God's truth. And down deep in his heart he still believes it. Now, whenever citizens of the United States find out that on the public works of Washington the carpenters here, because they have galleries around the House to be filled with their representatives when you do not do as they want you to do-whenever the people find out that these carpenters here in Washington on public works are refusing to take \$9 a day when people are starving, and they are demanding their \$11 a day-and after you pass this bill that is going to be the prevailing rate of wages for carpenters on public works in some big cities-you are going to find carpenters by the thousands everywhere without jobs rising up in dissatisfaction and cursing the Congress and cursing the Government.

Mr. CHINDBLOM and Mr. TABER rose.

Mr. CHINDBLOM. Now will the gentleman yield?

Mr. BLANTON. First I will have to yield to my friend from Chicago.

Mr. CHINDBLOM. Referring to the Hoover monument, as my friend called it-

Mr. BLANTON. Monument of extravagance, I said. What does the gentleman think about it?

Mr. CHINDBLOM. Does the gentleman know that that project originated back in 1913 under the Wilson administration?

Mr. BLANTON. Well, if it did, it originated only in the mind of Herbert Hoover.

That great big monumental extravagance down there that they call the Department of Commerce Building is Herbert Hoover's baby; and I want to say it is not merely the \$17,500,000 building, it is not merely the \$30,000,000 of ground it stands on, it is not merely the \$7,000,000 of splendid buildings they tore down in order to build that structure, but every single bureau in that great department is a monument to extravagance.

Mr. CHINDBLOM. As long as the gentleman keeps to the facts I do not object, but it is a Wilson proposition, originated in 1913.

Mr. BLANTON. And yet the great war martyr can not sleep in peace. That Department of Commerce Building has "Hoover" all over it.

Mr. TABER. Will the gentleman yield for a question about the bill?

Mr. BLANTON. I will.

Mr. TABER. The bill provides for increases in wages, provided the prevailing rate should increase, and it also provides for decreases, provided the prevailing rate should decrease. Does the gentleman believe that under the bill a decrease would ever be determined upon which would benefit the Government?

Mr. BLANTON. Never in the world, and the gentleman knows it. The gentleman answered his question when he asked it, and he knows it.

I want to say this about public business. Every one of you Congressmen who is a man of business, when you go home, if you are going to construct a building with your money for yourself, what do you do? You advertise for the lowest responsible bid, and you give your contract to the one who offers the lowest substantial bid in accordance with the specifications. You let your contract to the lowest substantial bidder, because it is your duty to yourself and your family to save your money and not waste it. What has the Government been supposed to do throughout all these years? It has been supposed to advertise for the lowest substantial bid.

It is to the interest of the people of the United States to let these contracts to the lowest substantial bidder and to get their buildings erected in accordance with the lowest substantial bid. But what are you doing with this kind of bill, and what have you done with such bills as the Bacon bill? You have fixed it so that the Government of the United States can not get its construction work for the lowest substantial bid. It will have to pay more than double on every project.

How long are the people of the United States going to stand for this?

Mr. GILBERT. Will the gentleman yield?
Mr. BLANTON. I yield to the gentleman from Kentucky.
Mr. GILBERT. The effect of this bill is to the advantage of laborers who are employed as against the unemployed. and to the advantage of labor over the taxpayer and to the disadvantage of everybody except a certain class.

Mr. BLANTON. Certainly. My friend from Kentucky. who sat with distinction on the circuit bench in Kentucky, has an analytical mind and he can look right through things and see the heart of them. He has seen the heart of this bill

This is not the proper kind of legislation to enact. want to say that the American people are tired of this kind of legislation. Do you know what was done yesterday in the city in which I was born, Houston, Texas? There were 7.770 citizens who in one day signed a telegram to Senator SHEPPARD and to every Member of the Congress from Texas, telling the Members of Congress from Texas that they demanded that we cut appropriations, that we effect economy and that we help to adjourn this Congress and go home. That was the longest telegram ever received in this Nation's capital.

Mr. BOILEAU. Will the gentleman yield? Mr. BLANTON. In just a moment.

What are you going to do against such public sentiment as that? And that is the sentiment everywhere. If you do not obey it, I will tell you what is going to happen. You know what happened in Iowa yesterday. A man does not get so big here in this House of Representatives and he does not get so big in the Senate of the United States that the people, when they get tired of him, can not take him out, and the people are going to take them out this year if we do not pay some attention to what they want done.

I now yield to my friend.

Mr. BOILEAU. I wish to state that in my district they are building a post office, and common labor is now getting 35 cents an hour. Does the gentleman think that is too much protection for the laboring man?

Mr. BLANTON. That same situation exists everywhere. Here is what the gentleman is going to do by this bill. He is going to let those fellows out there know that Washington carpenters are getting \$11 a day. They are going to demand it, and the ones who get the work on the jobs are going to get the \$11 a day and the starving thousands all around there are going to see their wives and little children with faces drawn for want of food, and they are going to rise up in rebellion against men getting \$11 a day when they can not get a day's work at any wage and can not make a dollar.

Mr. BOILEAU. I wish to say to the gentleman that every other contractor there is paying 40 cents an hour, but on this building they are only paying 35 cents an hour.

Mr. LEHLBACH and Mr. EATON of New Jersey rose.

Mr. BLANTON. I yield first to the gentleman from New Jersey, who as former chairman of the Civil Service Committee, has been more responsible than anybody else for the higher-ups in Washington getting all the money and the lower-downs getting it in the neck.

Mr. LEHLBACH. I want to ask the gentleman whether he got that telegram, signed by over 7,000 Texans, before or after he voted for the \$2,000,000,000 pork barrel. [Ap-

plause.]

Mr. BLANTON. The gentleman from New Jersey knows how I stand on such questions.

Mr. LEHLBACH. I know how the gentleman voted.

Mr. BLANTON. The gentleman from New Jersey knows that I am a Democratic and a member of the Democratic Party. The Democratic Party has always stood for the people, and the gentleman from New Jersey knows that to be a proper party man, when your party speaks, you have to obey your party or you would not have party responsibility. And there must be party responsibility if the people are to have any protection at all.

Mr. LEHLBACH. Then you admit that your party was wrong?

Mr. BLANTON. I do not; I am not here to say that my judgment is better than the judgment of my party. I am here to say that when my party organization in this House speaks, I support my party organization.

Mr. HORR. Will the gentleman yield?

Mr. BLANTON. I will yield to the gentleman from Washington, who was kept up until 3 o'clock in the morning, being talked to by the President until it was too late to take the Government airplane for the Washington State convention.

Mr. HORR. The gentleman says that he will follow the dictates of his party. The last party platform of the Democratic Party in Texas was wet. Are you for it? [Laughter.]

Mr. BLANTON. Well, now, no one but a novice would ask a question like that. [Laughter.] The gentleman is a stranger to politics. His question shows how little he knows about public affairs. Why, the State convention of Texas does not nominate me. It does not nominate a Congressman from Texas. If I were nominated by the State convention of Texas I would have to follow its mandate. I would follow any convention that nominated me, or I would resign.

Mr. HORR. Will the gentleman-

Mr. BLANTON. Now, just a minute. I am nominated by the people of my district. I am going to follow the people of my district. Whenever the people of my district vote that they want a certain thing, I will carry out their will or resign.

Mr. HORR. Will the gentleman yield?

Mr. BLANTON. No; the gentleman from Washington has taken up more time than the discussion deserves. We have let this youngster get in here and debate a lot of times. I like the gentleman from Kansas [Mr. McGugin] to get in, because he would get in anyway. [Laughter.] We have been mighty kind to the gentleman from the Northwest [Mr. Horr], and I will tell you why I am kind to him. When

Mr. BOILEAU. I wish to state that in my district they he goes back home, I want him to go back with a kind building a post office, and common labor is now getting feeling for everybody here. [Applause.]

Mr. HORR. I hope the gentleman will allow me to have a good time while I am here. [Laughter.]

Mr. BLANTON. Now, Mr. Speaker, I can not take up any further time. I want to say that this is a very important bill. You ought to pause before you pass it.

I believe that there is no better class of people in this country than the men on the farm. I want to tell you that to-day, since they have been turned out under Government orders, under judgments of foreclosure, by quasi-Government institutions, like the Federal farm banks, and had their wives and children turned out, because, on land that cost \$40 and \$50 an acre, there was a little \$7 an acre mortgage, some are becoming radical, some are becoming anarchists, some few are becoming to hate our Government, and if you do not do something to stop it you will have a revolution in the United States.

What are you going to do about it? Are you going to let a bill like this pass without speaking against it—a bill that is in behalf of a few against the many without raising your voice against it? I have done what I could to stop it, although I feel that it is a vain endeavor.

Now, Mr. Chairman, at the request of the minority leader, I yield 15 minutes to the gentleman from Oklahoma [Mr. Garber].

Mr. GARBER. Mr. Chairman and members of the committee, in the brief time at my disposal I regret to say that I will not be permitted to yield for interruptions. If, however, at the conclusion of my remarks any time remains, I will be glad to do so. What I shall say will not be intended as any criticism of individuals, but of the policies of the party which they represent.

The recent refusal of the Secretary of State to participate in any international conference at Lausanne, Geneva, London, or elsewhere unless the subject of war debts and reparations and tariffs be expressly excluded, brings out in bold relief the fixed and settled policy of this administration in reference to those important subjects in which all of the people are directly interested. Such refusal was equivalent to saying to the foreign debtor nations, "With such subjects we have nothing to do; the problems involved in them are problems for you to determine among yourselves; your debts have no relation to reparations. When we entered into final settlement and canceled 50 per cent of your indebtedness to us and you finally agreed and affixed the signature of your nation which was subsequently approved by your legislative authority, your promise to pay was not conditioned upon your ability to collect from Germany, and we shall expect you to meet your payments as they become due." Such is the policy, the fixed and settled policy, not by theory, not by word of mouth, but by actual execution on the part of this administration. It is in sharp contrast to the policy of the Democratic Party as declared by its leaders. Cancellation of war debts in consideration of trade advantages has been insisted upon by the titular leader of the Democratic Party, Alfred E. Smith, and the submission of the reduction of our tariff duties to international economic conferences is a legislative commitment of the Democratic Party as embodied in its rateless tariff bill passed in this House by the Democratic majority during this session of Congress.

Mr. BLANTON. Mr. Chairman, will the gentleman yield? Mr. GARBER. Yes.

Mr. BLANTON. The minority leader [Mr. Snell] asked me to yield the gentleman from Oklahoma 15 minutes, which I did.

Mr. GARBER. And I appreciate the gentleman's generosity

Mr. BLANTON. I want it understood, however, that when I yielded the time to the gentleman I knew nothing of its nature and was not responsible for the character of speech he is now making.

Mr. SNELL. Oh, the minority leader takes the responsibility for the character of speech the gentleman is making.

Mr. BLANTON. I just wanted to place the responsibility where it rightfully belongs.

Mr. GARBER. Being unable to answer it prompts the! objection of the gentleman from Texas. This fundamentally has to do with American labor not included within the provisions of this bill and for which the Government is equally responsible to establish a prevailing rate of wage. The distinguished gentleman from Illinois interpreted the provisions in this rateless tariff bill in certain comments he made upon a resolution which was recently presented to the President by a minority of the railroad brotherhoods. This resolution provided, and it is very important to notice its provisions, for the appointment of a commission to be composed of five members to be known as the international trade and war debt commission, with authority to grant 25year moratoria of foreign debts owing us in consideration of trade advantages. In his comment of approval upon such resolution the distinguished gentleman from Illinois [Mr. RAINEY] among other things, in part, said:

I have read with a great deal of interest the statement of the railroad brotherhoods addressed to President Hoover. This is the first statement I have seen from a responsible organization which points out exactly the reasons for the unfortunate economic conditions in which the country now finds itself. The nations of the world are interdependent, and they must trade with each other. Foreign nations owe us immense amounts, and they can not pay us in gold. They can only pay us in goods. We can grant further moratoriums, but they must be granted in return for trade advantages, and trade advantages can only be accomplished by lowering of tariff walls all over the world. By lowering tariff walls we can restore international trade. The country is indebted to the brotherhoods for the plain, forceful, indisputable declaration they have just issued in their plea to President Hoover, and the whole thing is up to him. If the policies of his party keep him from suggesting to Congress the obvious remedies, the time has come to turn this Government over as speedily as possible to a party which will carry into effect the suggestions of the railroad brotherhoods.

The able and efficient majority floor leader assures the country that when elected a Democratic President will immediately proceed to carry into effect the party policy as expressed in the resolution and the rateless tariff bill, viz, to appoint a commission to hold international economic conferences with our foreign debtor nations, remove barriers and restrictions as expressed by the distinguished gentleman from Texas, and as construed by the floor leader for the granting of moratoria in consideration of trade advantages and the lowering of tariff walls. The procedure in the execution of this policy will be:

First. The appointment of a commission of five members to be known as the international trade and war-debt commission.

This of itself will be a shock to the country in view of the wholesale denunciation of bureaus, boards, and commissions by a Democratic majority without having abolished a single one. When appointed by a Democratic President, it will be a Democratic commission with its flock of economists, legal advisers, international law experts, clerks, secretaries, and stenographers. The members of the commission will be internationally minded, in sympathy with the 25-year moratoria, the cancellation of foreign debts, and the lowering of tariff walls.

Who would be the logical appointees on such a commission? Who would most closely typify such a policy? The answer is obvious. Alfred E. Smith, the titular leader of the Democratic Party; John W. Davis and James M. Cox, former nominees of the Democratic Party for the Presidency; Newton D. Baker, Secretary of War under Wilson, all recognized outstanding national leaders of the Democratic Party. And we might include John J. Raskob as their budget director. Such a commission would not only be representative of the party and policy but would be preeminently satisfactory to the international bankers supporting such policy.

The international bankers are the gentlemen who cleaned this country of its cash in making foreign loans and unloaded millions of worthless foreign securities upon the banks of the country for enormous commissions to themselves. They have contributed more to the cause and continuance of the existing depression than any other class.

Second. The second step in the Democratic policy will be a congressional authorization to the international trade and foreign-debt commission to grant a moratorium to any

debtor nation for 25 years in consideration of trade advan-

A 20-year moratorium was declared to be the Democratic policy by Alfred E. Smith, the titular recognized leader of the party, but that period has now been extended to 25 years by the majority floor leader which causes the uninformed to inquire: "What does a 25-year moratorium mean?"

It means the absolute cancellation of foreign debts to us, and in turn what does that mean? The increase to the amount of such debts to be paid by the taxpayers of this country.

In order to secure a settlement of the debts owing us by foreign nations, we forgave the payment of approximately \$6,000,000,000, leaving a total balance due of \$5,800,000,000. We canceled the obligations of Belgium to the extent of 53.5 per cent; the obligations of Czechoslovakia, 25.1 per cent; the obligations of France, 52.8 per cent; the obligations of Great Britain, 19.7 per cent; the obligations of Italy, 75.4 per cent; of Poland, 19.5 per cent; of Rumania, 25.1 per cent; and of Yugoslavia, 69.7 per cent.

Such reductions were necessary in order to secure the settlements then made. We were assured that economic recovery and trade advantages would follow. And now the Democratic Party calls upon the country to cancel the balance and thus shift the payment of the total of \$12,000,000,000, with interest, to the breaking backs of the American taxpayers, and assures us that they would immediately proceed to carry out their policy of granting moratoria if it were not for a Republican President in the White House.

The debts owing us by foreign countries are not barriers to trade. They are an insignificant part of the budget of each debtor nation. In the budget of Belgium, the percentage of our debt is 2.45; in the budget of Great Britain, it is 3.75 per cent; Italy, 1.41 per cent; France, 2.65 per cent—insignificant items in their budgets, too small to be a factor in international trade, and yet the taxpayers of those countries are not being called upon to pay a single dollar of such indebtedness. It is being paid by the reparations from Germany.

When reduced to equal annual installments, foreign-debt payments amount to only \$317,000,000 per year, although because of the graduated increase throughout the period of 62 years we have not received such annual amounts to date, and will not for some time. And yet we are compelled to pay the interest charges on the total of \$12,000,000,000, representing our loans to foreign countries, in the amount of about \$500,000,000 annually! Since the date of settlement of foreign debts all the payments made to us added together and deducted from the interest we ourselves have paid on the amounts thus loaned leaves a deficit of \$2,369,000,000 up to the end of this fiscal year! Approximately the amount of our 2-year deficit.

The barriers of international trade with us are not foreign debts but foreign armaments which we can not cancel by economic conferences, moratoria, and the reduction of tariff duties. According to the latest reports of the War Department, the total organized forces of France are 6,942,559; Italy, 5,985,597; Poland, 1,977,095; Rumania, 1,725,660; Czechoslovakia, 1,647,121; Yugoslavia, 1,341,568; Great Britain, 744,646. Here is the cause of their decreased capacity to trade with us. They are staggering under the ever-increasing burdens of maintaining their war establishments on a war basis. Thirteen years of such policy have exhausted their resources almost to the point of collapse.

In January, 1931, the last year in which any payment on account of principal and interest was received, the sum of \$215,000,000 was paid to the United States Treasury on the war debts. This amounted to but one-half of 1 per cent of the estimated national incomes of the countries which made the payments and but 2.7 per cent of their annual budgets. From the standpoint of economics, the payments amounted to but 1.1 per cent of the total volume of the foreign trade of the debtor countries—an almost negligible percentage, insufficient to be a material factor in world trade, while for armaments alone they spent eight times as much as they were called upon to pay us on our war-debt account, or \$1,800,000,000.

Our peace conferences for relief from such conditions have been unavailing. Compare such establishments with our own:

Our Budget for military activities (\$300,000,000 out of a total Budget of \$4,000,000,000) amounts to about 7 per cent of total Federal expenditures. The best available figures for foreign expenditures on this same basis are:

Per	cent
France	17.4
Great Britain	7.9
Italy	25.4
Japan	13.1

The budgets for military activities as compared to the national wealth of the great powers for the fiscal year 1930 are approximately as follows:

France	0.64
Great Britain	28
Italy	ACCOUNT OF THE PARTY OF THE PAR
Japan	21
Germany	16
United States	. 08

Of the nations of the world, 16 maintain armies larger than that of the United States. I give them in the order of their aggregate organized military strength: France, Italy, Soviet Russia, China, Spain, Japan, Poland, Rumania, Czechoslovakia, Yugoslavia, Sweden, Great Britain, Switzerland, Belgium, Greece, Portugal, and United States.

Third. The third step to be taken in the execution of the Democratic policy by the proposed international trade and war-debt commission is the securing of trade advantages by the lowering of tariff walls, and, of course, to a competitive basis.

This, too, is satisfactory to the international bankers. With the aid of cancellation by moratoria and the lowering of tariff walls by international conferences, it is hoped that such policy would bring their foreign loans to par and assure their collection and the payment of additional commissions.

Since the world economic conference of 1927 to remove barriers and restrictions upon commerce without results, we have witnessed the failure of no less than seven international economic conferences held for the same purpose; the two league conferences of 1927–28 for abolishing arbitrary obstacles to trade; the three conferences of 1930–31 on the tariff truce; the Austro-German customs union scheme of March, 1931, embodying the open-door plan; and the Danubian States 4-power conference in London in April,

All such efforts have proven fruitless and not a single country signatory to the agreements then made has put forth the slightest effort to carry them out. On the other hand, they have increased their tariffs, not in the way of retaliation, but in their desperate efforts to raise revenue and protect their own industries.

As justification for the indefensible policy of permitting foreign products to compete in our home market, we are told that the alleged high rates in the existing law have caused retaliatory tariffs and a loss of foreign trade.

To begin with, a retaliatory tariff is economically unsound and of short life because it taxes the people of the country that imposes it. As soon as the consumers feel the tax on their consumption they repeal it. When informed they refuse to cut off their own noses to spite their own faces.

To illustrate, how long would the people of this country stand for a retaliatory tariff on coffee, sugar, tea, or other articles of necessity which we do not produce in this country? They would hurl the party from power that imposed them. The people would stand for a tax for revenue to balance the Budget but not a tax in retaliation.

If there are any retaliatory tariffs, they will soon be repealed, but investigation will disclose that the so-called retaliatory tariffs are either for revenue to meet the financial straits of the governments or are imposed for protection to diversify their production and make them self-sustaining.

The international bankers led the fight against the existing tariff law and they are now leading a fight for its repeal. As declared by the Democratic floor leader:

It is the economic policy of the Democratic Party to lower tariff walls so that debtor nations will be able to pay us in goods.

In this critical period, when jobs for the unemployed are conceded to be the only remedy, it is pertinent to inquire:

"Payment in what goods?" Is it to be payment in goods that we do not produce in this country? No! Such goods are already on the free list. There is no tariff wall to lower in respect to them. The payment is to be made in goods in kind produced in this country upon which there is a rate to protect our home labor against the competition of such products by the cheap labor of foreign countries. On such products, the tariff rates protecting home labor are to be lowered so that debtor nations may pay their debts in such goods.

Including private loans, our foreign debtor nations are owing us approximately \$17,000,000,000. The Democratic program would permit such a staggering amount to be paid us in goods by the foreign debtor nations. Not in goods we do not produce in this country, such as coffee, tea, sugar, rubber, silks, and so forth, but in goods which we produce in this country and on which there is a tariff duty to lower.

This is the menacing threat of such a policy. It would collect our foreign debts in goods, reducing our exports and increasing our imports. It would give the job of producing on the farm and in the factory to the foreign producer instead of our own and depress the price level in our domestic market to that of foreign countries where wages are less than half of what they are here and where the standards of living are much lower.

In other words, at a time when our home market is glutted and piled high with surpluses of such products, with many closed factories and others running only half time, and an ever-increasing army of unemployed, the Democratic Party says to the country:

Restore us to power in the coming election and we will appoint an international trade and war-debt commission to hold international conferences with our debtor nations. We will authorize such a commission to grant a 25-year moratorium of foreign debts for trade advantages and lower our tariff walls to facilitate such advantages so that debtor nations may pay us in goods.

Such is the economic policy of the Democratic Party. Such is the policy as declared by the distinguished gentleman from Illinois and the national leaders of the party. Of course, it will be clothed in deceptive but plausible linguistic habiliments, sugar-coated with pleasing platitudinous phrases and generalities, coupled with vicious and violent denunciation of the iniquitous and indefensible rates in the present tariff law. In farm sections they will denounce the industrial rates to win the farm vote; in the industrial sections they will denounce the farm rates to win the industrial vote; and in all sections they will denounce the existing rates as "the robber tariff," causing the continuance of the existing depression.

Such will be the denunciation from one end of the land to the other, from every platform, but mark the prediction—the country generally will pertinently inquire:

Gentlemen, with your majority in the House of Representatives, when you passed your rateless tariff bill, why did you not reduce the "exorbitant" rates which you claim are causing this depression?

A 25-year moratorium simply means future trouble and final cancellation, a shifting of the war debt to the bent backs of our already tax-ridden people and to industry, the lowering of our tariff walls and increased surpluses, increased unemployment, lower prices, and lower wages.

Let us briefly examine the existing rates upon which such a violent assault has been made and will continue to be made in the coming election. To what extent are our imports required to pay tariff duties? The following table from the Department of Commerce shows the quantity of our imports, free and dutiable, for the calendar year 1931 and the 3-month period beginning with January 1 and ending March 31, 1932:

Free		Dutiable Total		Net receipts from customs	
Calendar year 1931	\$1, 396, 616, 114	\$695, 607, 847	\$2, 092, 223, 961	\$353, 969, 953	
January-March (inclu- sive), 1932	270, 217, 292	124, 481, 788	394, 699, 080	69, 571, 652	

From the above table, it will be seen that our imports for the calendar year 1931, duty free, were of the value of \$1,-396,616,114; that the value of the imports paying duty was \$695,607,847; that the total value of all imports was \$2,092,-223,961, and the total net receipts from the collection of the tariff duties on such imports was \$353,969,953, the amount of revenue collected under the Smoot-Hawley law for the year 1931 for the benefit of all the taxpayers in the country, and for the protection of the products of American labor and the American farmer.

Under normal conditions, two-thirds of our imports are on the free list and only one-third pays duty. In the existing law there are 3,218 specifically mentioned dutiable items, not including, of course, the miscellaneous job lot of sundry small items carried in the basket clause. Of these 3,218 items, 66 per cent remained just as they were in the Fordney-McCumber Act of 1922. I repeat, on 66 per cent of all the dutiable articles in the Smoot-Hawley Act, no change whatever was made. This left only 1,122 on which the rates were changed by the 1930 law. Thus we see, in the first instance, only one-third of the articles imported are dutiable, and in the second instance, the rates have been changed on only one-third of that one-third of the articles imported.

Let us further investigate the actual provisions of the law. Forty-seven products were taken from the free list and placed in the dutiable list. Seventy-five products were taken off the dutiable list and placed on the free list. Of the 1,122 products on which the duties were changed by the provisions of the Smoot-Hawley law, 235 were decreased and 887 increased.

Agricultural rates were raised from 38.10 per cent to 48.92 per cent, or an increase of 10.82 per cent. Industrial rates were increased from 31.02 per cent to 34.31 per cent, or an increase of 3.29 per cent. Thus we see that the rates on farm products were increased more than three times the increase on industrial products. Duties levied on agricultural raw materials and compensatory duties allowed to industries using these raw materials amount to 68 per cent of the total increases in the 1930 act.

It is only fair to state that Democratic Members, as a general thing, supported the existing duties when they applied to products produced in their own districts, but when it came to a question of supporting the bill as a whole, upon its final passage, they were governed by their ancient doctrine of free trade and tariff for revenue only or a competitive tariff and voted in opposition as they voted against the Fordney-McCumber bill in 1922.

The latest legislative record we have of Democratic tariff rates is embodied in the rates of the Underwood Act, passed by a Democratic Congress and signed by a Democratic President in 1913. Let us compare the rates in that Democratic act with the rates of the Fordney-McCumber Act of 1922 and the Hawley-Smoot Act of 1930 and ascertain to what extent the rates in those acts afforded protection to products of the American farm.

Cattle weighing less than 700 pounds were on the free list in the Underwood Act of 1913; in the Fordney-McCumber Act a duty was provided of 1½ cents per pound; and in the 1930 act we increased this rate to 2½ cents per pound. Under the Underwood Act a 700-pound steer came in free of duty; under the Fordney-McCumber Act of 1922 it paid \$10.50; and under the 1930 act it is required to pay \$17.50.

Why did we increase the rate? Because in 1929, 245,834 head of cattle came in from Mexico, where land is rented at from 5 to 6 cents per acre and labor costs run from 37½ cents to \$1 per day, where cattle are produced for less than half of the cost of production in the United States. In 1929 a total of 503,269 head of cattle was imported into this country for competition in the home market with the product of American farms.

Faced with these conditions, we raised the duty from 1½ to 2½ cents on stocker and feeder cattle and from 2 cents per pound to 3 cents per pound on cattle suitable for slaughter. To-day, the owner of a fat steer weighing 1,000 pounds will have to pay \$30 for the privilege of selling him in our market.

The act also lowered the dividing line between the two groups from 1,050 to 700 pounds, thereby having the effect of raising the duties still further on cattle weighing between 700 and 1,050 pounds.

The Underwood Act left beef and veal on the free list. The McCumber Act provided a duty of 3 cents per pound. We doubled that rate in the 1930 tariff act, increasing it to 6 cents per pound. Why? Because in 1929 there were imported from foreign countries 42,882,353 pounds of beef and veal, with a total valuation of \$5,175,649, which should have been paid to the farmers of our own country.

Under the Underwood Act swine and pork were admitted free of any duty. The McCumber Act levied a duty of ½ cent per pound on swine and ¾ cent per pound on pork. We further increased those rates in the 1930 act to 2 cents per pound on swine and 2½ cents per pound on pork. Why? Because in 1929 swine weighing a total of 613,797 pounds and 4,124,690 pounds of pork came into our markets from foreign sources.

The Underwood Act levied no tariff on sheep, mutton, and lamb. In the McCumber Act we provided a duty of \$2 per head on sheep, 2½ cents per pound on mutton, and 4 cents per pound on lamb. In the 1930 act we raised the rate on sheep to \$3 per head, doubled the rate on mutton, and increased the rate on lamb to 7 cents per pound. Why? Because in 1929, 27,480 head of sheep were imported into this country and 4,810,750 pounds of mutton and lamb entered our markets from foreign sources, representing a share in our home market on these two products alone worth \$683.363.

Scoured wool was on the free list in the Underwood Act. The McCumber Act taxed it at 31 cents per pound and in the 1930 act we raised that rate to 34 cents per pound. Why? Because in 1929 we shared our home market in this commodity with foreign countries to the extent of 49,389,874 pounds, valued at \$15,088,768.

Live and dressed poultry came in under the provisions of the Underwood Act with a tariff of 1 cent per pound. In the McCumber Act we increased the rate on live poultry to 3 cents per pound and on dressed poultry to 6 cents. The Hawley-Smoot Act of 1930 further increased those rates to 8 and 10 cents per pound on the live and dressed products, respectively. Why was this further increase considered necessary? Because in 1929, 6,700,276 pounds of poultry, dead and alive, valued at \$1,881,120, were imported into our markets to compete with the products of our home farmers.

Fresh eggs were on the free list in the Underwood Act. The McCumber Act levied a duty of 8 cents per dozen, which we increased in the 1930 act to 11 cents per dozen. Why? Because in 1929, 307,912 dozen eggs were imported into the American market from foreign countries.

Butter was taxed at $2\frac{1}{2}$ cents per pound in the Underwood Act. This rate was increased to 8 cents per pound in the McCumber Act and further increased to 14 cents per pound in the 1930 act. Why? Because in 1929, 2,772,746 pounds of butter were imported into our markets at a loss to our farmers of \$1,036,378.

Cream was imported into this country free of duty under the provisions of the Underwood Act. The McCumber Act levied a duty upon it of 20 cents per gallon, which we practically tripled in the 1930 act by increasing the rate to 56.6 cents per gallon. Why was such a sharp increase considered necessary? Because foreign countries imported into our markets in 1929, 2,969,889 gallons of cream, valued at \$5.194.482.

Under the terms of the Underwood Act milk likewise came in free of duty. In the McCumber Act a duty of 2½ cents per gallon was levied upon it which we increased in the 1930 act to 6½ cents per gallon. Why? Because in 1929, 4,245,833 gallons of milk were imported into our home market to compete with the product of the American farms.

Cheese and substitutes were on the free list in the Underwood Act. The McCumber Act levied a duty of 5 cents per pound on them, which was increased to 8 cents per pound in the Hawley-Smoot Act of 1930. Why? Because in 1929

76,381,795 pounds of cheese, valued at \$22,282,200, were imported into our market at a corresponding loss to our home dairy farmers.

Potatoes came in free of duty in the Underwood Act. The McCumber Act taxed them at 50 cents per 100 pounds, which was increased to 75 cents per hundred pounds in the 1930 act. Why? Because in 1929 foreign countries dumped into the American market 256,550,828 pounds of potatoes, with a valuation of \$4,304,757.

Corn was on the free list in the Underwood Act. A duty of 15 cents per bushel was provided for it in the McCumber Act and increased to 25 cents per bushel in the Hawley-Smoot Act of 1930. Why? Because in 1929 there was imported into our market 407,085 bushels of corn.

The Underwood Act provided a duty of 20 cents per bushel on flaxseed. The McCumber Act increased it to 40 cents per bushel, and the 1930 act further increased it to 65 cents per bushel. Why? Because in 1929 there were imported into our markets 24,242,905 bushels of flaxseed, 23,120,204 bushels of which came from Argentina, forcing our home producers in their own market to compete with the product of the cheap lands and cheap labor of the Argentine in the sale of this commodity.

Buckwheat came in free under the Underwood Act. The McCumber Act provided for a duty of 10 cents per 100 pounds, increased to 25 cents per 100 pounds in the 1930 act. Why was the rate more than doubled by the 1930 act? Because in 1929, 7,670,688 pounds of buckwheat came into our markets from foreign sources.

Briefly summarizing, in 1929 edible animals with a valuation of \$22,183,888 were imported into our home market; meat products valued at \$40,893,474; dairy products, \$30,414,937; eggs, including dried, frozen, and prepared eggs, yolks and albumen, valued at \$8,584,960; \$20,004,180 worth of grains and preparations; vegetables and preparations, \$47,796,873; fruits valued at \$58,558,068; oilseed, \$79,335,487; unmanufactured cotton, \$53,333,212; wool (including mohair, and so forth, unmanufactured) valued at \$87,344,471—representing approximately \$450,000,000 worth of competitive farm products in the American market in 1929.

It was to shut out this ever-increasing flood of cheap foreign products that the duties were increased in the existing law. They are denounced as "the robber rates," when in fact they are simply the protective rates imperatively necessary to protect our home market from the flood of cheap foreign products coming in.

The Democratic Party now proposes to appoint a commission of five members, to be known as the International War Debt Commission, with authority to grant a 25-year moratorium to our debtor nations and lower tariff walls to facilitate advantages in trade-all this to enable our debtor nations to pay us in goods which we produce in kind in this country and of which we are already flooded with surpluses. And it is because of those very surpluses now in our midst that the tariff duties on farm products are not effective to raise the prices. They are effective, however, when high enough, to keep cheap foreign products out of this market which otherwise would be shipped in and sold in competition with our own products. Without such rates in the existing law this country would now be flooded with eggs and poultry from China and Japan; with milk, butter, and cheese from Switzerland and Denmark; with lamb, mutton, and wool from Australia; with wheat from Canada; cheap cattle and beef from South America, and all the products of the

Even under the "robber-tariff rates" of the existing law products from many foreign countries are overflowing into this market, not because the rates are too high but because in some instances they are still too low to protect against the cheaper money of foreign countries with cheaper labor and raw material.

What we need is not lower rates to increase prices but production limited to our domestic demands, with an increase of money in circulation for higher prices, to enable

us to pay our indebtedness with a purchasing power equal to that which we received when we incurred our obligations.

Whether you believe some of the rates of the existing law are too high or too low, the present law affords an effective procedure of revision and adjustment. Under its flexible provisions, anyone can make complaint to a bipartisan tariff commission. Such privilege is even extended to the representatives of all foreign countries, and the commission itself on its own initiative can make an investigation. Upon a complaint the commission affords a speedy hearing, makes a thorough investigation, and reports to the President whether the existing rate is either too high or too low when measured by the standard of the difference between the cost of production at home and abroad.

The President is then authorized to increase or lower the rate 50 per cent, and the new rate thus recommended becomes immediately effective.

The purpose of this provision is to take the tariff out of politics, to treat it as purely an economic question. The provision has done so. During the two years of its operation only one Democratic Member of Congress has filed a complaint, and that complaint was not that the rates were too high, but too low. Of the 291 investigations, 54 per cent verified the existing rates, increases were made in 16 per cent of the investigations, and decreases in 30 per cent.

This short procedure, nonpartisan, conducted by experts making their impartial investigations, based on findings of fact, permits of early revision and readjustment of rates, ironing out the inequalities and discriminations, and meeting ever-changing conditions. Such are what are referred to as the flexible provisions of the existing law. The Democratic rateless tariff bill would have repealed these flexible provisions, this shortened procedure, and required the commission to make its report direct to Congress, by which the enactment of a separate tariff bill would have been required to fix the rate on each article reported by the commission. Under such procedure during the last two years we would have had 291 separate tariff bills to enact, or more than 1 tariff bill for each day when Congress was in session.

If the alleged exorbitant rates caused our loss in foreign trade, when the Democratic majority passed their rateless tariff bill, they had an opportunity to relieve us from this depression by reducing and repealing the rates. But "we dare not do so under existing conditions," was the reason given by their floor leader.

Our loss in foreign trade, however, has not been any greater than the loss in the domestic trade of the exporting nations. It is not the result of reprisals or retaliation but of the loss of purchasing power, the diversification of their own production, and their enormous expenditures for war purposes requiring increased revenues.

Prior to the increase of our duty on wheat to 42 cents per bushel, a still higher rate prevailed in some European countries. In Italy the import duty on wheat is 73 cents per bushel; in Germany, 42.14 cents per bushel; France, 53.34 cents; Japan, 33.88 cents; Greece, 39.53 cents; Spain, 73.54 cents; Poland, 33.59 cents; Finland, 51.38 cents; Estonia, 52.53 cents.

As a result of the World War and the treaty of Versailles, many new petty states were created. The war diverted former trade channels and forced each nation to produce its own foodstuffs and manufactured products to become self-sustaining, and since such developments have started they have each protected their own interests.

The proposal to meet the grave emergency that confronts us now with a commission to hold international conferences and negotiate the removal of barriers by the granting of moratoria, the cancellation of foreign debts, and the lowering of tariff walls is the Democratic remedy. It would require years to get fairly started on such a "wild-goose chase." It would not furnish food, fuel, clothing, and jobs to our unemployed. It would not increase the price of farm products and restore their purchasing power to their former economic level. Stripped of its senseless verbiage and circumlocution, it is simply a proposal to cancel foreign

debts in consideration of lowering our tariff rates to a competitive basis at the expense of the American producer.

In this emergency period of unemployment the Republican Party stands for the slogan, "Trade at home." When you buy a product produced in this country, you have given somebody at home a job and your money remains at home. When you buy a product produced in a foreign country you give the job to foreign labor instead of our own and your money goes abroad. Buy at home and give the jobs to our unemployed and our money to our home people is the sound policy for us to pursue and the only way for us to work ourselves out of this depression. We have amended the Federal reserve act, the Federal land bank act, the intermediate credit act, the agricultural credit corporation act, passed the Reconstruction Finance Corporation act to loosen up and utilize to the limit the currency credit of the country and protect the deposits in banks representing the purchasing power of the country, and made liberal provisions for the financing of crop production for the farmers and the restoration of the purchasing power of farm products. Additional remedial recommendations of the President are now being considered by the committees of Congress for relief to the destitute, employment to the unemployed, and the disposition of surplus farm products in foreign and domestic markets. Given sufficient time this constructive program of remedial legislation in the execution of the policy of this administration will improve and restore conditions to normalcy, with increased prices for farm and labor products and all lines of industry.

No matter how magnificent the vessel, how strongly built, how efficient the crew, how courageous the captain, at some time, somewhere, sooner or later, that vessel and crew will be overtaken by a storm over which they had no control. And so it has been with our ship of state. The world-wide depression, the storm over which we had no control, has overtaken us. It has threatened disaster affecting all of us, but in the exercise of calm, dispassionate judgment, what crew, captain, or ship could have done more to ride out the storm? It is but natural for some timid souls to cry out in alarm and in complaint, but in the exercise of their common sense, as Abraham Lincoln would say, "The American people will cooperate with the captain and crew and sit steady in the boat now headed for the harbor of safety and security from the storms from which we are now emerging."

In this depression this administration has stood steadfast in its adherence to the maintenance of the credit of the Government, the high standards of individual independence in its opposition to the dole, to protect the Government and the integrity of the individual, and in doing so has saved millions upon millions of dollars of the moneys of the taxpayers. It has even refused to participate in international conferences wherein the subjects of reparations, war debts, or tariffs were to be considered. It has notified foreign debtor nations that they must meet the payments of their debts to us when due. It has refused to submit the reduction of our tariff rates to conferences with foreign countries and has stood steadfast in its adherence to the protection of American interests, for the employment of labor, and a home market for the products of the farm. And if, perchance, in the desperate straits of this depression, the temptation to change should prevail, in the language of the great statesman from Maine-

We shall take back with us our ancient glory undimmed by adversity and our ancient honor unsullied by defeat.

Mr. CONNERY. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. Whittington].

Mr. WHITTINGTON. Mr. Chairman, as I understand, the purpose of this bill is to extend the provisions of the Davis-Bacon Act from public buildings to public works and to improve the provisions of the Davis-Bacon Act so as to provide for predetermined wages under the prevailing wage scale. With that purpose I am in sympathy, but I call attention to the fact that the bill goes much farther than that desirable objective, and I refer to both the bill as it passed the Senate and the amended bill as it has been reported to the House.

I suggest that the interests of the Government, as well as the interests of labor and the contractors, should be considered. As I stated a moment ago, this bill provides for predetermined wages in contracts for public works and public buildings. There has been a disposition to extend the provisions of the Davis-Bacon Act to all public works, including Federal-aid highway work, river and harbor work, and flood-control work. The tendency is to extend the provisions of the act to all public works in which the Government and the States or local interests may share.

I call attention to the feature of the bill which stipulates not only for the predetermined wages but provides that the Secretary of Labor may at any time, after the contract has been awarded, reeaxamine the prevailing rate of wages being paid and may at any time increase those wages, and the act provides that the Government must pay those increased wages. Of course, there is the complementary stipulation that if wages have decreased the Secretary of Labor would have the right to decrease the wages in the pending contract.

But I assume we are certainly in the very hollow of the greatest of depressions, when labor is probably generally receiving less than it has received at any other time since 1914; and, to be sure, the real hope in stipulating an adequate wage scale is to improve and to better the conditions of labor. So that the practical result of this bill will be that the Secretary of Labor may at any time—not after three months have expired, as intended in the original Senate bill, but at any time—increase the prevailing rate of wages during the pendency of the contract, with the definite provision that the increase must be borne by the Government.

Therefore, Mr. Chairman, I make bold to say that this bill, with the worthy object of determining in advance the wages to be paid, unless amended materially, will perpetuate the iniquities of the cost-plus system which cost this Government of ours millions and hundreds of millions of dollars during and immediately following the World War.

In an effort to remedy an undesirable and indefinite situation, really in the interest of the contractors of the country, we are in danger at this time, when we are called upon to practice economy and retrenchment, of saddling upon the Government the cost-plus system and thus tremendously increasing the cost of the Government's construction

Mr. Chairman, the practical difficulty is this: If there is an appropriation for \$70,000 for the construction of a post office in a city or town and the contract is made for substantially that amount, and during the construction the Secretary increases the cost of labor, complications may easily arise. There may not be sufficient money under the appropriation to pay the contractor. I maintain that such insistence on the part of the contractor himself is short-sighted. It would deter rather than promote public construction.

Mr. CONNERY. Will the gentleman yield?

Mr. WHITTINGTON. I will be glad to yield to the chairman of the committee.

Mr. CONNERY. We went into that matter thoroughly with reference to wages going up or going down. I am sure the gentleman will appreciate this situation, that if a contractor has been awarded a contract under certain conditions, and suddenly times get better and that contractor, who is working in good faith, who has put in his bid and obtained the contract and probably working on a close margin of profit on a post office, for instance, and across the way all around him in private enterprise, wages begin to go up, unless that man can pay the same wages as the man across the street, he will lose his men or he will go broke on the post office. I am sure the gentleman does not want that to happen.

Mr. WHITTINGTON. I get the gentleman's point, but I am speaking now on behalf of the public. The contractor should take the same risk in public as in private construction—materials may advance.

I know the condition. No human system is perfect. I read. The Government will pay more for construction than know the contractor may be called upon to pay more for material and may be called upon to pay more for the other items that go into the project, but I submit that the real heart of this measure, the real purpose of this measure, is to remove the inequalities and the injustices of the Davis-Bacon Act by predetermining wages for the benefit of labor. Wages usually continue, by mutual, if not direct, understanding until the contract is completed. But I also say we ought not to stop construction on public buildings, because there will be no recourse by the contractor except to go to the Court of Claims if the appropriation is insufficient to pay the increased wages. Congress then may or may not make a deficiency or supplemental appropriation. I respectfully urge that the public interest would not be promoted, but public-building projects would be hindered unless we know definitely when the contract is awarded just how much money is going to be spent upon any project, upon any public building, upon any improvement along the Mississippi or the Sacramento Rivers, or on any river or harbor in the country.

The city or State or other local subdivision has an additional interest in this matter, for frequently in river and harbor improvement work the local community contributes to the project; and when the Federal Government makes a contract, it is spending not only Federal money but local money, and those local interests have a perfect right to know how much they will be called upon to contribute, and they should know that at the time the contract is made. The costplus system is perpetuated, having been restored in this bill, and I respectfully submit that public interest and the Government will suffer unless the power to increase wages at the expense of the Government is eliminated under amendments which I propose to offer.

Mr. HOGG of Indiana. Will the gentleman yield?
Mr. WHITTINGTON. I yield.
Mr. HOGG of Indiana. I would like to ask the gentleman from Mississippi whence comes the demand for this legis-

Mr. WHITTINGTON. I can not answer; I am not a member of the committee. I understand if the Davis-Bacon Act is amended the contractors advocate this bill. I am familiar with the bill only from my study of it to-day, as I am interested in all public works, especially flood-control work along the Mississippi River.

I am not thinking of the contractor only. What matters it to the contractor if the wages being paid are increased? He is paying more when they go up, but the Government is footing the bill. I am thinking of the interests of the Government in the construction of public works. I urge economy in the expenditure of public funds. The temptation is too great for waste and extravagance. Bureaucracy is perpetuated.

Mr. RAMSPECK. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. RAMSPECK. The gentleman realizes, of course, that the question of whether wages go up or down rests entirely with a Cabinet officer of the United States Government?

Mr. WHITTINGTON. Absolutely; but he is directed by the terms of the bill in the event wages have increased to increase the wages the contractor pays without any right of appeal by the contractor, and we have the anomalous situation of the Government practically being called upon to increase the appropriation for every public building and for every public project by the provisions of this bill, a thing which is highly undesirable.

I do not think we ought to prejudice the right to improve the Davis-Bacon Act by including the right to increase wages at the cost of the Government.

Mr. McDUFFIE. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. McDUFFIE. Will not this bill work both ways. whether wages go up or down?

Mr. WHITTINGTON. As I said a moment ago, I trust we have reached the bottom of this depression. The practical result will be to increase wages, and he who runs can so subordinate, who can say that the rate of wages has been

in private work. I ask that the Government be given the same protection under contracts for public works accorded to individuals, and individuals make no contracts for increased wages-nor would they entertain such a proposition.

Mr. CONNERY. If the provisions of the Davis-Bacon bill were carried into effect, times would be getting better right here in the District of Columbia, because the Government would not be paying 25 cents an hour for certain classes

Mr. WHITTINGTON. In all fairness I may say that the President has said the Government ought to maintain the wages paid heretofore, and there is practically no reduction in public-works construction.

Mr. CONNERY. The gentleman wants to be fair. They are paying 25 cents an hour in the District of Columbia on public buildings going up along the Avenue.

Mr. WHITTINGTON. I was thinking particularly of the order or statement of the President with reference to rivers and harbors and flood-control work, and I know whereof I speak; he has urged that there be no reduction in wages.

Mr. GARBER. The gentleman desires to be fair.

Mr. WHITTINGTON. Certainly.

Mr. GARBER. Why not elaborate upon the provisions in the bill that requires the contract to fluctuate up and down with labor costs?

[Here the gavel fell.]

Mr. WHITTINGTON. I am sorry, but my time has expired. I repeat the practical result will be to increase wages, as the chairman of the committee has repeatedly opposed reduction in either Government wages or salaries. If he thought there would be a decrease of wages, it is my thought he would agree to the amendment I will propose. The contractors would oppose the increase, unless borne by the Government. The provision I would eliminate promotes uncertainty, as the restoration of the cost-plus system would constitute a raid on the Public Treasury.

Mr. CONNERY. Mr. Chairman, I yield two minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. BLANTON. Mr. Chairman. I vield five additional minutes to the gentleman from Wisconsin [Mr. Stafford].

Mr. STAFFORD. Mr. Chairman, I wish to supplement the argument just made by the gentleman from Mississippi to this feature of the bill, which I regard as the most objectionable-most objectionable because it is virtually unworkable except as a holdup by contractors of the Government.

I am sympathetically inclined toward the general purpose of the bill, in having originally stipulated in the contract what is to be the prevailing rate of wages, but I have some idea of general business conditions. I know that if you are going to put in force the provision beginning in line 14, page 7, that on all occasions when the prevailing rate of wages shall change that then the contract shall be changed. I know you are going to have a condition that is going to be open to all kinds of abuses. The Secretary of Labor is not going to determine whether wages have gone up or gone down. He must rely upon some subordinate in the field, and that subordinate in the field, I can conceive under some conditions, may be in collusion with the contractor, and you are going to have that subordinate determine whether the wages shall be curtailed or whether they shall be increased.

Suffice it to say that I favor having a contract with the wages stated in it, as is provided in the first section of the substitute. The chance that the rate of wages will change during the life of the contract is remote. If the wages go down, I want the laborer to continue to have the benefit of the higher wages. The contractor will suffer the loss. The gentleman from Massachusetts makes the argument that if wages go up the contractor may not be able to secure labor in the labor market to fulfill the contract. That is his obligation. He assumes that obligation when he takes the contract and he takes it with that full knowledge. I am violently opposed—unless the gentleman from Massachusetts can assert some good reason for it-to having the Government held up upon the ipse dixit of some

changed from the schedule carried in the original contract. Thereupon the whole contract will be changed and the contractor may be given a preferred status. Not only that, but you are allowing him to go into a determination of an accounting on his books.

Let us be fair. Are we not doing everything labor can ask when we state originally in the contract that the contract shall set forth the prevailing rate of wages? Then the contractor knows what the prevailing rate of wages will be and he must pay that prevailing rate under penalty.

But, as the gentleman from Mississippi has pointed out, do not let it be open to change with every change in the rate of wages, whereby the Government may be held up to the extent of hundreds of thousands of dollars. Are we going to permit every contract to be revised, with the contractor acting in collusion, perhaps, with some subordinate of the Department of Labor? I do not say that in all cases collusion will result, but I can conceive that in many cases it will. I think labor should be satisfied with receiving the rate of wages scheduled in the contract, and I think the gentleman is going pretty far in committing the Government to a change in the rate of wages and a change in the contract after a contractor has made it, and the contract manipulated so that, perhaps, it will be to the disadvantage of the Government.

Mr. CONNERY. Will the gentleman yield?

Mr. STAFFORD. Yes. Mr. CONNERY. The gentleman need have no worry on that score. All the abuses which have been perpetrated under the present act have been decreases in wages and disputes.

Mr. STAFFORD. I can conceive of cases where contractors will say they will pay the prevailing rate of wages but through covert means they will not pay that rate, whereas upright contractors who wish to pay the prevailing rate of wages are denied the contract because there are some contractors who will manipulate matters to their advantage.

We are providing in the first part of this section that the contractor shall pay the prevailing rate of wages. These contracts are not going to last for years and years, maybe for only a few months-six months. Then it is the burden of the contractor to pay that rate of wages and the laborer ought to be satisfied with what is stated in the contract as being the prevailing rate of wages. We should give some consideration to Uncle Sam in this matter. As a practical question, I can conceive of all kinds of complications arising where the Government will be put to unlimited expense.

I am sympathetic with the bill. I did not claim time in opposition to the bill because I was sympathetically inclined toward it.

Mr. BLANTON. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BLANTON. The gentleman knows there are ways of bringing about exigencies. During the war there were 6,000 strikes against the Government itself, and you could have a premeditated strike just to bring about this exigency.

Mr. STAFFORD. I appeal to the gentleman. I am sympathetically inclined toward the gentleman's proposal, and I am sympathetically inclined toward labor getting the prevailing rate of wages, but when you put into your bill a provision whereby the prevailing rate of wages may be manipulated in such a way as to be to the disadvantage of the Government I must object. I say the gentleman should hesitate long before he adopts that policy, in view of our experience with the cost-plus contracts during the war.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. WHITTINGTON. In sympathy with the same view, let me ask, Is it not true that the gentleman's apprehension will be fortified by the payment of a reasonable wage in

Mr. STAFFORD. The contract states what the wage shall be. The wage is stated specifically, and all contractors base their bids upon that stated wage for the respective character of service. They are obliged to pay that to labor

throughout the period of the contract, and we should not have any varying proposal such as the gentleman from Mississippi [Mr. WHITTINGTON] and myself have complained

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I yield two minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, some Members seem to be under the misapprehension that this bill is favored by organized labor. This is not exactly so, because I have here a statement made by Mr. Blumenberg, general representative of the United Brotherhood of Carpenters and Joiners, which appears in the hearings, in which he says:

This part of the bill, if adopted, would enable any contractor or subcontractor to make a request for a new wage scale on any Government work every three months, thus creating chaos on every job during its construction throughout the whole country.

Then he goes on to say that labor is opposed to this provision being in the bill and is opposed to the bill with such a provision in it.

I am very happy to have this brief moment and to be the recipient of the time from the distinguished gentleman from Texas [Mr. Blanton], who has always been a great friend of the rural letter carrier and other employees of the Government. The gentleman does not understand what is occurring in the Post Office Department, and I want to take this opportunity to explain the change in the Rural Carrier Service, which I am sure he will agree to.

The rural letter carriers, it was explained in this debate, are receiving \$1,800 a year and 4 cents per mile for their equipment allowance. This is exactly so. Some suggestion was made that they only worked three or four hours a day.

Mr. BLANTON. I was giving the gentleman what the peo-

ple were saying about that.

Mr. MEAD. Yes. I know the gentleman is very friendly to the employees, and I know he will be pleased to know that ever since 1926 the consolidations of rural routes have resulted in the elimination of 4,300 rural routes and in a saving of \$4,500,000 a year, this year over 800 rural routes are being merged at a saving of approximately \$900,000.

A rural letter carrier receives \$75 for each of the first 24 miles, which is a standard route; but for every additional mile he receives only \$35 per mile, a reduction of \$40 per

[Here the gavel fell.]

Mr. BLANTON. I yield the gentleman one additional minute

Mr. MEAD. So that if his mileage is extended far enough he will find himself working at a loss.

So the situation with regard to rural letter carriers is rapidly correcting itself by the policy, not only of this administration but of every administration since 1926; already there has been a large saving, as I have already said, of four and a half million dollars a year.

Within a few years this entire situation will be corrected because in the interim thousands of families and millions of patrons are being given a service in the rural sections of the country that they never enjoyed before and fewer men are doing more work at less money. [Applause.]

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I yield seven minutes to the gentleman from Nevada [Mr. ARENTZ].

Mr. ARENTZ. Mr. Chairman, the gentleman from New York has stated that except for one feature of this bill he is in favor of it. Fundamentally I think the bill is sound. I think it is a step in the right direction, and whether the amendment correcting the defect in the bill, as mentioned by the gentleman from New York, is added or not, I am in favor of the bill. I hope the amendment is offered and accepted; but nevertheless the bill fundamentally is sound and I am in favor of it.

The gentleman from New York [Mr. O'CONNOR] brought out a point in his brief discussion, when the gentleman from Massachusetts yielded to him, regarding the necessity of having some other measure of wage scale adopted than that of the small town where there are no skilled laborers.

The bill provides that the town or village in which the work is being done shall furnish the wage scale. I think in places where there are no wage scales established, in counties that are sparse in population, and where there are no more than possibly a blacksmith and itinerant workers of all sorts-jacks-of-all-trades-it would be almost impossible to arrive at a proper wage scale. For this reason I think an amendment should be put in the bill providing a wage scale which would meet that situation, and I would like to hear from the gentleman from Massachusetts on this point.

Mr. CONNERY. Does the gentleman mean where the

wages go up or down?

Mr. ARENTZ. No; I am referring to the wage scale in a small village, where, for instance, there is a Government contract. It may be in a sparsely settled county or in a village of a few hundred where there are no laborers except jacks-of-all-trades, men who do plastering one day and carpentering the next, working for \$2.50 or \$3 a day.

Now, in these small towns where there is no wage scale,

how will that be determined?

Mr. CONNERY. The only practical way the committee found was that if you had a small town between two large cities they would take the prevailing wage scale of those two cities.

Mr. ARENTZ. Did not the gentleman from Massachusetts answer the gentleman from New York by saying that the outstanding illustration would be Boulder Dam?

Mr. CONNERY. I said there was an instance where we

would have to go 500 miles-

Mr. ARENTZ. The nearest metropolitan area there is Los Angeles, and at certain times of the year the city is filled with tourists and carpenters and bricklayers in a nonunion town, and naturally you might have a wage scale of three and a half or four dollars a day for bricklayers and carpenters. I think it is unfair.

Mr. CONNERY. The committee went into that matter thoroughly, and we could find no language, no word that

would cover the case of Boulder Dam.

Mr. ARENTZ. I had a conference with Mr. Roop, Director Bureau of the Budget, and members of the interdepartmental committee, and they adopted the idea that Salt Lake and Los Angeles would be the two nearest metropolitan areas, and they compromised between the two cities.

Mr. McDUFFIE. Will the gentleman yield to me?

Mr. ARENTZ. I yield.

Mr. McDUFFIE. Does the gentleman think that it is proper for us to confine this bill to contracts as small as \$500?

Mr. ARENTZ. Along that line-

Mr. McDUFFIE. It seems to me perfectly ridiculous.

Mr. ARENTZ. I do not think it is.

Mr. CONNERY. Will the gentleman allow me to answer the gentleman from Alabama?

Mr. ARENTZ. I yield. Mr. CONNERY. The reason for that is that the painters do not come in under the present law. They do not come in under the prevailing wage clause.

Mr. ARENTZ. There might be a subcontractor putting in a foundation for a post office where the amount would

not be more than \$500.

I think this bill should be amended so that regardless of what the wage scale may be all men should be paid. When the United States gives a contract for the construction of a post office or a public building the men should be paid regardless of what happens. In Las Vegas a contractor furnished the names of certain bondsmen in a Texas city. The Government went to this town in Texas and found that the men lived there, but no inquiry was made as to whether they signed as bondsmen or not. They were not bondsmen in fact. Then the men did the work, and when it came time to pay them, they received a "rubber" check. The names on the bond were forgeries. This bill should provide for bonds for a suitable amount, legitimate bonds, to protect the workmen.

Mr. FIESINGER. Does not the Government investigate the responsibility of the bondsmen?

Mr. ARENTZ. Yes; but they do not investigate whether

they signed the bond or not.

At the proper time during the consideration of the bill I will offer an amendment which I believe will correct the evil

Mr. CONNERY. Mr. Chairman, I yield five minutes to the gentleman from South Dakota [Mr. Johnson].

Mr. JOHNSON of South Dakota. Mr. Chairman, I have secured this short time for the purpose of asking the chairman of the committee a question. It is very clear to my mind that in most of the cities of the United States union labor is trying to do the fair thing, but I am thoroughly convinced that in some cities the racketeering end of union labor has been in control. I want to know if the union scale is to govern in all matters in this bill, particularly in those cities where I am convinced the racketeering end of union labor has taken control.

Mr. CONNERY. The Secretary of Labor is the final arbiter, and I do not believe that he has taken the union scale absolutely. He has taken the prevailing rate of wage in those cities.

Mr. JOHNSON of South Dakota. Then it would not be the intention of the chairman of the committee that the union scale in all cases would be the prevailing rate?

Mr. CONNERY. Personally, that is what I would like to see

Mr. JOHNSON of South Dakota. It would not be so construed in the bill if it is passed?

Mr. CONNERY. No.

Mr. BLANTON. Mr. Chairman, I yield two minutes to the gentleman from Illinois [Mr. Keller].

Mr. KELLER. Mr. Chairman, I happen to be a member of the Committee on Labor and I am against this bill. The reason I am against it is this: The committee for several months considered both sides of this proposition. The labor fellows themselves were not, at the beginning, agreed on one view or another. Certain Supreme Court decisions were taken under consideration by the committee and the matter was discussed back and forth on both sides, some being for and some against. The bill was finally brought out on a very close vote, but properly so. But when the final showdown came organized labor stood unanimously against this bill, and I am against it, because when the men who have studied the interests of labor for years, after weighing any matter fully, come to a unanimous decision they are certainly more apt to be right than any man who has not given it that consideration. If I had sufficient time, which I have not in two minutes, I would be able to go into the matter and give the viewpoint of organized labor on this subject. I think it is fairly well known that wherever organized labor has asked and received consideration at my hands it has been friendly consideration, and it is in this case. Because of that I am going to vote against the bill.

Mr. GILBERT. Can the gentleman tell who is sponsoring

Mr. KELLER. The members of the committee itself tried to get at a reasonable, rational way of doing this thing all over the country to the benefit of the country as well as to the benefit of labor. The committee did its best to get together on the matter. The committee accepted this bill, but in the final analysis organized labor unanimously rejected the bill. And I accept their unanimous decision as more rational than the judgment of any one man.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BLANTON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LaGuardia].

Mr. LAGUARDIA. Mr. Chairman, if I may be permitted to digress for just a moment or two, I desire to call the attention of my colleagues to the fact that yesterday the House passed a relief bill of heroic magnitude. The Senate committee has to-day reported a relief bill, and unless we are very careful we may find ourselves in a legislative jam. I think I voice the sense and sentiment and desire of a majority of my colleagues when I say that Congress should not adjourn until 10 days after a complete and real relief measure is presented to the President of the United States. We can not feed hungry people or alleviate distress with a legislative alibi that we passed the bill, but that unfortunately it received a pocket veto. The entire question is endangered by hurrying or precipitating adjournment, leaving a relief measure in a legislative deadlock or at the mercy of a pocket veto. So I think it is well that the country should know and that the other body should know that there is a majority in this House willing to stand by and resist adjournment until the two Houses of Congress come to an agreement on a real, constructive relief measure of sufficient magnitude, and to remain for 10 days after such a measure is passed so that we may exercise our legislative prerogative in the event that the measure should be vetoed.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. O'CONNOR. Does the gentleman have any hopes in view of the vote yesterday that there could be obtained in this House a two-thirds vote to override the veto of a relief bill such as was passed yesterday?

Mr. LaGUARDIA. Yes; I do, because I think that the condition is so extreme that when it comes to a final declaration I can not imagine or conceive that either politics or personal views or any other reason could possibly prevent the enactment into law of a real relief measure.

Mr. BLANTON. If we would take that \$100,000,000 to feed the Belgians instead of Americans, it would probably not be vetoed.

Mr. LaGUARDIA. This time we will feed the Americans if we have to stay here all summer.

Mr. GARBER. The gentleman recognizes that this is a Senate bill that we are now considering. What is the gentleman's position on this bill?

Mr. LAGUARDIA. I am going to vote for it.

Mr. CHINDBLOM. What does the gentleman think about the business before the House?

Mr. LaGUARDIA. I am talking about the business of

Mr. KELLER. Is it not probable that within 10 days or 1 day after Congress adjourns without making proper provision for direct relief, or 1 day after the President should veto a bill like that, we would be called back post haste to do the very thing that the gentleman is asking us to do at this time?

Mr. LaGUARDIA. Let us prevent that and stay on the job where we belong. I yield back the remainder of my

Mr. BLANTON. I yield two minutes, Mr. Chairman, to the gentleman from Kentucky [Mr. Gilbert].

Mr. GILBERT. Mr. Chairman, I have no special knowledge of this bill, but, unlike the gentleman from Nevada [Mr. Arenzz], I think it is fundamentally unsound, and for that reason I am against it.

The three classes in this country that now need help are the farmers, the taxpayers, and the unemployed. All three of them are prejudiced by this bill. This legislation, if it is effective, will be a slight disadvantage to all three of those classes, and an advantage, if an advantage, to the only class that is fully capable of protecting themselves; that is, industrial labor, highly and efficiently organized.

The gentleman from Massachusetts [Mr. Connery] said that laborers on Pennsylvania Avenue were getting 25 cents an hour. I say to you Members from the large cities that that is twice as much as the laborers are getting on the farms. They are not getting 25 cents an hour. They work from sunup until sundown and receive as low as 75 cents or a dollar a day, and there are 40,000,000 people in the United States living on the farms.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. BLANTON. Mr. Chairman, I yield the gentleman from Kentucky two additional minutes.

Mr. GILBERT. The bill which was passed yesterday was for the purpose of spending a lot of money, supposedly for unemployment. This bill will put fewer people to work, if it is passed, than will be put to work if it is not passed. The trouble with agriculture in this country is by reason of the industrial structure that is continually being erected higher and higher by legislation upon it. This does not amount to much—one little bill—but the farmers must pay the taxes and pay the additional cost to pay these additional wages, but they do not get any benefits under this bill.

Mr. KELLER. Will the gentleman yield?

Mr. GILBERT. I yield.

Mr. KELLER. I would like for the gentleman to bring out the proportion of Federal tax which the farmers and laboring men pay, if he will.

Mr. GILBERT. I would gladly do so if I had the information, but frankly I do not have the information. Perhaps the gentleman can supply it.

Mr. KELLER. Well, I can, but I did not want to take the gentleman's time.

Mr. GILBERT. I would be glad to have the gentleman supply the information.

Mr. KELLER. The difficulty thrown around us at the present time does not come from the fact that the farmers and the poor man pay taxes, because they do not, but the big ones know very well that they pay the tax, and the attempt to discredit Congress has come from that source, because they do not want to pay this tax. The only thing which the farmer and the laboring man gets is a little comeback, but they do not pay that tax.

Mr. GILBERT. I can not agree with the gentleman that they do not pay that tax. They do pay that tax indirectly. They are exploited by people who make fortunes out of them and take that money to pay the tax. I can demonstrate, if I had the time, that the money paid by many great companies and wealthy individuals is made by and taken from the farmer.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. CONNERY. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, there seems to be some misunderstanding about the effect of this bill. About two years ago, or a little more than that, the gentleman from New York [Mr. Bacon] and the gentleman from Illinois, Mr. Sproul, introduced bills along the line of providing for the payment of the prevailing scale of wages on Government work. The Committee on Labor held extensive hearings on those bills and reported out a bill which was not enacted into law. It was not considered at that session of Congress.

A little over a year ago the Government departments prepared what is known as the Davis-Bacon bill. The solicitors of the various Government departments drafted the Davis-Bacon bill. It was introduced in the House by the gentleman from New York [Mr. Bacon] and in the Senate by Senator Davis, of Pennsylvania. Both the labor organizations and Government officials asked the Committee on Labor to report that bill without amendment. At the time the bill was considered, I personally favored predetermination of the wage scale, which was to be fixed by the Secretary of Labor, but on account of the fact that all parties interested did not want to amend the bill, and due to the fact that the representatives of the various departments who drafted the bill said that they would not stand behind it if any amendment was offered to it, I supported the bill, which is now the Davis-Bacon law, without any amendment. I still think that the wages to be paid should be predetermined, and that is primarily what this bill provides. It changes the Davis-Bacon law, which is now on the statute books, to provide that the Secretary of Labor, just as he does now, shall determine the wage scale to be paid on Government contracts, but that he shall do it before the specifications are drawn, and before the bids are received, instead of fixing them after the contractor has signed his contract and given a bond.

The gentleman from Texas seems to think that the defeat of this bill would have some effect on a certain controversy in Washington as to what carpenters shall receive. It does not make any difference whether this bill is passed or defeated in so far as that controversy is concerned. In the first place, that controversy has arisen under an existing contract, which was entered into under the Davis-Bacon Act, and could not be affected by a new statute. In the second place, this law provides for the prevailing scale of wages. So it does not change the wages to be paid at all. It simply changes the time when the Secretary of Labor, a Cabinet official of this Government, shall fix that wage scale. That is the only thing it does that amounts to anything.

Mr. McDUFFIE. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. McDUFFIE. If the gentleman from Mississippi [Mr. WHITTINGTON] is correct in his interpretation, certainly the Government becomes liable the minute the Secretary of Labor ascertains that higher wages should be paid, even though the wages are predetermined before the contract is let.

Mr. RAMSPECK. The gentleman is correct, but he came in after I had made a part of my argument with reference to another part of the bill.

Mr. McDUFFIE. I beg the gentleman's pardon.

Mr. RAMSPECK. I have no personal objection to taking out of the bill the provision for the raising and lowering of the wage scale, as advocated by the gentleman from Mississippi and the gentleman from Wisconsin.

I do recognize the fact, however, that it may create a hardship on contractors in certain instances. For instance, take the case of the House Office Building, which has been in course of construction for over three years to my certain knowledge, and I do not know how much longer. If conditions had been reversed and wages had been going up, the contractor would have had a hard time retaining his labor; he would have lost a lot of money on it. Since wages have gone down I have no doubt he has profited at the expense of the men working on the job.

Mr. McDUFFIE. Will the gentleman yield for a question? Mr. RAMSPECK. Certainly.

Mr. McDUFFIE. Will the gentleman please make it clear. if he will, why the committee substituted the figures \$500 as the amount of the contract for the figure \$5,000, originally carried in the Senate bill?

Mr. RAMSPECK. That is very clear to me for this reason. There are many subcontracts, and this applies to subcontracts that are for small amounts. Most of the painting and decorating contracts are for small amounts, less than \$5,000, and they have been outside the scope of the Davis-Bacon bill. I can not see any reason why, if you are going to apply the Davis-Bacon law to one contract, you should not apply it to all contracts, to a contract of \$500 as well as to a contract of \$5,000.

Mr. McDUFFIE. I had the idea, if the gentleman pleases, that the small contract would be merged in the large contract. It is all a part of the original contract, as a general rule, is it not?

Mr. RAMSPECK. Our effort is to cover the whole thing. We want to cover both of them.

Mr. McDUFFIE. Would not both be covered without coming down to such a small figure? It seems to me the figure is so small it makes it ridiculous.

Mr. RAMSPECK. I do not think so.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. WHITTINGTON. Is it not true under the terms of the bill, as appears from the last section of the bill, that you do not even except as much as a contract for \$500 on river and harbor and flood-control work? All that has got to be predetermined, and you would have to get that report

Mr. RAMSPECK. I think that all contracts ought to be covered.

Now, the gentleman from New York [Mr. TABER] raised some question about increasing and lowering wages. Of course the wages to be paid in every instance are determined by the Secretary of Labor. Certainly the gentleman from New York would not doubt that the Secretary of Labor, a member of his own party, would protect the Government's interest along that line.

Mr. BLANTON. Will the gentleman yield? Mr. RAMSPECK. I yield.

Mr. BLANTON. The debate, though, indicated that according to the way the Secretary of Labor feels about it he would require the union scale of wages.

Mr. RAMSPECK. Well, he has not done that so far in all instances. I can say he has not done it in some instances. Mr. BLANTON. In what instances has he not done it?

Mr. RAMSPECK. I could not give the specific instances. Mr. BLANTON. I do not think the gentleman could name such instances.

Mr. RAMSPECK. I do not say I could name any specific instance, but there is no doubt he has done so in some cases. Now, Mr. Chairman, I want to call your attention to the

reason I am supporting this bill.

The representatives of labor organizations asked our committee in January to put teeth in the Davis-Bacon Act. We held hearings on that subject. We appointed a subcommittee to consider it, and during that consideration somebody secured an Executive order from the President of the United States attempting to add to the Davis-Bacon Act. Personally I do not think it is worth the paper it is written on. I do not think the President has any authority to add anything to a statute passed by Congress; but it puts the contractors in the position where they have to agree to the cancellation of their contracts if they are charged with violation of the prevailing wage scale and that charge is sustained by the Secretary of Labor. The result was that the surety company said to the contractor: "We are not going to insure your job under those conditions." That leaves the contractor in the position where he has to bid blindly, not knowing what wages he is going to be required to pay by the Government, and yet he has got to furnish a surety bond, and the Secretary of Labor can come in after he has done that, after he has gotten his contract, and raise the wage scale on him and he is the loser. That is not fair to the contractor.

I want to be fair to labor, and I think this bill is fair to labor. I asked every witness who appeared before the committee if he could point out any logical reason why labor would not be as well protected by predetermination as by afterdetermination, and not a single one of them gave me any answer that appealed to me as logical.

Mr. BLANTON. And yet, might I not ask, are not most of the labor unions in Washington against the bill?

Mr. RAMSPECK. Absolutely. The representatives of the American Federation of Labor in Washington are all against it. However, many local union officials throughout the country do favor predetermination.

Mr. BLANTON. Then, why is the gentleman trying to pass it?

Mr. RAMSPECK. Because I think it is a fair and just

I think it is the duty of Congress to take care of the rights of contractors who bid on these jobs, and to take care of the rights of the surety companies who insure the contracts just as it is our duty to take care of the interests of the laborers who work on the job. In my opinion, this bill will not take away from labor anything. I believe that it will further protect those who work on Government contracts. It will stop those few contractors who have been profiting by paying very low wages, from operating with an advantage, as compared with the contractor who is fair to

Mr. BLANTON. I am glad to hear the gentleman say

Mr. RAMSPECK. That is the reason I am supporting this bill. I think it is fair to labor; I think it is fair to the Government; I think it is fair to the contractors, and I

think not to pass it would leave the contractors in a position | in 15 years emanate from the lips of the gentleman from where they are not being fairly treated. [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I yield myself four minutes. This very unwise legislation that will cost our Government millions of dollars is the biggest argument we can offer to prove the fact that we ought to do two things. One is, we ought to pass the bonus bill and complete our business in the Senate, and then we ought to adjourn sine die and go home.

I want to show you that we are powerless to do anything else except pass foolish pieces of legislation like this from now on until we adjourn. If we had a properly organized Senate, that would pass the kind of bills we need, and if we had a good Democrat in the White House to sign them, we could pass important legislation that would save hundreds of millions of dollars for American citizens.

I want to commend the splendid speech that the distinguished outlawed gentleman from Pennsylvania [Mr. McFadden] made here last Saturday, outlawed, if you please, by the Republican Party, but not by anybody else in the United States. Let me call your attention to one or two things of great value he said that we ought to be correcting right now. I read to you from his speech on page 12032 of the Congressional Record. He said:

Hundreds of millions, perhaps billions, of dollars have been diverted from the public funds by practices which could not exist without the knowledge of the Secretary of the Treasury.

If the tax laws had been enforced, there would be no need for

He said:

I have called these discoveries to the personal attention of Mr. Andrew W. Mellon, former Secretary of the Treasury, and to Mr. Ogden L. Mills, the present incumbent of that office. I have not been able to discover in either of these gentlemen any disposition to correct existing evils, to collect back taxes, or to take any steps at all to bring this condition to an end.

He said:
Individuals and corporations who should pay large taxes not only escape full payment of their just share of the expenses of government but are also the recipients of huge tax refunds which the greater part of the sums they do pay. There return to them the greater part of the sums they do pay. There exists what amounts to an alliance between tax evaders, attorneys, certain public accountants, and Treasury officials which operates to exempt from taxation those best able to pay and shifts the burden of governmental expense to the shoulders of those least

That distinguished gentleman from Pennsylvania, the man who has been outlawed by the Republican organization, further said that such taxes not paid by big concerns and which are being refunded aggregate about a billion dollars, and he said:

Any large income whose possessor is part of the system can and does escape taxation through the operation of the alliance to which I have already referred.

That is why you find all of his post offices being taken away from him. He has been telling the truth on his party. That is why you find that he has been threatened with losing his committee assignments. They do not like what he says. That is why you have the Republican leaders in the Senate trying to dictate to him, but, thank God, from Pennsylvania there comes a stalwart Republican, brave and unscared, who stands up and defies them all. [Applause.] He says that as long as he is a Representative of the people in the House of Representatives he is going to speak his honest sentiments. He tells them where they can go, which is a place not so cool as the State of Texas is in the winter time.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I did want to yield my two remaining minutes to a colleague, but I must use them myself.

Mr. KELLER. Will the gentleman yield?

Mr. BLANTON. Yes. Mr. KELLER. Does the gentleman think that will be frankable through the mail this fall during the campaign?

Mr. BLANTON. I want to say this: That I have heard some of the best speeches from this floor that I have heard

Pennsylvania [Mr. McFadden]. He stood up here honest and square, absolutely fearless. He stood foursquare coming from a big Republican district in Pennsylvania, with his primary facing him, with his party getting out a prominent woman to try to defeat him, and he bravely denounced abuses in Government from the highest to the lowest. Yes; he criticized the President.

When has the President of the United States become so big that he can not be criticized when he deserves it, and God knows the present occupant of the White House deserved what the gentleman said about him. I take my hat off to you, McFadden. I am glad to know that you overwhelmingly defeated every opponent you had in the State of Pennsylvania. I want you to remember this, that when a man stands foursquare for the people and his Government he has nothing to fear from elections. All the forces of hell can not beat him. You keep on as you have been working and you will always get proper committee assignments in this House, no matter from which side of the aisle they may come.

Mr. GILBERT. Will the gentleman yield? Mr. BLANTON. Yes.

Mr. GILBERT. The issue in that race in Pennsylvania seemed to be as to which one was the strongest against the President and so the gentleman won.

Mr. BLANTON. Why, certainly; and Mac, you will always win as long as you stand against corruption and for right and justice.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, the gentleman from Illinois [Mr. Keller] brought up the proposition of labor being against this bill. I dislike to touch upon this subject, and I did not intend to speak on it at all, but I am going to tell you frankly just what the situation is and then let you use your own judgment on the bill.

The representatives of organized labor came to us when we started these hearings in January and said they wanted teeth put into the Davis-Bacon bill by way of a penalty, in order to do away with all the disputes they were having and all the troubles they were having with the contractors. We started hearings on the bill. As soon as we did this the representatives of the building trades, after a conference with Secretary Doak, made a deal with the Secretary whereby, if the President of the United States would issue an executive order on the Davis-Bacon bill they would be against any further legislation on the matter by the Committee on Labor.

Then we said, "All right; even though it is Republican politics you are playing, if labor does not want this, we will not favor it," and we did not do anything further after the executive order came out.

Then the contractors went over to the Senate and the Metcalf bill passed the Senate unanimously after an amendment offered by Senator La Follette on the constitutionality of it was agreed to. The bill came to the House and was referred to the Committee on Labor by the Speaker.

From the start I believed it was a good bill. I believe to-day it is a good bill, and regardless of the fact that representatives of organized labor in Washington are against the bill, I intend to support it and to fight for it, because it will be of real benefit to labor.

In conclusion let me say that the gentleman from California, Mr. Welch, and I went down to see President Green. the head of the American Federation of Labor, and asked him about this bill. We talked there at that conference with other representatives of the building trades. Mr. Mc-Grady and Mr. Roberts and Mr. Michael McDonough were present, and Mr. Green said, "I can not see anything wrong with this bill. It seems to me to be a fine bill for labor." The next day Mr. Green changed his mind and said he would stand behind the building-trades organization and would be against the bill. I believe now that Mr. Green is opposed to the bill merely to avoid friction in his organization and that his own personal belief is that it is a good bill

I say to the House that this is one of the best bills that ! was ever brought up in Congress for labor, and I hope the House will pass the bill.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COCHRAN of Missouri. If this bill becomes law, no President can set aside the law, but he can set aside an Executive order; is not that correct?

Mr. CONNERY. I do not quite get the point of the gentleman's question.

Mr. COCHRAN of Missouri. If this bill is passed and becomes law, it will take the legislative branch to set it

Mr. CONNERY. Yes.

Mr. COCHRAN of Missouri. But the President can set aside an Executive order after it has been issued.

Mr. CONNERY. That is absolutely true; and if he wished to do that, unless we pass the bill, labor will be worse off than before; and there was grave doubt in the committee as to the legality of the Executive order and as to whether the President could write legislation by an Executive order.

Now, when we say that labor is against this bill, this means the representatives of labor here in Washington. In my home district, from the reports I get, labor is in favor of this bill, and the State Federation of Labor of Rhode Island came out publicly and commended Senator Metcalf for sponsoring the bill, which was passed unanimously by the Senate.

Mr. FOSS. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. FOSS. Is the Department of Labor in favor of the

Mr. CONNERY. No; the Secretary of Labor is against the bill.

Mr. DYER. It is a good bill, is it not?

Mr. CONNERY. Yes: it is a good bill.

Mr. TABER. Will the gentleman yield for one question?

Mr. CONNERY. Yes.

Mr. TABER. The amendment of the Davis-Bacon Act, in the first section, wipes out the provisions of the Davis-Bacon Act in so far as all contracts that are now in existence are concerned.

Mr. CONNERY. No; this applies to all public works.

Mr. TABER. No; it repeals the provisions of the Davis-Bacon Act.

Mr. CONNERY. It amends the Davis-Bacon Act and applies to all public works.

Mr. TABER. That is not what the amendment states.

Mr. CONNERY. I think the distinguished gentleman is wrong. I hope the bill will pass.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired; all time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors or subcontractors, and for other purposes," approved March 3, 1931, is amended to read as follows:

"That the advertised specifications for every contract in excess of \$500 for construction, alteration, and/or repair, including painting and decorating, of public buildings or public works, except shipbuilding, in the District of Columbia, the Canal Zone, or in any city, town, village, or other civil subdivision of any State or Territories to which the United States or the District of Columbia is to become a party and which requires or involves the employment of mechanics or laborers shall contain a provision stating the prevailing rate of wages as determined by the Secretary of Labor for various grades of mechanics and laborers for work of a similar nature in the District of Columbia, the Canal Zone, or in the city, town, village, or other civil subdivision of any State or Territories in which all or the principal part of the particular contract work is located, and every contract for the construction of public buildings or public works, except shipbuilding, to which the United States, the District of Columbia, or the Panama Canal shall become a party shall contain a stipulation that the contracts and his subcontractors shall peak the mechanics and laborers and his subcontractors and his subcontractors shall never the mechanics and laborers. shall become a party shall contain a stipulation that the contractor and his subcontractors shall pay the mechanics and laborers employed directly on the site of such work at not less than the rate of wages stated in the advertised specifications. The Secretary of Labor shall, from time to time, reexamine the pre-valling rate of wages being paid to mechanics and/or laborers for work of a similar character in the District of Columbia, the Canal

Zone, city, town, village, or other civil subdivision of the State or Territories in which all or a principal part of the work is located, and if such rate is found to be increased or decreased from that stated in the specifications and made a part of the contract, he shall notify the contractor thereof, and the contractor and his subcontractors shall pay not less than the rate of wages stated in said notification from the beginning of the next pay period following the date of receipt of such notification. In event the rate of wages contained in the specifications is so increased, an amount equal to the amount of such increase in wages in any one month shall be paid at the end of such month to the contractor by the United States upon a satisfactory showing by the contractor as to the amount thereof, and in the event of a decrease in the rate of wages, the contract price shall be decreased decrease in the rate of wages, the contract price shall be decreased by the amount of such decrease in wages, and such decrease in the contract price shall be computed on the basis of satisfactory evidence submitted by the contractor. The books and pay rolls of the contractor and his subcontractors shall be so kept as to show the actual wages paid mechanics and laborers, and shall be open to inspection by an authorized officer or employee of the

Mr. BLANTON. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. The bill is being read by sections and the Chair will inform the gentleman that it is all one section down to and including line 21, on page 10.

Mr. BLANTON. Mr. Chairman, I make the point of order that a motion to strike out the enacting clause is a preferential motion and is in order at all times after the reading of the enacting clause. This has been held in the House many times. This motion is not an amendment to the section; it is an amendment to the enacting clause itself. The motion is to strike out the enacting clause, not the section. There are two kinds of such motions, if the Chair will permit, one to strike out the enacting clause and the other, which is a motion that is sometimes offered, is to strike out all after the enacting clause. The second motion must be made after the first section has been read, like any other amendment, but a motion to strike out the enacting clause is addressed only to the enacting clause and nothing else in the bill.

The CHAIRMAN. A motion to strike out the enacting clause is not in order until after the section has been read, and this particular section is not concluded until line 21, page 10, has been read.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. I understood consent was given in the House for the consideration of the committee amendment in the Committee of the Whole as an original bill. If that is the order of the House, then I respectfully submit that we are considering this amendment as an original bill, and it should be considered section by section as reported.

The CHAIRMAN. That is exactly what the committee is doing, and the motion that is being proposed is not in order until line 21, page 10, has been read.

Mr. BLANTON. Mr. Chairman, I always respectfully submit to the ruling of the Chair, however much I may disagree with the ruling.

Mr. STAFFORD. Mr. Chairman, the very substitute which we are considering under the order of the House as an original bill comprises four sections. The first section ends where the Clerk has just finished reading, line 15, page 8, and I respectfully contend that under the order of the House providing for the consideration of this bill we are now entitled to consider it section by section, and the motion is in order. It is not being considered as one amendment.

If the order of the House had not been made, and the gentleman from Massachusetts, after the first section of the Senate bill had been read, had moved a substitute with notice that he would move to strike out subsequent sections of the original Senate bill, that would be the procedure. But we are proceeding under a special order. The very purpose of the order was to consider the substitute amendment section by section, and not as an entirety.

Mr. MICHENER. Will the gentleman yield? Mr. STAFFORD. I yield.

Mr. MICHENER. As a matter of fact, we are considering the amendment as a bill.

Mr. STAFFORD. That was the order of the House. Mr. MICHENER. If we consider the amendment as an original bill, there would be no question but that this would be a proper place to make the motion.

Mr. BLANTON. There is no question about it under the rules of the House.

Mr. RAMSPECK. I want to call attention to the fact that there are two sections in the bill-section 2, page 8, line 16, and section 2 of the Bacon Act-which are being amended. The first section has not been read.

The CHAIRMAN. There are practically two sections to this committee amendment. The first section is concluded on page 10, line 21, which amends certain sections of the Bacon Act. There is no motion in order until the Clerk reads to line 21, page 10.

Mr. STAFFORD. Mr. Chairman, there has been an order of the House that the Committee of the Whole House on the state of the Union shall consider the committee amendment as an original bill. If such is the fact, you must look at it as an original bill, which comprises four sections and not one section.

Mr. WHITTINGTON. Mr. Chairman, in all deference to the statement of the Chairman, this is not an amendment to section 1 or any other section of the Davis Act. It amends the entire act, and not one particular section.

Mr. CHINDBLOM. Mr. Chairman, it seems to me that the suggestion of the Chair is correct. This is a complete act proposed by way of substitute for the act of March 3, 1931. This is one section—although, it is true, it consists of several subsections-but the whole bill is one section as a substitute for the act of March 3, 1931. Even if it were an original bill and did not come as a substitute, we would proceed to read in the manner suggested by the chair.

Mr. MICHENER. Mr. Chairman, I take issue with what the gentleman from Illinois has just said. I think the whole thing depends on the unanimous-consent request submitted by the gentleman from Massachusetts and agreed upon. I agree with the position taken by the gentleman from Illinois, provided there had been no unanimous-consent agreement. But, as I recall, the unanimous-consent request was that the amendment be considered as an original bill.

Now, the original bill consists of several sections; and under the general rules of the House, when you have read the first section, the motion offered by the gentleman from Texas is in order. We have read one section of the bill, not of an amendment.

Now, the distinction is, if you are considering an amendment as an amendment, the Chair is correct in his observation. But if you are considering this amendment as a bill, then the fact that there are two or more sections would be given the same weight as if it were an original bill.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. CHINDBLOM. I desire to call the attention of the Chair to this fact: In the original bill, the Senate bill, there are but two sections. The first section consists of three sections or subsections, and the second section appears on page 6. beginning in line 8. Will the gentleman say that under that condition you would read a portion of section 1 or subsection 1, and then subsection 2, and then subsection 3, and that you would not read the whole section? The committee amendment follows the framework of the Senate bill.

The CHAIRMAN. The gentleman from Illinois is correct. The Chair so rules. The Clerk will read.

Mr. LEHLBACH. Mr. Chairman, I think that such a precedent established here would be detrimental to good order in this House, and I respectfully appeal from the decision of the Chair, not having had opportunity to make observations in respect to the matter.

Mr. MICHENER. Mr. Chairman, I ask that the Chair reserve his decision and hear the gentleman from New Jersev.

Mr. BLANTON. The gentleman from New Jersey is entitled to five minutes in his own right on his appeal.

Mr. DYER. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The question is, Shall the decision of the Chair stand as the judgment of the committee?

Mr. LEHLBACH rose.

The CHAIRMAN. Does the gentleman from New Jersey desire to be heard on the appeal?

Mr. LEHLBACH. Yes.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. LEHLBACH. Mr. Chairman, I regret this situation extremely, but let us not confuse the issue by referring to subsections of the Senate bill. Suppose there was no Senate bill here. Suppose it was a House bill, an original bill, what would there be before us? Nothing whatever except the italicized parts of this bill printed here. If this bill, which is the part printed in italics, were considered alone, is there anybody who would say when section 1 was read, when section 2 was read, when section 3 was read, or when section 4 was read that each was not subject to amendment? And by special order that was precisely the procedure that was directed by the House to be followed by the Committee of the Whole. The Committee of the Whole is bound to follow the direction of the House. I think there is no question but what that is the correct interpretation of the rule and the order of the House. Having had this opportunity, and there being in the RECORD the protests of the gentleman from Wisconsin [Mr. STAFFORD], the gentleman from Michigan [Mr. MICHENER], and myself, I withdraw my appeal.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent to have the original request and order, as made upon the request of the gentleman from Massachusetts, read from the RECORD. The RECORD will show what the request of the gentleman from Massachusetts was before we went into the Committee of the Whole. I think that will clarify the situation.

Mr. RAMSPECK. Mr. Chairman, I think I can settle this thing if the House will hear me for a moment. On page 10, line 22, where it reads "Sec. 4," it ought to be "Sec. 2." The purpose of the committee is to correct that typographic error and to take out the quotation marks from section 2. There are only two sections in the bill.

The CHAIRMAN. The Chair will read the order that was agreed to:

Mr. Connery. Mr. Speaker, by direction of the Committee on Labor, I call up the bill S. 3847, to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings, and ask unanimous consent that in consideration of the bill in Committee of the Whole House on the state of the Union the substitute recommended by the Committee on Labor may be considered as an original bill for the purpose of amendment.

Since the appeal of the gentleman from New Jersey is withdrawn, the Clerk will read.

The Clerk read as follows:

SEC. 2. Any contractor or subcontractor who fails to pay not less than the rate of wages stated in the advertised specifications and made a part of the contract, or not less than any rate of wages subsequently ordered in writing by the Secretary of Labor in accordance with section 1 of this act, or who, after making proper payment, requires a laborer or mechanic to refund any part of the wages so paid, shall forfeit to the United States the sum of \$10 per day per laborer or mechanic for every day any laborers or mechanics are paid less than such prevailing rate of wages, and for each such refund required from any mechanic or laborer, shall forfeit to the United States a sum not less than five times the forfeit to the United States a sum not less than five times the value thereof. Any laborer or mechanic employed on any such work who accepts a rate of wages less than that prescribed in the advertised specifications, or in any subsequent revision thereof made by the Secretary of Labor, or who makes any refund to the contractor or subcontractors shall, within 10 days after such payment or refund, file a sworn statement with the Secretary of Labor setting forth the facts, and any amounts to be forfeited as provided in this section shall be deducted by the Comptroller General from any sums due the contractor from the United States eral from any sums due the contractor from the United States, or if nothing remains due the contractor, such amounts may be recovered by the United States as a debt in a suit at law against either the contractor and his surety or his subcontractors. The amounts so forfeited or recovered shall be applied, first, to the payment to the laborers and mechanics of any difference between the amounts found by the Comptroller General to have been paid them and the prevailing rate of wages, or of the amounts which such laborers and mechanics were required to refund, and the balance shall be everyed into the Treetimes and the payment of the payment ance shall be covered into the Treasury as miscellaneous receipts.

Sec. 3. When any of the departments or independent establishments of the United States, including the District of Columbia, perform work by Government plant and hired labor which could perform work by Government plant and hired labor which could have been performed under contract, but not including work in arsenals or navy yards, or work performed by the Panama Canal, such departments and establishments, including the District of Columbia, shall also pay not less than the prevailing rate of wages as established by the Secretary of Labor at the time the work is undertaken. The Secretary of Labor shall, from time to time, reexamine the prevailing rate of wages being paid to laborers and mechanics for work of a similar nature in the city, town, village, or other civil subdivision of the State, Territories, the District of Columbia, or the Canal Zone, in which all or a principal part of the work is located, and if such rate is found by him to have increased or decreased he shall notify the head of the department, independent establishment, or other agency of the Government concerned, who shall pay not less than the rate of wages stated in said notification from the beginning of the next pay period following the date of receipt of such notification.

Mr. BLANTON. Mr. Chairman, I make the preferential motion to strike out the enacting clause.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Strike out the enacting clause.

Mr. BLANTON. Mr. Chairman, it is said on this floor by the committee that organized labor is against this bill. I am glad to find myself in accord with organized labor once

This is a bad bill. It will make the cost plus 10 per cent contracts that we know something about look like 30 cents, so far as extravagance is concerned. It will make every public work that this Government engages in during this time of depression cost at least double what otherwise it would cost. If organized labor is against this bill, it is right, because it is against a bad bill, and organized labor ought to be upheld in its attitude against the bill. I am always with organized labor when it is right. I am glad to find myself working shoulder to shoulder with organized labor in opposing the bill.

Mr. CONNERY. Is the gentleman in accord with organized labor in this proposition, their opposition being to the bill that they made a deal with the Secretary of Labor, and that is their real reason for being against the bill?

Mr. BLANTON. I do not think that they could make any kind of a wrong deal with the Secretary of Labor. The Secretary of Labor is against the bill. I am rather impressed with the honesty and integrity and the ability of the Secretary of Labor. I rather like the gentleman that is now down there in charge of the Department of Labor, and now I find myself working in accord with him. I find myself working in accord with some of his bureaus. I am in entire accord with Mr. Alpine, who is in charge of the United States public employment offices scattered throughout the United States. I think he is doing a splendid work.

I understand that just as soon as Congress adjourns the President is going to withdraw many of the United States employment offices and suspend all of their activities. Is he not in favor of the splendid work that they are doing? I wish that he could have the report from United States employment offices in my State and see what splendid, valuable work they have been doing, the thousands of men that they have been placing in employment, giving them a chance to make a living for their families. If he could see that, he would not talk about withdrawing one of them; and if I thought he was going to withdraw them, I would vote against adjournment from now until December to keep him from doing it. This is a bad bill. You can stop it by striking out the enacting clause. I have done my duty about it, and I leave it with you. The following is the letter the Secretary of Labor wrote the committee condemning this bill:

DEPARTMENT OF LABOR, Office of the Secretary, Washington, June 7, 1932.

WILLIAM P. CONNERY, Jr.,

Chairman Committee on Labor,
House of Representatives, Washington, D. C.
DEAR MR. CHAIRMAN: I have your communication concerning
Senate bill 3847, as amended, and which has been reported favor-

ably by the Committee on Labor and with the recommendation that it pass. You ask for my reaction to this bill, as amended.

I do not think there is necessity at this time for the enactment of the amended bill. Under the circumstances, I believe it would

of the amended bill. Under the circumstances, I believe it would be unwise to make any changes in the present prevailing wage rate law which has been on the statute books for 14 months and has contributed substantially to the stabilization of wage rates on the construction of Federal buildings. It must be remembered that it took several months after the law became effective for contractors and employees, as well as Government agencies affected, to become familiar with the provisions and operation of the legislation and to adapt themselves to the new procedure.

Under the proposed legislation prospective contractors, with the wage rates predetermined and the costs of material and other requirements available from material dealers and estimators, would be in position where little if any skill or experience other than financial responsibility would be required in bidding for and performing contracts with the Government for the construction, alteration, or repair of public buildings and public works. Sub-

teration, or repair of public buildings and public works. Sub-letting on all, or practically all, of the work to subcontractors would increase and lead to innumerable controversies. That fact and the provision in the bill for determinations of wage rates from time to time would lead to endless disputes during the performance of the contract and in connection with final settlements.

In lowering the minimum cost involved from \$5,000 to \$500 and extending the legislation to cover the construction of public works except ship building and providing for the reexamination of rates of wages from time to time, the proposed legislation would mul-tiply many times the cost of administration both in the Department of Labor and the various other Government agencies concerned. It would be impossible for the Secretary of Labor to handle the great number of additional cases which would be presented for wage determination with the present force, and at this time it would be impossible to estimate the number of additional cases.

tional employees which would be required.

Section 2 appears to divide responsibility between the general contractor and the subcontractor instead of leaving the general contractor directly responsible, and the section appears to require that statements as to failures as to prevailing rates and otherwise to obey the prevailing rate laws would have to be filed with the Secretary of Labor and that amounts with respect to which there has been a failure be deducted by the Comptroller General from any sums otherwise due the contractors. In fact, the legislation is so involved and appears capable of so many constructions that it is believed that more time should be given to a fuller consideration of the entire matter before any changes are made in the present law.

Section 3 appears to bring within the purview of the act the rate of pay to permanent employees engaged in construction, alteration, or repair work on public buildings and public works where the cost is in excess of \$500, if the work could be done by contract. That provision would open up controversies as to whether various kinds of work could be performed by contract, thereby upsetting established rates and standards and methods in use for permanent employees of the Government engaged in such work. The question is also raised as to whether the section does not also apply to other kinds of work now performed by regular employees but which could be done by contract.

In view of the very satisfactory results being accomplished under the present law, particularly at this time, it would appear to me unwise to pass the amendments until a necessity arises for change in the present law and the methods by which it is now being enforced through the assistance of the Executive order issued on January 19, 1932.

Very respectfully yours,

W. N. Doak, Secretary, Section 3 appears to bring within the purview of the act the

W. N. DOAK, Secretary.

Mr. CONNERY. Mr. Chairman, I dislike to take up so much of the time of the House. I have tried to make the situation clear to the membership of the House. On the one hand we have the legislative representatives of the building trades of the American Federation of Labor against this bill. I do not think that one member of the Committee on Labor can stand up here and give one real, valid objection to this bill that could be raised by the building-trades representatives when they came before the committee. Here on the one hand you have these representatives, individual men, representing the building-trades department of the American Federation of Labor, who are against the bill, telling the president of the American Federation frankly that their opposition to the bill is because they had promised the Secretary of Labor they would not be in favor of the bill if the Executive order came through.

On the other hand, there is the entire State labor organization of the State of Rhode Island, coming out in a public statement indorsing the stand of Senator Metcalf, of Rhode Island, for introducing this bill in the Senate, which passed the Senate unanimously. My opinion is, frankly, that I believe organized labor throughout the United States, and that means the unions in all of your districts, are going to be in favor of this bill, and to my mind it is just an individual proposition of the legislative representatives of the building trades who are opposed to the bill because they promised the Secretary of Labor they would be opposed to it, and that is all.

Mr. DYER. Will the gentleman yield for a question?

Mr. CONNERY. I yield.

Mr. DYER. The gentleman is consistent and has been ever since he has been here, a friend of organized labor.

Mr. CONNERY. Yes; I think I am as good a friend of organized labor to-day as these legislative representatives who made a deal with Mr. Doak, and I can not, in conscience, give up my own personal belief that this is good legislation for labor.

Mr. DYER. I am glad to follow the gentleman in this matter, as I have in other labor matters.

Mr. CONNERY. I thank the gentleman.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COCHRAN of Missouri. Is it not a fact that this bill is a bill affecting both the employer of labor and labor, and that both the employer of labor and labor are in favor of

Mr. CONNERY. I believe that is true.

Mr. DYER. It is a perfect bill.

Mr. McGUGIN. Will the gentleman yield?
Mr. CONNERY. I yield.
Mr. McGUGIN. Is it not a matter of fundamental principle with organized labor that it is unalterably opposed to the Government regulating wages? Organized labor bitterly fought the industrial court law in my State, which provided for a Government board, comparable to the Secretary of Labor, to set wages. Is not this bill against the fundamental principles of organized labor?

Mr. CONNERY. No; of course not. Labor has found terrible abuses existing under the present law. The Davis-Bacon bill did something to help correct such abuses, and we are trying still further to correct these abuses. If I did not believe this was a good bill for labor, I would not sup-

Mr. FOSS. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. FOSS. Has the gentleman any estimate from the Department of Labor as to the increased cost of carrying on the work of the Department of Labor under this bill?

Mr. CONNERY. No; they did not give us any estimate. The Secretary of Labor said there would be difficulties in administering the bill. He did not say what amount would be necessary.

Mr. FOSS. He just told me over the telephone that the extra cost would be considerable.

Mr. CONNERY. He did not tell me what the cost might be in his letter.

Mr. LEHLBACH. Mr. Chairman, I move to strike out the last word.

Since the colloquy over the point of order arose I have had an opportunity to examine the text of the committee substitute for the original Senate bill more closely. I find that the erroneous impression is due to misprinting the sections of the committee substitute.

Mr. CONNERY. Will the gentleman yield for that pur-

Mr. LEHLBACH. I yield. Mr. CONNERY. I intend to submit a unanimous-consent request on that. There was a misprint there. It should be "Section 2" on page 10, line 22.

Mr. LEHLBACH. I find that the sections Nos. 1, 2, and 3 in the committee substitute are, in fact, one amendment to the Davis-Bacon Act, and consequently they make together one section of the committee substitute, and the section numbered 4 in the print should be numbered 2.

I therefore wish to state that I was completely in error when I made my argument, and that the ruling of the Chair was perfectly correct. [Applause.]

The CHAIRMAN. The question is on the motion of the gentleman from Texas.

Mr. ARENTZ. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ARENTZ. I handed an amendment to the Clerk. The amendment is now at the Clerk's desk. I think under the circumstances I am entitled to have my amendment considered.

The CHAIRMAN. A motion to strike out the enacting clause is a preferential motion, and that motion must be disposed of now.

The question is on the motion of the gentleman from Texas to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. Dyer) there were ayes 10 and noes 78.

So the motion was rejected.

Mr. CONNERY. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 5, after the words "United States," insert "or the District of Columbia, respectively."

The amendment was agreed to.

Mr. CONNERY. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 15, after the word "States," change the period to a comma and insert "or the District of Columbia, respectively."

The amendment was agreed to.

Mr. CONNERY. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Page 8, line 23, after "United States," insert the word "or the District of Columbia, respectively."

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the amendment. This would provide that the money should be forfeited to the District of Columbia rather than to the United States.

Mr. CONNERY. Where a contract is entered into by the District of Columbia for a building; yes.

Mr. LaGUARDIA. But are not all forfeitures made to the United States?

Mr. CONNERY. No. Where the funds are turned over to the District of Columbia the District is to pay the money, and they are to pay the contractor if wages go up, and they are to get the refund if prices go down.

Mr. LAGUARDIA. True, but the amendment now before the committee is on page 8, line 23, after the word "States." That refers only to forfeitures.

It seems to me that it is rather a novel proposition to provide for a forfeiture in the District of Columbia.

Mr. CONNERY. If the District of Columbia has the funds to build public buildings in the District of Columbia for the District of Columbia and if there is an increase in wages and the District of Columbia has to pay that out of its funds, should it not also receive a refund if wages go down?

Mr. LaGUARDIA. But this is a forfeiture.

Mr. STAFFORD. If the gentleman will permit, the amendment is ambiguous.

Mr. CONNERY. Mr. Chairman, may the amendment be again reported?

The Clerk again reported the amendment.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 9, line 3, after "United States," insert "or the District of Columbia, respectively."

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 9, line 10, after the words "Secretary of Labor," insert "or the Commissioners of the District of Columbia, respectively."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 9, line 12, after the words "Comptroller General," insert "or the Commissioners of the District of Columbia, respectively."

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the amendment.

With all deference to the chairman of the Committee on Labor, I think these amendments are faultily drawn.

Mr. CONNERY. These amendments, I may say to the gentleman from Wisconsin, were prepared by the Legislative Counsel.

Mr. STAFFORD. The Legislative Counsel must have been suffering from the heavy work they have been required to do, because the amendments are not in proper form. The gentleman from Massachusetts has withdrawn one or two because they were so patently inapplicable that anyone who read them could see they were not in proper form.

I would respectfully submit that the chairman withdraw the amendments while other amendments are being considered so we can draft language that will carry out the

purpose of the gentleman.

The words "or the Commissioners of the District of Columbia, respectively," are not sufficient. It is difficult to say offhand just what the language should be, but the amendment should be to this effect: "The Commissioners of the District of Columbia in the event the contract refers to the District of Columbia." The word "respectively" is too vague and indefinite.

Mr. CONNERY. If the gentleman will yield, the gentleman understands what the committee is after.

Mr. STAFFORD. Yes. Mr. CONNERY. The committee desires that the District should get some of the refunds.

Mr, STAFFORD. That money belongs to the United States Treasury. The District is, of course, part of the United States Government, but we do not want to incorporate in the bill an amendment that will not carry out the real intendment of the chairman of the committee.

Mr. McDUFFIE. May I ask the chairman of the committee, if the gentleman from Wisconsin will yield-

Mr. STAFFORD. I yield. Mr. McDUFFEE. It is provided that these things should be done on a statement of fact by the Secretary of Labor. Why could not the Secretary of Labor make a statement of fact with reference to the District of Columbia as he would with reference to any other State or any other place?

Mr. CONNERY. Because of the distribution of the funds. They go back to the Treasury of the United States, and not to the District of Columbia. That is what we are trying to

Mr. STAFFORD. The chairman of the committee will notice, and Members of the House will notice, that everything is predicated upon the action of the Secretary of Labor determining whether the wages are going up or down. Now you are leaving it to the determination of the Commissioners of the District of Columbia. I do not believe, with all deference to the chairman of the committee, that the gentleman intends that, and I ask with all respect that he withdraw the amendment.

Mr. CONNERY. I will say in reply to what the gentleman from Wisconsin has said, that if the amendments are as bad as he thinks, when the bill goes to conference we will take care of the situation. The amendments were carefully drawn by the Legislative Counsel.

Mr. BLANTON. Will the gentleman from Wisconsin

Mr. STAFFORD. I yield.

Mr. BLANTON. The gentleman well knows that no money ever goes to the District of Columbia. The money goes into the Treasury to the credit of the District of Columbia. There is no provision in the amendment whatever for this money going into the Treasury, and the gentleman from Wisconsin is right about it being improperly drawn.

Mr. STAFFORD. I have done my duty.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. Connery) there were-ayes 44, noes 20.

So the amendment was agreed to.

The Clerk read as follows:

Page 9, line 13, after "United States," insert "or the District of Columbia, respectively."

The committee amendment was agreed to.

The Clerk read as follows:

Page 9, line 15, after "United States," insert "or the District of Columbia, respectively."

The committee amendment was agreed to.

The Clerk read as follows:

Page 9, line 19, after "Comptroller General," insert "or said commissioners, respectively."

The committee amendment was agreed to.

The Clerk read as follows:

Page 9, line 23, after the words "miscellaneous receipts," insert a comma and the words "if the contract be with the United States or to the credit of the District of Columbia if the contract be with the District of Columbia."

The committee amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I make the point of order that the committee amendment striking out the Senate language has not been adopted by the Committee of the Whole House on the state of the Union. That must be done before we leave this section. In other words, we must take a vote striking out the Senate language in accordance with the committee amendment.

The CHAIRMAN. That vote will be taken at the conclusion of the committee substitute.

Mr. WHITTINGTON. Mr. Chairman, I offer an amend-

The CHAIRMAN. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 7, line 14, strike out all that part of the paragraph commencing with the word "The" following the period in line 14, on page 7, and extending to and including the period following the word "contractor" in line 11, page 8.

Mr. WHITTINGTON. Mr. Chairman, the amendment just proposed strikes from this bill that part of the bill which provides for a redetermination of wages after the contract has been let and after the wages have been fixed in the contract as originally let. Its purpose is to eliminate the cost-plus system. My amendment will prevent any further cost being saddled on the Government, and will prevent confusion in many cases where otherwise the project could not be completed. The portion of this section which my amendment eliminates authorizes the Secretary of Labor from time to time to reexamine the prevailing rate of wages paid to mechanics and laborers, and in the event the rate of wages contained in the specifications is increased an amount equal to the amount of such increase in wages in any one month shall be paid at the end of such month to the contractor by the Government. In other words, if there is an appropriation of \$100,000 for a post-office building and the contract is awarded under the bill—and I am in sympathy with the idea—the wages are predetermined. My amendment in no wise interferes with that; but if during the course of the construction the Secretary of Labor reexamines the wages and raises those wages, then under the terms of the bill the amount is charged to and must be paid by the Government. Confusion would result if there were no more balance in the appropriation. If the appropriation were exhausted, the building might stop; and that

same thing would apply to other improvements and public | works. The vice of this bill is that it restores and perpetuates the cost-plus system.

My amendment eliminates that vice from the bill and thus improves it. As the gentleman from Georgia, who made a very fair statement, said he had no objection to it, I can not see how any friend of the bill can object to it, because I believe this provision ought to be eliminated, and that my amendment should be adopted.

Mr. BOLAND. Will the gentleman yield?

Mr. WHITTINGTON. Yes.

Mr. BOLAND. Where is any equity to the contractor

found in the gentleman's amendment?

Mr. WHITTINGTON. The same equity that when the contractor submits a bid he has obtained bids on his materials; he knows exactly what he has to pay for his materials and he knows what he has to pay for his labor, and just like any other contract in private enterprise, he has to take some responsibility. I am in favor of the contractor who receives this benefit taking the responsibility and not having the Government hold the bag. For that reason I trust this amendment may be agreed to.

Mr. BOLAND. The gentleman does not propose any

equity to the contractor?

Mr. WHITTINGTON. As a matter of equity to the contractor, this bill as proposed has determined these wages in advance, and in practice labor agrees that the wages will continue until the contract is completed. I respectfully submit that in doing justice, or rather a favor, to the contractor we ought not to do an injustice to the people of the United States by increasing the cost to the Government.

Mr. BOLAND. The gentleman's amendment leaves the

contractor in the hands of the Secretary of Labor.

Mr. WHITTINGTON. It does not. He knows exactly what he is going to have to pay for his labor. He knows it and so does labor, and both really agree, just as in the case of private contracts. The rate of wages obtains until the job is completed. I am opposed to the restoration of the costplus system at the expense of the people of the United States. [Applause.]

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. OLIVER of Alabama. Without the gentleman's amendment, we really destroy any basis for competitive

bidding, do we not?

Mr. WHITTINGTON. Absolutely. The Government might as well do all work by hired labor. As stated by the gentleman from Alabama, we destroy absolutely the basis for all competition, and you can understand how fraud could easily be perpetrated. The contractors have said, "We do not care anything about that provision. We have no objection to it because the Government will foot the bill." There could be an agreement and collusion in the case of unscrupulous contractors and employees, and I submit the Government ought to be protected. As we denounce extravagance and preach economy, I am saying a few kind words for Uncle Sam. Here we have an opportunity to practice what we preach. I am the friend of labor and I certainly want to be fair to the contractors, but we must protect the Government, and thus protect the people.

Mr. CONNERY. Mr. Chairman, I rise in opposition to the

amendment.

I believe, as the gentleman from Pennsylvania [Mr. Bolandl has said, you are doing a great injustice to the contractor who in good faith makes a contract with the Government to construct a public building. Wages go up, he has to pay these wages, and then he is going to go in the red and lose money on his work. We have had plenty of evidence of that before the committee, showing how men have lost thousands and thousands of dollars on just such jobs.

Mr. DE PRIEST. Will the gentleman yield?
Mr. CONNERY. I yield.
Mr. DE PRIEST. What is the difference between Government contractors and private contractors? Private contractors make a flat bid and all matters involving rates of wages are settled by union organizations, which agreements are signed for one or two years in advance. Contractors bid on the same basis and what is the difference between a Government contract and a private contract?

Mr. CONNERY. We believe the Government should uphold the standard of wages just as the President stated last year when he called a conference on the matter. We believe the Government is in a position to keep wages up.

Mr. DE PRIEST. I believe the same thing, but I do not

think the Government ought to be gullible.

Mr. CONNERY. I do not think the Government would be gullible in this proposition. I think this is equitable to the contractor, to labor, and to the Government. There is to be a refund made in case wages go down, and it seems to me this is an equitable proposition for all parties and I hope the amendment will be defeated.

Mr. REILLY. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. REILLY. Does the gentleman contend that if this amendment is adopted the Secretary of Labor can raise wages after a contract is made?

Mr. CONNERY. If the amendment is adopted, it stops them from being raised or lowered.

Mr. REILLY. The Secretary could not raise the rates of wages?

Mr. CONNERY. No.

Mr. REILLY. Then, how is the contractor affected?

Mr. CONNERY. We say in the bill, as it stands now, that if wages go up the Government is to pay the difference between the original contract price and the increased wages, but if wages go down the contractor is to refund to the Government the difference between the contract price and the decrease in wages.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman.

Mr. WHITTINGTON. In the case of an appropriation for a public building or for any public works and the contract or bid is substantially the amount of the appropriation, what is going to happen to the people who are expecting this work to be done if there is not any money in the Treasury or any appropriation made to meet the additional requirement with respect to increased labor wages?

Mr. CONNERY. What is done now if anything like that happens?

Mr. WHITTINGTON. The contractor has given a bond and the people and the Government are guaranteed that they will get their work done.

Mr. CONNERY. When you authorize public works or whenever there is any authorization made by the Congress you find the money, do you not? You will do that in this

Mr. WHITTINGTON. But there is no authority to let our contract if the amount of the contract price has not been appropriated. Sufficient money to cover the contract price must be available before the contract can be awarded.

Mr. CONNERY. I hope the amendment will not be agreed to. Mr. Chairman.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during general debate I took occasion to support the position of the gentleman from Mississippi and attempted to show the committee that this amendment, if put into force, would cost the Government of the United States millions, if not hundreds of millions of dollars. This position has been confirmed by the gentleman from Massachusetts [Mr. Foss], who has just called up the Department of Labor and an official of Secretary Doak's office has stated that if this bill passes, it will cost the Government millions and millions of dollars. It will cost the Government millions and millions of dollars by virtue of this provision, which leaves it to the contractor and to some agent of the Government to connive when wages happen to rise or fall, generally going down, so that he can get the benefit of the difference in the wage scale.

Now, what does this bill do? What is the fundamental idea of the bill? The fundamental idea of the bill is for the Government at the time of the letting of the contract to state in the contract the scale of wages that shall be paid to labor for the respective character of work. This is the basis on which all contractors do such work, and they are supposed to take the risk of any scale going up or going down. Are you now going to allow the contractor to juggle with a contract he has solemnly made with labor to pay this rate of wages throughout the life of the contract for this respective character of work?

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. OLIVER of Alabama. It also destroys the effectiveness of any limitation that Congress might impose upon any contract.

Mr. STAFFORD. Oh, it destroys the very fundamentals of government. You are going crazy if you adopt this proposal. There is no limit to the Treasury, all through the connivance of some ill-designing contractor, who works in collusion, not with the Secretary of Labor, but with his representative in the field, and we will have hundredfold and thousandfold of claims against the Government.

Let us fix ourselves to an established policy, that in all Government work the contract shall state the price, once and for all, which labor shall be paid, not leaving it to the juggling of some representative of the department out in the field and about which the department knows nothing.

Labor ought to be satisfied. When Henry Ford fixes his scale of wages for a long period of time, labor knows that is the basis of the wages, and every laboring man knows that when the scale of wages is fixed definitely in the specifications that he will be entitled to the wage stated therein. There can not be any juggling one way or the other, neither lowering nor raising.

If the prevailing wages go up, that is the risk that every contractor takes. That was the risk the contractors took during the war, when wages fluctuated.

We are seeking to protect labor and not the contractors. We are seeking to give them a fixed scale of wages, the fixed scale of wages at the time the contract was entered into, and if labor gets that for a period of six months, labor will be satisfied. Let us cut this out of the bill, and then pass it. [Applause.]

Mr. CONNERY. Mr. Chairman, I move that all debate on this amendment now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. Whittington].

The question was taken; and on a division (demanded by Mr. Connery) there were 94 ayes and 21 noes.

So the amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 10, line 10, after the word "undertaken," strike out the remainder of the paragraph.

Mr. WHITTINGTON. Mr. Chairman, there are two provisions in the bill; one is applicable to the public contract and the other is applicable to work done by the Government or some department or agency thereof by day labor or hired labor. The amendment just agreed to had reference to public construction.

Mr. CONNERY. Mr. Chairman, I rise in opposition to the amendment. This applies to day labor, where the Government is paying the prevailing rate of wages.

Mr. WHITTINGTON. The language I propose to strike out is this:

The Secretary of Labor shall, from time to time, reexamine the prevailing rate of wages being paid to laborers and machanics for work of a similar nature in the city, town, village, or other civil subdivision of the State, Territories, the District of Columbia, or the Canal Zone, in which all or a principal part of the work is

Now, what does this bill do? What is the fundamental located, and if such rate is found by him to have increased or decreased the bill? The fundamental idea of the bill is for the Government at the time of the letting of the contract to sate in the contract the scale of wages that shall be paid to the receipt of such notification.

I have for the respective character of work. This is the receipt of such notification.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent that the amendment may be again reported.

There was no objection, and the Clerk again reported the amendment.

Mr. LaGUARDIA. Mr. Chairman, I want to call the attention of the gentleman from Mississippi to the fact that you have here a different situation entirely. There may have been some good reason, from the gentleman's viewpoint, for the adoption of the other amendment, but here you have the Government doing the work itself.

Mr. WHITTINGTON. Let me say to the gentleman that sometimes, not only in flood control but in river and harbor work, the Government puts up a certain amount of money and the local interest puts up a part, with the understanding that the Government will—

Mr. LaGUARDIA. The Government, of course, can always protect itself. In this case we must protect the workers. It goes out and hires skilled or unskilled labor, and it pays the then prevailing wages. Surely we want to provide some way for the workmen to obtain the increase if the rates increase. In other words, the Government should be compelled to meet all of the obligations and requirements the law imposes on private contractors.

Mr. WHITTINGTON. As I understand, the same rule would apply as to the prevailing rate of wages in predetermining wages under work by contract and by hired labor. Predetermined wages are provided in both cases.

Mr. LaGUARDIA. But it is not fixed in the first instance. Mr. WHITTINGTON. Yes; it is. The very purpose of the bill is to extend the Davis-Bacon Act from public buildings to public works, and when you make that extension you cover the point that I have in mind.

Mr. LaGUARDIA. Does the gentleman say that the prevailing rate of wages having been established on a given job carried on by any department of the Government, that establishes it until the whole work on that job or project is finished?

Mr. WHITTINGTON. Until that particular work is

Mr. LaGUARDIA. The gentleman, then, says that the Government could not decrease it on that job?

Mr. WHITTINGTON. I certainly would say so.

Mr. LaGUARDIA. Let us understand each other. It is then understood that as the section now stands the prevailing rate of wages is fixed, although the Government or a department thereof is doing the work; and that having been fixed, it is fixed for the duration of that particular job or contract.

Mr. WHITTINGTON. And can not be reduced.

Mr. LaGUARDIA. Or increased.

Mr. WHITTINGTON. That is exactly right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

Mr. McGUGIN. Mr. Chairman, I move to strike out all of section 3, as amended.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McGugin: Beginning on line 1, page 10, strike out all of section 3.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. Strong of Kansas) there were—ayes 41, noes 71.

So the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 10, line 21, strike the period, insert a colon and the following:

"Provided, That in case of national emergency the President is authorized to suspend the provisions of this act."

Mr. WHITTINGTON. Mr. Chairman, I call attention to this important and significant fact: The Davis-Bacon Act contains this identical provision. It is absolutely imperative that it should be in the pending bill. Suppose we have a flood on the Sacramento or the Colorado River or the Mississippi. The President of the United States ought to have the same authority that he has under the Davis-Bacon Act to suspend the operation of this law temporarily.

Mr. CONNERY. Mr. Chairman, it is my understanding that we had not taken that out of the Davis-Bacon Act. If the gentleman feels it has been taken out, I shall support his amendment.

Mr. WHITTINGTON. There is no question about that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

Mr. ARENTZ. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. Arentz: On page 10, following line 10, after the word "undertaken," insert the following: "Whenever a contractor or subcontractor file bonds for the

whenever a constactor of subcontractor life bonds for the faithful performance of his contract and his financial integrity, the authorized official of the United States shall in every case examine, first, into the financial ability of the bondsman or surety; second, determine that such bondsman or surety actually surety, second, determine that such bondsman or surety actually signed such bond; and, third, that the bond is in such form as to fully guarantee the faithful performance of the contractor and/or subcontractor, and guarantee full protection including payment in full to workmen and material supply men."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. ARENTZ. Will the gentleman make his point of order?

Mr. STAFFORD. The point of order is that the amendment is not germane. The amendment is offered to the provision relating to work by departments of the Government or independent establishments of the Government throughout the country, and there is nothing in the bill recommended by the committee that relates to bonds of any character. It is an extraneous subject. I make the point of order on the invitation of the mover of the amendment.

Mr. LaGUARDIA. Mr. Chairman, I would like to be heard in opposition to the point of order. The purpose of this bill is to provide a prevailing rate of wage, and it provides the machinery whereby the prevailing rate of wages may be predetermined, and how they shall be established. The whole purpose and scope and gist and crux of the bill is the payment of wages for skilled and unskilled labor. The amendment offered by the gentleman from Nevada simply provides that the money so contemplated to be paid shall be really and actually paid to skilled and unskilled labor by the contractor, and provides a bond for that specific purpose. The definition, the conditions, and terms of that bond are only incidental to carrying out the real purpose, that is, the payment of the money paid by the Government to the contractor, to the skilled and unskilled labor. It goes to the very heart of the bill and is a pertinent part of the scope of this bill.

Mr. SABATH. Mr. Chairman, on the point of order I am under the impression that the gentleman from New York is mistaken. I am in favor of the amendment, and I think it might be offered as a separate section, but section 3 does not deal with contractors. It only deals with the labor engaged by the Government on Government projects in which the Government is interested. There is nothing in the section that deals with the contractors.

Mr. LAGUARDIA. I do not think the gentleman from Wisconsin [Mr. Stafford] presses the point of order that it is not germane to the section-I am arguing that it is germane to the bill.

Mr. STAFFORD. That was the purpose of my argument. Mr. LAGUARDIA. I thought the gentleman's point of order was that it was not germane to the bill.

Mr. SABATH. No. I think the gentleman said it was not germane to the section. I think the amendment is a good amendment and should be adopted, but it should be offered as a separate section and not as an amendment to section 3.

The CHAIRMAN (Mr. BOEHNE). The Chair is ready to rule. The Chair is of the opinion that section 3 on page 10 relates to the subject of legislation on the prevailing rates of wages for labor, while the amendment offered by the gentleman from Nevada deals with the subject of bondsman and sureties, and therefore is not germane. The Chair sustains the point of order.

Mr. ARENTZ. Mr. Chairman, I offer the same amendment as a new section.

Mr. STAFFORD. Mr. Chairman, I raise a point of order, because I would like to offer two preferential amendments before any new amendment is offered.

Mr. CONNERY. Mr. Chairman, I offer a perfecting amendment which will take care of the language stricken out of the bill by the changes.

Mr. STAFFORD. I offer the following amendment to carry out the intentment of the committee made necessary by the Whittington amendment.

The Clerk read as follows:

Amendment offered by Mr. Stafford: Page 8, beginning in line 18, strike out the language "or not less than any rate of wages subsequently ordered in writing by the Secretary of Labor in accordance with section 1 of this act"; and on page 9, line 6, strike out the language "or in any subsequent revision thereof made by the Secretary of Labor."

The amendment was agreed to.

Mr. CONNERY. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10

The motion was agreed to.

Mr. ARENTZ. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. ARENTZ: On page 10, after line 21, insert a new section to read as follows:

"SEC. 4. Whenever a contractor or subcontractor file bonds for the faithful performance of his contract and his financial integrity, the authorized official of the United States shall in every case examine, first, into the financial ability of the bondsman or surety; second, determine that such bondsman or surety actually signed such bond; and, third, that the bond is in such form as to fully guarantee the faithful performance of the contractor and/or subcontractor, and guarantee full protection including payment in full to workmen and material supply men."

Mr. STAFFORD. Mr. Chairman, I reserve the point of order, unless the chairman of the committee desires me to make the point of order.

Mr. ARENTZ. Make the point of order.

Mr. STAFFORD. Mr. Chairman, I make the point of order the amendment is not germane. There is nothing in the bill under consideration that relates to bending of the various contractors. There is no provision in the bill as to what their qualifications shall be.

The major premise of the bill is to have the contract stipulate the predetermined rate of wages.

The subject of the amendment, which is a subject entirely foreign to the bill, was not given any consideration by the committee, or at least we presume it was not, and the subject matter is entirely different from that under consideration by the committee.

Mr. ARENTZ. The very basis and foundation of the bill is the guaranty to labor that it shall be paid the going wage. The bill establishes a new policy. It provides, in the first place, that a wage scale shall be established, that this wage scale shall be specifically mentioned in the contract and specifications, and that ultimately this wage scale shall be paid.

My amendment provides that assurance will be made, and that all doubt will be eliminated, that the wages ultimately will reach the worker and the man who furnishes the material. I have no hesitancy in saying that my amendment | will protect the Government and relieve the Claims Committee of the consideration of many bills each year.

Without such a provision as I have inserted here I can show conclusively that the wages in some cases would ultimately not reach the worker and the man who supplies the material. I think the provisions of the bill help both the worker and the contractor, and my amendment stops the crook and helps the worker and the bona fide contractor. Both have a place in the picture, and protection provided to both is necessary to make this a perfect bill.

Mr. CHINDBLOM. Mr. Chairman, I beg to submit that there are only two sections to the bill. Both of them relate to the matter of a predetermination of wages. The second one merely provides that if any portion of the preceding section, section 1, shall be found invalid, the balance shall be held valid; so, that does not enlarge the subject matter of the legislation. Therefore, there is only one subject, even though there are two sections. Let me add that the proposed amendment relates to the whole subject of performance of the contract by the contractor and provides for the giving of a bond for the performance of the entire work. There is certainly nothing in section 1 which relates to the general performance of the work by the building contractor.

Mr. LAGUARDIA. Mr. Chairman, the bill does not only provide that the contract shall contain the rate of wages to be predetermined, but the Chair will find on page 7 that the bill specifically provides that the contractor or subcontractor shall "pay" the determined wage. The amendment provides for a bond to guarantee such payment.

Then, if the Chair will turn to page 9, line 14, the Chair will find this language:

Such amounts may be recovered by the United States as a debt in a suit at law against either the contractor and his "surety" or his subcontractors.

The Chair will note a specific reference and provision relating to a surety.

The amendment carries out the intent which is provided in the bill that the Government should be indemnified by a bond, and the amendment offered by the gentleman from Nevada carries out the intent of this bond and works out its details, which are incidental.

Mr. STAFFORD. This amendment, Mr. Chairman, modifies existing general law relating to bonds that may be required by the Government.

Mr. LaGUARDIA. Yes. Mr. STAFFORD. The amendment of the gentleman from Nevada seeks to have this bill review and amend that law. This bill does not refer in any particular to the character of bond that may be given. It is an extraneous matter entirely, seeking to open up an entirely new subject matter, as the gentleman from Illinois has so well and pertinently pointed out.

Mr. LaGUARDIA. This time the gentleman from Wisconsin is in error.

The CHAIRMAN. The Chair is ready to rule. The Chair thinks the amendment is germane and therefore overrules the point of order.

Does the gentleman from Nevada wish to speak on his amendment?

Mr. ARENTZ. Only to say, Mr. Chairman, that I do not believe there is a more important matter that could be put in this bill than to guarantee to the workmen and to the material men their wages and compensation. This amendment will do that. It is the most important feature of the bill, and I hope every member of the committee will vote for this amendment, and I am sure they will if they understand its provision; then I believe they would be in full sympathy with its purposes.

Mr. SABATH. Mr. Chairman, I am in favor of this amendment, but I am uncertain whether it will be possible for the bondsmen or the sureties to comply with its provisions. I should like to ask the gentleman who offered the amendment as to his opinion about this proposition: It is generally recognized that surety companies, and many insurance

companies, due to the deflation of their securities, would be found to be insolvent if examined by the insurance department. This is a serious proposition.

I have been informed that the securities which these surety companies own and possess are not worth more than 20 to 25 cents on the dollar. If a strict examination were made of the assets of these surety companies, I am confident one would not be able to find many surety companies able to qualify. Has the gentleman given that question any thought or consideration?

Mr. ARENTZ. That is only an additional argument for the necessity of this amendment. The same thing applies to individual sureties. The gentleman knows there are two ways of getting sureties. One way is through a bonding company and one way is through individuals. Now, if individuals sign a bond, surely the Government officials should go there and find out whether Mr. A, Mr. B, and Mr. C actually live there; next, how financially able they are to fulfill their bond; then ascertain whether they actually signed the bond and know all the provisions of the bond. Those three items make up a good guaranty, and if those three items are shown then the bond will be accepted.

Mr. SABATH. I congratulate the gentleman on his good intentions and I believe he is going in the right direction, but the thing I fear is that there would be only one or two surety companies that could qualify.

Mr. ARENTZ. Let us find that out.

Mr. SABATH. I am not willing to vote for a proposition that may be playing into the hands of one or two surety companies. Therefore I believe the amendment is one that should not be accepted.

Mr. LAGUARDIA. The gentleman does not contend that he does not want to have good security?

Mr. SABATH. No. I want good security, but the gentleman knows what I have in my mind.

Mr. CHINDBLOM. Mr. Chairman, in all kindness I want to say that this amendment shows the danger of hurriedly writing and offering amendments on the floor. This amendment is not limited to building contracts at all. You may conclude from the context that it relates to building contracts, but it is not limited in that way at all. The amendment reads:

Whenever a contractor or subcontractor files bonds for the faithful performance of his contract and his financial integrity, the authorized official of the United States shall in every case examine, first, into the financial ability of the bondsmen or surety; second, determine that such bondsman or surety actually signed such bond-

And so on.

Mr. LaGUARDIA. What is wrong with that? Mr. CHINDBLOM. It does not belong in this piece of legislation. It is general legislation touching bonds to be given to the Government of the United States for the performance of contracts; yet here we are hurriedly, in the rush of the moment, amending the existing law with reference to all of the contractual transactions in which the Government may be engaged with individuals throughout the country.

Mr. BOLAND. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. BOLAND. I will say to the gentleman, as a contractor, that this is the most equitable amendment to this whole bill.

Mr. CHINDBLOM. But it does not merely cover the question of building contracts. It covers every form of contract that the Government of the United States might make.

Mr. BOLAND. It covers the workmen, the material men, and it covers the Government itself.

Mr. CHINDBLOM. And it covers merchants who furnish supplies to the Government. It covers all kinds of contracts in which the Government may be engaged, which we are not considering at all now.

Mr. LaGUARDIA. It covers cases where a bond must be furnished, and it must be a good bond. That is all.

Mr. CHINDBLOM. The present law requires a good bond. We do not need a new law for that purpose; and if we did, such a proposal covering bonds for all purposes, not only for building operations but for all other undertakings with the Government, is too broad to be germane to this bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired on this section and all amendments thereto. The question is on the amend-

ment offered by the gentleman from Nevada.

The question was taken; and on a division (demanded by Mr. Arentz) there were—ayes 45, nays 57.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer a preferential motion. I move to strike out the enacting clause.

Mr. STAFFORD. Mr. Chairman, I make the point of order that the amendment is not in order.

Mr. BLANTON. That is in order; other business is transacted and after argument has been had, following a preceding motion to strike out the enacting clause.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that this identical amendment has been voted upon by the committee and is not now in order.

The CHAIRMAN (Mr. BOEHNE). The Chair sustains the point of order.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 6, line 19, strike out "\$500," and insert in lieu thereof "\$5,000."

Mr. WHITTINGTON. Mr. Chairman, a parliamentary

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, as I understand, the motion to close debate referred to the pending amend-

Mr. CONNERY. No; I moved that all debate on the section and all amendments thereto close in 10 minutes.

The CHAIRMAN. The motion was on the section and all amendments thereto.

The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were-ayes 69, noes 49.

Mr. CONNERY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WHITTINGTON and Mr. CONNERY.

The committee again divided; and the tellers reported that there were-ayes 79, noes 65.

So the amendment was agreed to.

Mr. TABER. Mr. Chairman, I move to strike out all after the enacting clause.

Mr. STAFFORD. Mr. Chairman, I make a point of order on that motion.

The CHAIRMAN. The point of order is sustained. The entire committee substitute has not been read.

The Clerk will read.

The Clerk read as follows:

SEC. 4. If the provisions of section 1 of this act, or the application thereof to any person or circumstances, shall be held invalid, the act of March 3, 1931, or the application thereof to any such person or circumstances, as the case may be, shall not be affected by the enactment of this act.

Mr. CONNERY. Mr. Chairman, I offer an amendment inserting quotation marks at the end of line 21, page 10, striking out the figure "4" and insert the figure "2" in line 22, page 10, striking out quotation marks on line 22, page 10, and striking out quotation marks on line 3, page 11

The Clerk read as follows:

Amendment offered by Mr. Connery: On page 10, line 21, insert quotation marks at the end of the line; on page 10, line 22, strike out the quotation marks before the abbreviation and strike out the figure "4" and insert the figure "2"; and in line 3, page 11, strike out the quotation marks

The amendment was agreed to.

Mr. EATON of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Earon of Colorado: On page 11, after

line 3, add a new section:

"Sec. 5. This act shall take effect 30 days after its passage but shall not affect any contract then existing or any contract that may thereafter be entered into pursuant to invitations for bids that are outstanding at the time of the passage of this act."

Mr. EATON of Colorado. Mr. Chairman, I ask unanimous consent that the number of the section be changed to 3 instead of 5.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

Mr. CONNERY. Mr. Chairman, will the gentleman yield? Mr. EATON of Colorado. I yield.

Mr. CONNERY. I have no objection to the amendment. My understanding is that that language is in the other act, but if the gentleman wants it included at this point, it is all right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado.

The amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to incorporate therein a brief report that the Secretary of Labor sent to the committee, and which my friend from Massachusetts [Mr. Con-NERY] has turned over to me for this purpose.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CONNERY. Mr. Chairman, I move the adoption of the committee substitute for the Senate bill.

The committee substitute for the Senate bill was agreed to. Mr. CONNERY. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BOEHNE, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 3847, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass

Mr. CONNERY. Mr. Speaker, I move the previous ques-

tion on the bill and amendment to final passage.

The motion was agreed to.

The amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question now is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. Connery) there were 117 ayes and 81 noes.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that no quorum is present. The Chair will count. [After counting.] Two hundred and forty-one Members; a quorum is present.

So the bill was passed.

On motion of Mr. Connery, a motion to reconsider the vote whereby the bill was passed was laid on the table.

IN BEHALF OF CONGRESS

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter I wrote to the Bronx Chamber of Commerce.

There was no objection.

Mr. GRIFFIN. Mr. Speaker, under the leave granted me to extend my remarks in to-day's RECORD I include the following letter addressed by me to Mr. Mand, president of the Bronx Chamber of Commerce, as printed, with running comment, in the following editorial in the Bronx Home News of June 3, 1932:

The people have gotten pretty darned tired of reading about the "national questions." Now they want some of the answers and so it gives us pleasure to present herewith a reply made by

the "national questions." Now they want some of the answers—
and so it gives us pleasure to present herewith a reply made by
Congressman Anthony J. Griffin to George J. Mand, president of
the Bronx Chamber of Commerce, when the latter complained
about the slowness of Congress in balancing the Budget.

"As to the feeling running high on the balancing of the Budget,
I realize that certain newspapers and certain elements are doing
their utmost to undermine confidence in Congress either for
their own selfish interests or to gratify their malicious instinct
of faultfinding. They may set their minds at rest—the Budget
will be balanced because it must be balanced.

"There is no magic in the words 'balance the Budget.' We
do it every year as a matter of fact. The Appropriations Committee 'cuts the coat to the cloth'—in other words, makes the
appropriations fit the revenue available. This year, the task has
been particularly difficult owing to the fact that the revenues
from so many sources have dropped below the normal. The
double task has fallen upon Congress not only to cut the appropriations but to find new sources of revenue.

"That is the problem and that is precisely where minds differ.
First as to the appropriations, some believe in cutting salaries;
others believe in maintaining salaries as they are on the theory
that when the Government once sets the example, it will be followed by a general breakdown of salaries throughout the country,
thus seriously impairing the purchasing power of the people. On
both sides of this question, Members of Congress are deluged
with letters, resolutions, and petitions, so that it ought not to be
surprising to find a corresponding diversity of views among the
Members.

"Likewise in the matter of raising revenue, a similar deluge of

Members.

"Likewise in the matter of raising revenue, a similar deluge of arguments and appeals of every kind is showered upon us. Some favor high income taxes, some low. Some favor the sales tax, others are opposed. It ought not to be hard to understand why it takes some time to arrive at a solution.

"In a dictatorship there is only one point of view and the representatives of the people must bend their minds and consciences to obedience. In a democracy it is different. I should not like to have any dictator tell me which side of a given problem I ought to espouse, and by the same token I must be willing, as a true American, to be patient with the viewpoint of others and concede their right to exercise their prerogative according to the dictates of their consciences. of their consciences.

'I therefore make the appeal to my constituency to exercise the same patience and cherish the comforting assurance that if there is any virtue in our system of representative government (and I know there is) we are bound to work out a solution of the present problem as we have every other problem which has confronted us in our past history. Any other attitude would lead to downright bolshevism. We must maintain to the last our faith in our democratic representative form of government or else sink into a dictatorship."

a dictatorship."

We are interested in Mr. Griffin's explanation of the "D., L., and W." (delay, linger, and wait) policy of the Congress in its job of Budget balancing. We want to say, incidentally, that this area may consider itself fortunate in the men who represent it at Washington. But we must add that their individual ability and efficiency are far from sufficient to "sell" us the entire body of which they are Members.

Congressman Griffin speaks of the "certain elements" undermining confidence in Congress. He should know that it is rather.

mining confidence in Congress. He should know that it is, rather, the extremely uncertain elements in Congress itself that has

destroyed public confidence in the body.

We do, however, realize that throughout the crisis our Representatives have been deluged with tons of communications making pleas and demands of all sorts. In fact, we wonder if Congress did not approve the higher postal rates in order to stem this flood

of bitterly critical mail.

But the fact remains that, as a body, and throughout all of its current session, the Congress has given us far more cause to "view with alarm" than to "point with pride."

PHILIPPINE INDEPENDENCE

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks on the Philippine question.

There was no objection.

Mr. LOZIER. Mr. Speaker, republics may easily depart from the principles on which they were founded and become bureaucratic and oppressive. Blackstone tells us that every wanton and causeless restraint on the will of the subject, whether practiced by a monarchy or nobility or a popular assembly, is a degree of tyranny. It will not be to the credit and glory of our Republic if we deny to others the exercise of those rights and the enjoyment of the privileges which are the legacy of every American citizen, and without which our liberties would be as sounding brass or as a tinkling

I apprehend we sometimes overestimate our own genius for government to such an extent that we are not at all times fair in appraising the qualification of the Filipino for independence. The American people have not always ex-

of the Covenant of liberty has not been committed by the Almighty to our exclusive keeping. We can not solve the Philippine problem by brandishing a big stick, or by treating the appeal for independence with disdain, or by an ipse dixit, or dogmatic assertion branding them as incapable of self-government, nor can we escape responsibility by adopting the easy-going policy of laissez faire. This issue confronts us. Like Banquo's ghost, it will not down at the bidding of those who by procrastination seek to strengthen our strangle hold on the Philippines, lull the natives into the twilight sleep of passivity, and postpone action for one or more generations. Our duty is unmistakable and inescapable. We should turn our backs on subterfuge, evasion, special pleading, make-believe bugaboos, and withdraw from the Philippines. Only under a republic of their own can the talents of the Filipino find their proper orbit and maximum development.

But some one says, "The leading Filipinos are mestizos, Eurasians, or of mixed blood." But how does this alter or affect the situation? That may truthfully be said of the governing groups of all of the Latin American republics. Ethnologically the inhabitants of the Philippines are essentially Malayan, and are the outstanding representatives of that great and widely diffused family. The contribution of other racial groups to the blood stream of the 13,000,000 inhabitants is negligible. The Filipinos have led all other Malayans in civilization and the arts of government.

No one will challenge the education, culture, ability, patriotism, or resourcefulness of the leading or governing classes of the Filipinos. They have demonstrated a remarkable genius for governmental affairs. In the conduct of the Philippine government they have displayed an amazing ability. We are not concerned with their lineage, but we do know they are an intelligent, generous, confiding, and selfrespecting race that has made marvelous progress under exceedingly disabling handicaps. If you will permit me to paraphrase a statement of Sir Philip Sidney:

I am no herald to inquire of the Filipinos' pedigrees; it sufficeth me if I know their virtues.

I realize that the Filipino republic, as a newly born nation, will have no divining rod whose dip will unerringly point to a stormless sea or a cloudless future; but the attainments of the Filipinos in the science of government, and their successful management of their domestic affairs for a generation, justify the conviction that they will be able to build their institutions on an enduring foundation, and sustain a stable and benevolent government suitable to the needs of their people.

I do not claim that the Filipinos, when granted complete independence, will be immediately transformed into a mighty nation, whose achievements will at once dazzle the imagination and surpass the outstanding accomplishments of sister republics, but we are justified in believing that no race in the Orient has a more stable foundation on which to rear an enduring republic and virile culture. The Filipino is no dwarf standing on the far-flung edge of the world pleading penury and begging bounty.

Cicero said other nations might be able to endure slavery, but liberty is the very birthright of the Roman people. That was the sentiment of our revolutionary forefathers; the sentiment of liberty-loving men in every land. And should it be thought strange that these same motives and passions flood

the soul of the brown-skinned Filipino?

Our contact with the Philippines should be of such a helpful, constructive, benevolent, and altruistic character that, when we withdraw our flag, we will leave monuments and not ruins behind us; that will win the unfeigned affection, unfailing good will, and everlasting gratitude of the Filipinos, not only of the present generation, but of all the myriad hosts, who in the ever-oncoming tides of times may spring from the soil of their sea-girt mountains and valleys; that in the heart of hearts of every Filipino there may be reared a temple, and in every temple a sacred shrine at which homage may be paid to the American Republic. With his own hands, the Filipino is making for himself a broad hibited 100 per cent qualification for self-rule. The Ark path to freedom, which he will travel even though it may

lead him through great tribulations, and bring him face to face with seemingly insurmountable obstacles.

I have no misgivings as to the future of the Filipino Republic. Its advent will be received sympathetically by liberty-loving people, irrespective of nationality, race, tribe, or tongue. It will be nurtured by its sisters in the family of nations. It will expand and become strong and capable in the exercise of its new liberties, and in the discharge of the new responsibilities and duties that will come as a result of its emancipation. I am sure their enthusiasm for self-government will be tempered with reason and directed by prudence.

Posterity will not judge us solely by our form of government or by the superiority of our free institutions or by our unparalleled wealth and unexampled power but by the manner we administer our Government, cherish its ideals, and apply the principles that called it into being.

Plutarch tells us the crowns of kings do not prevent those who wear them from being tormented sometimes with violent headaches, and I predict if the United States retains the Philippines, either permanently or for a long, indefinite period, such action will bring not only headaches but heartaches to millions of Filipinos and Americans.

In his longing for independence the Filipino is driven by an irresistible impulse of the human heart. His everincreasing passion for self-government is like a living fire; you may, by deferring the decision, cover the glowing coals, but sooner or later the smoldering embers will burst into a fierce flame that will blaze a path to unconditional independence.

Neither the policy of "let well enough alone" nor the hand of violence nor the sack of gold nor the lure of commerce nor the urge of luxury nor the release from responsibility can suppress the righteous determination of the Filipinos to build their own institutions and as an independent state become a member of the family of nations.

The Filipino, like all other men, having been born free, no alien race, monarchy, or republic has any right to lay on him even a silken chain that unreasonably hampers his personal liberty or restricts his political freedom. No empirical reasoning, no cunning sophistry, no policy of expediency can make him dependent or justify the denial of his plea for independence. The Filipino will be satisfied with nothing short of independence. He who feeds you on contrary assertions deceives you.

The Filipino, though unrepining, long-suffering, and patient, is nevertheless persevering and persistent. He will not forever pace the trammels of an alien government 8,000 miles distant from his island home or for generations be obsequiously obedient to the sovereign nod of Uncle Sam; but as the unconquerable sons of freedom they will, in the near future, by peaceful methods, rear their own state and develop their own free institutions.

The goddess of Filipino liberty has unfurled her flag and is moving with slow but measured steps, feeling the ground before she plants her foot on it; but when once set there, it is fixed forever. The thought of liberty makes the Filipino heart hungry for its enjoyment. Self-government will weave a pattern of joy for the Filipino, and from his lips will come a song that will not end, and into his heart will steal a gladness that abides, and over his spirit will fall a spell that will not break.

A DEFENSE OF CONGRESS

Mr. Laguardia. Mr. Speaker, I ask unanimous consent to extend in the Record the remarks I made last night over the Columbia broadcasting network on the defense of Congress.

There was no objection.

Mr. LaGUARDIA. Mr. Speaker, under leave to extend my remarks in the Record, I include the following statement by myself over the Columbia Broadcasting System, at 9.45 p. m., June 7, 1932:

ADDRESS OF HON. FIORELLO H. LAGUARDIA, OF NEW YORK

Disappointment over the defeat of the sales tax has aroused constant and bitter denunciation of Congress. Thanks to the

courtesy and fair play of the Columbia Broadcasting Co., I have this opportunity to answer some of the unfounded attacks made. Our form of Government needs no defense. It has endured longer

Our form of Government needs no defense. It has endured longer than any other government in existence to-day.

An American who would destroy our representative form of government destroys not only the safety, security, and future of his fellow countrymen but the hope of the world. Show me the man who is now shouting for Congress to stop legislating and go home and I will show you the man who has already gotten everything that he wants from the present session of Congress. Show me the man who scorns the conduct of Congress and I will show you the same man who was down on his hands and knees last summer begging the President and Congress to come to his help. Shaky bankers, discredited stockbrokers, nimble financiers, and double-dealing directors were then imploring Congress to come to their rescue. Congress did. The moratorium, the \$2,000,000,000 relief for bankers, brokers, bondholders, and railroads; \$125,000,000 to sustain the bonds of the farm-loan banks; additional liquidity through the Steagall-Glass bill for the Federal reserve system and banks generally; all of this legislation immediately passed without bickering, on the assurance that it would restore prosperity and create employment. Yes, more than assurance, with constant veiled and direct threats of a panic unless Congress did so. From that point on Congress refused to be a rubber stamp for predatory and selfish interests.

and selfish interests.

Congress is now charged with not being constructive and with being under the influence of organized minorities. Let us analyze the situation. Whenever Congress has been under the influence of any minority it has been the minority composed of the very gentlemen who are criticizing it on that score. Notwithstanding the abuse, Congress refuses to adjourn until it has passed constructive relief legislation providing sufficient cash for immediate direct relief to alleviate human suffering, provide appropriations for an extensive public-works program, and abundant resources for States, counties, and cities and private corporations ready to stimulate business and create employment. The enlargement of the scope of the Reconstruction Finance Corporation as contained in the relief bill passed by the House is simply this: That originally hundreds of millions of dollars were authorized to be poured in dead ventures to sustain bad debts, and now we are providing resources to create live activities. The first created no employment. This measure will.

providing resources to create live activities. The first created no employment. This measure will.

The very critics of Congress who demanded \$2,000,000,000 for the Reconstruction Finance Corporation for loans to financial institutions assured Congress that the benefits would percolate through to industry and commerce, and that through these drippings business and industry would be stimulated and employment created. Some of us refused to believe that. We pointed it out at the time. We were abused for so doing. Our stand now is fully vindicated. Congress is not satisfied with having sustained bonds unless it also provides sustenance for the hungry. The House passed a real relief measure to-day. Congress expects to stay in session for at least 10 days after such bill is submitted to the President.

Considerable abuse was heaped upon Congress for failure to heed the wishes of a small minority who insisted upon the passage of a sales tax. It is not generally known that the demand for a sales tax and every utterance for it has always been coupled with a demand for a reduction of the income taxes in the higher brackets. There has been more willful misrepresentation made on the virtues of a sales tax than on any other measure that has been before Congress, equaled only by the claim that we made the world safe for democracy.

been before Congress, equaled only by the claim that we made the world safe for democracy.

A sales tax would be democratic, it was urged, provided an inheritance tax was eliminated. The insistent demand for a balanced Budget becomes less vociferous and less emphatic unless it were balanced by a sales tax, placing the burden of \$660,000,000 on the millions of people unable to buy the barest necessaries of life. It was stated that the necessaries of life would be exempt from a general manufacturers' excise tax. That is not so. Necessaries of life, such as food, clothing, medicine, and farm implements could not, under the mechanics of the bill, possibly have been totally exempted. To exempt necessaries of life it would have required thousands and thousands of specific exemptions. This the proponents of the bill were unwilling to grant.

required thousands and thousands of specific exemptions. This the proponents of the bill were unwilling to grant.

A manufacturers' excise tax, with thousands and thousands of exemptions, would not be capable of administration in this country. The Secretary of the Treasury and every tax expert so testified. The exemptions offered and misrepresented to the American people did not actually exempt to any degree the necessaries of life. It simply removed one step back taxes on clothes, food, medicine, and farm implements. It meant that instead of the farmer paying a tax on his reaper he would be required to pay a tax on every bit of material that went into the reaper, the steel, iron, wood, chain, screws, nuts, nails, bolts, and all gadgets in the farm implement; instead of paying a tax on a suit of clothes the consumer would pay on the cloth, lining, thread, on buttons, on filling, and everything that went into a suit; instead of paying on a pair of shoes, he would pay on the leather, the soles, the eyelets, the pegs, and everything that went into a pair of shoes. What sort of an exemption is that? It was frankly admitted by honest proponents of the sales tax that a complete exemption on food, clothing, medicines, tools, and farm implements without taxing component parts would destroy the very purpose of a sales tax. That can be readily seen. It is the necessaries of life of 126,000,000 that constitute the bulk of consumption and purchases of food and material.

That admission alone was sufficient to prove that the bulk of the sales tax was to come from the necessaries of life. The name manufacturers excise tax and the make-believe exemptions were

manufacturers excise tax and the make-believe exemptions were both camouflages and sugar coating to put the vicious tax system over. I give these illustrations to show how the whole proposition of a sales tax was misrepresented to the American people.

These same gentlemen who complain of minorities and who were advocates of the sales tax themselves constituted a minority seeking to shift their taxes on enormous incomes to the backs of the working people of this country. They fall to state that while certain large publishers were advocating a sales tax on every article in the home, they were seeking exemption of the same tax on the sale of periodicals, magazines, and newspapers

while certain large publishers were advocating a sales tax on every article in the home, they were seeking exemption of the same tax on the sale of periodicals, magazines, and newspapers which they published. That, of course, does not apply to all publishers. Then, it is stated that people of large fortunes will put their money into tax-exempt securities, that they will boycott industry by not investing in industrial and commercial enterprises. If industry and commerce stop under our economic system, tax-exempt securities would be worth nothing.

Industry can not be stopped. The millions of hard-working American people who, through their labor, and through their skill, and through their genius made and kept the industries going will continue to keep them going. The millions of American farmers will continue to feed the country through their toil and production. This threat to put money only in tax-exempt securities and to withdraw it from industry is not a sound argument for any economic plan. It is nothing less than a base threat of industrial and financial sabotage, which can not be anything but ineffective in an enlightened democracy such as ours, a boomerang to those who make the threat.

who make the threat

who make the threat.

At this very moment the last heat of the drive for the balancing of the Budget is on. Nothing more than a theoretical balancing of the Budget is possible for the fiscal year 1933. The deficit has been growing for three years. It is not the deficit of this year alone. It is extremely difficult in a depressed period to suddenly and completely balance the Budget. The deficit of the past three years in turn has increased the Budget requirements of the next fiscal year by reason of the fact that long-term bonds have been issued to meet these vast deficits, and the interest and sinking-fund requirements are now reflected and increasing our annual appropriations.

appropriations.

say that only a theoretical balancing of the Budget is possible because such a balancing as is now contemplated assumes the payment of \$290,000,000 owing to us by our foreign debtors and winks at the necessity of applying \$496,000,000 to the sinking fund under the law necessary for the payment of the public debt fund under the law necessary for the payment of the public debt and further assumes an immediate revival and improvement of business conditions. May I urge the critics of Congress to be frank at least in quoting figures. So now the failure of the foreign countries to pay their debts, the strange mathematics of vociferous Budget balancers resolves itself down to a determined effort to lower the wage scale of the working people of the country. The first step in a systematic lowering of the American standard of living may be found in the so-called economy bill now before the Senate. It seeks to reduce the salaries of Government employees. In fact, the criticism and attacks made concernnow before the Senate. It seeks to feduce the same that the ment employees. In fact, the criticism and attacks made concerning loyal Government employees have been such as to create a feeling of animosity and hatred, entirely unjustified, against them. It is not conducive to good government to create this feeling against the men and women who are in the employ of the

The Government pay roll constantly cited by the critics of Congress always seems to include the \$575,000,000 paid to postal employees, which to this extent is entirely self-supporting. The Postal Service is a personal-service business bringing in over \$800,-

Postal Service is a personal-service business bringing in over \$800,000,000 a year. No personal-service business of such magnitude could possibly be conducted unless it has a large personnel. Yet the critics of Congress in pointing out the postal deficit fail to point out that it is not the pay roll that creates the deficit but the subsidies paid to private ship operators, the subsidy paid to private air mail operators, the subsidies paid to raliroads through excessive rates for carrying the mail that create the deficit.

In addition, the free-in-country distribution of newspapers, and the low rates for carrying second-class mail contribute to the deficit, Now, I suppose some critic of Congress is ready to jump and say, "How about the franking privilege?" The whole franking privilege amounts to about \$800,000. It is only for official business. The cost of carrying the mail of the various departments of the United States Government, of course, is added. It must be taken into consideration that whether mail is franked or official Government mail sent under a frank or penalty stamp it would have to be paid for out of the Treasury of the United States. Abolishing the frank for all official Government mail and paying postage the frank for all official Government mail and paying postage would be taking money out of one pocket and putting it in another.

The postal employees earn their present salaries, not only in services but in the revenue. All through the departments and in the field service the majority of employees of the United States Government are in the low-salary grades. Specialists, technicians, and professional men and women are paid less in the Government

service than in private life.

It may be of interest to know that 124,678 Government employees earn less than \$1,000; there are 480,941 earning \$1,500 and less; 348,147 earning \$2,000 and less; and that 139,974 earn \$2,500 a year and less. Therefore it will be seen the whole economy plan is based on the reduction of salaries of the lower-paid employees constituting the bulk of the entire Government pay roll. Most every

Government employee, like every other family head throughout the

country, has several unemployed members of the family to support. It is not only the pay of the Government employee that is involved. If that were all it would not be a difficult task to adjust. But, as I have just stated, it involves the entire wage structure of the country. This in turn reduces the purchasing power of the country, which in turn reduces consumption and which results in piling up surpluses of commodities, unemployed people by the millions, underfed, starving children, and a prolonging, if not an indefinite continuance of the present period of depression. Yes; indefinite continuance of the present period of depression. Yes; we will balance the Budget, but the way to balance the National Budget is first to balance the family budget. Once the family budget is balanced, purchasing power is restored. When purchasing power is restored, prosperity is restored. The constant demand, therefore, for a general reduction of salaries and wages throughout the country commencing with Government employees is a short-sighted policy. America can not be happy with an enormous poor class. We thought we had passed that long ago. We surely will resist ever returning to it.

The farmer must not and can not be ignored. He is not getting enough for his products to pay the actual expenses of planting and harvesting his crop. His farm is being foreclosed and we are creating a class of peasant tenants more miserable in their poverty than the Russian peasant of old. We must bring up commodity prices and to do that we must maintain the American standard of wages. Therefore when Congress is resisting the wholesale indiscriminate reduction of salaries of Federal em-

standard of wages. Therefore when Congress is resisting the wholesale indiscriminate reduction of salaries of Federal employees, it is not heeding the demand of any organized minority for the simple reason that the great masses of workers and producers and farmers in this country constitute the great majority

of the American people.

EXTENSION OF REMARKS-ADDRESS OF HON. CAMILO OSIAS

Mr. OSIAS. Mr. Speaker, under the leave to extend my remarks in the RECORD I hereby include the following address I delivered at the commencement exercises of Shenandoah College, Dayton, Va., on June 7, 1932.

THE PARADOX OF THE AGE

(By Camillo Osias, president National University, Manila, and Resident Commissioner from the Philippines)

I have an abiding faith in education. That faith is so unshakable that I decline to share in the prevailing pessimism over the efficacy of institutions of learning and educational processes. I am not unaware of the imperfections of educational methods nor am I blind to instances of failures of educational products

nor am I blind to instances of failures of educational products that may lend color to the cloud of gloom hovering over every nation, especially in these trying days of fear and doubt. Yet I can not but believe that perhaps times would be still worse were it not for the educational institutions standing as bulwarks of society, sending forth an ever-increasing number of graduates annually to strengthen the rank and file of those valiantly fighting the forces of destruction. Believing thus as I do, you will not doubt the depth of my sincerity in felicitating this institution and the faculty for this year's fruitful harvest.

Members of the graduating class, I congratulate you on this eventful day which will be memorable in your lives. You are emerging into a world undergoing a period of travail. These are times that are unique and challenging—times that verily try men's souls. Misery and distress stalk the earth's surface. Educated leadership and intelligent followership are essential to meet issues so intricate and numerous, problems so grave and stupendous.

pendous.

We are in very truth living in a paradoxical age. Never has production been so efficient, and yet people are in

want.

We are in the midst of plenty, yet millions of families are living in poverty bordering upon desolation and dissolution.

Never has humanity witnessed such a variety of mechanical devices, products of man's inventive genius, and yet the very machines that human ingenuity has devised are occasioning the unemployment and suffering that are so widespread.

Never have the statute books been so prolific in regulatory and prohibitory laws and yet criminality and intemperance are rampant and seem to be on the increase.

The earth has never seemed so prodigal with every kind of

rampant and seem to be on the increase.

The earth has never seemed so prodigal with every kind of food and every description of the wherewithal of existence yet countless individuals and families are filled with lamentations complaining of their inability and helplessness to satisfy the most elementary human wants and needs.

Gold and silver have never been so plentiful, but commodity prices have fallen to such low levels that men know not whether they should resort to processes of inflation, deflation, or reflation to remedy matters.

At a time when the material resources discovered and utilized.

At a time when the material resources discovered and utilized have never been so great and the facilities for exploitation so nearly perfected, it is the very time when governments have their greatest deficits and when unemployment and poverty raise their charter heads. their sinister heads.

their sinister heads.

In this twentieth century, when we are supposed to have come closest to the peak of human progress, we witness precisely the most extraordinary contrarieties in human existence.

Paradoxes beset us on every side. Instances could be multiplied almost without limit. Obviously it is neither necessary to lengthen the list nor essential to discuss at length each and every phase.

I purposely pause momentarily at this point to remark that I am

not bent on magnifying existing ills or conveying a message of pessimism. I am not an alarmist. I am a confirmed optimist. It is more in keeping with my nature to leave with you thoughts which by their very challenge should produce a new vision of hope

and of promise

and of promise.

The burden of my address is to depict the existing situation and present contemporary problems which merit the attention of the most thoughtful and the most heroic. It is our common hope, I am sure, that we may wrestle successfully with these gigantic problems looming high before our very eyes which, when adequately coped with, shall lift a world now groping in the dark valley of despondency and distress to levels that shall enable us to

catch a new vista of splendor and greatness.

It is commonplace that in marshaling either armed forces or cultural forces the rate of progress is often controlled not so much by the speed of the few and the select as by the rate at which the great bulk advances. Society hardly ever goes forward by leaps and bounds despite the fact that a few individuals may move with gigantic strides. It is not strange or unnatural that the bulk of humanity at large should continue zigzagging on its way almost at a snail pace despite the fact that leaders endowed with statesmanly qualities may have already attained the dizzy heights. Such, however, seems to be the destined fate of democracies. The history of the world has recorded so many iniquities and injustices of autocratically ruled kingdoms and empires which have since become decadent that we should not be willing to destroy present-day democracies in spite of their imperfections and ills. But it is clearly the part of wisdom and the dictate of statesmanship at times to take an inventory of the sum total of human experience and take cognizance of triumphs and defeats—the defeats that we may know what to relegate to the scrap heap and cultural forces the rate of progress is often controlled not so much

manship at times to take an inventory of the sum total of human experience and take cognizance of triumphs and defeats—the defeats that we may know what to relegate to the scrap heap and the triumphs that we may know what to hold priceless.

One of the strangest paradoxes recorded in history is that the spirituality of a people seems to be at a low ebb when they are literally riding upon the crest of a wave of prosperity. Ancient empires entered upon their period of moral and spiritual decadence after having surfeited in plenty. It was at some such period that the proverbial fiddling of Nero took place while Rome burned. Such an occurrence embodies a great kernel of truth for the human race, though the event itself may not be historically accurate. One of the irresistible temptations to human beings is to neglect their inner selves while basking in the sunshine of material wealth. People living in the midst of material abundance indeed have often succumbed to the lure of indifference. Just as individuals live in apparent abandon disregarding elementary rules of hyglene while they enjoy a surplusage of health, just so do nations get their visions dimmed by the glamor of gold in superabundance. Revolutions from the masses time and again have been directed against reigns characterized by tyrannical cruelty and extreme callousness on the part of kings and rulers who, feeling secure in their power and content in their palatial surroundings, have completely ignored rumblings of the common people groveling in indescribable agony under the heels of their mighty masters.

The saving feature under such circumstances is that after each popular upheaval a new concession was made or a new conquest achieved ultimately redounding to the benefit of the human race.

The saving feature under such circumstances is that after each popular upheaval a new concession was made or a new conquest achieved ultimately redounding to the benefit of the human race. An instance corroborative of this is the memorable Magna Charta signed on the field of Runnymede, climaxing the vigorous demands of the English masses. Such, too, was the case in the emancipation of many a colony that had been victimized by tyranny and oppression on the part of greedy colonizers. The sad part is that the achievement of such reforms, such conquests, such advances in the past should have been invariably accompanied by so costly a sacrifice of treasure and of life.

There is universal complaint at this moment of the depression that has enveloped the entire world. And yet it is but the logical aftermath of the greatest catastrophe that befell the human family. The World War, initiated by a few who belonged to the cliques of the mighty, drunk with power and anxious to perpetuate their reign of greed, necessarily had to bring in its trail miseries untold and ills without number. Naught else could ensue from that folly of follies.

that folly of follies.

That war entailed millions in dead and wounded, and more agrieving and dispossessed. In treasure it has been estimated that that monumental stupidity had cost the world more than that that monumental stupidity had cost the world more than \$200,000,000,000. The ordinary mind can not grasp what a billion means. I wish to make it vivid. There are but 1,440 minutes in one day. Multiply this number by 365 and there are but 525,600 minutes in a year. Multiply this in turn by 1932 and you will find that from the birth of the Great Man of Nazareth to the end of December next there will have been but 1,015,459,200 minutes. If you bear in mind that there are but about 2,000,000,000 people in the whole world the monetary cost of that were would be sufficient. in the whole world, the monetary cost of that war would be suffi-cient in these days, if distributed, to give \$100 to each man, woman, or child now on the face of the earth. Out of this sum, to put in another way, it would be possible to supply \$20,000 to each of the 10,000,000 of America's unemployed. Is it any wonder that after such wanton destruction of property and life, its aftermath should be disaster and distress and the growth of fear and loss of confidence?

One outcome of that universal confiagration was that it compelled people and peoples to be more consciously world-minded. It is a pity that some such volcanic upheaval was necessary to awake mankind from its lethargy. Since then statesmen and men of affairs have done more sober thinking upon the essential oneness of the human family and the interdependence of the

nations of the earth.

We have had a rude awakening. We were brought to the realization that when an international aggression is resorted to with

impunity there is no certainty that the scene upon which it may be staged can be definitely localized or circumscribed.

By the aid of scientific discoveries this planet of ours has witnessed a great shrinkage. Men and nations have become more closely interknit. Mankind has been reduced to an integral organism. No serious misfortune can befall one portion without affecting the whole, nor can a great good be achieved by any part without benefiting the whole. The world that used to take years to circumnavigate can now be encircled in a few weeks or

Traversing oceans has become a matter of hours. Human ingenuity has made it possible almost literally to light the world with an electric spark. The ordinary human voice in the privacy of a small inclosure may now be heard the world around. As a consequence people are talking more, hearing more, and reading more of internationalism and cosmopolitanism. International conferences are more frequent. The need of world cooperation is real and immediate.

Yet this very same phenomenon is the paradox of the age. world suddenly become small and unified found individuals and individual governments who are provincial and narrow in their concepts, habits, and conduct however much they may attempt to appear broad in their pronouncements or world minded in their protestations. The naked truth is that most men and nations in this self-same era of internationalism are narrow, provincial, selfish.

We have come to know that war is hateful, costly, and wasteful but we are without adequate instrumentalities to effect world but we are without adequate instrumentalities to effect world peace. High-sounding treaties have been signed ostensibly abandoning war as an instrument of national policy; yet the very signatories of such pacts suspect the motives of other parties signatory to the same agreements. Voluminous publications have been brought to light favoring the limitation of armaments leading a guilible public to think that we are on the eve of abandoning instruments of carnage and destruction ashore, affoat, and aloft. But the mad race for building battleships, manufacturing war implements, devising schemes of destruction goes on almost unabated. And if on the one hand attempts have been made to show some semblance of a holiday in military, naval, and air rivalries, political and economic hostilities continue in the form of discriminatory laws or tariff barriers high and thick. All these are occasioning suspicion and doubt. Retaliation is the All these are occasioning suspicion and doubt. Retaliation is the order of the day with the consequent diminution, if not paralysis, of commerce and business

The paradox of the age is upon us in full blast. We know the better but do the opposite. Spokesmen of nations make elaborate and studied protestations of their desire for world peace, but almost in the same breath governments are unceasing in their efforts to promote peaceful war through economic agencies. All know that international trade should be universally fostered, but there is no international currency nor effective means of stabilizing entrepoles. ing existing currencies.

Ing existing currencies.

The world for three-quarters of a century busied itself with the task of enriching itself in the material sense. But there has been much squandering with little or no thought of the morrow. There has been no foresight, and, what is worse, there is no preventive or remedial planning for effective and concerted international action, with the result that national debts are staggering, taxes are becoming confiscatory, and tariffs prohibitive. Scarcely has the wound inflicted by the war upon a suffering humanity cauterized than nations again busied themselves with new ways of causing miseries equally far-reaching or destruction just as devastating.

A sick world this is in need of a cure immediate, effective, and lasting. No mere palliatives will do. Merely allaying the disease will not restore the patient to normalcy. Perhaps a sort of surgical operation of the most drastic kind needs to be resorted to in order to remove the root cause. The "time demands strong minds, great hearts, true faith, and willing hads." The age calls for concerted action on agreements scientifically devised. great hearts, true faith, and willing hands." The age calls for concerted action on agreements scientifically devised. It calls for courage, will, and persistence to effect a cure for humanity's ills.

The world knew how to meet a war crisis. It resorted to emergency organizations, emergency methods, emergency procedures in accordance with the dictates and necessities of war. We are suffering from a peace crisis. We need emergency organizations, emergency methods, emergency procedures in accordance with the demands and exigencies of peace.

But we must educate for peace. While crying for peace we must demonstrate greater faith in peace. The trouble is that nations talk of peace, but organize on a war basis. I shall look upon the present world-wide travail as a visitation from heaven if out of it we shall emerge peace minded, determined more than ever to pursue the ways of peace.

The masses are groaning. Their backs are bent to the breaking point from the sheer weight of war burdens, past and present. They demand a change. They are determined to have it. The time for change on a universal scale for real international cooperation is ripe. Now is the appointed time. The question is whether men and women, leaders and led, can and shall rise above provincialism and partisanship to the plane of humanity and statesmanship.

Such is the world and such is the age into which you this day graduate. The situation and the epoch are of the type that make or break characters. You are henceforth to commence to play your part, steer your course, and pilot your life. You have a host of well wishers and they all wish you substantial success and real happiness.

EXTENSION OF REMARKS—SOLDIERS' ADJUSTED-SERVICE CERTIFICATES

Mr. KLEBERG. Mr. Speaker and Members of the House, immediately following my announcement as a candidate to fill the vacancy occasioned by the death of Harry M. Wurzbach, Representative of the fourteenth congressional district of Texas, I stated, among other things, that I favored the discharge of every obligation and the fulfillment of every promise made to the ex-service men. From the time that the proposal to pay the adjusted-service certificates held by the veterans developed into a well-defined effort to discharge immediately this obligation, which was not due until 1945, I became interested to the end that some means to accomplish this end without embarrassing either the Congress or their efforts to balance the Budget be developed on a sound basis.

Every Member of Congress who has served through these distressful times has been impressed with the fundamental importance of the major obligation of this body, to wit, the balancing of the Federal Budget, the bringing of the expenditures of the Federal Government to a parity with its revenue, this being essential in order that the financial integrity of the United States might be reestablished and at the same time the value of the American dollar be maintained.

The original proposal which sought the immediate payment of the adjusted-service-compensation certificates-H. R. 1-provided merely for the issuance of additional Treasury notes in an amount sufficient to pay the certificates. H. R. 1 provided no means, other than the printing of the Treasury notes, for either their redemption or the prevention of any unbalancing or lowering of the value of the American dollar. In effect, the Secretary of the Treasury was merely given authority to start the Government printing press and issue more money. Subsequently H. R. 7726 was substituted for H. R. 1 before the Committee on Ways and Means. This committee reported the bill adversely. A rule was sought under which the bill might be brought up for action by the House. The Rules Committee failed to act upon this rule, whereupon a petition under the rules of the present House was laid on the Clerk's desk and 145 signersthis being the requisite number—petitioned the discharge of the Rules Committee from further consideration of the rule requested, which brings the bill before the House if the rule to discharge the committee passes the House. The vote on the rule will be taken on Monday and, if adopted, the bill will be considered on Tuesday, the following day.

It has been my desire and effort to see this measure, when presented to us for a final vote, contain provisions based upon sound premises which would provide for the immediate payment of the adjusted-service-compensation certificates in a manner which would not detrimentally affect the just reestablished financial integrity of our Government. It is my belief that, were the present method set out in the original proposition perfectly safe and sound, the present revenue bill which has just been enacted and signed by the President would not to-day be in existence, because if the mere issue of Treasury notes were of itself, without support, a sound method of replacing money or creating additional revenue, unquestionably this would have been the means which the present Congress would have adopted rather than the burdensome and obnoxious taxes contained in the revenue bill.

It has been asserted by some that my attitude toward legislation having to do with the immediate payment of adjusted-service certificates is unfriendly and that for ulterior purposes, actuated by motives of like nature, my expression on this matter has been to the end that the legislation might not pass.

Of course, it is easy to make such assertions and easy to impugn motives because there is no tangible means of being certain of that which goes on in the mind and heart of one's fellow man. But be that as it may, I submit that my personal efforts and vote during the past days of this session of Congress should clearly denote that I at least have attempted to be consistent.

My vote on the revenue bill—which, of course, did not meet with my personal approval as to the best and most equitable

means of raising revenue—should at least be proof in part that I subscribed to the idea that it was conclusively necessary to reestablish the credit of our National Government at any cost. From my first statement on the floor of the House—in fact, my initial utterance before this august body—it should be clearly evident that I was definitely cognizant of the importance of curtailing the expenditures of Government and the dire necessity of relieving its burden which now so heavily rests on the shoulders of tax-paying citizens

I submit that the vast majority of the membership of this House are inclined to do everything in their power to relieve the distress and suffering of those who served our country in the Great War. I am also of the belief that these men are patriots and, while lashed by the merciless lash of necessity and the preservation of life in some instances at present, they, too, would be among the last to willfully work injury on this country. On behalf of our veterans and our country I bespeak the earnest efforts of the entire membership of the House to the end that a means, by amendment, be provided whereby the bill which will be before us on Tuesday may be amended so that that immediate payment of the bonus may be made, backed by a bond issue which is supported by some sort of revenueraising measure which will provide for the payment of interest and the creation of a sinking fund for the retirement of the bonds without embarrassing the credit of our country or working an additional hardship on our fellow tax-paying American citizen.

It is my intention to offer an amendment which, after a most exhaustive and careful study of both our present conditions and every means of raising of revenue of which I know, seems to me in the last analysis to be the sanest solution of the question, How can we pay under present conditions? The amendment referred to, whether it be offered as such or in the form of a substitute to the bill, merely sets up a 3-cent per pint-bottle tax on 2.75 per cent beer. This particular source of revenue has been lost to the Government since the adoption of the eighteenth amendment to our Constitution and the passage of the Volstead Act. As a matter of fact, the exhaustive hearings before the committee which had the Bingham measures under consideration, developed almost conclusively that beer of the above-mentioned alcoholic content was not intoxicating in effect. In addition, there is no question but that more or less inferior beer is being marketed and consumed in enormous quantities. This vast industry not only costs the Government millions annually in its efforts to suppress it, but has cost many lives as well. The revenue derived from this source goes into the pockets of those who earn their livelihood outside our law, and this without reason. The citizens of this country are paying more for their beer now than they would have to pay for it if my amendment should be admitted and adopted. The subterranean and elusive operation of this iniquitous monster-organized crime-which carries on this industry of necessity gives employment but, by the same token, to those who have little or no regard for our country and its institutions.

It has been said—and correctly, I think—that a government to be sound must have the inherent power of perpetuating itself. This principle applied to our form of government clearly and without cavil shows that in order to perpetuate itself its attitude must be to protect and lend aid to citizens of all classes. This citizenship, by the very nature of our Government, is our Government and constitutes it. Therefore, by the same token, it appears to me to be vitally necessary to calmly and sanely consider that particular basic principle of our Government which we subscribe to concerning equal privileges to all and special rights to none.

My purpose in offering the amendment is actuated entirely by my determination to do my best to materialize the desire that we at least adhere to sound principles based upon proven premise, and in this hour of darkness and danger this, in my opinion, should be the cardinal rule of this great deliberative body. Actually the future effect, direct or indirect, is not known by either the proponents of the measure to be voted upon or those who are opposed to it—this reference to the present bill proposing to pay immediately the adjusted-service-compensation certificates. It so happens that I belong neither to the group who oppose the particular measure pending nor do I belong to those who support it in its present condition, statements to the contrary notwithstanding.

My attitude is that it would unquestionably be beneficial to retire this obligation if the method of financing would not be detrimental to our national credit or to our country as a whole. The argument of the proponents that the inflation or reflation—this latter is the latest descriptive term as to what would result-of our currency, will be a cure-all of immediately beneficial effect, is, in my opinion, a mere statement of a theory. Those who are opposed to the bill make the statement that the passage of the bill means inevitable ruin. This, too, in my opinion, is theory, inasmuch as the very term "reflation" is a new phrase to me, and in my most diligent efforts of research as to its original premise, I have found that in legislative history this is apparently its first appearance. Therefore, it should be apparent again, that what the results of reflation may be is likewise a matter of conjecture.

With your permission I now again call your attention to the proposed amendment to be offered. In my opinion, after careful study, the method proposed in this amendment is based upon sound premise and will accomplish the results desired by the proponents of the measure, in that the veterans will receive the same compensation which the bill as amended proposes. It has the added advantage of providing for the redemption of the notes and the maintenance of part-gold reserves. It carries the assurance of paying the interest and providing a sinking fund for the retirement of the bonds proposed in the measure, regardless of what the future may hold in store for us.

It has been said, and will be said again, that we are attempting to legalize an illegal commodity; that we are taxing that which is illegal. Many among the best scientific minds of our country are definitely on record and back the statement, based upon the results of scientific research, that 2.75 per cent beer is not intoxicating in fact. We are apparently, therefore, in a most peculiar position when we note the result of failure to pay income taxes by one Scarface Al Capone, as well as the attempted tax on crime introduced in the Senate of this Congress. This would seem to show that we are not averse to obtaining revenue from those who earn their livelihood illegally and outside the law.

My friends, we have reached the point where we must cast aside certain of our expressed convictions concerning theories and experiments and base our efforts on sound judgment, fact, and premise, and be guided by the records and the light of history.

It is my earnest hope, for the sake of our united people and for their best interests, that a majority of you, my colleagues, will agree to this amendment. Despite the fact that many of you in the past have been on record as opposing any change in our present prohibition laws whatsoever, I am satisfied you will agree that much could be done to improve our present condition in so far as we are affected by these laws; and for the sake of reenthroning patriotism and the love of country in the hearts of this great people, as well as of definitely asserting a proper recognition of those American boys who laid their all upon the altar of patriotism in service of our country, it seems we could well afford to accept in reality, as a last resort, this the most equitable means of discharging this obligation for the purpose of alleviating the distress of our veterans and at the same time maintaining the balance of our Budget.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3765. An act to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion at Portland, Oreg., during the month of September, 1932.

ADJOURNMENT

Mr. CONNERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until to-morrow, Thursday, June 9, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, June 9, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON RULES

(10.30 a. m.)

Hearings—Distribution of wheat and cotton to Red Cross.

COMMITTEE ON RIVERS AND HARBORS

(10.30 a. m.)

Hearings-Texas project.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. STEVENSON: Committee on Banking and Currency. H. R. 8167. A bill to authorize payment of farm-loan mortgages with bonds issued by the mortgagee banks, and for other purposes; with amendment (Rept. No. 1555). Referred to the House Calendar.

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Civil Service Commission (Rept. No. 1556). Ordered to be printed.

Mr. JONES: Committee on Agriculture. House Joint Resolution 418. A joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress; with amendment (Rept. No. 1557). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Idaho: Committee on the Public Lands. H. R. 413. A bill to add certain lands to the Boise National Forest; with amendment (Rept. No. 1558). Referred to the Committee of the Whole House on the state of the Union.

Mr. LOOFBOUROW: Committee on Indian Affairs. H.R. 11331. A bill to ratify certain leases with the Seneca Nation of Indians; with amendment (Rept. No. 1559). Referred to the House Calendar.

Mr. LINTHICUM: Committee on Foreign Affairs. House Resolution 247. A resolution approving and encouraging the efforts to hold an international economic conference; without amendment (Rept. No. 1561). Referred to the House Calendar.

Mr. HALL of Mississippi: Committee on Indian Affairs. S. 2671. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon; with amendment (Rept. No. 1562). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 12509. A bill for the relief of Carleton-Mace Engineering Corporation; without amendment (Rept. No. 1560). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK: A bill (H. R. 12525) to provide subsistence and transportation for certain veterans of the World War; to the Committee on Appropriations.

By Mr. SWING: A bill (H. R. 12526) to provide increases of retired pay for officers of the Navy and Marine Corps

retired for disability resulting from injury incurred in line of duty in time of war; to the Committee on Naval Affairs.

By Mr. WILLIAMSON: A bill (H. R. 12527) to amend the act approved May 29, 1930, for the retirement of employees in the classified civil service, and for other purposes; to the Committee on the Civil Service.

By Mr. SIROVICH: A bill (H. R. 12528) to provide protection for textiles and other designs; to the Committee on Patents.

By Mr. DISNEY: A bill (H. R. 12529) relating to the acquisition of restricted Indian lands by States, counties, or municipalities; to the Committee on Indian Affairs.

By Mr. SMITH of Idaho: A bill (H. R. 12530) to amend the revenue act of 1932 by the addition thereto of a section imposing a special additional tax on the profits derived from short sales of potatoes, apples, and other perishable commodities; to the Committee on Ways and Means.

By Mr. SWEENEY: A bill (H. R. 12531) to amend the act approved June 25, 1910, entitled "An act to establish postal-savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes"; to the Committee on the Post Office and Post Roads.

By Mr. STEAGALL: Resolution (H. Res. 258) for the consideration of S. 4780, an act to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation including summer-fallowing during the year 1932; to the Committee on Rules.

By Mr. McCORMACK: Joint resolution (H. J. Res. 423) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 12532) to authorize the presentation of a distinguished-service cross to Ralph Ellsworth Ladue; to the Committee on Military Affairs.

By Mr. CANFIELD: A bill (H. R. 12533) granting a pension to Dilla Underwood; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 12534) granting an increase of pension to Cecelia Randall; to the Committee on Pensions.

By Mr. McREYNOLDS: A bill (H. R. 12535) granting a pension to Editha Smith; to the Committee on Invalid Pensions.

By Mr. SWANSON: A bill (H. R. 12536) granting a pension to Deborah M. Wright; to the Committee on Pensions.

By Mr. TURPIN: A bill (H. R. 12537) granting an increase of pension to Annie C. Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12538) for the relief of David Hughes; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8217. By Mr. AMLIE: Memorial of the Common Council of the City of Milwaukee, urging the pardon of Mooney and Billings; to the Committee on the Judiciary.

8218. Also, memorial of the Common Council of the City of Milwaukee, urging Federal unemployment compensation providing full compensation for the unemployed in all industry; to the Committee on Ways and Means.

8219. Also, memorial of the County Board of Supervisors of Milwaukee County, Wis., urging a \$5,000,000,000 prosperity loan; to the Committee on Ways and Means.

8220. By Mr. CRAIL: Petition of continuation committee of the Southern California Conference for Christian Social Action, of Los Angeles, Calif., urging Congress to effect by due legislation those far-reaching changes in our whole economic, industrial, and financial structure as shall guar-

antee to every citizen the right to work, the right of access to the means of life and labor, commandeering under law, if need be, as under war-time emergency, such natural resources and such industrial equipment and exercising such powers of national credit as shall secure these just rights; to the Committee on Ways and Means.

8221. Also, petition of board of directors of the Down Town Association of San Francisco, memorializing Congress to reduce the expenses of conducting public business and affairs to the end that there may be, at the earliest possible moment, a reduction of taxes, lest our people come to ruin and be consumed by government; to the Committee on Ways and Means.

8222. By Mr. KELLER: Petition of the citizens of Benton, Ill., asking that legislation be passed making the Big Muddy River a canal in southern Illinois; to the Committee on Interstate and Foreign Commerce.

8223. Also, petition of 79 citizens of Tamms, Ill., petitioning Congress the pass waterway bills, H. R. 9390 and S. 1963, and highway bills, H. R. 7237 and S. 2793, placing these forms of carriers under control of the Interstate Commerce Commission the same as the railroads; to the Committee on Interstate and Foreign Commerce.

8224. By Mr. LINDSAY: Petition of Donald F. Clark, secretary Federal Employees' Union, West Point, N. Y., opposing 10 per cent pay cut and favoring a manufacturers' sales tax; to the Committee on Ways and Means.

8225. Also, petition of E. E. Lightburne, of the Waldorf-Astoria Hotel, New York City, opposing the prohibition laws; to the Committee on the Judiciary.

8226. By Mr. RUDD: Petition of E. E. Lighthouse, New York City, favoring the repeal of the eighteenth amendment and the Volstead Act; to the Committee on the Judiciary.

8227. By Mr. SPARKS: Petition signed by Frank A. Weber, of Orion; Andy Oakes and John Press, of Grinnell, Kans., and 92 other farmers of Gove, Logan, and Trego Counties, and vicinity, favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8228. By Mr. WATSON: Resolution passed by the Jesse W. Soby Post, No. 148, American Legion Auxiliary, of Langhorne, Pa., favoring strong national defense; to the Committee on Military Affairs.

SENATE

THURSDAY, JUNE 9, 1932

(Legislative day of Wednesday, June 8, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Sentors answered to their names:

Ark. Ind.

daho

rg

ators answe	red to their nam	es:	
Ashurst Austin Bailey Bankhead Barbour Barkley Bingham Blaine Borah Bratton Brookhart Broussard Bulkley Bulkley Bulow Byrnes Capper Caraway Carey Cohen	Copeland Costigan Couzens Cutting Davis Dickinson Dill Fletcher Frazier George Glenn Goldsborough Gore Hale Harrison Hatfield Hawes Hayden Hebert	Johnson Jones Kean Kendrick Keyes King La Follette Lewis Logan McGill McKellar McNary Moses Neely Norbeck Norris Nye Oddie Patterson	Robinson, Robinson, Sheppard Shipstead Shortridge Smith Smoot Stelwer Thomas, It Thomas, Or Townsend Trammell Tydings Vandenber Wagner Walsh, Ma Walsh, Ma Walsh, Mo
Connally	Howell	Pittman	White
Coolidge	Hull	Reed	

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. Swanson] is necessarily absent as a member of the Geneva conference and that the junior Senator from Louisiana [Mr. Long] is necessarily absent from the city.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

WAR DEPARTMENT APPROPRIATIONS

Mr. REED. Mr. President, I move that the Senate proceed to the consideration of Calendar 822, a bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes.

Mr. ROBINSON of Arkansas. Mr. President, pending the vote I ask unanimous consent that at 12 o'clock to-morrow the unfinished business be laid aside and that the Senate proceed to the consideration of the bill (S. 4860) to provide for loans to States for the relief of distress arising from unemployment, and for other purposes.

The VICE PRESIDENT. Is there objection?

Mr. REED. Mr. President, I hope the Senator will see fit to renew that request just as soon as the War Department appropriation bill is passed.

Mr. ROBINSON of Arkansas. There are a number of other bills in the same status as the War Department appropriation bill. I will make the request now. Of course, if the Senator objects to it. I shall take my own course on it.

Mr. REED. I shall have to object now, Mr. President.

Mr. ROBINSON of Arkansas. Then, Mr. President, I give notice that unless the War Department appropriation bill is disposed of some time during the day I shall move to proceed to the consideration of the bill to which I have referred.

The VICE PRESIDENT. The question is on the motion

of the Senator from Pennsylvania.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. REED. I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill may be read for amendments, the committee amendments to be

disposed of first.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, the vote in the House of Representatives in favor of Philippine independence on April 4, 1932, was impressive, 307 for and only 47 against. Of the absentees I am informed that 42 Congressmen have since stated they would have voted for the bill if present.

The wisdom of the House in passing this bill is being sustained by public opinion. Each new magazine article or new book that appears confirms the wisdom of the action of the House.

Sherwood Eddy, in his recent book, the Challenge of the East, makes some significant statements. Mr. Eddy is a well-known author and a student of the Far Eastern situa-

In this book he reviews the situation in India, China, and Japan.

In discussing the Philippine question he said:

1. All thinking Filipinos and all Americans without exception desire that the present situation of unrest and of uncertainty should cease. The fevered demand for independence which meets with no clear response from America, with the consequent re-tarding of commercial development and of adequate constructive reforms by the Filipinos themselves, is like the uncertainty be fore a presidential election in America, multiplied tenfold and continued year after year. This tantalizing and paralyzing uncertainty must terminate.

2. Every intelligent, self-respecting Christian Filipino in the islands desires independence; and these Christians constitute more than nine-tenths of the population. We have found no people in the world so unitedly, so passionately, so insistently desiring independence as the Filipinos.

But if we ask when and how this indegranted, there is a clear division of opinion. independence should be nion. To understand this

difference we must realize two facts:
1. No other conquered and subject people were ever given such a large measure of autonomy, such hope and promise of early independence, or were so speedily prepared for it. The

result of this artificial stimulation and encouragement on the result of this artificial stimulation and encouragement on the part of Americans has been the practically universal demand for independence by all parties, all classes, all political leaders. It has become a fever, an obsession. Any political leader who asked for anything less than immediate independence would be considered a traitor to his country and would lose his political head.

2. As we have said, the economic progress of the Philippines has been so bound up with free trade exclusively with America that immediate independence would shell an economic catastrophe

immediate indefor the islands. independence would spell an economic catastrophe

1. The bulk of the farming population, nearly 10,000,000 people, want their liberty because of the orations they hear every Independence Day and in election campaigns. They know little about the issues involved, but they will "vote right" and follow their leaders when the time comes for voting or for action.

2. Some thousands of the intellectuals, the whole student body, the youth movement, and their leaders and orators, want always and everywhere in season and out of season "the immediates".

and everywhere, in season and out of season, "the immediate, absolute, and complete independence of the islands." The spirit of this body is that of the American Colonists in 1776, and their spokesman would be Patrick Henry.

3. Some hundreds of the informed, responsible, and real leaders of the islands in government and all departments of life want independence as much as the youth just mentioned, but they are in touch with the economic realities and hope to gain independence, not as a sudden catastrophe but in a way that will benefit the islands and will be a credit to the United States. This third the Islands and will be a credit to the United States. This third group is small, but it is perhaps more important than the other two combined and probably can carry the others upon any reasonable plan for independence which satisfies themselves. They want to end the present fever of uncertainty. They want independence at all costs and would prefer to have it immediately, even with severe economic loss, rather than to lose it or even to run the risk of its indefinite postponement. But they would infinitely prefer a period of transition that would enable them to reestablish themselves upon a new and sound economic basis upon one of the following plans:

of the following plans:

The first choice of many would be the early granting of complete independence at a fixed date of from 10 to 30 years from the present. Economically it might be better to even have a longer period, but they all want to enter the promised land of freedom within their own lifetime. This is a passion with many of them. within their own lifetime. This is a passion with many of them who fought against the Americans in 1898. During the period of transition they desire complete internal autonomy, in order to be able, along with free trade with America, which is a basic essential with them, to begin to adapt their tariffs and trade relations with other countries so that sudden independence may not leave them unadjusted in their trade with the rest of the world.

Mr. President, the very latest book on this subject is entitled "America in the Pacific," by Foster Rhea Dulles, a well-known writer and student of Pacific and Chinese problems, who, in the conclusion of his work, has this to say:

The acquisition of the Philippines marked a new departure in our policy. That can not be gainsaid. If it conformed with the tradition that had steadily led us westward to an assertion of power and empire in the Pacific, it none the less clearly broke with the tradition that the United States was a Nation in which self-government, democracy, and equal rights were the basic principles of national life. It meant that at least temporarily we had forsaken our own established ways to follow the familiar path by which the empires of the past had risen to greatness and then collapsed as ambition overreached itself, the path along which the modern empires of Europe were struggling in jealous rivalry.

In no other instance of our expansion could this charge be sustained. It was only in the Philippines, with their alien millions demanding independence and increasingly resentful of the domi-The acquisition of the Philippines marked a new departure in

demanding independence and increasingly resentful of the domi-nation of the distant power which was the United States, that America had denied her heritage. It may well have been that under the circumstances, for which we were largely responsible, any other course would have provoked a conflict in the Far East. any other course would have provoked a conflict in the Far East. There is no doubt that many Americans sincerely felt that regardless of national interests it was our duty to hold the islands. But basically we took them for trade and empire. The questions still unanswered are whether they are really necessary for the maintenance of that position in the commercial and political world of the Pacific to which we feel ourselves entitled, and, even if that question is answered affirmatively, whether we can afford in justice to the Filipinos and to ourselves to hold them as unwilling hostages for national power.

in justice to the ringinos and to ourselves to hold them as unwilling hostages for national power.

It was perhaps inevitable, given the background of our expansion, the restless urge for national aggrandizement which characterized the whole world at the close of the nineteenth century, and the national ambitions of a young and aggressive nation, that in 1898 we should have temporarily ignored the traditions with which these forces were in conflict. But they have since been recalled. We stand pledged to grant the Philippines their inde-

Mr. President, by the time the Senate is ready to vote on this question they will find in the RECORD and in the hearings complete information covering every phase of this question so that it should not occupy a great deal of time in

I ask unanimous consent that the quotations from these two eminent authors may lie upon the table.

The VICE PRESIDENT. Without objection, it is so or-

REPEAL OF EIGHTEENTH AMENDMENT

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting article by the distinguished American author, Walter Lippmann, on the subject of the proposed repeal of the eighteenth amendment.

The VICE PRESIDENT. Without objection it is so ordered.

The article is as follows:

[From the New York Herald Tribune, June 8, 1932] TO-DAY AND TO-MORROW By Walter Lippman REPEAL

The most effective argument against the repeal of the eight-eenth amendment is that employed by Senator Borah when he asks what "constructive alternatives" the repealers have to offer. Mrs. Boole, of the Woman's Christian Temperance Union, and Bishop Cannon make the same point, and it is obvious from Mr. Rockefeller's letter to President Butler that he is somewhat

troubled, too.

The repealers ought to welcome this challenge, for when the national prohibitionists ask for a "constructive alternative" they are obviously prepared to admit the principle that liquor might be legalized if it were adequately regulated. Senator Boran could not sincerely ask for an alternative to prohibition if he were determined to insist that nobody must ever drink liquor again determined to insist that hobody must ever drink liquor again under any conditions. The problem, therefore, is narrowed down to the question whether by repealing the eighteenth amendment the prospect of a successful regulation of the liquor traffic would be increased or diminished.

In examining the consequences of repeal the first question to ask ourselves is what power to regulate would be left if the eighteenth amendment were removed. There would remain 20 States which

amendment were removed. There would remain 20 States which have prohibition by their own constitutions. There would remain in every State the power to prohibit by constitution or by statute. The Webb-Kenyon law, adopted by Congress in 1913, would remain, compelling the Federal Government to prohibit shipments of liquor into a State if such a shipment violates the State laws.

Interventation of law, adopted by Congress in 1913, would remain, compelling the Federal Government to prohibit shipments of liquor into a State if such a shipment violates the State laws. Congress would have the power to prohibit or regulate the importation of liquor from abroad. These two objectives—to prevent interstate traffic and to prevent importations—are just about all that Federal enforcement aims at to-day. They do not depend upon the maintenance of the eighteenth amendment.

On the other hand, repeal would revive powers to regulate liquor which do not exist to-day. In States which are opposed to prohibition it is impossible, under the eighteenth amendment, to have temperance legislation of any kind whatever. Laws to regulate the liquor traffic are unconstitutional under the eighteenth amendment. The consequence is that in States where the majority is antiprohibition there is no effective prohibition and there can be no alternative. It is no play on words, it is not mere repartee in debate to say to Senator Borah that only by the repeal of the eighteenth amendment will not deprive the States of any power to prohibit or regulate that they now have: it will not deprive the Federal Government of any power which it effectively exercises; but repeal will empower States to regulate the traffic. It can be said in all sincerity and in all literalness that repeal of the eighteenth amendment will augment the total power of the people to deal with intoxicants. From the governmental point of view, the essence of repeal is not the restoration of liquor but the restoration of a suppressed power to regulate liquor. For in its effect upon New York or any other predominantly wet State the eighteenth amendment is simply a constitutional veto on temperance legislation.

Ever since 1913 the great argument for national prohibition has been that the States which wished to de so could not make their own prohibition effective if liquor was being sold freely on the other side of their borders. This, I take it, is Senator Bora

liquor were legal and regulated rather than illegal and unregulated.

lated.

Unless he can convince himself that the Federal Government can and will suppress the bootleg-liquor industry, he must, if he is realistic, see that the practical choice is between a controlled and an uncontrolled liquor traffic. Can it be seriously denied that a legal and regulated liquor industry in the wet States can be more effectively prevented from invading the dry States than a bootleg industry run by outlaws and racketeers? I doubt that it can be denied, and, therefore, repeal would in fact aid those States which desire prohibition within their borders. By reviving the Webb-Kenyon Act they would enjoy all the Federal protection they now have under the eighteenth amendment, and besides they would have the additional protection which would come from driving the bootleggers out of business and substituting a controlled industry. ing the bootleggers out of business and substituting a controlled industry.

It is fair to say that repeal is a "constructive alternative" to the situation which now prevails. Not only would it leave intact

all the constitutional and statutory prohibition in the States, not only would it leave intact the Federal power to protect dry States, but it would revive all the temperance legislation which the eighteenth amendment has suppressed and would for the first time in over 10 years empower the people of the thickly settled regions to protect themselves against the most gigantic industry ever known in the underworld.

in the underworld.

What could be more "constructive," where the issue is one of constitutional powers, than a measure which will leave all effective existing powers intact and revive powers which have been lost? Surely Senator Borah does not expect the repealers to submit to him for his inspection all the laws and ordinances, all the appropriations and appointments which each State would make if the repeal of the eighteenth amendment restored its power to legislate. The challenge of those who ask for a "constructive alternative" is answered when it is shown that repeal will increase and not diminish the real power of the American people to regulate liquor.

COMMERCIAL RADIO BROADCASTING

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Radio Commission, transmitting a report in response to Senate Resolution 129 (72d Cong., 1st sess.), calling for a report from the Federal Radio Commission on the use of radio facilities for commercial advertising purposes and stating that "Commissioners Saltzman and Lafount do not agree with the statement contained in the views expressed in the answer to question 4, to the effect that additional legislation is necessary to enable the Federal Radio Commission to limit and control the amount of time used for commercial advertising purposes, believing that the provisions of section 4 of the radio act of 1927 give the commission the necessary authority," which, with the accompanying report, was referred to the Committee on Printing.

PETITIONS AND MEMORIALS

Mr. DAVIS. Mr. President, I present a petition signed by 700 citizens, merchants, and veterans of Latrobe, Pa., praying for the enactment of legislation which would authorize full payment of veterans' adjusted-compensation certificates. and I request that it be referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, it is so or-

Mr. TYDINGS presented a petition of sundry citizens of the State of Maryland, praying for the adoption of the furlough plan in preference to the 10 per cent pay cut in pending legislation, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by members of the Woman's City Club of Oswego, N. Y., favoring retrenchment in governmental expenditures and the preservation of "a sane and economically safe Republic." was ordered to lie on the table.

He also presented a resolution adopted by the Society of Colonial Wars in the State of New York, protesting against reduction in the numbers of the officers of the Army, Navy, or Marine Corps and the adoption of any measures leading to a weakening of the national defense, which was ordered to lie on the table.

He also presented a resolution adopted by the Common Council of the City of Lockport, N. Y., favoring the passage of legislation to alleviate unemployment conditions, which was ordered to lie on the table.

He also presented a resolution adopted by the Central Labor Council, of Buffalo, N. Y., favoring the passage of Senate bill 3768, known as the Dill bill, proposing to permit checking accounts in postal savings banks for small depositors, etc., which was referred to the Committee on Post Offices and Post Roads.

ARTICLE BY DR. ARTHUR MACDONALD

Mr. JONES. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Dr. Arthur Mac-Donald entitled "Brain."

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

(By Dr. Arthur MacDonald, member of the District Medical Society, Washington, D. C.)

The brain is a mere extension of the spinal cord; both are of one piece. The spinal cord is fundamental, while the brain is more

¹ Reprint from the Medical Times, New York City.

or less accidental. Though the brain be an adventitious part of the spinal cord, it has, nevertheless, become the head of the nervous system and is different enough to have a separate name.

Though the brain often has great relative bulk and high complexity, it must be remembered (Piersol) that the spinal cord is the fundamental and essential part of the nervous axis, so that the degree to which the brain is developed is accidental, being dependent upon the necessities of the animal in the use of the higher nervous functions.

Though from the point of view of nature the brain is an accidental growth, from the human viewpoint it is all important, being the basis of mind, the highest function in man.

In consonance with this idea of the accidentality of the brain, from the point of view of nature, is the opinion of a specialist (Bolton) that the extreme end of the frontal lobe, which is the seat of the higher processes of association, is the last region of the brain to be evolved, but the first to undergo dissolution in mental decadence or dementia. In amentia this region is not developed. Also a fact of comparative anatomy may not be without significance: The spinal cord in man weighs from 1 to 1½ ounces; and relatively to the brain is as 1 to 40, but as we go down the animal scale this ratio gradually decreases, till in the mouse it is 1 to 4. In cold-blooded animals the relation is reversed and the spinal cord is the heavier; in the new1 to 105 and lamprey 1 to 133. Thus, in the earlier and fundamental stages of nature the brain was most subordinate, if it barely existed. Now, this adventitious character of the brain as a mere offshoot of the spinal cord may have its parallel in the realm of mind. Thus the furthermost development of mind might be said to consist in the metaphysical theories of philosophers, which are also of an adventitious character, being the most complicated (like the brain), uncertain, and changeable forms of consciousness. Briefly, all those activities, which are called intellectual, are

and consciousness are usually the first to cease acting, while the unconscious organic functions, being fundamental, are the last to disappear.

I. WEIGHT OF HUMAN BRAIN

While the statistics of brain weights have been gathered by many writers in the past, but usually by very elemental methods, the first one to study more exactly the question of variation of brain weight was Karl Pearson, of the Eugenics Laboratory in

Marchand, one of the pioneers in the statistics of brain weight, did not give the body weight, because, for autopsy purposes in hospitals, the weight of the subjects was too variable to consider in relation to brain weight.

Marchand's brain data indicate that the brain reaches its full growth between ages 15 and 20, remaining constant to about age 50, and then gradually becomes less in weight. It will be noted, as we give the data, especially concerning the brain, by leading specialists, that frequently there is much variation in opinion, but it only illustrates the actual status of brain investigation which

specialists, that frequently there is much variation in opinion, but it only illustrates the actual status of brain investigation, which is merely in its beginning.

In girl and boy at birth the brain is about the same in weight; the brain of the female averages a little heavier than that of the male; boy 367 grams (12 ounces), girl 396 grams (13 ounces). The relative weight of the brain to body weight in the girl is greater than in boy; thus boy, 1 to 8.3; girl, 1 to 8.0; later in life, from birth on with age and weight, the absolute brain weight increases so that up to 15 years of age this increase is from threefold to nearly fourfoid; and from this time on the absolute weight of brain is greater in man than in woman.

TABLE 1 .- Relation of brain weight to body weight

New-born boy	1:8
End of fourth week	
End of twelfth week	1:5
End of first year	1:6
End of second year	1:14
End of third year	1:18
End of seventh year	1:12
End of twelfth year	1:23
End of fourteenth year	1:15-25
End of fifteenth year	1:22

In man the maximum brain weight comes between ages 15 to 30; in woman at age 14. In higher ages the brain weight decreases in man from 60 to 70; in woman from 50 to 60; the decrease is about the same in both sexes. At age 7 the brain averages 40 ounces, and at age 14 the brain often reaches 48 ounces. Beyond

ounces, and at age 14 the brain often reaches 48 ounces. Beyond age 50 the weight slowly but gradually decreases at the rate of about 1 ounce in 10 years.

European brain weight averages from 1,350 grams (47 ounces) to 1,360 grams, or 48 ounces (Bischoff). Topinard (11,000 cases) makes 1,361 grams (48 ounces) the average for man and 1,200 grams (42 ounces) for woman.

Brains under 1,250 grams (44 ounces) in weight are abnormally small and those more than 1,550 grams (55 ounces) are abnormally large (Marchand).

A number of specialists in a series of 278 cases showed the maximum brain weight to be 1,810 grams (64 ounces) and the minimum about 960 grams (34 ounces). The mean weight from 20 to 40 years of age is, according to Boyd, 1,360 grams (48 ounces) for the male and 1,230 grams (43½ ounces) for the female brain. The brain appears to be heaviest between 14 and 20 years of age, and at the age of 80 has lost 90 grams (or rather more than 3 ounces). Broca makes the average 1,421 grams (50 ounces). Spitzka showed that in distinguished men the senile decrease in weight was delayed about 10 years, their average weight being 1,473 (52 ounces), 100 grams (3 ounces) above the European average.

Table 2 shows that taller persons average greater brain weight than those shorter in stature

TABLE 2 .- Relation of stature to brain weight (Bischoff)

Cubic centimeteral	Cubic	Grams	Brain weight (ounce)
150	9. 0 9. 0 10. 0 10. 3 10. 9 11. 5	=8.7 =8.3 =8.1 =7.9 =7.6 =7.1	0.30 .29 .28 .26 .28

Table 3 also indicates that those with less body weight have greater brain weight. Thus, smaller men and women show higher relative average brain weight.

Table 3.—Relation of body weight to brain weight (Bischoff)

Grams	Body weight (ounces)	Per cent brain weight
30,000	1, 058	=3, 7
40,000	1, 411	=2, 9
50,000_	1,764	=2.5
60,000_	2,117	=2.1
70,000_	2,470	=1.9
80,000_	2,823	=1.5

The specific gravity of the brain averages 1.036.

From the examination of 10 brains (5 for each sex) Dahlberg found the gray matter to average 53.6 per cent of the volume of the entire cerebrum; the nuclei averaged 3.6 per cent and the white matter 42.8 per cent.

Damlewsky showed the weight of the cortex to be 33 per cent of the total weight of the brain, weighing 1,324 grams (47 ounces) and having a total surface of 169,200 square millimeters (262 square inches). Donaldson found the cortex to form about 50 per cent of the brain weight; also that the thickness of the cortex may vary from 1.55 millimeters to 3.50 millimeters (0.04 to 0.13 inch), the average being about 2.9 millimeters (0.10 inch). The average length of the brain is about 165 millimeters (6.49 inches) and its greatest transverse diameter is about 140 millimeters (5.5 average length of the brain is about 165 millimeters (6.49 inches) and its greatest transverse diameter is about 140 millimeters (5.5 inches). The larger and deeper convolutions are similar in the two hemispheres; most of them are individually variable, but each convolution is homologous with that of the other hemisphere. In broad-headed persons (brachycephalics) the longitudinal convolutions and transverse fissures tend to break up and thus the amount of surface, and so of gray matter, is increased relatively to the whole brain. Intelligence of normal character is probably not possible in a brain less than 32 ounces in weight. The taller the individual, the greater his brain weight, yet short people have relatively heavier brains than tall. The cerebellum is usually one-eighth of the weight of the entire brain. The cerebral cortex varies in thickness and becomes thinner in old age. The cerebellum or hind brain weighs 140 grams (5 ounces), or about cerebellum or hind brain weighs 140 grams (5 ounces), or about 10 per cent of the entire encephalon; it averages larger in man than woman and is relatively larger in adults than children, the converse of the brain. The cerebellum has especially to do with equilibrium.

TABLE 4.—Average difference between brain volume and inner space of head (Rudolph, O.)

	Average dinere	
rmal male (adults) ages:	in percentag	
17	9.	
18	5.	
18	5.	
	0	
likos kaika iku keskaala olo din iku keskari seberika kaskari askari askari askari askari askari askari askari		
25		
29	5.	
32	6.	
32	7	
33	7	
	5.	
077	est est autorita i recipio de la constante de	
	9.	
10	6.	
40		
43		
46	6.	
48	9.	
50	9.	

TABLE 4 .- Average difference between brain volume, etc .- Con. |

nal male (adults) ages—Continued	Average difference in percentages
59	5.7 7.4
65	7. 1 8. 3
65	4.3
	7.2
69	15.3
72	20.9
75	18.9
78	26.7
82	15.

DIFFERENCE BEJWEEN BRAIN AND SKULL VOLUME

In Table 4 is given (in percentages) the average difference in adult males between the volume of the brain and the inner space of the head. This average difference is about 7½ per cent, with individual variations from 5 to 10 per cent.

This difference changes little in middle life, but after the age of 70 the difference is about double; that is, 15 per cent between

brain volume and cranial capacity.

In a head with a cranial capacity of 1,400 cubic centimeters (85 cubic inches) there is about 100 cubic centimeters (6 cubic inches) of free space outside of the brain; but after the age of 70 this free space has about doubled, or is about 200 cubic centimeters

(12 cubic inches).

The volume of the dura is on the average from 50 to 60 cubic centimeters (3 to 4 cubic inches).

BRAIN WEIGHT AND INTELLIGENCE IN ANIMALS

In general, it will be seen from Table 5 below that the larger the animal the smaller the relative size of brain. The whale's brain weighs 2,816 grams (99 ounces), and the elephant's 4,896 grams (173 ounces). While these are the largest brains among animals (Table 6), their weights relative to their body weight are very small (in the elephant, 1 to 500).

From Table 5 we see that small animals of the same vertebral class, as fish, amphibians, and reptiles, have, relative to body weight, larger brains. It is generally true in animals, as in man, that the brain weight is much greater, relative to body weight, in their young age than in their adulthood.

Table 5.—Relation of brain weight to body weight (Ranke)

[2] [1] [2] [2] [2] [2] [2] [2] [2] [2] [2] [2	CONTRACTOR OF THE PARTY OF THE	
Little European singing bird	1: 12	to 28
(Sajou)	1:13	
Hapale penicillata	1:22	
Saimiri		
Sai	1:25	
Magpie or jay	1:28	
Uisti: Species of ape		
Hylobates, leuciscus	1:28	to 48
German woman	1:35	
Mole, molewarp	1:36	
German man	1: 36.58	
Callitrix	1:41	
Lemur anjuanesis	1:42	
Half-grown orang-outang		
Half-grown chimpanzee		
Cat		to 156
Makato		5,000
Grown gorilla about		
Papio		to 170
Dove		
Eagle		
(Eidechse) lizard		
Frog		
Dog		to 307
Carp		
Hen		
Sheep		
Goose	1:360	to 467
Salamander		
Horse		
Young/elephant	1:500	
Tiger and lion	1:500	to 600
Ox		to 800
Tadpole		20 000
Ostrich		
Shad		
Handschildkroto		
Shark		
Sea tortoise		
Tunny fish		
A MANAJ ANTANANANANANANANANANANANANANANANANANAN	1.01,110	

TABLE 6 .- Brain weights

	Grams	Ounces
Elephant	4, 896 2, 816 1, 775	173 99 62
Cattle	1, 360 754 517 504	48 27 18 17

TABLE 6 .- Brain weights-Continued

	Grams	Ounces
Gorilla	416	14
Chimpanzee		
A co	387	13.6
Ass.	377	13.3
Orang-outang.	365	12.8
Stag	335	11.8
Papion	158	5. 5
Wolf_	133	4.6
Hog	122	
Wild boar	117	4.1
Dog (de terre)	116	4.0
Sneep.	110	3.8
GIDDOD.	103	3.6
Baboon	94	3.3
Dog (de berger)	93	3.2
Macaroon	73	2.57
Wildest	72	2.54
Jackan	71	2.50
Kangaroo.	53	1.8
Dog	46	1.6
Dog (griffln)	45	1.58
Beaver	43	1.51
Cat	28	. 98
Rabbit		.91
Ferret	26 8.70	
Dogfish	8.00	.3
Dogfish		. 27
Rat.	1-4.00	. 03 14
Moles (24) average	. 93	.02
Bat	. 65	.01
Mouse	.37	. 07
BIRDS	50.0	1.05
GooseBIRDS	7.65	. 25
Parrot (male)	4.30	. 15
Parrot (female)	3.00	.10
Magpie (male)	4.20	.09
Magpie (female)	3.70	.11
KOOSIET	2.15	. 08
Thrush	1.90	.06
Sparrow	1.11	. 03
Canary bird	. 68	.01
REPTILES (BATRACHIANS)	X X 建矿	
	a difference	
Crocodile (70 kilos)	15.00	. 62
Sea turtle	5.09	. 18
Land turtle	. 37	.01
Lizard	. 05	. 006
	.01	. 003
Frog		
FISH		
FISH	9.4	. 32
Frog	9. 4 1. 3	. 32

Notwithstanding variations, it will be seen from Table 9 that there is a certain parallelism between brain weight and intelligence in animals.

The gorilla's brain (with a body weight nearly as much as man) weighs only 416 grams (13 ounces), which is less than one-third of man's brain weight, and is barely more than that of the human infant at birth.

THE RATIONALE OF COMPARATIVE BRAIN WEIGHT

As a general proposition, the higher the mental faculties are developed in the vertebrates, and especially in man at different ages, as well as in different individuals, the greater is the development of the cerebral hemispheres, in comparison with the rest of the cerebrospinal system.

In the same species or class the relative brain weight is greater in species of small stature than in those of large stature. It can be said that the influence of stature, or organic mass relative to brain weight, extends throughout the animal kingdom in such a way that with equal intelligence the small species have a relative superior brain weight to the large species; also, that the species of very small stature can excel species of very great stature and much superior in intelligence. Thus the influence of height on brain weight seems to overbalance that of intelligence. Thus the rabbit, whose brain weighs 26 grams (0.91 cunce), and the rat (much less in height), whose brain weighs one gram (0.03 cunce), are both, nevertheless, somewhat alike in intelligence.

It is natural to attach more importance to organs in proportion

It is natural to attach more importance to organs in proportion It is natural to attach more importance to organs in proportion to their correlation with the brain. The function of nutrition, or at least locomotion, appears to be in relation with brain weight; the vegetative influence and that of locomotion over the brain weight can not be estimated, except in animals of the same class. Thus, the crocodile, in spite of its mass and the size of its nerves, has a very small brain.

The nutrition of the brain in man is very much independent of the general nutrition of the body; thus very delicate children are often well developed cerebrally.

The small animal species are more sensitive than the larger species. The surface of the body is greater relatively to its mass.

The small animal species are more sensitive than the larger species. The surface of the body is greater relatively to its mass, as the body is smaller, and the sensitive nerves are relatively more developed to the volume of the body, as the height is less.

The brain or nervous center does not receive as numerous sensations, as various, and as complex in inferior animals as in the superior. Also, the brain does not receive as numerous, as various, and as complex sensations in species of small stature as in those taller. those taller.

The relation existing between the surface sensitive organs and the development of the parts of the brain responding to them is

shown by comparing the elephant with the dog. In the dog the sense of smell is at least as acute as in the elephant, yet its olfactive lobe is much smaller; but the olfactive lobe is connected with tive lobe is much smaller; but the olfactive lobe is connected with the volitions and movements of other organs, which in the elephant cover much more ground, so that, for this reason alone, the organ is larger, though the dog's sense of smell is more developed. Again, the elephant has a brain weighing 4,896 grams (173 ounces) and the whale 2,816 grams (99 ounces) (table). The elephant is intellectually superior and his senses and their number are greater; the variety and complexity of his movements involve an enormous mass and numerous coordinations requiring a large quantity of nervous elements, as the variety of actions with its trunk. Thus it surpasses the whale in intelligence.

The great weight (Table 5) of man's brain (1,360 grams=47)

The great weight (Table 5) of man's brain (1,360 grams=47 ounces) as compared with that of the gorilla (416 grams=14.6 ounces) may in part be explained in the comparison made between the elephant and whale. Thus in man the specialization of the thoracic organs, the many movements of the hand and movements for articulation, are more intimately connected with mental activity. Their relative volume appears to be related with the degree of influence exercised by the diverse organs over intelligence and with the degree of influence exercised reactionally by the brain over these organs. Thus, as to motor center, the brain controls less numerous, less various, and less complicated movements in the inferior species. in the inferior species.

BRAIN WEIGHT AND INTELLIGENCE IN MAN

All the results of investigation of the brain do not appear to be

All the results of investigation of the brain do not appear to be in accord, and some are contradictory. This is especially the case in the question of the relation of brain weight and intelligence. In the past this relationship was doubtless unduly emphasized, but at present certain mathematical specialists maintain that the relationship is so slight that it is negligible. Thus the pendulum has swung to the other extreme and, as usual, the truth may eventually be found in the golden mean.

Since no brain in a head less than 11 inches in circumference has been known to function normally, and since no brain weighing less than 32 ounces has been normal, it is evident that size and weight of brain have very much to do with intelligence, at and weight of brain have very much to do with intelligence, at least within certain limits. But the question is, Before we reach these limits what is the degree of relationship? In short, if after certain limits in size and weight the brain absolutely conditions normal intelligence, it is difficult to believe that this relation suddenly stops and has little or no significance. For this would involve a saltus, which is contrary to nature itself. The author is further doubtful, because there is relatively so little definitely settled about the brain that can be regarded as of a fundamental nature.

In the animal kingdom, in three-fourths of cases (see Tables 4 and 5), the species with the heavier brain show more intelligence, and this is especially striking when we come to man as compared with the lower animals. For, as man's intelligence is so much higher than that of the animal's, so his brain is correso much higher than that of the animal's, so his brain is correspondingly heavier. Thus in the animal nearest to man, as in the gorilla, the brain weight is from 400 to 500 grams (14 to 17 ounces), while in man it is from 950 to 1,800 grams (32 to 63 ounces). This certainly is a prodigious rise, or, rather, jump, the average for man being 1,350 to 1,450 grams (47 to 51 ounces), while the highest in the gorilla is but 500 grams (17 ounces). This saltus is not due to nature but to our ignorance of the doubtless many intervening species between the highest ape and the lowest man. These species may have been permanently destroyed, or are yet to be discovered.

TABLE 7.—Criminals (M. H. Whiting, Biometrika, Vol. 81)

Correlations of mentality with-

Age Temperature = -0.26 + 0.041= - .25 + .020= - .22 + .030= - .14 + .031Pulse Respiration Height = - .15 + .043 = - .32 + .040 Weight

By mentalities in this table is meant the weak-minded. table shows that all the correlations are significant, and that the feeble-minded or those with less mentality have less weight, less height and age, but greater temperature, quicker pulse and respiration than the mentally normal. Congenital and other morbid defects of the brain are, in general, accompanied with corresponding deficiency in the range or power of the mental faculties and the higher instincts. Thus, according to Du Catte, every skuli with a horizontal circumference less than 48 centimeters (18 inches) belongs to an idiot or imbecile.

Table 8.—Anthropological study of 89 Members of Congress, with estimated brain weight and its correlations (MacDonald)

Relation of physical and mental status	Arithmetical	Standard	Coefficient
	mean	deviation	correlation
Stature Brain weight Body build	177±0.41 1450±8.2 5709±36.3	5.8±0.29 115±5.8 515±26.0	0.55±0.05 .63± .04

As this is the first itime any legislative body was ever studied from the scientific point of view, a few details may be given. The table shows that the degree of relationship between brain weight (estimated by an equation) and stature is 0.55 ± 0.05 , which is positively high, and the degree of correlation between brain weight and between brain weight and body build is still higher, being 0.63 ± 0.04 . The body build is obtained by dividing the chest girth (at armpits) by the stature. As body build increases we pass from slenderness to stoutness, or, rather, thicksetness. This high correlation (0.63 ± 0.04) indicates that in general short, thickset people have heavier brains than slender persons. The correlation for height (0.55 ± 0.05) is much higher than is usually the case, which is probably mainly due to the homogeneity of Congress. The average estimated brain weight of the 89 Members of Congress was 1,550 grams (55 ounces), which is much above the average (48 ounces).

TABLE 9.—Brain weight and occupation (Matiegha)

Occupation	Number -	Brain weight		
Occupation		Grams	Ounces	
Unskilled laborers	14 34 14 123 28 22	1, 410 1, 433 1, 435 1, 449 1, 468 1, 500	49 50 50, 6 51 51, 7 52	

Table 9 gives the average brain weights of 255 persons, according to the nature of their occupation. It will be seen that as the intellectual status of the occupation increases the average brain weight increases. Though the numbers are not large, yet they are sufficient to create a probability of such tendency.

TABLE 10

	Num- ber	Average age years	Brain weight	
			Grams	Ounces
Scientists (all) Exact Natural scientists Artists and philosophers Men of action (Government officials, statesmen).	57 12 45 25 14	64 67 63 59 65	1, 463 1, 532 1, 444 1, 482 1, 490	51 54 50 52 53
TotalAverage	96		1, 473	52

In Table 10 it will be seen that the representatives of exact science, such as mathematics, show the highest average brain weight (1,532 grams=54 ounces). Men of action, as statesmen and military men, come next (1,490 grams brain weight=53 ounces), then fellow artists and philosophers with a brain weight of 1,482 grams (52 ounces); and, finally, natural scientists, with a brain weight of 1,444 grams (50 ounces).

With exceptions, the intellectual status is indicated by the weight of brain. Thus the brains of men given to the most difficult intellectual thought, as in mathematics, perhaps involving the more complex mental mechanism, are shown in the exact scientists with an average brain weight of 1,532 grams (54 ounces).

Le Bon also shows 42 distinguished men with an average cranial capacity of 1,682 cubic centimeters (101 cubic inches) contrasted with the general average of 1,559 cubic centimeters (93 cubic inches). Also, 26 skulls (in the Museum of Natural History in Paris) of well-known men show 1,732 cubic centimeters (104 cubic inches) cranial capacity.

Also, Gladstone, in a study of a boys' school and medical students shows:

	Boys' head circum- ference		Medical students' head circumference	
	Milli- meters	Inches	Milli- meters	Inches
High intelligence	541 526 515	21 20, 5 20, 2	572 562 555	22. 5 22. 12 21. 8

In the students the height of head showed a distinct increase compared with that of head length and head breadth. Binet calls attention to the distinctly greater head measurements of highly gifted children as compared with dull children.

More than 30 years ago the author made measurements (including head circumference) of 20,000 Washington school chil-

¹The author made a statistical study of the United States Senate, published in Metron, Padua, Italy, 1923; also by La Revista Argentina de Ciencias Politicas, VIII, 15, and by the Anthropological Society of Bombay, India, 1923.

dren. This was the first time head measurements were made on a large number of children. The bright showed a distinctly higher average head circumference to the dull in head circumference for each age (Table 11).

TABLE 11

Age	Number	Bright	Number	Average	Number	Dull
3	320 384 392	Inches 20.57 20.65 20.78	326 340 355	Inches 20. 57 20. 64 20. 74	101 102 118	Inches 20, 27 20, 48 20, 53
11 12 13	322 349 306	20. 83 20. 98 21. 06	386 459 421	20. 85 20. 93 20. 98	97 128 131	20. 50 20. 85 21. 01
15 16	227 167 104	21, 26 21, 61 21, 78	371 220 144	21, 24 21, 41 21, 67	143 116 80	21. 07 21. 32 21. 55

When in doubt, the teachers marked the pupils average, so that we have the positively bright and dull to compare. As will be seen, for every age, the average head circumference of the bright is greater than that of the dull boys. The same is true for the

These 20,000 children were divided into higher and lower classes to eliminate any influence of social status, yet the results were

Parchappe (1836), Broca (1861), and, later, Lacassagne and Cliquet (1878) have shown that men whose occupations require high intelligence have larger heads. Thus Da Costa Ferreira, of Portugal, gives:

TABLE 111/4

		Cranial o	rapacity	Greater o		
	Number	Clear	Cubic centi- meters	Cubic centi- meters	Inches	
Professional people. Commercial people. Government clerks. Private clerks Hand workers Day laborers.	23 49 11 52 150 164	1, 629 1, 598 1, 590 1, 584 1, 573 1, 570	99 97 96 95 93 93	57. 2 25. 9 17. 5 12. 2 . 9 2. 7	2.4 1.5 1.03 .7 .06 .15	

In Table 12 will be found the names of 96 distinguished men, with their occupations, ages, and brain weight as given by Spitzka, collected from others. Quite a number were old men at death, whose brains had normally lessened in weight.

It is known that stature, body weight, and build may influence brain weight, yet such data in many of these 96 cases are wanting, and so can not be considered. Gambetta's brain is omitted, for it lost much of its weight through the use of a zinc chloride solution; lessening it in one hour 10 grams (0.3 ounce). Duval estimated its weight to be 1,247 grams (44 ounces) originally, it being reduced to 1,160 grams (41 ounces).

The average brain weight of these 96 distinguished persons is 1,473 (52 ounces), which exceeds the various averages for European brains by 75 to 125 grams (1 to 4 ounces). This does not allow for the advanced age of the series, the average of 92 cases (all all but 4) being 63 years of age.

Dividing these cases by nationalities, we have:

TABLE 1134

	Cases	Grams	Ounces
United States and Canada	21	1, 518	53
	14	1, 473	51
	38	1, 443	50
	17	1, 440	50

Table 11 34 would indicate that United States and Canada are distinctly of greater brain weight (1.518 = 53 ounces).

Table 12.—The brain weights (in grams) of 96 distinguished personages with their occupations and ages

Name	0		Brain weight		
Name	Occupation	Age	Grams	Ounces	
Ivan Turgeneff	Poet and novelist	65	2, 012	71	
G. Cuvier E. H. Knight	Naturalist Physicist	63 59	1, 830 1, 814	64	
Theologian of Freiburg University,		42	1,800	63	
John Abercrombie	Physician	64	1,786	63	
Ben ButlerEdward Olney	Lawyer	74 59	1, 758	62 60	

A STATE OF THE STA	Occupation		Brain	weight
Name	Cecupation	Age	Grams	Ounce
Ierman Levi	Composer	60	1, 690	389
V. M. Thackeray	Humorist	52	1,658	
tudolph Lenz	Composer		1,636	
ohn Goodsir	Anatomist	53	1,629	
Iosea Curtice	Mathematician	68	1,612	
V. v. Siemens	United States Senator Physicist	68	1,602	
eorge Brown	Editor	61	1,600 1,596	
. Konstantinoff	Litterateur	0.1	1, 595	
. A. Harrison,		45	1, 590	
. B.W. v. Hermann	Economist	73	1,590	
K. Riebeck	Philologist	61	1, 580	
lans Büchner	Hygienist	51	1, 560 1, 559	
. Spurgheim	Anatomist and phrenologist.	56	1, 559	*
dward D. Cope	Paleontologist	57	1, 545	
. McKnight	Physician and poet		1, 545	
farrison Allen		56 59	1, 531 1, 531	
Y. Simpson	Physician Mathematician	54		
A De Morny	Statesman	54	1, 520	
aniel Webster	U.S. Senator	70	1, 518	
ord John Campbell	U. S. Senator Lord Chancellor, England.	82	1, 517	1305
Paniel Webster ord John Campbell hauncey Wright	Philosopher	45	1, 516	
I. Schle:ch	Writer and orator	55	1, 503	
homas Chalmers			1, 503	
arrick Mallery	Ethnologist and explorer	63	1, 503	
dwin C. Seguin	I IVOUIDIOKISE	00	1,502	
apoleon III	Sovereign	55	1,500	1811
H. Fuchs	Pathologist	66	1,499	-
ouis Agassiz	Anatomist	58	1, 495	30 -
e Morgan	Mathematician	73	1, 494	G. balance
F. Gauss	do	78	1, 492	
h. Letourneau	A ntheonologist	7.1	1, 490	119.34
W Powell	Genlogist	68	1, 488	
. W. Powell	Physician Jurist Anthropologist do	63	1, 488	
Vülfert	Jurist	64	1, 485	1800
aul Broca	Anthropologist	55	1, 484	100
de Mortillet	Justice and editor	77	1, 480	in .
ord Francis Jenrey	Justice and editor	10	1,471	100000
A. Asseline A. D. Skobeleff	Journalist	49	1, 468	F 20.
h. H. E. Bischoff	General Physician Astronomer	39 79	1, 457	-1910-
Iugo Gylden	Astronomer	55	1, 452	NO LE
armarque	Canaral	63	1, 449	-
R. v. Kobell	Astronomer General Geologist and poet Embryologist Physiologist Surgeon Physician and pedagogue Composer Diplomat and editor Mathematician	79	1, 445	12 19
Tihalkoviez	Embryologist	55	1, 440	100000
I. v. Helmholtz	Physiologist	73	1, 440	Sulley.
Dupuytren	Surgeon	58	1, 437	-33/6
A. Siljestrom	Physician and pedagogue	76	1, 422	12358
ranz Shubert	Composer	70	1, 420	-374
T. Rice	Diplomat and editor Mathematician Philosopher and poet Morphologist Physician Historian	35	1,418	111/1100
Solobios Move	Philosopher and poet	61	1, 416	2000
Melchior Meyroseph Leidy	Morphologist	67	1, 415	DIE N
hilip Leidy	Physician	53	1, 415	3
leorge Grote	Historian	75	1, 410	16
ussbaum	O	0.4	1, 410	13000
ohn Huher	Philosopher	49	1, 409	The state of
. Babbage	Mathematician and inventor	79	1, 403	1000
ules Assezat	Journalist	45	1, 403	7-1-2
. Bertillon	Anthropologist Physiologist	62	1, 398	- 103 13
r. Goltz	Physiologist	68	1,395	BULL
Coudereau	Physician	50	1,390	150
Vm. Whewell		72	1,389	100
Ienry Wilson	dent.	61	1, 389	200
ddinger		64	1, 380	Sec. 11.5
zilagyi	Statesman		1,380	27/30/
L. T. v. Schmid	Litterateur	65	1.374	1
zilagyi I. T. v. Schmid . A. Hovelacque	Anthropologist	52	1, 380 1, 374 1, 373	15-11/2
L. W. v. Bischoff F. Herman	Anatomist	76	1, 370	3 8 8
C. F. Herman	Philologist	51	1, 358	Sec. Sec.
ustus V. Liebig	Chemist	70	1, 352	5500
. Schazintweit	Naturalist	51	1, 352	3300
P. Fallmerayerohn Hughes Bennet	Historian	71	1, 349	= 1177
ohn Hughes Bennet Aax v. Pettenkofer	Physician		1, 338 1, 320 1, 312	3255
eizel	Chemist		1,020	1 5 5
G. Kolar	Dramatist	84	1, 300	572 34
E. Grant	Astronomer	80	1 290	1000
Valt Whitman	Poet	72	1, 282	3816310
Robert Cory	Physician	55	1, 276	
douard Seguin	Psychiatrist	68	1, 257	JE 13.0
r. Tiedemann	Anatomist	79	1, 254	CLUP
, Lasauly	Philologist	57	1, 250	203377
	Anatomist.		1, 227	1911
. v. Buhi				
, v. Buhl F. Hansmann B. G. Ferris G. Gall	Mineralogist Jurist	77 89	1, 226 1, 225	3

Ninety-six persons in all. Average brain weight 1,473 (52 ounces)

Average age, 63.

There are cases of persons of ordinary ability, not to mention idiots, with brains of heavy weight; there are also cases of distinguished people with average, if not lower brain weight. Thus Shelley, Descartes, Foscolo, Donizetti and Schumann had small heads, and, presumably, small brains. But such cases are not the rule. The rule would seem to be three-fourths true and one-

fourth untrue. That is, the trend of leading specialists, as Ranke, Mannouvrier and Virchow, is that heavy brain weight suggests high mental capacity. The cases of heavy brains of idiots, feeble-minded, criminal, and insane are usually cases of disease. Also, large brains of ordinary people are often pathological. Then, also, abnormally large and heavy persons may for this reason alone have large heads, and so large brains. But, after all has been said, such cases are the exception and not the rule.

In Table 13 are given brain weights of additional distinguished men not in Table 12.

TABLE 13 .- Additional distinguished men

Name	Occupation	Brain weight in grams	Cranial capacity in cubic centi- meters
Robert Bruce Sir Thomas Browne Ernst Haeckel (86 years old) Name not permitted (Retzius)	King of Scotland	1, 499 1, 418 1, 575 1, 489	1, 595 1, 509
Average, English skull	- v	1, 495	1, 476

Multipying the cranial capacities of Bruce and Browne by 0.94 (Welchker), their estimated brain weights are 1,499 and 1,419 grams (53 and 50 ounces).

This table simply confirms the conclusions of almost all specialists that distinguished personages show distinctly higher brain weight than the general average.

BRAIN WEIGHT AND RACIAL INTELLIGENCE

It will be noted in the last half of Tables 14 and 16 that the more advanced nations have superior brain weight.

TABLE 14.-J. B. Davis, Philos, Trans., 1868, 505-526

	Number	Brain weight	
		Ounces	Grams
European races Asiatic races African races American races Australian Oceanic races	299	48	1, 367
	124	46	1, 304
	53	45	1, 293
	52	46	1, 319
	24	43	1, 215
	210	46	1, 319
Herzog: 113 Filipinos, average brain weight equals		Grams	Ounces
Ziehen: Some 500 Europeans average brain weight		1, 333	47
equals		1, 353	48

	Grams	Ounces
105 English and Scotch (Peacock) 28 French (Parhoppe) 40 Germans (Huschke) 18 Germans (Wagner) 50 Austrians (Weisbach) 7 African Negroes (diverse specialists) 8 African Negroes (Broca) 78 Europeans (average) 41 negroes 22 pure whites 254 white 4714 white 6114 white 6114 white 6254 white	1, 427 1, 334 1, 382 1, 392 1, 342 2, 238 1, 238 1, 289 1, 403 1, 331 1, 424 1, 390 1, 334 1, 319 1, 308 1, 280	50 47 48 48 47. 43 45 46. 50 48 47 46 46 46 43

The figures of Herzog and Ziehen, and also in Table 5, giving the results of some leading specialists, confirm the opinion that, as a rule, superior races have a superior brain weight.

TABLE 16-Cranial capacity and race

Races and nations	Number of skulls	
Australians Hottentots Peruvians Americans Negroes born in America Mexicans Negroes (in general) Negroes born in America Wild Indians Parisians (cometery of) Parisians in twelfth century Germans Parisians of eighteenth century Anglo-Americans Parisians (private graves) German in general English	3 152 341 12 25 76 64 164 35 117 115 30 125 7	1,228 (73.3 e. in.). 1,233 (74 c. in.). 1,233 (74 c. in.). 1,233 (74 c. in.). 1,315 (78.8 c. in.). 1,323 (79.3 c. in.). 1,338 (80.2 c. in.). 1,347 (80.7 c. in.). 1,371 (82.2 c. in.). 1,476 (82.5 c. in.). 1,425 (85.4 c. in.). 1,425 (85.4 c. in.). 1,448 (86.8 c. in.). 1,444 (89.4 c. in.). 1,444 (89.4 c. in.). 1,454 (89.2 c. in.). 1,534 (92 c. in.).

Not being able to obtain the direct weights of the brain in sufficient numbers in the various races, we must take the cranial capacities as a general index of the weight of brain.

PREHISTORIC BRAIN WEIGHT AND CRO-MAGNON RACE

A prehistoric indication of relationship between size of brain and racial intelligence will be found in the great Cro-Magnon race, which flourished some 25,000 or more years ago.

It is generally held that the superior races eventually occupied western Europe. The Cro-Magnon race entered Europe from the

In Table 17 is given the "cube brain capacity" of various races, as will be noted from an examination of the table.

TABLE 17 .- "Cube brain capacity" (Osborne)

		1000	the street
	Male	Female	Maxi- mum
Cro-Magnon cavemen of Mentone	1,550 1,450	1,300	1, 590
Race of Ofnet Living broad head race of Czechoslovakia Native Australian race. Native Indian Veddaks.	1, 400 1, 230 1, 310	1,000 1,154	1,800
Papuas of New Guinea.	1,000 1,236	1, 040 1, 125	1, 400

The Cro-Magnons, the Greeks of pre-history, rank very high; they represent a blend of long and broad heads. Their very high modern brain power is shown by their extreme accuracy of observation of animal form as noted on the walls of their cave dwellings. It was a race of warriors, hunters, painters and sculptors. Though long headed, its face is very broad for its height, a unique feature. The upper part of the face is almost vertical, as in the highest types. Keith pronounces the Cro-Magnon characters to represent one of the finest races the world has ever seen. According to Ripley this race is perhaps the most striking known. According to Ripley, this race is perhaps the most striking known instance of a persistency of population, unchanged through thousands of years. Such facts appear to indicate, that the human brain in the last 25,000 or more years has been growing less in

Had this Cro-Magnon race enjoyed the advantages of a written language, we might have had a prehistoric Phidias and Raphael, a Socrates and Plato, a Shakespeare and Dante. The author heard Virchow say, while holding up before his students a Cro-Magnon skull: "Would that any of us had such a skull and its brain within."

CLOSE RELATION BETWEEN CRANIAL CAPACITY AND BRAIN WEIGHT

The close relation between cranial capacity and brain weight is shown from the following table of Bolk:

TABLE 18.—Relation of brain weight to cranial capacity (Bolk)

Age	Brain weight	Cranial capacity (per cent)
30	73, 7 90, 0 90, 0	94. 0 96. 5 95. 6
60	89. 2 88. 1 85. 2 84. 1	93, 4 93, 8 90, 0 88, 4
Over 90		81. 5

After the age of 20 years the cranial vault does not increase in volume, and in woman after 16 years of age (Marchand's Handmann). This is not in accord with Bolk's table above. This, as so often happens, shows normal differences between not only individuals and groups but locations, countries, and racial antecedents. In general (Martin), based upon many authorities, the average European cranial capacity is 1,450 (87 cubic inches) for men and 1,300 (78 cubic inches) for women. Under 1,200 (72 cubic inches) capacity, Hottentots show 51 per cent; Australians, 45 per cent; Germans, 8 per cent; Chinese, 2 per cent.

Over 1,300 cubic centimeters (78 cubic inches) the Hottentots show 16 per cent; Australians, 28; Germans, 75; and Chinese, 92 per cent (Buschan).

The shape of the head may have some influence, since brachy-

The shape of the head may have some influence, since brachycephaly has greater volume in relation to its surface.

According to Scharpff and Richard, the difference between cranial capacity and brain volume is normally 10 to 16 per cent; higher figures mean atrophy and lower ones indicate a swelling.

CRANIAL CAPACITY AND SIZE OF BODY

Table 19, showing cranial capacity in relation to size of body, indicates that races of small growth have an absolute low average cranial capacity, and vice versa. Amadi has shown the same is true to a certain extent within races. But the variation between individuals is very great, from 1,100 to 1,700 cubic centimeters (66 to 102 cubic inches), which is attributed to heredity. The physiological limits are still greater, 950 and 970 cubic centimeters minima (56 to 57 cubic inches) (Adamanen), and (Trooler) maxima, 1,950 and 2,020 cubic centimeters (116 and 121 cubic inches)

TABLE 19.—Cranial capacity and size of body (Amadi)

Capacity of skull	Size of body		
	Great	Medium	Small
Great Medium Small	Per cent 36 47 16	Per cent 29 54 17	Per cent 19 42 38

Among the same people the size of body and cranial capacity are proportional; but the size of body reaches its maximum much sooner than the cranial capacity, so that very great size of body may belong to somewhat small cranial capacity (Ranke).

ESTIMATING CRANIAL CAPACITY

The estimation of cranial capacity is not only of importance in itself but it is necessary for the calculation of brain weight from outside measurements of either the head or of the skull. To find out the amount of space in a skull, it appears that the same measurer, by diverse methods, can obtain close results, but for two or more measures the results are not so close and may differ from 15 to 40 cubic centimeters (1 to 2 cubic inches), which is 1 to 3 per cent of discrepancy, due to personal equation. This difficulty has led to finding of an equation for calculating the capacity of the skull from outside measurements of it, without measuring its inner space by seed, shot, sand, or water. This difficulty of anthropologists has been solved by the mathematicians who have constructed equations or formulas by which the space in a skull can be estimated almost as correctly as different anthropologists can do by the laborious method of filling the skull with seed, sand, or shot, and shaking it until every crevice is filled, before pouring the seed, etc., out of the skull in order to measure it. measure it.

When we consider not only the personal errors of various anthropologists but their different methods of measuring the skull, a mathematical formula with an error of not more than 40 cubic centimeters will serve to measure cranial capacity; especially so where the skulls are too fragile to be filled with sand or seed or shot and be shaken.

The Lee-Pearson formula is one which may serve as well as any. It is:

For males:

 $Cranial\ capacity = 0.000337 \times length \times breadth \times height\ of\ head+$ 406.01.

For females:

Cranial capacity=0.000400×length×breadth×height of head+

The prediction of cranial capacity of the living individual can be done with an average error of 3 to 4 per cent, and the prediction of the cranial capacity of a race, without the use of sand, seed or shot, can be done to a degree of accuracy comparable with that of the direct method, owing to the personal equation of the measures even when using the same method of direct determina-

ESTIMATING WEIGHT OF BRAIN FROM HEAD MEASUREMENTS ON THE LIVING

The ratio that brain weight bears to the outside measurements of the head in case of death from accident, or from acute diseases, or in death from wasting disease, shows that the diminution of brain weight in wasting disease even, though measurable, is small (Gladstone). In other words, the brain weight appears in general to be little affected by body disease or other conditions. The estimation of brain weight from outside measurements of the head on the living is only affected by the thickness of the scalp and hair. After middle age the hair and scalp become thinner with age; also the weight of the brain lessens, so that the proportion between the outside measurements of the head and brain is not materially affected by age. The ratio that brain weight bears to the outside measurements

affected by age.

Attempts to estimate the brain weight of the living in connection with cranial capacity are relatively recent. The difficulties are numerous. In a normal skull of 1,400 cubic centimeters (84 cubic inches) capacity there is about 100 cubic centimeters (6 cubic inches) of free space (see Table 4) without the brain, which probably increases after the age of 60, or possibly before

The estimating of brain weight upon the living by means of equations is in its beginning, and doubtless there will eventually be a large number of equations, or formulas, each adapted to different races, and in the same race to different classes of

different races, and in the same race to different classes of individuals or groups.

Blakeman and Pearson have worked out numerous formulas to estimate brain weight upon the living, which are called "prediction formulæ." One of their main formulas for males is:

1. W (brain weight) = 1,987 P + 3,644 U - 1,1910 A + 1,7508 S + 36.8559, where P is product of head length, breadth, and height; U is head circumference; A, age; and S, stature. In this equation the probable error of prediction is 48.5 grams (1.7 ounces) and error of mean 57.4 grams (2 ounces).

Another formula is:

2. Male brain weight = 0.2519 P+374.7628

2. Male brain weight=0.2519 P+374.7628.

The probable error of prediction is 49.9 grams (1.7 ounces) and error of mean 59 grams (2.7 ounces).

This formula requires much less time to use, and the difference from the first one in probable and mean errors is small. The addition of more elements to the formula does not always improve it. The product (P) of the three head measurements is the foundation of the formula, for it should be remembered that the volume of an eclipsoid is proportional to the product of its three diameters. three diameters.

The Lee-Pearson formula for estimating cranial capacity from outside measurements of the head is (head length-11) \times (head breadth-11) \times (head height-11) \times 0.000337+406.01.

MODIFICATION OF THE LEE-PEARSON FORMULA

The author tested this formula, based on the results of 117 autopsies, and found it necessary to change the formula as follows: (head length-6) × (head breadth-7) × (head height-5) × 0.000337+406.01=cranial capacity in cubic centimeters.

Then Welcker's method is used to estimate the brain weight

Then Welcker's method is used to estimate the brain weight from the cranial capacity, thus:

When the cranial capacity is—
1,200 to 1,300 cu. cent. (78 to 78 cu. in.), it is multiplied by 0.91
1,300 to 1,400 cu. cent. (78 to 85 cu. in.), it is multiplied by 92
1,400 to 1,500 cu. cent. (85 to 90 cu. in.), it is multiplied by 93
1,500 to 1,600 cu. cent. (90 to 96 cu. in.), it is multiplied by 1,600 to 1,700 cu. cent. (96 to 100 cu. in.), it is multiplied by
The reasons for subtracting 5 millimeters instead of 11 millimeters from head length, and 6 millimeters instead of 11 from head breadth, and 4 from head height instead of 11 are based upon measurements made at 117 autopsies on white males.

These changes of the Lee-Pearson formula are based upon the following table:

following table:

TABLE 20 .- 117 male white, thickness of scalp (117 autopsies)

Length of head minus length of skull=4.9 millimeters (0.192

Breadth of head minus breadth of skull=6.2 millimeters (0.243

inches).
Height of head minus height of skull=5.3 millimeters (0.202

In the Lee-Pearson formula 11 millimeters (0.433 inches) are subtracted from each of the three head measurements, which is theoretically correct, the assumption being that the thickness of the scalp being approximately the same for each side of the head, and at the points from which the length and height are measured, whently be described. should be doubled.

But at the autopsy table, first, the head and then the skull (after turning down the scalp) are measured. The results here are much less, as shown in Table 20; that is, instead of 11 millimeters, about half of 11 should be subtracted from the outside head measurements. To show the cause of this discrepancy, the author used a little pressure in menting the thickness of the scalp directly in seven autopsy cases at the usual points for taking the three head measurements upon the living with the following results:

TABLE 21.-Effect of pressure on scalp in millimeters in head measurements

	Length	Breadth	Height
1	3.25 (0.127 in.) 2.50 (0.098 in.) 1.75 (0.096 in.) 3.00 (0.118 in.) 2.00 (0.079 in.) 2.00 (0.079 in.) 2.00 (0.079 in.)	3.50 (0.146 in.) 3.20 (0.125 in.) 1.50 (0.058 in.) 3.00 (0.118 in.) 2.00 (0.079 in.) 2.00 (0.079 in.)	2.50 (0.098 in.) 2.50 (0.098 in.) 1.50 (0.058 in.) 2.00 (0.079 in.) 2.00 (0.079 in.) 2.00 (0.079 in.) 2.00 (0.079 in.)
Average	2.45 (0.095 in.)	2.06 (0.081 in.)	2.35 (0.091 in.)

Tweezers were used to bring slight pressure upon the scalp, as near as could be judged to the pressure made by the callper points. The pressure on the scalp will vary, according to measurer, to bluntness or sharpness of callper points and to haste or slowness in taking the measurements.

in taking the measurements.

The patients in the Government hospital for the insane come from all sections of the United States. As is well known, most all brain estimates are based upon general hospital populations, which are not very representative of the general population of a country, as they are mostly from the lower middle classes. In addition, they are somewhat deteriorated from disease (especially chronic cases) and other various causes. In answering lay questions the author has humorously said: "Why, I find it almost impossible to get the brains of decent people."

It is probable, therefore, that most of the formulas to estimate cranial capacity and brain weight upon the living from outside measurements of the head give results below the actual weight, especially when applied to the higher classes.

For estimating the cranial capacity from the skull circumference, instead of the diametrical product, the Lee-Pearson formula is:

mula is:

¹ A number of specialists have given various formulas to estimate cranial capacity and brain weight upon the living. Pearl, Todd, Gladstone, in addition to Blakeman, Lee, and Pearson, would be useful to consult, as indicated in literature at the end of this

capacity = 7.060 × circumference - 220.98; probable Cranial error=47.72 Vn

For females: Cranial cap capacity = $5.974 \times \text{circumference} - 1,705.73$; probable error=38.78

CEREBRAL LOCALIZATION

To consider properly the subject of cerebral localization would take us far beyond the limits of this article. Still, certain things might be noted in the way of refreshing our memory. The cerebral cortex makes its first appearance in reptiles; the first appearance of the fissure of Rollando is in the carnivora.

The significance of various fissures and convolutions in the human brain has been determined mainly by the investigation of the brain in the higher animals, where the brain has same general form as in man. The fissures and convolution pattern in a certain species of small monkeys show the surface of the hemispheres to be nearly smooth. Between the brain of this monkey species, and that of man, a series of brains show a gradual increase in the number and complexity of the convolutions and fissures of similar types. Thus, the orang-outang, chimpanzee, and gorilla have much larger and more numerous fissures than the other species of apes. While the gorilla's brain approaches the human brain more than any of the other apes, it is, however, very much nearer to the apes than to man.

Those areas of the brain whose office is known embrace such functions as are considered primary, common to all animals, and necessary in some way to natural existence. There then remain the unknown regions, the superior development of which distinguishes the human brain, and which may include those functions which place man far above all other animals. The sunken or concealed surface of the brain is twice that of the exposed surface. These fissures or sulci (200 in number) between the convolutions vary much in depth; some are 25 millimeters (1 inch) or more deep, others are shallow; the average is about 10 to 12 millimeters (one-third to one-half inch).

There are considerable variations of the fissures and convolutions on the opposite sides of the same brain, as well as in different persons.

ferent persons.

In different regions of the cortex there is much variation in size, form, and arrangement of the cells. The most striking differences are seen in the motor cortex of the frontal lobe, which has very large giant cells. has very large giant cells.

It seems to be generally held (Mingazzini) that the speech area in the third left frontal convolution is liable to be well developed in orators. Thus Gambetta's third left frontal convolution was greatly developed, though his brain was a small one. So, in the case of Professor La Borde and other orators and jurists the speech area was highly developed but is often very much reduced in deaf and dumb persons.

The author noted a case of a man in the Government hospital The author noted a case of a man in the Government hospital for the insane who continually cried out for weeks "My God." Certain brain cells or brain areas must have been exercised to great excess. There should be a histological study of such cases after death, to determine the effect on the brain. It would be a great discovery to localize the cells affected, which, with all due respect, might be called the "My God" cells or areas of the brain. All cases in which the patient keeps repeating the same words should be studied after death, with a view to cerebral localization. In men the tumor of the brain can help to show the function

In man the tumor of the brain can help to show the function of the part of brain where it is; also, if other pathological conditions destroy or affect certain parts of the brain, the functions affected or stopped indicate the office of this part of the brain.

In persons of high intelligence the whole frontal region is generally large. This was especially true of the mathematicians Wright and Oliver (see Table 12). Moreover, in genius in general it is the parietal lobe that seems to be highly developed, as in the chemist Liebig and anatomist Doellinger. So the sight on the chemist Liebig and anatomist Doellinger. So the sight center of great painters was thought to be well developed; thus Raphael's skull was greatly developed in this region. Flechsig compared the brains of distinguished men and believes that the sensory centers are not directly connected with each other, but indirectly through association areas. Injury and disease in these indirectly through association areas. Injury and disease in these areas tend to show that the function of these areas is higher intellectual activity. Thus, the frontal area, when injured, causes weakness in attention, in reflection, and in control over anger, self-appreciation, and other personal volitions and emotions. In many cases in which brains of great men have been studied there is complexity, due partly to the greater development of second and tertiary fissures, and partly to the more curved surfaces of the sulci, especially in the frontal and parietal regions, and there may be even a relationship of a particular type of mind in a special part on the brain. Also, in some great mathematicians the supramarginal convolution is particularly well developed. In skilled artisans the part of the brain connected with voluntary movements of hands and fingers has been noted in several cases.

Flechsig thinks the posterior area is concerned with experiences

Flechsig thinks the posterior area is concerned with experiences recasing thinks the posterior area is concerned with experiences founded upon visual and auditory sensations, showing especially musical development. The anterior area, being in closer connection with the body sense area, may be concerned with experiences based upon internal sensations (bodily appetites and desires), and in alterations or defective development of this part of the brain may give a physical explanation of mental or moral degeneracy. Thus, histological studies of the brains of those mentally deficient bear this idea out; here the brain shows a distinct thinning of the cortex, and the maximum focus of this change is found in the prefontal lobes (anterior association area). In idiots this area distinctly undeveloped, and in the inane the atrophy appears to be marked in proportion to the degrees of dementia.

DEMONSTRATION OF CEREBRAL LOCALIZATION

If the cerebrum in the frog be removed, but care be taken not to interfere with the optic nerves or the thalami, the frog attempts to catch files and shows other signs of initiative; it will avoid objects. But the cerebrum of the frog is very low in the scale of development compared with the other vertebrates. Thus, in the removal of the cerebrum of the pigeon, leaving the basal nuclei intent the carried and control of the cerebrum of the pigeon, leaving the basal nuclei intent the carried and control of the cerebrum of the pigeon. in the removal of the cerebrum of the pigeon, leaving the basal nuclei intact, the animal can carry on many coordinate activities; it can stand and perch without difficulty; if placed on its back, it gains its equilibrium at once; if pushed off its perch, it flies till it reaches a firm support; if disturbed on its perch, it will walk away, showing it can coordinate its leg muscles. If left undisturbed, it will occasionally open its eyes, move its head and pick its feathers. But it spends most of its time sitting quietly as though asleep. If aroused, it shows little or no excitement or fright. At De Boi-Reymond's lecture in Berlin the author saw a pigeon, whose brain had been removed, which did not pay the least attention to light flashed into its eyes, or to the sound of a pistol shot off near it; but when pushed off its perch flew around the lecture room without hitting anything until it fell to the floor exhausted. Results of experiments on rabbits, rats, and dogs are somewhat similar. Goltz's dog, without brain, showed complete loss of memory and intelligence, being a mere automaton. Such experiments show what the function of the cerebral cortex is in connection with the mentality of the animal.

The author witnessed another demonstration on a monkey (by Horseley) on the outer surface stimulation of the upper part

Horseley) on the outer surface stimulation of the upper part around the fissure of Rolando, causing movements of the leg; and stimulation of the middle part, causing movements of the arm, and of the lower part, causing face and mouth movements. A lesion in the third frontal convolution on the left side is always A lesion in the third frontal convolution on the left side is always associated in man with the loss of the power of speech called motor aphasia; this part is close to the motor center for muscles of tongue and mouth, and is called speech center. In most persons (right-handed people) the speech movements are regulated from a particular part of the left hemisphere, the corresponding part of the right hemisphere remaining dormant. When this part of the brain is injured in man there is loss of voluntary worsh, the refint can not uttra words at all or week the world. speech, the patient can not utter words at all or uses the wrong words. With lesion of the posterior part of the first temporal convolution on the left side is associated word deafness. With lesion of the cortex of the hinder part of the parietal lobe (near the visual center) is associated word blindness.

After transection of spinal cord or of brain behind the fore-brain mental actions do not belong to the reactions of the nervous arcs posterior to the transection, but they do accompany the reac-tions of the nervous arcs in front and still connected with the fore brain; thus, if the spinal cord is severed, one does not have consciousness of his limbs, whose afferent nerves lie behind the point of spinal severance, but he can see them with his eyes. In the higher animals there is no consciousness in any part of the nervous system from which the fore brain has been cut off.

CONCLUSIONS AS TO THE BRAIN

These conclusions are based upon the studies of specialistic scientists, most all of whom are recognized as authorities in their

A few of these conclusions may not always be in accord, but this A few of these conclusions may not always be in accord, but this is to be expected in a subject about which comparatively little of a fundamental nature is definitely determined. Yet all general statements concerning a developing subject, which may be, so to speak, four-fifths true and one-fifth untrue (due to exceptions), are important because they indicate the trend or direction in which to look for future research.

which to look for future research.

1. From the point of view of nature the brain is an accidental extension of the spinal cord and is dependent upon the necessities of the animal in the use of the higher nervous functions. But,

2. From the human point of view the brain is all important, being the organ of mind, the highest function in man. Yet,

3. According to nature, the extreme end of the frontal lobe (though the seat of the higher mental processes) is the last to be evolved and the first to undergo dissolution in mental decadence. And, in consonance with this,

And, in consonance with this,

4. The brain in the early stages of evolution was much smaller than the spinal cord, being most subordinate, if not barely exist-

ing. But,
5. This accidental character of the brain, as a mere offshoot of the spinal cord, has its parallel in the realm of mind, the furthest development of which is said to consist in philosophical and metaphysical thinking and theories, which are likewise most com-

metaphysical thinking and theories, which are likewise most complicated (like the brain), uncertain and unstable. Briefly, 6. All intellectual activities, being a distinctive expression through the brain as the organ of the mind, are, nevertheless, absolutely dependent upon the brain. Thus, 7. In the higher animals, including man, there is no consciousness in any part of the nervous system from which the fore brain has been cut off. That is to say, 8. The power of thought is absolutely limited to the fore brain, which can exist without mind, but no mind can exist without a brain. Thus the subordination of mind in nature's realm is further suggested by the fact that. ther suggested by the fact that,

9. In the dying hour thought is usually the first to go, while the unconscious organic functions endure until the end.

unconscious organic functions endure until the end.

10. The brain probably reaches its full growth between ages 15 and 20, remaining constant to about age 50, and then gradually becomes less in weight at the rate of about 1 ounce in 10 years.

11. The weight of brain, relative to body weight, is greater in the girl than in the boy, but after the age of 15 the absolute weight of brain is always greater in man than in woman.

12. In the world in general the average weight of the brain varies from 1,350 grams (47 ounces) to 1,450 grams (51 ounces). As smaller men have relatively heavier brains, so women with smaller bodies have larger brains relative to their body weight.

13. Brains under 1,250 grams (44 ounces) are abnormally small and those more than 1,550 grams (55 ounces) are abnormally large.

large.

14. The average maximum brain weight is 1,810 grams (64 ounces) and the average minimum brain weight is 960 grams (34 ounces).

15. Between the ages of 20 and 40 the mean male brain weight 10. Between the ages of 20 and 40 the mean male brain weight is 1,360 grams (48 ounces) and the mean female brain weight is 1,230 grams (43 ounces) and the brain appears to be heaviest between ages 14 and 20. But,

16. At the age of 80 the brain has lost, on an average, 90 grams (3 ounces), except, it has been shown, that in distinguished men the senile decrease in brain weight is delayed about 10 years, as compared with the average men.

compared with the average man.

17. It has been found that the gray matter constitutes about 54 per cent, the white matter 43 per cent, and the nuclei 3 per cent of the entire cerebrum, and that the weight of the cortex is

33 per cent of the entire cerebrum, and that the weight of the cortex is 33 per cent of the total weight of the brain.

18. The cerebellum, or little brain, weighs 140 grams (5 ounces), about 10 per cent of the entire brain; it averages larger in man than woman, and is relatively larger in adults than children, the

converse of the brain.

- skull and the volume of the brain is about 7½ per cent, with individual variations from 5 to 10 per cent. This difference changes little in middle life, but after the age of 70 it becomes about 15 per cent instead of 7½ per cent; that is, this difference doubles. So, 19. The difference in volume between the inner space of the
- 20. In a skull with a volume of 1,400 cubic centimeters (85 cubic inches) there is about 100 cubic centimeters (6 cubic inches) of free space outside of the brain, and after the age of 70 this space approaches 200 cubic centimeters (12 cubic inches).

21. The larger the animal, the smaller the relative size of brain, and the smaller the animal, the larger the relative size of brain.

This is generally true in man.

22. Brain weight, relative to body weight, is much greater in young animals than when they reach adulthood, which also is true of man.

23. There is a certain parallelism in animals between brain weight and intelligence, notwithstanding variations.

24. The brain weight of the gorilla, though nearest man, is only 416 grams (13 ounces), which is less than one-third of the human brain (1,400 grams=49 ounces).

25. The higher the mentality of the animal, especially man, the greater is the brain, in comparison with the rest of the cerebro-

- 26. The influence of stature on brain weight extends throughout the animal kingdom in such a way that with equal intelligence small species have a relatively superior brain weight to the large species, and to such a degree that species with very small stature can excel species of very great stature who are much superior in intelligence.
- 27. The nutrition of the brain seems greatly independent of the general nutrition of the body; thus very delicate children are often
- well developed cerebrally.

 28. The brain receives in superior animals more numerous, various, and complex sensations than in inferior animals, and also in taller animals as compared with those small in stature; and
- 29. As to the motor center, the brain controls less numerous, less various, and less complicated movements in the lower species.

 30. The surface of the brain relative to its volume is much greater in small than in large mammals.

 31. As to the relation of brain weight to intelligence in man, some mathematical specialists claim it is slight; but,

- 32. Since no human brain in a head less than 11 inches in circumference has been known to function normally, and since no brain weighing less than 32 ounces has been normal, it is evident that size and weight of brain must have very much to do with intelligence within certain limits, and it is difficult to believe that such relationship suddenly stops, for such a saltus is not in accordance with nature.

33. It seems to be generally true that those occupations which require more thinking show heavier brain weight.

34. The most advanced nations appear in general to have superior brain weight. Likewise,

35. Distinguished men, as compared with average persons, have

distinctly heavier brains.

36. In 20,000 Washington school children the average head circumference of the bright was larger than in the dull for every

age.

37. The great and superior Cro-Magnon race, existing 25,000 or more years ago, shows a higher cranial capacity than other races, and even higher than modern man, indicating that since that time, the human brain has been growing less in weight.

38. The complexity and depth of the convolutions of the brain, indicating area of gray matter, correspond with intelligence.

39. Naturally, skull capacity and brain weight are closely related in about a ratio of 100 to 90. This accords with the fact that the difference between skull capacity and brain volume is 10 to 16 per

cent; more means atrophy, less means swelling.

40. Cranial capacity is less in races of small growth, and in the same race is proportional to size of body; but body size reaches its

40. Cranial capacity is less in races of small growth, and in the same race is proportional to size of body; but body size reaches its maximum much sooner than cranial capacity.

41. Cranial capacity may be estimated from its outside measurements almost as well as by direct methods of anthropologists, showing what mathematics can do. Likewise,

42. Brain weight of living persons may be estimated from outside measurements of the head by the following equation:

(Head length - 6) × (head breadth - 7) × (head height - 5) × 0.000337 + 406.01, which multiplied by 0.90 gives the brain weight in grams. Thus by this equation

43. Measurements of 89 Members of Congress show their average brain weight to be 1,550 grams (55 ounces), which is very much above that of men in general.

44. To determine the functions of different parts of the brain depends mainly on the investigation of animals. Thus,

45. If the frog's brain be removed, it tries to catch flies, will avoid an object and shows other signs of initiative. Likewise,

46. After the brain of the pigeon is removed it can stand on the perch easily; if placed on its back, it rights itself at once. If pushed off its perch, it may fly until exhausted. If left undisturbed, it will occasionally open its eyes, move its head, and pick its feathers, but it spends most of its time as though asleep.

47. Results of experiments on rabbits, rats, and dogs are somewhat similar to the pigeon. One dog with brain removed showed complete loss of memory.

48. In a monkey stimulation of the upper part around the

complete loss of memory.

48. In a monkey stimulation of the upper part around the fissure of Rolando causes movements of the leg, of the middle part, causes movements of the arm and of the lower part, movements of face and mouth.

of face and mouth.

49. While the monkey brain in size approaches the human brain more than the brain of other animals, it is, however, very much nearer to the other animals than to man.

50. Those parts of the brain whose function is known are considered primary and are common to all animals, and also necessary in some way to their existence; but

51. There are unknown regions in the brain the superior development of which places man far above other animals. But in order to study these parts directly in man, human vivisection would be necessary, and it is sometimes performed by nature herself: thus.

herself; thus,
52. If disease or tumor affects or stops action of certain parts of the brain, the functions so affected indicate the office of such

parts or brain area; so 53. A lesion in the third left frontal convolution is always associated in man with the loss of speech, being close to the motor center for muscles of the tongue and mouth called the speech center for miscles of the tongue and mouth cancer the speech center, which has been found well developed in orators, as in Gambetta's brain, though otherwise a small brain; and 54. The sight center (in occipital lobe) of great painters is thought to be highly developed, as in the case of Raphael's skull

in this region.

55. A lesion of the posterior part of the first temporal convolution on the left side causes word deafness, and a lesion of the

hinder part of the left parietal lobe near the visual center results in word blindness.

56. Some specialists hold that the frontal region when injured causes weakness in attention, reflection, and lack of control over anger, and also defects in various volitions and emotions. And in general

57. In persons of high intelligence, usually the whole frontal region is large, which is especially true of certain mathematicians' brains which have been studied.

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WHAT IS WRONG, AND WHAT SHALL WE DO ABOUT IT?

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD a speech by Hon. Homer T. Bone before Delegates Seattle Unemployed Organizations.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

HON. HOMER T. BONE'S PROGRAM

You have asked me to speak to you, the unemployed, on What Is Wrong and What Shall we Do About It.

The mere fact that you are here as part of the great organization of the unemployed who must depend on food furnished at public depots shows that there is a great deal wrong.

Concentration of wealth and the control of business processes are building a huge new feudal system, a heartless industrial feudalism in which the common man is the uncared-for serf. They are bringing about the destruction of free competion and the end of all independent business operations. This means the the end of all independent business operations. This means the end of hope, of individual opportunity for your children and mine; it means that periods of starvation in the midst of plenty such as we are now facing will come more and more frequently unless this concentration of wealth is brought to an abrupt stop.

PLAYTHINGS OF BIG BUSINESS

PLAYTHINGS OF BIG BUSINESS

The economic destinies and life of the Nation are in the control of a small group of men, who deflate and inflate at pleasure. This process is a deliberate one. We have all become playthings of big business. The power of these men to play with the welfare and happiness of the American people, a game designed to increase their own power and wealth, must be curbed. Unless it is curbed we will emerge from this crash—which lays the whole Nation prostrate—to find that a few men own nearly everything. Control that is now well-nigh supreme will have been transformed into absolute ownership. Nowhere is this process more apparent than in the operations of the great public-utility corporations—the Power Trust.

SAFETY OF REPUBLIC THREATENED

Continuation of this process means that the plight of the farmer, the workingman, the small business man will grow continually worse. There is vast wealth in the Nation—its natural wealth will continue to be here but a few will own it all. When that day comes it means the end of the Republic. The concentration of wealth has proceeded at such a rate that to-day 550 corpora-

tions do 80 per cent of the total volume of the Nation's business. Six per cent of the corporations hire 70 per cent of the wage workers. When these few corporations fire their workers they make no provision to feed and clothe them. The market of the farmer is destroyed. We then face what you are facing to-day.

MUST CARE FOR COMMON MAN

MUST CARE FOR COMMON MAN

When such a situation arises—and it has arisen—it is the function of government to see to it that the common man is not permitted to starve in the midst of plenty, that he is given an opportunity to work and to sell the products of his labor whether that product be of the farm or factory. But what actually has happened? While pointing out that direct aid to farmers and unemployed would demoralize these men and injure the country the reactionaries in Congress have established a pernicious system of doles for big business. The responsibility of the Government—of our Government—can not be permitted to end there. The farmer and the workingman and the small business man are entitled to as much consideration as is Wall Street.

A system of old-age pensions and unemployment insurance should be enacted. The program of farm relief including the debenture plan espoused by those Senators in Congress who actually speak for the farmer should be enacted rather than any program of so-called farm relief designed by big business. We must have farm relief for the farmer, not farm relief for the banker.

DEFLATE MENACING FORTUNES

A system of income inheritance and gift taxes should be established as a part of the public policy of the Nation—taxes that would in themselves deflate the vast superfortunes that constitute a menace to the social welfare of the Nation. This should be done not as part of a mere tax program—not merely to balance the Budget for a single year—but as a deliberate public policy. Some of these superfortunes are the result of war profiteering. War profiteering is treason. In time of war private property, as well as men, should be drafted. By taxation we can return to the Nation some of the swollen fortunes which grew out of the last war. By the draft of private property in war time in the future we can prevent what happened in the World War when to each casualty list could be appended the name of a new millionaire. lionaire.

PAY THE SOLDIERS' BONUS

The Government of the United States has promised to pay a bonus to the veterans of the Great War. It has actually said how much it will pay each man. This solemn promise to pay is part of the public debt. But the reactionaries in Congress, headed by the man in the White House, simply refuse to pay now when these men are out of work and hungry through no fault of their own. A ragged army of veterans is even now encamped in Washington, D. C., pleading with the Government to pay them their money now. This money must be paid sooner or later. But the reactionaries say: "They'll only spend it if we give it to them." That is true. They will spend the money for food, helping the farmer; for clothes, for shelter, helping the workingman and helping business. The Government should be as eager to pay its debts to poor veterans as to grant loans and give doles to big business. The Government of the United States has promised to pay a

STOP BUSINESS RACKETEERING

All forms of doles to private business grafters and racketeers should be abolished. Subsidies to financiers who get Government ships for a song and then sell watered stock in the shipping lines to those who have managed to save a few dollars; graft in the form of post-office leases; every form of dole and largesse to big business should be stopped. The present era of graft on the National Treasury is like the frenzied grafting of the French court prior to the revolution. The tremendous frenzy to balance the Budget—it is probably balanced by now—will result in validating the public securities issued by the Nation and will help creditors at the expense of debtors. This may be all very well, but what about validating the billions in securities dumped upon unfortunate people by these same big bankers who now are the principal creditors of the Nation; what about the billions in watered stocks of public utility and other companies which were sold to the people in the Coolidge-Hoover "new era." They apparently are to be left high and dry while the international bankers who defrauded our people are not only to go unwhipped of justice but are to be "taken care of." Compared with these so-called magnates of big business Al Capone is only a small-time racketeer.

ABOLISH CHILD LABOR

While you sit here considering how you shall get work and bread, thousands of children are working in the factories of America. They are in competition with you. The reactionaries in Congress and the State legislature who serve big business call this freedom. Every child, they claim, should have the freedom to work at low wages in competition with its parents or the parents of other children. We must put a stop to this sort of freedom—the freedom of corporations to exploit little children when men and women with families go hungry. Collective bargaining between capital and labor should include the major aspects of industrial conditions including the abolition of child labor by agreement as well as by law.

PUBLIC OWNERSHIP OF UTILITIES

PUBLIC OWNERSHIP OF UTILITIES

Our laws are filled with jokers that enable private utility combines to evade taxes and mercilessly skin the consuming public. You know that the public-utility corporations of our own State pay taxes on small valuations and, because the laws permit, charge

rates based on valuations several times as large. This defrauds every taxpayer as well as every consumer. But this is only the beginning of the iniquity of these utility corporations. So great has been their profit, so greedy have they been to consolidate their control over an essential of modern living which they own that they have bribed legislators, injected their propaganda into our schools, defrauded our investors, made a mockery of every law on the statute books and of every law of common decency. In Seattle and Tacoma we find the answer to all this. It is public ownership of public utilities. The right to selze our rivers, our waterfalls, and to use them first as a means of swindling people out of their savings and next as a means of forever paying profits on watered stock can be abolished only by this method.

BANKS MUST BE MADE SAFE

Many of you were not stuck by stock salesmen. You were thrifty, putting your money into a savings account. So many savings accounts are valueless to their owners because the institutions in which they were placed are either closed or bankrupt that some form of assurance of stability of banks must be given by law. The refusal of the bankers to meet the issue of unemployment by loans to cities and public bodies—their evasion of their responsibility as bankers calls for an addition to our system of public banking by which savings may be kept liquid for emergencies. The functions of postal-savings banks should be vastly widened and checking priviliges extended to postal-saving depositors.

LIQUOR AND PROSPERITY

I do not think that the mere repeal of the eighteenth amendment would guarantee lasting prosperity. The big issue is jobs, not jags. But the people have a right to vote on prohibition. If the people vote to restore liquor—if they do—then that business with all of its profits should go direct into the Public Treasury, not into the pockets of the Mellons and the Schlitz's.

END UNEMPLOYMENT FOR PROSPERITY

End unemployment and you end the depression. You help the farmer and the business man, Unemployment can be ended. There is still work to be done in this Nation. And if the bankers and industrial leaders have proven that their methods will not work then the people must elect men to the Government who will have the wit to start the wheels moving again and take such steps as are possible to see to it that they are not stopped again

TRADE RECOVERY AND RELIEF OF UNEMPLOYMENT

Mr. PITTMAN presented a letter from Robert D. Kohn, chairman executive committee, National Committee for Trade Recovery, New York City, N. Y., which was ordered to lie on the table and to be printed in the Record, as follows:

> NATIONAL COMMITTEE FOR TRADE RECOVERY, New York City, June 6, 1932.

NATIONAL COMMITTEE FOR TRADE RECOVERY,
New York City, June 6, 1932.

The Hon. Key Pittman,
The Senate, Washington, D. C.

My Dear Senator: The National Committee for Trade Recovery sponsored by the Construction League of the United States represents the prominent national organizations of the construction industry. These member societies include approximately 120,000 individuals or firms engaged in construction work normally employing at least 2,000,000 men.

We have studied the legislation now pending in the Congress with reference to public works and strongly favor the plan proposed in the bill introduced by Senators Wagner, Robinson, Pittman, Walsh, and Bulkley, and known as S. 4755.

We urge your support for this bill, knowing as we do by experience that construction work amounting to at least one billion and a half dollars would thus be made possible and would employ directly over 1,000,000 men in the course of the year. In addition, collateral industrial, farming, and related employment would be afforded to great numbers by the expenditure of this amount of money by the workers.

The allocation of the credit facilities which would be provided by this bill should, in our opinion, be guided by technical advisers—engineers and architects—who would select such projects as would afford the maximum employment of workers who need it at the earliest possible date on a balanced program of works of the greatest usefulness.

We strongly urge upon you the support of S. 4755 as being most likely to carry this desirable end into effect.

Very truly yours,

Robert D. Kohn,

Chairman Executive Committee.

ROBERT D. KOHN. Chairman Executive Committee.

INVESTIGATION OF CONTINENTAL TRADING CO. (LTD.)

Mr. WALSH of Montana. Mr. President, a few days ago information was carried by the press of an adjustment by the Treasury Department of the Government's claim against Henry M. Blackmer for delinquent taxes, the facts about the matter having been brought to the attention of the department through the investigation of the Continental Trading

I have a letter from the Secretary of the Treasury, telling of the settlement and of the recovery consequent upon that investigation. I ask that it be incorporated in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,

Washington, June 8, 1932.

MY DEAR SENATOR: Receipt is acknowledged of your letter dated
May 27, 1932, in which you ask to be advised as to the adjustment
of the Government's claim against Henry M. Blackmer for back
taxes, and that you be furnished with a statement of collections
made in consequence of disclosures in the Senate investigation of

taxes, and that you be furnished with a statement of collections made in consequence of disclosures in the Senate investigation of the operations of the Continental Trading Co. (Ltd.), and of inquiries induced thereby.

The disposition of the income-tax case against Henry M. Blackmer in the Board of Tax Appeals, which has been pending since May, 1928, when jeopardy assessments were made to prevent the taxpayer from withdrawing his assets from the United States, resulted in payment to the Government of \$3,669,784.47. This is \$1,080,000 in excess of the amount paid into the collector for the New York district as a result of the jeopardy assessments, or some \$844,000 more than the total amount of funds of Mr. Blackmer in this country which the Government had succeeded in impounding. As to taxes and penalties asserted for the years 1920 to 1923, inclusive, which years included the Continental Trading Co. transactions, but also involved a number of other taxable transactions, the taxpayer in effect confessed judgment, paying the full amount maintained to be due amounting to \$1,049,254.17 tax and \$1,121,-530.30 in penalties and interest. It is for these years of 1920–1923 that criminal indictments are pending under which Mr. Blackmer will be prosecuted if he returns to this country.

In the cases covering 1916, 1917, and 1919 the possibility of recovery by the Government depended upon proving fraud not connected in any way with Continental Trading Co. transactions. In addition to the difficulty of proving fraud for these years, the Government was faced with the contention that even though fraud could be proved, collection of the years 1916 and 1917 was barred by the 3-year statute of limitations of the 1916 revenue act. Disposition of the cases relating to the years 1916-1919 was accomplished by a compromise under which \$1,500,000 was paid against the finally asserted liability for tax, penalties, and interest of \$2,626,354.22.

The total payment made by Mr. Blackmer on May 13, 1932, to dispose of the civil cases was

The total payment made by Mr. Blackmer on May 13, 1932, to dispose of the civil cases was therefore as follows:

By offer in compromise 1916 to 1919, inclusive_____ \$1,500,000.00 Under board order, 1920 to 1923, in-

2, 169, 784, 47

As to the total amount of tax collections effected by the Government in consequence of the Senate committee's investigation, the letter of May 23, 1928, to which you refer, addressed to the chairman of the joint committee, states, as you will recall, that there was collected from the transferees of the Continental Trading Co. as income taxes, penalties, and interest assessed against that company for the years 1922 and 1923 the aggregate amount of \$606,097.19; that letter also reports the collection from another source of additional taxes and interest in the total amount of \$1.398,910.99.

The Blackmer investigation led to the investigation of a number

\$1,398,910.09.

The Blackmer investigation led to the investigation of a number of corporations and individuals with respect to transactions having no connection with the Continental Trading Co. These investigations have resulted in the collection of additional taxes from 11 individuals in the total amount of \$17,667.71.

Cases of other individuals who received assets of the Continental Trading Co. are pending before the General Counsel for the Bureau of Internal Revenue in connection with protests and briefs which have been filed. It is anticipated that decisions will be reached in these cases in the near future.

Very truly yours,

A. A. BALLANTINE, Acting Secretary of the Treasury.

Hon. THOMAS J. WALSH, United States Senate.

TIMBER CONSERVATION

Mr. WALCOTT presented a statement submitted to the Timber Conservation Board at its meeting in Washington, D. C., June 8, 1932, by George D. Pratt, president of the American Forestry Association, which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

A FOREST EMERGENCY

(Statement submitted to the Timber Conservation Board at its meeting in Washington, D. C., June 8, 1932, by George D. Pratt, president of the American Forestry Association)

The Timber Conservation Board was created by President Hoover to propose measures to aid in the stabilization of the forest industries and the ownership of forest land, and to assure the perpetuation of the country's forest resources. All the more important and long-standing economic problems involving public interests in

forest conservation have been studied. Since the board began its labors, however, the general economic situation of the Nation has become so acute that, in my judgment, the board is to-day confronted with an emergency situation that it can not ignore. I refer to the gradual disintegration of forest protection that has

refer to the gradual disintegration of forest protection that has already set in and that threatens to expose to incalculable destruction the very resource the board is charged with perpetuating.

We can not evade the fact that a curtailment of forest activities along all lines, both public and private, has taken place, and that, due to the depletion of public and private funds, the protection of our forest resources against fire, insects, disease, and other natural enemies has been seriously weakened. The Federal Government and the States are being forced to economize on forest protection. Owners of private lands, driven by financial conditions beyond their control, are likewise curtailing or abandoning adequate protection of their resources. We are confronted with a breakdown in our whole established system of resource protection. If the process is permitted to continue, it will lay wide open to destruction forests and other renewable resources that are the very foundation of industrial stability and public welfare. It exposes to loss not only our forest assets but virtually all the complementary values inherent in stable forest-land administration, such as forage, wild life, soil fertility, scenic beauty, water supply, and the beneficial influences of forests upon floods and erosion.

This struction has become scute in many sections of the countries of the c

and erosion.

This situation has become acute in many sections of the country, particularly in the South and the Northwest. The Governors of Idaho and Montana, for example, deem the outlook for the coming summer so critical as to warrant the issuance of proclamations calling upon their citizens for voluntary service to help protect the natural resources of their States. Destruction of forests and

the natural resources of their States. Destruction of forests and other renewable resources in the South during the past winter as a result of fires has been the greatest on record.

To my mind, adequate protection of our forest wealth, through this trying and dangerous period of economic chaos, is the great outstanding challenge to-day to conservation stability. As a Nation we must see our way through the present storm without throwing protection to the winds and giving fire a free run upon the bank of nature. I desire to urge with all possible emphasis that the Timber Conservation Board give this situation its earnest consideration and that it give vigorous expression to the need of incorporating adequate protection of our forests and other renewable resources as a definite and urgent project in National and State programs of reconstruction.

From a purely social standpoint the situation merits emphasis.

able resources as a definite and urgent project in National and State programs of reconstruction.

From a purely social standpoint the situation merits emphasis. The forest industries as a group are a source of employment next in importance to agriculture. Unemployment throughout the forest industries is now widespread and alarming. If the resources upon which these industries are dependent are permitted to be depleted and destroyed by a breakdown in protective systems, where shall these millions of dependents turn for a livelihood when more normal conditions of industry and trade are restored? In my opinion, American statesmanship to-day in its effort to lift our country out of its distress is failing to give proper recognition to the social and economic importance of protecting and maintaining the integrity of our forest assets during this period of forced economic readjustment.

Within recent weeks we have heard much of reconstruction programs to relieve unemployment and to start the wheels of industry. Various suggestions of public works calling for Federal appropriations and Federal loans have been proposed. Wisely and soundly, I believe, President Hoover has pointed out that such proposals, if they are really to be helpful, must distinguish between public works that are income producing or self-liquidating and public works which are nonproductive and which, therefore,

and public works which are nonproductive and which, therefore, place a charge upon the taxpayer and upon the Federal Budget.

The protection of our forest resources against fire and other

place a charge upon the taxpayer and upon the Federal Budget.

The protection of our forest resources against fire and other destructive agencies is, to my mind, clearly an income-producing and self-liquidating project. It should qualify under the operation of the Finance Corporation just as much as protection of our banking institutions, for in the last analysis these institutions are dependent upon the natural wealth of the communities and States which they serve. As one of his relief proposals, President Hoover suggests a broadening of the authority of the Finance Corporation so as to authorize it to loan up to \$300,000,000 to States in order to finance themselves through the period of distress. I believe it would be a wise and sound policy for the States and subdivisions thereof and for private owners to borrow money through the Finance Corporation to protect their forest assets, and that it would be a wise policy for the Federal Government to loan money through the Finance Corporation for this purpose.

The possible field of activities is a large and constructive one. It would include (1) necessary protection of private and public resources against fire, insects, and disease; (2) enlarged forest planting in those regions of the country where there is now a shortage of forest supply and where expansion of forest cover for watershed influence is merited by public and industrial considerations; (3) cooperation of Federal Government, States, and private individuals in works to control soil erosion and to maintain the flow and purity of our inland waters, particularly at the headwaters of streams; and (4) an expansion of forest research along those lines that will aid protection and the stabilization of the

waters of streams; and (4) an expansion of forest research along those lines that will aid protection and the stabilization of the forest-employing industries.

As an illustration of the diverse possibilities for constructive endeavor, the national forests as a 160,000,000-acre forest property may be cited. Adequate protection of these public forests from fire alone calls for the construction of several thousands of

miles of forest roads and trails, hundreds of lookout towers, thousands of miles of telephone line, networks of firebreaks, etc. Adequate protection also calls for the control of tree diseases and insect pests, such as the white-pine blister rust, bark borers, and leaf miners. In addition to the direct labor involved, the equipment, supplies, and material called for would aid in creating employment in fectories on ferree and on the creating employment in fectories. ployment in factories, on farms, and on the great transportation systems. What is true of the national forests is equally true of the State and privately owned forest lands. Greater areas and less completely developed systems of protection on such lands magnify the possibilities of constructive work.

magnify the possibilities of constructive work.

A rough estimate indicates that well over \$100,000,000 could be profitably spent in the group of activities mentioned. It would be money well spent in that it would supply needed protection of basic resources, and it would furnish employment to upward of 200,000 people and relief to more than double that number of dependents. Protection of our natural resources, furthermore, is basic to our national credit at home and abroad. The project would help to stabilize land ownership and thereby afford some protection to local government against land abandonment and loss of taxes. It would aid in strengthening the foundation of agriculture by preserving the soil against erosion and property against destruction due to floods. And, above all, it would assure the preservation and enhancement of the natural capital upon which our basic industries and institutions depend and upon which future employment of labor depends.

AGRICULTURAL RELIEF

Mr. SCHALL. Mr. President, I am in receipt of a letter from a prominent farmer of Lincoln County, Minn., which I ask unanimous consent to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

IVANHOE, MINN., June 3, 1932.

Mr. THOMAS D. SCHALL

DEAR SIE: There can't be any doubt to any fair-minded Senator that something must be done at this session of Congress to aid the rural districts—the Frazier bill or some other measure to aid

Lincoln County consists of only 15 townships, and in 1931 eighty-seven farmers lost their farms under foreclosure sales, and in 1932 there will be about double that amount. So it can readily be seen that in a few more years there won't be one-third of the farm homes in the hands of the farmers. Some radical action must be taken at once. Have farmed in Lincoln County since May 3, 1881, and never lived through such times before.

Yours truly,

MARTIN NELSON.

Mr. SCHALL. Mr. President, I ask unanimous consent to have inserted in the RECORD and appropriately referred a resolution sent to me by Hamlin Local, No. 103, of the Farmers Educational and Cooperative Union of America at Madison, Minn.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows: Hon. Thomas D. SCHALL

Hon. Thomas D. Schall,

Senate Building, Washington, D. C.

Estermed Senator: We, the officers and members of Hamlin Local, No. 103, Farmers Educational and Cooperative Union of America, desire to emphasize resolutions which have been sent to our representatives in Washington, and add the following:

One farmer in Lac qui Parle County sold a 540-pound hog on the South St. Paul livestock market. The net proceeds from the sale of this hog was \$1.08 for the entire hog. One question we wish Congress to decide, In this deal who was the hog?

One veal calf on the South St. Paul market actually netted the farmer who raised the calf the sum of 2 cents.

We report above facts as proof of the unpleasant truth that the farmers of the Northwest are being robbed, and to call attention to the unavoidable results which will be the bankruptcy of the entire Northwest. In order to avert this calamity we plead for the passage of the following three bills at once:

First, the Frazier bill, to effect speedy though temporary relief. Second, the Swank-Thomas marketing bill, designed to protect the 500-pound hog. Third, the Wheeler bill, to correct the stringency in the national currency as it exists to-day.

Signed for the Hamlin Local, No. 103, of Lac qui Parle County. Minn., by its committee and officers.

Minn., by its committee and officers.

H. P. KNORR, President. H. A. NELSON, Secretary. CARL CARSTENS,
A. M. CRANDALL, M. D.,
Committeemen.

MADISON, MINN.

GOVERNMENT AID IN EXPLOSIVE MATERIALS

Mr. SCHALL. Mr. President, I ask unanimous consent to have inserted in the RECORD and appropriately referred a resolution adopted by the agricultural council of the Duluth

There being no objection, the resolution was referred to | the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Resolution adopted by the agricultural council of the Duluth Chamber of Commerce, Friday, June 3, 1932

Whereas it has come to our attention that efforts are being made at Washington to induce the Federal Government to turn over for use in clearing land of stumps, stones, and water certain every and againg evaluation materials.

excess and ageing explosive materials; and
Whereas there is a splendid precedent for this practice in the movement of war salvage explosive during the period 1921-1929, when Minnesota farmers were the beneficiaries to the extent of 10,000,000 pounds in materials and some hundreds of thousands

Whereas land clearing is again very active, due to the effect of our farmers to insure ample stocks of feeds and foods and reduce their dependence upon outside sources of supply: Now, therefore, be it

be it

Resolved, That the agricultural council of the Duluth Chamber of Commerce petition our Representatives in Congress to act in association with and lend assistance to those agencies who are working to release these supplies, and that our secretary be instructed to send them copy of this resolution; be it further

Resolved, That copies of the same should be furnished the St. Louis County Country Club, the Minnesota Arrowhead Association, and the farm bureaus of the eighth district, and the press.

COMMENTS ON BANKING

Mr. SCHALL. Mr. President, I ask unanimous consent to have inserted in the RECORD and referred to the Committee on Banking and Currency a letter I have just received from one of my constituents.

There being no objection, the letter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

> STATE BANK OF TAUNTON, Taunton, Minn., June 6, 1932.

Hon. THOMAS D. SCHALL,

Hon. THOMAS D. SCHALL,

Washington, D. C.

Dear Senator: I hope that you can be depended upon to use your best efforts to defeat the present program of the financial "high binders" in putting over on the country in these trying times an entire new banking structure, as far as State banks are concerned. I doubt that you have any sympathy with this gang and that you will be found on the lines working to preserve some samplement of State rights.

and that you will be found on the lines working to preserve some semblance of State rights.

When the Federal people control the whole banking structure I am afraid the small business is going by the boards; who knows how many bank failures have been caused by the distrust engendered in the minds of the public by the great group banking interests. More power to Tom Davis, that we have at least a few men who have courage to get up and tell those financial pirates what they have done to the public and what they intend to do. It is my opinion that the present difficulties in the whole world

what they have done to the public and what they intend to do.

It is my opinion that the present difficulties in the whole world have been more or less caused by financial greed. We have it right in our own small communities, where the representatives of the big bank interests are busily hammering away on how good the great group banks are and how poor the small country banks are, and in most cases if they had to liquidate their deposits to-day I actually believe the small banks now surviving would very likely measure up dollar for dollar with the great group institution loaded up to the gills with bonds of a lot of their own affiliates. affiliates

Very truly yours,

G. F. AHERN. Cashier.

LAKE MICHIGAN SHORE DRIVE

Mr. SCHALL. Mr. President, I ask unanimous consent to have inserted in the RECORD and appropriately referred a letter I have just received from one of my constituents.

There being no objection, the letter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., June 7, 1932.

Senator THOMAS SCHALL

Senator Thomas Schall,

Washington, D. C.

Dear Senator: The Lincoln Park Board and the South Park Board of Chicago, Ill., have up to date spent several million dollars on the outer drive along the shore of Lake Michigan to take care of the congestion of motor traffic in Chicago. There is at present a gap of some four or six blocks at and around the Chicago River in this outer drive. Part of this construction work in this gap is now under contract, but owing to the bond market the two park boards have not been able to finance the completion of this work without paying excessive premiums for the bonds for finance.

work without paying excessive premiums for the bonds for financing. This work is now at a standstill.

It would take somewhere between four and six million dollars to complete this link in the outer drive and relieve the congestion especially in the loop where it is at its worst. To complete this work within this coming year would be a help to unemployment.

in Chicago, and to leave it uncompleted would be a calamity to Chicago with the world's fair next year.

The two park boards, I believe, have applied to the Reconstruction Finance Corporation for a loan of money to complete this work, giving bonds of the two park boards as security. While the bond market is temporarily off and the tax situation in Chicago is in a muddle, I believe these bonds, guaranteed by taxes from these two political subdivisions, are a sound investment for the future, which will, no doubt, be bought and sold at par by the public within a reasonably short time.

I would appreciate any efforts that you can conscientiously make to see that the temporary financing of this project is included in the Reconstruction Finance Corporation activities, or by some other method of temporarily financing by Congress.

Thanking you for your kind consideration of the above, I beg to remain,

to remain,

Respectfully yours,

ALGOT F. JOHNSON.

REPORTS OF COMMITTEES

Mr. TYDINGS, from the Committee on the District of Columbia, to which was referred the bill (S. 4673) to amend an act entitled "An act to incorporate the trustees of the Female Orphan Asylum in Georgetown, and the Washington City Orphan Asylum in the District of Columbia," approved May 24, 1828, as amended by act of June 23, 1874, reported it without amendment and submitted a report (No. 788)

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (H. R. 437) to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon in the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes, reported it with amendments and submitted a report (No. 794) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (S. 4835) to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes, reported it without amendment and submitted a report (No. 789) thereon.

Mr. ASHURST, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 4806. An act for the relief of Earl A. Ross (Rept. No. 790); and

S. 4807. An act for the relief of Frank P. Ross (Rept. No.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 11944) to facilitate execution of and economy in field season contracts of the Forest Service, reported it without amendment and submitted a report (No. 792) thereon.

He also from the same committee, to which was referred the joint resolution (S. J. Res. 172) authorizing the distribution of Government-owned wheat to the American National Red Cross for relief of distress, reported it with an amendment and submitted a report (No. 793) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 4557. An act to authorize the addition of certain names to the final roll of the Sac and Fox Indians of Oklahoma (Rept. No. 796); and

S. J. Res. 167. Joint resolution to carry out certain obligations to certain enrolled Indians under tribal agreement (Rept. No. 797).

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the concurrent resolution (H. Con. Res. 26) to establish a commission to be known as the United States Roanoke Colony Commission to report a plan and program for the celebration in 1934 of the three hundred and fiftieth anniversary of the birth of English-speaking civilization in America on Roanoke Island, N. C., reported it with an amendment.

EMERGENCY CONSTRUCTION AND RELIEF

Mr. WAGNER. Mr. President, from the Committee on Banking and Currency I report back favorably with amendments the bill (S. 4755) to provide for grants and loans to the several States to aid in relieving unemployment, to facilitate the construction of self-liquidating projects, to provide for the construction of certain authorized Federal publicworks projects, and for other purposes, and I submit a report (No. 795) thereon.

The VICE PRESIDENT. The report will be received and placed on the calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRATTON:

A bill (S. 4864) granting a pension to Joseph Fisher; and A bill (S. 4865) granting a pension to Elizabeth Jane Catron Mills Young; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 4866) for the relief of St. Claire Livingston Dodd; to the Committee on Military Affairs.

By Mr. TYDINGS:

bill (S. 4867) granting a pension to John Doane Gardiner (with accompanying papers); and

A bill (S. 4868) granting an increase of pension to Harriet I. Gardiner; to the Committee on Pensions.

By Mr. BROOKHART:

A joint resolution (S. J. Res. 174) providing for issuance of Army rations to unemployed World War veterans; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A joint resolution (S. J. Res. 175) to exempt admission to the Olympic Games from the admissions tax; to the Committee on Finance.

REFERENCE OF A JOINT RESOLUTION

The joint resolution (S. J. Res. 137) authorizing the calling of an international conference to consider and devise plans to increase the use of silver, and providing for expenses of American participation therein, introduced by Mr. King on April 4 (calendar day of April 5), 1932, was taken from the table and referred to the Committee on Banking and Currency.

LOANS TO STATES FOR UNEMPLOYMENT RELIEF-AMENDMENTS

Mr. BANKHEAD submitted two amendments intended to be proposed by him to the bill (S. 4860) to provide for loans to States for the relief of distress arising from unemployment, and for other purposes, which were ordered to lie on the table and to be printed.

SPECIAL ASSISTANT TO INDIAN AFFAIRS COMMITTEE

Mr. FRAZIER submitted the following resolution (S. Res. 223), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Indian Affairs hereby is authorized to employ a special assistant to be paid from the appropriation for miscellaneous items, contingent fund of the Senate, at the rate of \$400 per month until otherwise provided by law.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 3765) to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion at Portland, Oreg., during the month of September, 1932, and it was signed by the Vice President.

MESSAGES FROM THE PRESIDENT-APPROVAL OF BILLS

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On June 7, 1932:

S. 2697. An act for the relief of Clarence G. Young.

On June 8, 1932:

S. 1357. An act for the relief of Nancy H. Rouse, Clara H. Simmons, W. H. Hays, Hallie H. Hamilton, and Bradford P.

On June 9, 1932:

S. 6. An act for the relief of the Union Ferry Co., owners of the ferryboat Montauk;

S. 326. An act for the relief of Abram G. O'Bleness;

S. 4401. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

S. 4581. An act to extend the times for commencing and completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.;

S. 4635. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance, and operation of said bridge; and

S. 4636. An act authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Cairo, Ill., and permitting the Commonwealth of Kentucky to act jointly with the State of Illinois in the construction, maintenance, and operation of said bridge.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, June 9, 1932, that committee presented to the President of the United States the following enrolled bill and joint resolution:

S. 3765. An act to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion at Portland, Oreg., during the month of September, 1932; and

S. J. Res. 41. Joint resolution granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Commission and specifying the powers and duties thereof.

POPULAR VOTE IN PRIMARIES FOR FORMER SENATOR FRANCE

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from former Senator Jonathan Bourne, jr., relating to the votes for former Senator France in the presidential preferential primaries.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Washington, D. C., June 6, 1932.
To the Delegates and Alternates of the Republican National Convention.

LADIES AND GENTLEMEN: All must concede that confidence in government is a prerequisite for national contentment, happiness, and business efficiency.

The inclosed summary of the popular votes in the nine presi-

dential preferential primary States in which Senator France filed, compiled up to June 3, clearly demonstrates the unpopularity of Mr. Hoover and his administration, but not necessarily of the great fundamental principles upon which the Republican Party was founded.

was founded.

The theory that a President is entitled to a second nomination regardless of whether his first stewardship has been successful and beneficial to our country is fallacious, asinine, and suicidal. If in war, would we retain a commander in chief who never won a battle and whose vaporous predictions for improvement were all failures? Certainly not. The Army would mutiny and substitute another commander in chief.

If ill would we retain a dector whose diagnosis had proven en-

If ill, would we retain a doctor whose diagnosis had proven entirely wrong, whose remedies had all proven failures, with the result that the patient steadily grew worse? Certainly not.

No party subordinating the principles upon which it was founded to the personal ambition of any individual can or should succeed

or hope to retain its entity.

You are burdened with a graver responsibility than any members of any previous national convention in our party's history in your selection of the party's nominees for the Presidency and Vice Presidency this month

Presidency this month.

Mr. Hoover's renomination must result in his inevitable defeat and the resultant surrender to the Democratic Party of both Houses of our legislative branch as well as the administrative branch of our Government, including Federal patronage.

No party appreciating the evident unparalleled unpopularity and weakness of the candidate that it may nominate and hoping apparently for possible success through the mistakes that may be made and dissensions that may arise in the great Democratic Party can or should succeed.

The elimination by your convention of Mr. Hoover and the

The elimination by your convention of Mr. Hoover and the substitution of any other person would result in a beginning of the restoration of confidence, and hope would replace the despair now existing in the hearts of so many of the great masses of our

population.

In your deliberations it is well to remember that should you renominate Mr. Hoover, notwithstanding your belief that he would be inevitably defeated in November, he would unquestionwould be inevitably defeated in November, he would unquestlonably organize the national, senatorial, and congressional committees and thereby place his blighting influence for four years longer on the political organization of our party, thus preventing its possible resurrection for a further four years and until another man be nominated as our presidential candidate, or the committees themselves demonstrate sufficient independence to wrest from a presidential nominee any opportunity whatever to name the officers or dictate the policies of the great party organizations, which supposedly go on for all time, while presidential candidates come and go.

Any person you members of the convention in your wisdom

Any person you members of the convention in your wisdom may nominate would be preferable to the renomination of Mr.

All of you must concede that Senator Joseph I. France, during the past few months, has made the best single-handed campaign in our political history. The popular verdict as set forth in the accompanying summary demonstrates he has a message appealing to the American people.

The reaction from the audiences he has addressed that he impresses them rather as a "crusader for a cause than a candidate for an office" is one of the highest tributes ever paid any public

man.

In my humble opinion, should you in your deliberative and collective wisdom select Joe France as our party's standard bearer he will lead the party to success and, when elected, prove himself one of the few really great Presidents our Nation has enjoyed in our history.

Very respectfully yours,

JONATHAN BOURNE, Jr.

Summary of the popular vote in the nine States in which Senator France filed and in which the law provides for a direct vote for the candidate

(Compiled by Mr. Howard M. Rice up to June 3, 1932) North Dakota, 11 delegates; primary date, Mar. 15; pop-France__ Hoover_____ 24. 818 France_. 1,750 129 Hoover_____ Dawes _. Lowden _____ 40, 481 13, 934 France. Hoover._____ Pennsylvania, 75 delegates; primary date, Apr. 26; popu-352, 092 France Maryland, 19 delegates; primary date, May 2; popular vote: France. 17,008 Hoover
Uninstructed
(This vote for Hoover represents the office-holding organization, their friends and families.
In 1928 the Hoover vote in Maryland was over 800,000. So that this vote is a virtual repudiation 27, 324 of the administration.) Ohio, 55 delegates; primary date, May 10; popular vote: 44, 853 8, 154 75, 844 Coxey New Jersey, 35 delegates; primary date, May 17; popular France. 141, 276 10, 116

West Virginia, 19 delegates; primary date, May 17; popular vote:	
France	81, 404
Hoover	0
Oregon, 13 delegates; primary date, May 20; popular vote:	
France	64, 148
Hoover	17, 639
(Vote received in 1,635 of Oregon's precincts out of 1,783.)	
Total popular vote on returns received to date (June 3, 1932):	
France	1, 122, 766
Hoover	99, 579
Coxey	100, 662
Ross	48, 867
Total delegates:	
France	231
Hoover	19
Coxey	55
Ross	0
THAD DEDARFMENT ADDRODDTATIONS	

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under Title I-Military activities and other expenses of the War Department incident thereto-Salaries, War Department, on page 2, line 20, after the designation "Judge Advocate General," to strike out "\$110,929" and insert "\$113.294," so as to read:

Office of the Judge Advocate General, \$113,294.

The amendment was agreed to.

The next amendment was, on page 3, line 4, after the word "causes," to insert a comma and the words "and for necessary per diem and traveling expenses in connection therewith," so as to make the proviso read:

Provided, That not to exceed \$29,122 may be used for the employment of such experts, at rates of pay to be fixed by the Secretary of War, and other employees as may be required by the Judge Advocate General of the Army for the preparation of evidence for use in behalf of the Government in claims or suits filed. in Federal courts on account of alleged patent infringements and other causes and for like services in connection with other patent matters and other causes, and for necessary per diem and traveling expenses in connection therewith, as authorized by law.

The amendment was agreed to.

The next amendment was, on page 4, at the end of line 4, to change the total appropriation for salaries, War Department, from \$5,098,889 to \$5,101,254.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, War Department," on page 5, line 16, after the word "expenses," to strike out "\$144,000" and insert including traveling expenses, \$144,750," so as to read:

For stationery; purchase of professional and scientific books, law books, including their exchange; books of reference, pamphlets, periodicals, newspapers, maps; typewriting and adding machines, and other labor-saving devices, including their repair and exchange; furniture and repairs to same; carpets, matting, linoleum, filing equipment, photo supplies, towels, ice, brooms, soap, sponges; maintenance, repair, and operation of motor trucks and motor cycles; freight and express charges; street-car fares, not exceeding \$750; postage to Postal Union countries; and other absolutely necessary expenses, including traveling expenses, \$144,750.

The amendment was agreed to.

The next amendment was, under the heading "Military activities, contingencies of the Army," on page 6, line 18, after the word "proper," to strike out "\$8,000" and insert " and for examination of estimates of appropriations and of military activities in the field, \$9,500," so as to read:

For all contingent expenses of the War Department and of the Army not otherwise provided for and embracing all branches of the military service, including the office of the Chief of Staff; for the military service, including the office of the Chief of Staff; for all emergencies and extraordinary expenses, including the employment of translators and exclusive of all other personal services in the War Department or any of its subordinate bureaus or offices in the District of Columbia, or in the Army at large, but impossible to be anticipated or classified, to be expended on the approval or authority of the Secretary of War, and for such purposes as he may deem proper, and for examination of estimates of appropriations and of military activities in the field, \$9,500.

The amendment was agreed to.

The next amendment was, under the subhead "Welfare of enlisted men," on page 8, line 14, after the words "salaries," to insert "and travel," and in line 21, to strike out "\$69,-540" and insert "\$70,365," so as to read:

For the equipment and conduct of school, reading, lunch, and amusement rooms, service clubs, chapels, gymnasiums, and libraries, including periodicals and other publications and subscriptions for newspapers, salaries and travel of civilians employed in the hostess and library services, transportation of books and equipment for these services, rental of films, purchase of slides for and making repairs to moving-picture outfits, and for similar and other recreational purposes at training and mobilization camps now established or which may be hereafter established, \$70,365.

The amendment was agreed to.

The next amendment was, under the subhead "Finance Department—Pay, etc., of the Army," on page 8, line 24, after the words "pay of," to insert "not to exceed an average of twelve thousand," and in line 25, after the word "officers," to strike out "of the line and staff, \$27,209,927" and insert "\$31,833,427," so as to read:

For pay of not to exceed an average of 12,000 commissioned officers, \$31,833,427.

The amendment was agreed to.

The next amendment was, on page 9, line 5, after the word "service," to strike out "\$8,356,200" and insert "\$8,-545,011," so as to read:

Additional pay to officers for length of service, \$8,545,011.

The amendment was agreed to.

The next amendment was, on page 9, line 11, after the word "list," to strike out "\$12,914,948" and insert "\$9,447,-323," so as to read:

Pay of the officers on the retired list, \$9,447,323.

The amendment was agreed to.

The next amendment was, on page 9, line 21, after the word "available," to strike out "\$4,648,006" and insert "\$6,281,824," so as to read:

Rental allowances, including allowances for quarters for enlisted men on duty where public quarters are not available, \$6,281,824.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator from Pennsylvania should give the Senate an explanation of this amendment.

Mr. REED. Mr. President, most of the amendments which have already been agreed to relate to travel and are not actual increases in the appropriations. The House committee adopted a new plan, which will be found at the bottom of page 14. In a new item which they call "travel, military and civil personnel," they gathered together all of the travel items that occurred throughout the bill, including the travel items in river and harbor work, and other civilian activities. The net effect of that was to increase the apparent spending of the Nation for military purposes without there being any actual increase in that regard. The Appropriations Committee thought that that was not a wise innovation, and consequently we have entirely stricken out the provision that begins at the bottom of page 14 and have reinstated the travel items, without increasing them in the slightest, in the several provisions of the bill where they properly belong. That will account for a large number of the apparent increases on which the Senate has already acted and on which it will be asked to act. They do not represent real increases in the appropriation.

However, there is an item which has just been acted upon which does involve an increase, and that is the item beginning on page 8, line 24. The House of Representatives, by a fairly close vote, sustained the action of their Appropriations Committee in cutting from the Army 2,000 of its 12,000 commissioned officers. The Senate committee unanimously decided to reinstate those 2,000 officers, and that action causes an increase in the item of pay of the Army, which is found in the last line of page 8, but it also results in a corresponding decrease in retired pay, which is found on page 9, line 11. About \$4,000,000 is added in the one place and about \$3,000,000 is cut out in the other place.

Mr. ROBINSON of Arkansas. The net difference, then, is about a million dollars?

Mr. REED. The net difference in these two items is about a million dollars.

Mr. ROBINSON of Arkansas. And, under the arrangement made by the Senate committee, the matter will go to conference?

Mr. REED. Yes; the matter will go to conference.

Mr. KING. Mr. President, I confess that a cursory examination of the report accompanying the pending bill affords me considerable disappointment. I had supposed that we were going to be able to find some economies in this measure, and that in the Army bill and the Navy bill there would be an opportunity for a reduction of at least \$100,000,000. I am amazed to find that the committee has increased the amount of the bill as it passed the other House and that the bill as reported to the Senate carries an appropriation of \$389,578,513.

Mr. REED. Mr. President, the Senator from Utah surely can not mean that this bill carries a larger appropriation than as it was passed by the other House? The Senate committee effected a net reduction of \$3,000,000, and the House had effected a reduction of more than \$50,000,000 under the appropriations for the current year. There has been a reduction in the military expenditures of the Government by this bill of 17 per cent. I doubt if any other department of the Federal service, carrying on its full activities as this one is, can show such a reduction.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Pennsylvania a question?

Mr. REED. Certainly.

Mr. ROBINSON of Arkansas. Is it correct to state that the appropriations in the bill as it passed the other House have been reduced by the Senate committee \$3,007,633?

Mr. REED. That is correct, Mr. President, and the House bill was \$21,000,000 under the estimates, and the estimates were about \$35,000,000 under this year's spending. Since this bill was reported to the Senate day before yesterday we have passed the economy bill, which, if enacted, will effect a further reduction of nearly \$11,000,000 in the pay of the Army. When one takes that into account and realizes that we are cutting about \$67,000,000 out of the military activities of the Army, I think it may be said that the Army has more than stood its share. The estimates for the Army—

Mr. McKELLAR. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED. If the Senator will permit me to finish this statement in one paragraph, then I will yield. The estimates for the Army submitted by the Budget Bureau for this year have been cut \$80,000,000 under their request. There is no question but that the Army has taken a very savage cut.

Mr. McKELLAR. The Senator from Pennsylvania compares the appropriations for 1932 with those contained in the pending bill to that amount?

Mr. REED. Yes.

Mr. McKELLAR. The appropriations in that bill were \$445,000,000.

Mr. REED. That is right.

Mr. McKELLAR. But the Senator will recall that between \$50,000,000 and \$100,000,000 of those appropriations, as I remember, were for building purposes; in order to put men to work last year, enormous sums of money were spent in the erection of barracks and quarters and in other ways under the emergency arrangement.

Mr. REED. No, Mr. President, there were not "enormous sums" expended.

Mr. McKELLAR. Well, very large sums were spent; we increased the appropriation very much last year on account of the President's plan to furnish work by means of building operations.

Mr. REED. But there are many such appropriations still retained in this bill. It carries an appropriation of \$54,000,000 for rivers and harbors, thirty-one and one-half million dollars for Mississippi River flood control, and all that is charged against the Army.

Mr. McKELLAR. That is true; but, at the same time, I can not understand why practically all other items in the bill were, at any rate, maintained and many of them increased, whereas a 10 per cent cut was made in the item for rivers and harbors, which keeps men at work.

It seems to me, Mr. President, if the Senator will allow me to say so, that this bill is one of the most extravagant bills that was ever brought before the Congress in the history of time. We spent before the war on the Army something like \$100,000,000, and, with an expenditure of such a sum, we maintained an excellent Army, and we had nearly as many men in the Army then as at this time. Now, however, under the various operations of the War Department, we have a bill carrying the enormous sum this year of

It is said that the House brought about some reductions, and that is true; but I want to say to the Senate that there is no effort in this bill to bring about the same reductions that have already been adopted in the case of the Interior Department appropriation bill and in the case of the bill making appropriations for the Departments of State, Justice, Commerce, and Labor, which have already been passed. When we consider the restoration of the 2,000 officers who were eliminated by the House-and I think there is great doubt whether such action would really bring about economy, because if 2,000 officers, many of them young men, are retired for life at three-quarters pay, it will be an immense burden on the Government-as a matter of fact, the reduction in this bill at the most can not be said to be more than 1 per cent, even taking the committee's report; and, when the furlough plan is considered in connection with it, if that plan shall finally be adopted, the reduction will not amount to more than 4 per cent; in fact, I doubt if it will amount to much over 3 per cent; indeed, I doubt if it will amount to more than 2 per cent. It is unfair to other departments to reduce their appropriations, as has been done by the Senate and the House in bills, some of which have become laws, whereas in the Army appropriation bill the appropriation is left practically where it was last year.

Mr. President, as I stated yesterday, I am going to offer a motion at the proper time in the consideration of this bill to recommit it to the committee with instructions to bring about further reductions.

Let me refer to some of the items in this bill.

Mr. FLETCHER. Mr. President, will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Florida?

Mr. McKELLAR. I will yield in just a moment. We are sending vast numbers of civilians to citizens' training camps; we are spending, I think, between two and three million dollars for that purpose; we are spending something like \$6,000,000 for the Reserve Officers' Training Corps. Both these activities may be very excellent in times when the Government has plenty with which to operate, but at a time when there are eight or ten million people out of employment in this country the Government ought not to be giving civilians instruction in citizens' training camps, even if the work is of some value to the country. I do not think it ought to be contributing these sums to that purpose at this time. I think they ought to be cut out. We can easily effect a 10 per cent reduction, if we go about it in a proper way, without hurting the Army at all.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Idaho?

Mr. McKELLAR. I yield.

Mr. BORAH. I understood the Senator from Pennsylvania to say that the House reduced the Army appropriations below the Budget estimate by about \$20,000,000.

Mr. REED. No. Mr. President; by about \$21,000,000.

Mr. BORAH. And the Senate added to that \$3,000,000? Mr. REED. No; the Senate reduced it \$3,000,000 further.

Mr. BORAH. That is, added to the reduction?

Mr. REED. It added to the reduction.

Mr. McKELLAR. While ostensibly it reduces the appropriation \$3,000,000, what becomes of the pay of the 2,000 officers who are restored? They have got to be accounted for in some way in considering the \$3,000,000 reduction.

Mr. REED. No; Mr. President, that is taken care of bythe increase in the pay of the Army in line 1, page 9.

Mr. BORAH. Mr. President, while the Senator from Pennsylvania is on the floor, I should like to ask him a question purely for information.

Mr. McKELLAR. I yield to the Senator for that purpose; indeed, I yield the floor.

Mr. BORAH. On page 3, there is an appropriation for the office of the Chief of Finance. What is the office of Chief of Finance of the Army?

Mr. REED. That is the office that has charge of the Army accounting; practically it is the auditing department of the Army.

Mr. BORAH. Does the work of that office necessitate an appropriation of \$382,720?

Mr. REED. Yes.

Mr. BORAH. What does the appropriation for that office include-merely pay of officials and items of that kind?

Mr. REED. No; it covers the entire process of auditing that goes with the expenditure of all the appropriations contained in the bill. Compared with the size of the appropriation administered the amount expended for the purpose is about one-tenth of 1 per cent.

Mr. BORAH. It does seem to me extraordinary, though perhaps I speak with a lack of information, that it would take \$382,720 to run the auditing department of the Army. I do not know what the items are which would constitute that \$382,000 in which I am interested.

Mr. REED. I will try to get the individual items if the Senator desires.

Mr. BORAH. The Senator can give them in a general way; I do not care to go into details; but it would seem that the entire amount expended by the Army scarcely calls for a Finance Department which will expend \$382,720 in administering it.

Mr. REED. I will try to get the Senator the breakdown of that item.

Mr. FLETCHER. Mr. President, the Senator from Tennessee speaks about moving to recommit the bill with the idea of offering his usual 10 per cent reduction resolution. I desire to call the attention of the Senate to the fact that this bill comes here with a reduction of 17 per cent to begin with.

Mr. McKELLAR. Mr. President, if the Senator will yield, that is through the cutting down of the extraordinary appropriations that were made last year for the purpose of furnishing work to our unemployed citizens. It did not seem to furnish much work. It was not very effective, and so that is why it has been cut down by the House. But so far as the military activities of the Government are concerned, virtually they have not been cut down a cent. They have been increased rather than cut down.

Mr. NORRIS. Mr. President, I think it is conceded that we have all been so busy in hurrying along, trying to conform to the desires of our leaders and our President to enact the necessary legislation that would balance the Budget, and such things as that, that we have not all had time to give consideration to the details of some of these appropriation bills.

We are confronted now with the statement of the Senator in charge of the bill that he expects to pass the bill in a couple of hours, and it may be necessary that we lay aside everything and let that happen; but in this hour of emergency, under existing conditions, when all of us are trying to reduce expenses, I am wondering why some of these things, good though they may be-and I think some of them have a great deal of good in them-should not be cut out entirely.

We have officers' training camps, civilian training camps, for the purpose of educating the young men of the country along lines laid down by the military department of our Government. I hold in my hand a training manual. It is an official document, as I understand. It has 156 pages in it, showing how the young men of the country are trained, how and what they are taught. There is a lot of good in it, I think. There are a great many good things in it; but intermingled with them are some things for the teaching of which public funds never ought to be appropriated under any circumstances.

We may disagree, for instance, as honest men do, about very many principles of government. We may disagree as to whether public ownership of public utilities is the right thing. There is ample room for honest men on each side of the question. There is a fair judicial place for patriotic men and women on either side of, for instance, the public ownership of public utilities, whether a municipality should own its own electric-light plant or its street-car system or its waterworks; but I take it that it is no business of the Army to try to teach our people where they should stand on those controverted questions. Yet we are appropriating money out of the Federal Treasury for that very purpose, according to this official schoolbook that is used in training the young men.

Let me read a little from the introduction of it:

INTRODUCTION

National defense. Under the national defense act as amended

This is issued by the War Department November 30, 1928, and, as I said, is a manual used in these schools by the officers of the War Department in teaching the young men of the country citizenship. That is the heading of it-

Under the national defense act as amended in 1920, the War Department, among its many other duties, is charged with the task of recruiting and training the young men of our Nation through enlistments in the Regular Army, voluntary enlistment in the Reserve Officers' Training Corps of high schools, colleges, universities, and in the 30-day training period in citizens' military training camps throughout the nine corps areas of the United States. The combined average yearly strength of these various units approximates some 260,000 young men between the ages of 16 and 25 years, the most critical period in the determination of their real value as citizens of our country.

It is therefore essential that the training of these young men embody, with their instruction in military science, at least a basic course in the science of government and the privileges, duties, and responsibilities of the individual citizen, in order that they may be returned to civilian life better equipped as the defenders of the institutions of our Government in time of peace as well as in time of war. Under the national defense act as amended in 1920, the War

in time of war.

Training in citizenship is the most vital of all subjects to that nation whose system of government, security of property, and full power to express individual initiative are based upon the intelligence, education, and character of each individual citizen. Individual initiative is the product of slow progress in the development of the idea and ideals of self-government. It was cherished in the minds of the early Germanic tribes, transmitted by them in the fifth century to the conquered British Isles, there developed, and finally transferred in principle to the shores of America 300 years

All beautiful, all fine, Mr. President; but under the guise of that beautiful introduction it goes on, page after page. They have, in these schools, tried to educate these young men that they say are in the most critical period in the determination of their real value as citizens. They have tried to teach them, for instance, that government ownership ought to be avoided; that it is ruinous. Now, they may believe that. I do not want anybody to misunderstand me. I do not criticize the man who does not believe in it. That is his right; but I say that it is no business of the Army to take our young men and try to teach them that, for instance, if they had a contest in their home towns over the question as to whether the city or the village should build an electriclight plant, good citizenship demands that they should be against any such poisonous thing as that.

Mr. COPELAND. Mr. President-

Mr. NORRIS. I yield to the Senator from New York.

Mr. COPELAND. Does the Senator find that doctrine taught in the pamphlet from which he is reading?

Mr. NORRIS. Yes; I am going to come to that.

Mr. COPELAND. I shall be very much interested to hear it.

Mr. NORRIS. This is the schoolbook used in teaching these young men, and we pay for it out of Federal funds.

On page 99-

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. THOMAS of Oklahoma. Is it true that the textbook of the Army teaches propaganda adverse to public own-

Mr. NORRIS. This is the citizenship that is taught, as I understand, in these training camps that are conducted for 30 days, and we pay for it out of our Federal funds.

Mr. THOMAS of Oklahoma. That is under the jurisdiction of the War Department?

Mr. NORRIS. Yes.

Mr. THOMAS of Oklahoma. How does the War Department harmonize that sort of teaching with their now-developing policy of building on the various reservations these large department stores, where they do everything and sell everything to their own people, to the exclusion of the surrounding communities?

Mr. NORRIS. Of course, that is where the War Department puts the shoe on the other foot. When it works with them, they like it. When it does not, they are against

Mr. COSTIGAN. Mr. President-

Mr. NORRIS. I yield to the Senator from Colorado.

Mr. COSTIGAN. Is there in this pamphlet any defense of the War Department's own practices in running Government stores?

Mr. NORRIS. None that I know of.

Mr. COSTIGAN. Is that not part of the propaganda

Mr. NORRIS. Oh, the way they handle these department stores is not in here; no.

Mr. COSTIGAN. On what authority has the publication, to which the Senator from Nebraska directs our attention. been published?

Mr. NORRIS. It tells right here on the face of it that "this manual supersedes Manual of Citizenship Training, prepared under direction of the Chief of Staff." We pay for it.

I presume the holding of these training camps is provided for in the bill that is now before us out of public funds, and I think there is a lot of good in it. I would not have any objection to these training camps, so far as I am concerned, if they would confine themselves to what is legitimately theirs; but when, under the guise of making good citizens, they take up the functions partially of the public schools and partially of the public press, and try to teach these young men what their duty as citizens may be on various public questions that may arise, they are questions with which the War Department has no business on earth to interfere, and they ought to keep their hands out of them.

Mr. COSTIGAN. Mr. President-

Mr. NORRIS. I yield to the Senator from Colorado.

Mr. COSTIGAN. Will the Senator also tell us whether there is any indication in the pamphlet that the present administration disapproves such indefensible propaganda?

Mr. NORRIS. Oh, no; nothing that I have found. I have not read all of it, because, as I said, we are all too busy: but I am going to read you a few extracts.

I started to say, when I was interrupted, that my understanding is that in all these training camps, including colleges and others, there are 260,000 of our young men between 16 and 25 years trained, and the expense of that training is paid out of public funds. This is their textbook. and they have an examination like they do in schools. They have questions submitted to them in the form of questionnaires, and their answers will convey whether they have read and remembered the doctrine that has been promulgated here.

On page 99 of this official document, paragraph 134, I find this:

Dangers to representative government: Whenever the republican form of government has not achieved success the difficulty has not been with the system but with its faulty application.

Several dangerous experiments have been proposed, such as the initiative, referendum, recall, and the election of judges.

Take that to your homes. Do you elect your judges? Do you have the initiative in your constitution? Do you have the recall? I remember not so very many years ago when that was a new step, when the progressive-minded people of practically all the States were denounced and laughed at for advocating such a thing; but now we have in nearly all our State constitutions, I think, provisions for things of this kind. Our War Department, with money that they take from the taxpayers of the country, are running schools all over the country and teaching our young men that such doctrines are dangerous and injurious to a republic; and the item for the payment of that kind of teaching is included in the appropriation bill which is now before us.

Mr. COSTIGAN. Mr. President, the language just read by the Senator from Nebraska [Mr. Norris] impresses me as nothing less than an attack on popular government in this country.

Mr. NORRIS. I will say to the Senator that I agree with I do not believe we can put any other construction on it. Whether we ought to have the recall and the initiative, or whether we ought to elect our judges or appoint them, are questions which have two sides. Within the lives of those who are now living the recall of judges, the initiative and referendum, have grown from nothing until now, as I said, those things are provided in the constitution of practically every State in the Union. Whether they ought to be in those constitutions or whether they ought to be out, whether we ought to appoint our judges for life, whether we ought to elect them, whether we ought to elect them for life, whether we ought to elect them for only a term, or whether they ought to be appointed for specific terms, are all debatable questions. What business is it of the War Department to teach the young men of this country that those are false doctrines, and line them up on one side or the other of economic, domestic, and political questions which arise to confront the citizen of every State in the Union? But we are asked to pay for it in this bill, at a time when millions of men are unemployed. When we are bending every energy, when we are sitting up nights, when we are trying from day to day to devise the best means to meet the unemployment situation, when we are trying to devise the best means by which the expenditures and the income of our Government may be equalized, we are confronted with one of the great departments of the Government, under the guise of teaching citizenship, trying to explain to the young men who go to training camps that public ownership, that the initiative, that the election of judges, are injurious things to a republic. Remember, that is in this paragraph headed "Dangers to Representative Government," a beautiful introduction.

Whenever the republican form of government has not achieved success the difficulty has not been with the system but with its faulty application.

A beautiful sentiment.

Several dangerous experiments have been proposed, such as the initiative, referendum, recall, and the election of judges. De-partures from constitutional principles threaten to impair the efficiency of our representative form of government, and if continued will ultimately destroy it.

That is what those young men are taught, that if the things I have just mentioned are not stopped they will destroy this Government.

If I took the other side, and advocated that a lack of Government ownership by municipalities of public utilities would bring destruction to our country, what would happen? I would be denounced as a Bolshevik, as a "red," as an enemy to the country. Yet, under the Chief of Staff of the Army of the United States, these young men are told that the initiative, the referendum, the recall, the election of judges, are dangers in a republic. Let me quote the words:

And, if continued, will ultimately destroy it.

Will destroy the Government, that means.

Now, at a time when we are trying to save every penny, when we are trying to balance the Budget, our great War Department comes here with an appropriation bill and asks us to appropriate money so that they may carry on that propaganda.

Mr. President, the people who advocate that kind of a thing in a free government as coming from the War Department, paid for by public taxation, are in the same class with the communists, with the "reds," with the fellows they are denouncing, and such doctrine, if carried on, will deny the right of free speech, will deny the right of citizens who are in favor of a change in the form of government to advocate, for instance, the election of judges instead of their appointment. They will be classed as enemies to our country, we are told by the War Department.

Mr. COSTIGAN. Mr. President, will the Senator yield? Mr. NORRIS. I yield.

Mr. COSTIGAN. In the judgment of the Senator from Nebraska, is there any sound reason why our people should not be permitted to initiate legislation when unfaithful public servants fail to represent them?

Mr. NORRIS. I know of no reason.

Mr. COSTIGAN. Is there any reason why an unfaithful public official should not be recalled by the voters who elect him to public office?

Mr. NORRIS. I know of no reason. I represent, in part, a State which has the referendum, which has the initiative, and we obtained those things after a bitter struggle. We obtained them after several years of agitation. But we obtained them legally, we obtained them honorably, we obtained them openly, in the open form of debate. If one went into that State now and sought to take away from the people those rights, he would not get a corporal's guard to follow him; and, in the name of people who believe in those safeguards of Republican form of government, I denounce this attempt to teach the young men of our country what are falsehoods, in my judgment, the things the War Department is trying to teach them, and asking us to pay the bill out of the Public Treasury of the United States.

Mr. COSTIGAN. Mr. President, will the Senator yield again?

Mr. NORRIS. I yield.

Mr. COSTIGAN. Under the ancient law of agency an unfaithful agent may be discharged by his principal and the principal may resume control over his own business. The initiative, referendum, and recall in governmental affairs are in line with this established legal doctrine.

Mr. NORRIS. Mr. President, I agree with the Senator

Here is another thing I want to read, on page 100 of this same official document.

Mr. LEWIS. Mr. President, will the Senator yield to me? Mr. NORRIS. I yield.

Mr. LEWIS. Observing this colloquy between these two eminent Senators, the Senator from Colorado and the Senator from Nebraska, may I not advert to the conclusion that the remedies referred to by the Senators are brought about by ballots at special elections?

Mr. NORRIS. Yes. Mr. LEWIS. Then do not the Senators both recognize that the time has come when this Government should enact a law compelling citizens to go to the ballot boxes and vote, and also to impose a liability, to fix some form of penalty on one who will not vote, even to the point of forfeiting his privilege for constant failure?

Mr. NORRIS. Mr. President, of course, that brings into the debate a question which so far has been entirely out of it, and I do not care to enter into it. Personally I would not favor a law which would compel everybody to vote.

Mr. LEWIS. How would the Senator call the people to the ballot box and make them perform their duty, those who are favoring a measure that is good, or to make others disclose their activities in the Government if we did not do so by some law?

Mr. NORRIS. Mr. President, I will say to the Senator that I realize the importance of his question, but I do not believe it is involved in this debate.

Mr. LEWIS. I will not divert the Senator from what he is discussing. The thought occurred to me as a result of the colloguy between the able Senator from Nebraska and the equally able Senator from Colorado.

Mr. NORRIS. I only pause to say that, in my own humble judgment, I do not believe it would be wise to pass a law which would compel citizens to vote. I recognize that is a question which has two sides, however. I might say to the Senator that if the Army finds that out, they may take one side or the other of it, and tell all these young men that if they do not favor that kind of a law they are enemies of their country.

Mr. LEWIS. The Government reports that only 33 per cent of those in the country entitled to vote went to the ballot boxes in a presidential election.

Mr. NORRIS. Yes. Mr. BORAH. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. BORAH. Does not the Senator from Illinois think that a ballot cast under compulsion would not be a very instructive or a very intelligent ballot?

Mr. LEWIS. No: my idea is that a man who is forced to serve on a jury, when he is called to his duty, begins to consider the duty, and that if compelled to vote a man would consider the obligation and give it attention. Otherwise those of a certain class who assume themselves, in the language of the Holy Scripture, "holier than thou," play golf or polo instead of voting, while others of less social eminence escape responsibility by simply using the election day as a holiday, and these never go to the ballot box.

Mr. BORAH. Does the Senator think that it would help the services of the Government very much to force such a

man away from his polo game?

Mr. LEWIS. There is something to be said as to how far that gentleman is capable of measuring the value of government as between such and the pleasure of a polo game. But as these special scientists in social engagements of polo teas are a class to whom I have borne no intimate relation, and as they want none with me, I am unable to give the Senator any further information.

Mr. NORRIS. Mr. President, I realize the importance of the question, as I said before, but I do not want to be diverted into a discussion of it because, as I see it, it is not involved in this appropriation bill.

On page 100 of the same official textbook are some more beautiful things, with a little poison wedged in between.

Socialism, communism, anarchy.

That is one of the ways these fellows who are 200 per cent patriotic always start out when they want to poison a youthful mind, and they wedge it in between a lot of beautiful savings.

Some Senator near me asks who wrote this book. It is prepared under the direction of the Chief of Staff of the Army of the United States. It is a textbook they use in training camps in the training of young men of the United States in proper ideas about citizenship and government. I will read this heading again:

Socialism, communism, anarchy. The problem of capital and labor, employer and employee, can not be solved by unrepubli-

I suppose probably if the writer of that elucidated it and disclosed the hidden meaning that is in it, he would say that we must not interfere with the courts when they issue injunctions in labor disputes.

The problems of capital and labor, employer and employee, can not be solved by unrepublican methods. The suggestion of special legislation is socialistic.

That is a slap at us. We passed the anti-injunction bill. That is socialistic.

Listen to this:

The suggestion of special legislation is socialistic and com-

We are communists in the Senate if we voted for that bill, and practically every one of us did.

The suggestion of special legislation is socialistic and communistic in its theory and wholly repugnant to the American character.

Socialism or communism, which negates property rights; anarchy, which negates law; the substitution of "direct action" for representative government; a Government ownership—all should

be avoided as perils that threaten the very foundation of this Republic.

That is our school of thought. I want to digress again to say that I find no fault with the man who honestly believes that statement is true, but if he is an honest man he must agree with me that there are thousands and millions of citizens, honest as we are, who believe that Government ownership of public utilities is a proper thing. In other words, it is a debatable question.

What business is it of the Army to try to teach the citizen that Government ownership "should be viewed as a peril that threatens the very foundation of this Republic "? That is what the Army is teaching our boys in these citizens' training camps. Before they go away from the training camps they have to take an examination on what they have learned. Let me read a little to show this is not forgotten when the examination is held. Here is one of the questions:

Name and define several dangers to representative government.

I have read the answers. The young man who studies his manual rightly and listens to the instructors who elucidate it, when he comes to the examination and is asked the question, "Name and define several dangers to representative government," will say that one of them is the initiative, one of them is the recall, one of them is the election of judges, one of them is public ownership of utilities. That is what he will say if he answers the question according to the doctrine that has been taught him when he was studying his lessons, and we pay for it out of public funds.

Mr. LA FOLLETTE. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Wisconsin?

Mr. NORRIS. I yield.

Mr. LA FOLLETTE. On the other hand, if the student at this training camp should give any other answer to the question, I presume it logically follows that the instructor would mark him as having failed in his examination.

Mr. NORRIS. Why, certainly. He would not pass. He would fail. He would not get the certificate written on a beautiful parchment that comes to him if he answers the questions rightly. The word to him would be, "You have flunked, you have failed to pass." Then they would say to him, "Why, you yourself are an unworthy citizen."

Here is another place on page 111 of this official document. "Preservation of Philosophy of Government" is the heading of the paragraph, from which I read:

Some interpret American liberty as the opportunity to exploit the Nation's resources and people by propaganda that aims to destroy American institutions. Under the guise of freedom of speech and press every possible effort is being made to undermine and destroy the blessings of liberty.

What conclusion must you draw from that—that you must not have freedom of speech, you must not have a freedom of press, because, as they say:

Under the guise of freedom of speech and press every possible effort is being made to undermine and destroy the blessings of liberty. The problem of national defense deals not only with the question of elements but it is also the question of that philosophy of government devised by the founders of this Republic.

Beautiful! 'In other words, these young men are told that the question of national defense deals with the elements that enter into the question of the preservation of the philosophy of government devised by our forefathers. They did not have the initiative. They had no public-ownership question, because they had no public utilities, and hence we can easily say that the Constitution of the United States made no provision for public ownership of public utilities, and therefore it is wrong, and we must not believe in it; we must fight it, not on the field of battle, but at home in the ballot box. In your own locality, in your own municipality, you must oppose these things; otherwise you are not following the training that you got at this Federal training camp.

Mr. CUTTING. Mr. President-

The PRESIDING OFFICER (Mr. George in the chair). Does the Senator from Nebraska yield to the Senator from New Mexico?

Mr. NORRIS. I yield.

one of those pamphlets. About how much of it is devoted to civic affairs of this sort?

Mr. NORRIS. I have not had the time to read it all, but it is entitled "Citizenship." I will give the Senator an outline of the first section. First is the introduction, divided into these subheads: National Defense, Citizenship Training, Individual Initiative, Foundation of Citizenship, Social Phases of Citizenship, Economic Phases of Citizenship, Philosophy of American Government.

Mr. CUTTING. In other words, there is nothing in the pamphlet about military training?

Mr. NORRIS. Nothing so far. I can give the Senator a little further information along that line, though I must say to the Senator that I have not had the time to read it all myself. Here is the examination. As I understand it, this is what happens. These young men go there and stay 30 days. They are taught these things. They are trained in military affairs by actual training as I understand it. Then they are taught these lessons and when they get through they have a questionnaire submitted to them. The questions will give the Senator some idea about it:

Define "citizenship." Describe the development of the idea of "citizenship." What is the source of "American citizenship"? How is "American citizenship" acquired? What is the status of the children of domiciled aliens born in the United States? Who has power over immigration and naturalization? * * * Why has power over immigration and naturalization? should every citizen vote?

Here is another subdivision of section 2:

Independent relationships. Development of civilization. Mutual relationships. Community of relationships. Coordinated action. National relationships. Articles of Confederation. Constitution. Interstate commerce. International relationships.

Mr. CUTTING. Of course, it seems to me, that questions of that sort are entirely outside of the scope of the War Department and that they should not form a part of the curriculum of the citizens' military training camp. I do not see how there could be any argument about that at all.

The Senator himself, on the other hand, has said that these camps do a great deal of good to the young men of the country, and I think most of us agree in that respect. I wonder if the Senator might not be able to prepare an amendment providing that no part of the appropriation for the training camps should be used for the promulgation of views on civics or the philosophy of government, or something of that sort, so that we could maintain the benefits of the camps without subjecting young men to that sort of

Mr. NORRIS. I see the point the Senator has in mind. and I think it is an excellent one, but at the same time I want to say to the Senator that we are stopping a great many things because of the necessity of the situation that we would like to keep going. My own idea is, not because I am opposed to the training camps if they are properly conducted, not because I am opposed to using public funds for carrying them on, but right now until we regain our foothold, until we can see the end of this depression, I think we could well afford to abolish them entirely and take them up again when prosperity returns to our country. In other words, I think this is one item of appropriation that is not a necessity. I say again that training camps such as we have all over the country, if properly conducted, it seems to me would be a good thing not from the military standpoint but from the physical and mental benefits that these young men get from the camps of that kind if they are properly conducted. I think they do a great deal of good. But there are a great many things we would like to carry on that we are now laying aside. It seems to me this might well be one of them. If we laid it aside now, it would be regarded as a sort of punishment partially of the people who have misused these funds.

I want to read another paragraph:

Destructive idealism. The attempt to undermine the Nation from within is more serious than the threat of armed force from

That reminds me that I had a letter some time ago, referring to the Army appropriation bill, from a very emi-

Mr. CUTTING. I have never had the privilege of seeing | nent citizen in one of our States holding a State office. He made a very good argument, and from his standpoint a logical argument in favor of increasing the appropriations for the Army and the Navy and the National Guard. It was a very fine letter, but he wound up by saying just what is said here. Perhaps he had been there and learned these things at the training camp:

> The attempt to undermine the Nation from within is more serious than the threat of armed force from without.

You must know from your position that the danger to our Government is from within. This awful depression that is going on, and in my judgment is going to get worse. Unemployment is going to increase, and we are going to need a bigger army at home to protect our property and our people against mob violence.

That is what he was looking forward to happening.

In order to protect ourselves from mob violence, in order to protect ourselves from communism, from any danger from within, the best remedy on earth is to give the people a good Government, an honest Government. Make our people satisfied with our Government, and the dangers of communism and all the other dangers from within will disappear overnight. A satisfied people are not going to make trouble from within. A dissatisfied, hungry people will ultimately lose their reason. We would lose ours. We would lose our power to differentiate even right from wrong. Hungry men are not reasonable; hungry children are not reasonable, never have been, never will be. It is contrary to human

I read on:

An impractical and destructive idealism called internationalism is being propagated by certain foreign agitators

I wish all you people who believe in the League of Nations would listen to this-

and is being echoed and reechoed by many of the Nation's "intellectuals." Its efforts are to combat the spirit of patriotism, to destroy that spirit of nationalism without which no people can long endure. History teaches that in proportion as nations lose their sense of nationalism they become decadent. Having lost their sense of pride in the traditions of the past, their respect for national standards, their love for country, their spirit of patriotime the and is past. ism-the end is near.

I was not a follower of those who believed in the World Court; I am not one who is willing without some very stringent reservations to take our country into the World Court. However, I concede to those who do not agreed with me the same honesty of opinion, the same right to express it, the same right to agitate the question as I have to express my ideas; and I would defend them as quickly in that right, even though I did not agree with them, as I would ask that I be defended in my honest right. But the Army of the United States has no business to interfere with us in the controversy as to whether we will join the League of Nations; whether we will go into the World Court is no business of the officers of our Army. That is a civilian's business, and that question, upon which our people are divided, ought to be let alone by our Army. There should be no authority in the Army to use the funds paid by the taxpayers of the United States to try to teach the young men of our country the ideas of the Army on any side of any of these political questions. They ought to keep their hands off; and when they do not keep their hands off it is time that we draw the purse strings of the Government and see that this kind of propaganda, which would be enlightening even to those over in Russia, should be stopped; at least, that they should not have public money with which to carry it on.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield to the Senator.

Mr. WALSH of Massachusetts. Are not most of the young men who go to these camps high-school graduates?

Mr. NORRIS. As a rule, I think, they are.

Mr. WALSH of Massachusetts. Are they not assumed to have had the necessary course in citizenship and American history and political science?

Mr. NORRIS. Yes.

Mr. WALSH of Massachusetts. Why supplement that course with these additional courses?

Mr. NORRIS. I myself am trying to prevent it. This | kind of teaching is going into our colleges and into our high schools and training camps, and the Army is asking money from the Congress of the United States to continue it.

Mr. President, while it does not have a direct bearing upon the subject, I want to read a newspaper report showing the treatment which is accorded by the representatives of big interests when they speak before the people to men who oppose this propaganda. I am sorry the Senator from Minnesota [Mr. Shipstead] and the Senator from Idaho [Mr. BORAH] are not present. I should like to have them hear what I am about to read. I hold in my hand a clipping from the Pioneer Press, of St. Paul, dated April 8, 1932. It contains a report of a speech made by C. R. Gray, who is vice president and general manager of the Omaha Railway, which is a large railway system running from St. Paul and Minneapolis to Omaha, Sioux City, and other places in the West. Of course Mr. Gray is a leader in his line, and to what he says people pay a great deal of attention. He made a speech in St. Paul before the Lions Club and the Women's Club. Let me read from the press report:

United States Senator Henrik Shipstead was charged with spreading communistic propaganda by Col. Carl R. Gray, jr., vice president and general manager of the Omaha Railway, in an address before the Business and Professional Women's and Lions Clubs in the Hotel St. Paul, Thursday.

Other prominent Americans who were accused by Mr. Gray of disseminating propaganda that emanated from the headquarters of the Third International in Russia included United States Sen-WILLIAM E. BORAH, of Idaho, and GEORGE W. NORRIS, of

Now here is a quotation from his speech:

It has been proved-

Mark the words-

It has been proved-

I was not at the trial, but it seems I was tried and "it was proved "-

"It has been proved," Mr. Gray asserted, "that these persons, besides thousands of others, are connected with activities which in turn can be traced directly to the Third International. This organization was formed for the express purpose of spreading 'red' propaganda in foreign countries, especially the United States."

He is quoted further as saving:

There is a mass of evidence available to support a charge that communists are making a determined effort against the national defense act.

That is the act by virtue of which these training camps are held-

Americans should be on guard against propaganda tending to destroy the spirit of this act, which is being spread by pacifists who do not realize they are dupes of the Communist Party.

Mr. Gray asserted that the proposed elimination of the reserve—

Now we come right to this bill-

Mr. Gray asserted that the proposed elimination of the reserve officers' training and citizens' military training camps in a congressional bill now in the making, besides a reduction in the size of the Regular Army, will seriously affect the national defense of the United States

"The world of to-day and to-morrow," he said, "is going to follow the principles of the past, and so long as there is selfishness in human nature, and therefore in nations, wars will continue. Unless we keep on with our program for national defense America will find herself sooner or later at the mercy of a strong nation that will trample us into the dust."

Support these training camps—that is the lesson—and send letters to your Senators and Representatives to continue appropriations from the public purse for these training camps, where the youth of our land are taught this poisonous doctrine, where the youth of our land are made to believe that the initiative, the referendum, the recall, the election of judges, and public ownership are all inimical to the interests of the Republic.

Mr. LA FOLLETTE. And free speech.

Mr. NORRIS. Yes; free speech and a free press, all are contrary to the principles of the Republic in which we live and, if continued, will bring about its destruction. That is what they teach; and this man says to the women and to the Lions Club of St. Paul that men who advocate such

things are dangerous, and he uses the names of three United States Senators and says, to use his exact language, "it has been proved" that these Senators and thousands of other people are connected with organizations that follow the Third International declaration.

I have an account from another paper of the speech delivered by Mr. Gray in which exactly the same language is quoted between quotation marks, so that I take it the report is correct of the speech which denounces, in effect, the Members of the United States Senate as being communists, and says it has been proved that they are.

I denounce the statement as a falsehood, not only for myself but on behalf of the Senator from Minnesota [Mr. SHIPSTEAD] and the Senator from Idaho [Mr. Borah], and I defy Mr. Gray or anyone else to submit such proof. Of course, he has no proof; he knows and everyone else knows that the statement is a falsehood; and yet such falsehoods are carried to business and professional clubs of which honest men and honest women are members, and they are taught, in effect, that the salvation of this country depends upon a continuance of these activities of the War Department, and that if one is opposed to them he is not a patriot, but belongs to the Russian Government instead of to the American Government.

Mr. LA FOLLETTE. Mr. President-

Mr. NORRIS. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Perhaps Mr. Gray has been to one of the citizens' training camps and has learned his lesson well from the manual issued by the War Department, and has since learned that the Senator from Nebraska and the Senator from Minnesota and the Senator from Idaho voted for the bill of the Senator from Nebraska providing for the Government operation of the Muscle Shoals plant; and, therefore, he thinks he has "proved," in view of the teachings of the War Department, that the Senators referred to are advocating measures which are subversive of our institutions.

Mr. NORRIS. I suppose under his theory probably that would be true, but he does not even give the poor defendants an opportunity to be present when the trial takes place. He ought to be at least fair enough to let the poor devils whom he denounces and who are so helpless in his hands have an opportunity to face the witnesses who are going to testify against them.

Mr. LA FOLLETTE. If the Senator will yield further, I have been following the manual of the War Department, which is used in teaching citizens attending the training camps, and I judge from some of the things which the Senator has read that the department would not be in favor of the Senator having the right of free speech or the privilege of being heard and that it would not be in favor of a free press, all of which, according to the teachings of the manual, are subversive of our institutions.

Mr. NORRIS. Yes. I do not know how many States have the initiative and referendum; I do not know how many States elect their judges instead of appointing them, but most of the States do.

This doctrine is taught by our War Department to our young men under a beautiful guise, under beautiful descriptions that are circulated over the country with beautiful sentiments of patriotism, by which they are induced to come to these training camps; and then they are taught a lot of very good things, I think, that nobody would find fault with. They have to do that to disguise the real intent of the thing they are trying to do. Covered up under those beautiful things is the poison that is intended to go into the minds and the hearts of the coming generations of American citizens.

It is very much like the propaganda that the Power Trust spread over the country when they got into the schools, they got into the commercial clubs, they got into the Lions Clubs, they got into the women's clubs, and told them some beautiful things; but interspersed with them here and there was a sentence that dropped the poison that they wanted to plant in human minds. All of them had been deceived when they were brought there, and some of them went away perhaps without knowing that their minds had been poisoned secretly, dishonestly, falsely, because 90 per cent of it was false, without any opportunity for anybody to refute it. Those things were taught the children in school, and that is what the Army is teaching in its school, and we are called upon to expend the money to do it.

Let me say before I finish that I should like to have Senators read this pamphlet. I am going to read more of it. I have picked out almost at random the extracts which I have read. I think it has between the lines, on nearly every page, some poison of the kind I have narrated. If Congress, representing the American people, is going to permit that kind of thing to go on, then I have an erroneous idea of Members of Congress. If we are going to permit that kind of doctrine to be taught by the War Department to our private citizens, then it seems to me that we are derelict in our duty.

I am not pleading that any of the things criticized in this pamphlet are right. I am not now advocating any of them; but I am saying that under our form of government I have a right and you have a right to advocate them, and that we can do that without being traitors. I think that the man who is so anxious to criticize the patriotism of some one who believes in a theory of government that he does not agree with is himself lacking either in patriotism or in When they undertake to put across some of these disreputable schemes, they always start out by prefacing what they say with some beautiful patriotic thought that pleases everybody; and when the hearer has been won over by an outburst of patriotism, they carefully put in the drops of poison that they hope to sink into the minds and into the hearts and into the souls of coming generations.

Mr. THOMAS of Oklahoma. Mr. President, I announce the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Johnson	Robinson, Ark.
Austin	Costigan	Jones	Robinson, Ind.
Bailey	Couzens	Kean -	Sheppard
Bankhead	Cutting	Kendrick	Shipstead
Barbour	Davis	Keves	Shortridge
Barkley	Dickinson	King	Smith
Bingham	Dill	La Follette	Smoot
Blaine	Fletcher	Lewis	Stelwer
Borah	Frazier	Logan	Thomas, Idaho
Bratton	George	McGill	Thomas, Okla.
Brookhart	Glenn	McKellar	Townsend
Broussard	Goldsborough	McNary	Trammell
Bulkley	Gore	Moses	Tydings
Bulow	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Wagner
Capper	Hatfield	Norris	Walcott
Caraway	Hawes	Nye	Walsh, Mass,
Carey	Havden	Oddle	Walsh, Mont.
Cohen	Hebert	Patterson	Watson
Connally	Howell	Pittman	White
Coolidge	Hull	Pood	Burn District Live II

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present. The question is on the committee amendment on line 22, page 9.

Mr. FRAZIER. Mr. President, I wish to enter a motion to reconsider the committee amendments on pages 8 and 9 in regard to the reinstating of the 2,000 Army officers left out of the bill by the House. I will take that up now, if it is agreeable to the Senator in charge of the bill.

Mr. REED. I shall be very glad to have that done.

Mr. FRAZIER. I ask unanimous consent to reconsider the amendment on page 8, lines 24 and 25, and page 9, line 1, and also the amendment having to do with the same provision on page 9, line 11.

The PRESIDING OFFICER. Is there objection?

Mr. REED. Mr. President, I think the Senator had better move to reconsider, and let us have a vote on that motion. It comes to the same thing.

The PRESIDING OFFICER. Objection is made.

Mr. FRAZIER. Mr. President, I move to reconsider the vote by which the committee amendment was adopted on page 8, lines 24 and 25, and page 9, line 1, and the amendment on page 9, line 11, having to do with the same matter.

The PRESIDING OFFICER. The committee amendment on line 22, page 9, is the pending question. The motion may be entered now; and, of course, without objection, the motion may now be placed before the Senate.

Mr. REED. I have no objection to the motion being made at this time and setting aside the committee amendment which is pending.

The PRESIDING OFFICER. Without objection, the committee amendment will be set aside. The question is on the motion made by the Senator from North Dakota.

Mr. REED. Mr. President, a motion to reconsider can cover only one amendment. I suggest that the Senator take the first one of the three.

Mr. FRAZIER. They all concern exactly the same thing. Mr. REED. That is true; but a motion to reconsider can cover only a single vote.

Mr. FRAZIER. I was just trying to save a little time; that is all.

Mr. REED. The question can be decided on the first one. and we will not have to have roll calls on the others if the Senator is successful on the first.

Mr. FRAZIER. Mr. President, the first amendment is on page 8, line 24. The committee inserts "not to exceed an average of 12,000," which makes the paragraph read:

For the pay of not to exceed an average of 12,000 commissioned

Then the amount of money was raised by \$4,523,500.

In the House of Representatives, when this provision was up for discussion, there was quite a little debate in regard to it; and there has been a great deal of propaganda spread from various sources against reducing the number of Army officers by 2,000. I received a letter this morning from the national headquarters of the Reserve Officers' Association of the United States here in Washington in regard to this matter. It states:

With reference to the Army appropriation bill (H. R. 11897) we respectfully request that you support the measure as passed by the House, and further that you support the amendment to reinstate the 2,000 officers of the Regular Army omitted from the bill by the House of Representatives. If these officers are lost to the Army, irreparable damage will be done to our national defense, and it can be conservatively stated that it will emasculate the national defense act.

We base this on the fact that our military policy as enunciated

We base this on the fact that our military policy as enunciated in the national defense act places 75 per cent of the burden of our defense upon the civilian components. There are at the present time approximately 1,653 officers of the Regular Army on duty with the National Guard, the Organized Reserves, and the Reserve Officers' Training Corps serving as instructors in educating and giving both theoretical and practical training to the civilian

I want to say to the Senator from Nebraska that the 1,653 officers are the ones who are training our youth and other citizens the military idea of things which may be dangerous to the Government, such as public ownership, the recall, the initiative, the election of judges, and things of that kind. I continue reading from the letter:

It is obvious that if the Regular Army personnel is reduced officers will be taken from those now assigned to important duty with the civilian components. We view this situation with alarm, as we see in it the major thrust of organized pacifism. We bespeak your favorable consideration of these points and ask you to support the amendment to restore these officers to the Regular Army. Very sincerely yours,

BENNETT A. MOLTER, Major, Air Reserve, National Secretary.

A few days ago I received a letter from the president general of the National Society of the Daughters of the American Revolution along the same lines. The letter reads:

As president general of the National Society Daughters of the American Revolution, an organization of 170,000 members, we view with extreme anxiety the action of our House of Representatives in reducing by 2,000 the officer personnel of the Regular Army. We women view with approval the plans of our United States Congress for providing for the Nation's defense.

Mr. President, I am a little at a loss to know just what the president of the Daughters of the American Revolution means by that policy. I presume she refers to a policy laid down in the past, however. The letter continues:

We believe they are compatible with the history and ideals of our people. It is self-evident that were our Regular Army officer personnel reduced to this extent our present plans must fall.

our people. It is self-evident that were our Regular Army officer personnel reduced to this extent our present plans must fail.

We trust our Senators appreciate the seriousness of the proposal and that they will take the necessary action to prevent removal of these officers.

I am submitting to you copy of a letter to General Pershing from General Foch, who commanded our American boys in France. This letter appears to me to be so pertinent and applicable to the situation that I am inclosing this copy, asking you to read it carefully. carefully.

Trusting that each Senator is convinced of the advisability of retaining these 2,000 officers, I am

Very sincerely yours,

Mrs. Russell William Magna, President General

National Society Daughters of the American Revolution.

The letter written by General Foch was dated January 18, 1922, and a copy of it is sent along to prove that we need these 2,000 Army officers retained in the bill at the present time.

I am in receipt of another letter from the Military Order of the World War, the headquarters located here in Washington. It reads:

The Military Order of the World War is an organization of officers, the larger part of whom left their civilian pursuits and en-tered the service during the World War and who have now returned to civil life-

And so forth. They wind up by saying:

We ask you to see that these officers be not reduced below the present 12,000 which is considered the irreducible minimum.

I have another letter from the Hennepin County Republican Club, of Minneapolis, Minn. Even the politicians are getting interested in this proposition. The letter reads:

DEAR SENATOR: The following expression of our stand on measures affecting national defense has been sent to the Senators from Minnesota.

Respectfully yours,

HENNEPIN COUNTY REPUBLICAN CLUB (INC.), By HENRY C. MALCHOW, Secretary.

"MY DEAR SENATOR: The Hennepin County Republican Club has

"My Dear Senator: The Hennepin County Republican Club has noted the vote by the House of Representatives to reduce the Regular Army by 2,000 officers. This organization has always supported national defense and wishes to urge that you vote and work against this measure when it comes before the Senate.

"The United States maintains a smaller standing Army in proportion to population and wealth than any other nation. A surplus of officers is provided for the purpose of training the reserve and civilian components. The reduction in Regular Army officer strength would result in a practical cessation of this training, and the saving of \$4,000,000 a year is negligible in comparison to the loss of defense strength involved.

"We shall appreciate an expression of opinion from you on the matter and trust that you will use your influence in the maintenance of our present defense plan.

"Sincerely yours,

"Hennepin County Republican Club (Inc.),

"By Heney C. Malchow, Secretary."

That is what the surplus of Army officers is for. I want the Senator from Nebraska to understand that. The surplus of the Army officers is to train these boys in the training camps, to train our boys in the universities and colleges, to give them the military idea, the idea of the War Department. I want to call to the attention of the Senator from Nebraska that there is not a boy in his State, the son of a farmer there, who wants to go to the agricultural college of that great State to get a training in agriculture who can take the course there unless he takes two years' compulsory military training. No son of any merchant in that State. or of any professional man there, can get a university training in that great State without taking two years of compulsory military training, where they get the kind of information the Senator has been reading this morning. The letter continues:

The reduction in Regular Army officer strength would result in the practical cessation of this training, and the saving of \$4,000,-000 a year is negligible in comparison to the loss of defense 000 a year is neg strength involved.

We shall appreciate an expression of opinion from you on the matter and trust that you will use your influence in the maintenance of the present defense plan.

I apologize to the Senators from Minnesota for reading a copy of a letter that was sent to them, but it is pertinent to the question before the Senate. I have also had a number of other letters, some from people in my own State, from

organizations, and from individuals. I will not take the time to read them at present.

Mr. President, there are a little over 12,000 Regular Army officers at the present time. According to the figures I have, just a little over 5,000 of them are on duty with the Army of the United States. Of the other 7,000 of them, according to the statement here, 1,600 plus are with the National Guard, the Reserve Officers' Training Corps, and other organizations of that kind. I do not know where the other five or six thousand are or what they do. I would like to ask the Senator from Pennsylvania, the chairman of the Committee on Military Affairs, who has charge of this bill, what the duty of these others officers is? As I understand it, there are only a little over 5,000 in active service with the Army, and a little over 1,600 with the National Guard and the training camps, and so forth. What do the other five or six thousand do?

Mr. REED. The separation of the duties of the different officers is shown in the House hearings. If the Senator will indulge me for a moment, I will look it up.

Mr. FRAZIER. I will be glad to have the Senator look that up.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield. Mr. FLETCHER. May I venture to say that there is at Leavenworth a school for training officers, there is the War College in this city, there is a training school at Fort Benning, Ga., and I think there are some other training schools. Some of the officers to whom the Senator has referred are engaged in those schools, at Leavenworth, at Fort Benning, in the War College, and I think some other school. Down at Fort Monroe there is a post, and some officers are stationed there. They are included in the list not accounted for by reason of being assigned to duty with troops and the Reserve Officers' Training Corps.

Mr. FRAZIER. I understand that, but according to this letter from the Reserve Officers' Association, it is said that-

One thousand six hundred and fifty-three officers of the Regular Army are on duty with the National Guard, the Organized Reserves, and the Reserve Officers' Training Corps, serving as instructors in educating and giving both theoretical and practical training to the civilian components.

That would include those in the universities and colleges and the so-called military institutions.

Mr. FLETCHER. It does not include those at Leavenworth, Fort Benning, Fort Monroe, and the War College.

Mr. FRAZIER. I presume it would include them; I do not know. That is what I would like to find out. There are 1,653 of them, according to these figures.

Mr. President, if my figures are correct, with only between five and six thousand of the Army officers now with the Regular Army, and with less than 2,000 with the National Guard and on duty in schools, and so forth, I think we can well afford to reduce the appropriation and the number of Army officers by the 2,000 by which it was reduced in the House.

Last year our Army and Navy appropriations amounted, in round numbers, to \$800,000,000. They were a little less than that, but in round numbers they amounted to \$800,-000,000. According to the best figures I have been able to find, that is one-sixth of all the money expended in the world last year for Army and Navy purposes. Yet we are admittedly mighty hard up, and have had a difficult time in trying to balance the Budget, and we do not know whether it is balanced yet or not. I am sure that the extra two or three million which might be saved by cutting out these 2,000 Army officers would be a welcome addition in the cutting down of our expenses and balancing the Budget.

Mr. President, it seems to me there are a great many other cuts which should be made in this bill. I went over the amendments hurriedly. There are 46 increases by the Senate committee in various items of appropriations in this bill. There are a few decreases. While it is true, as the Senator from Pennsylvania said, that the total is decreased a little, the decrease comes in what might be called the nonmilitary part of the appropriation in regard to rivers and

harbors. That does not really belong in this bill anyway, or should be separated from it, in my opinion.

Mr. President, I believe the retirement age for Army offi-

Mr. REED. Sixty-four.

Mr. FRAZIER. In the discussion of the measure in the House, Congressman Collins commented upon the question on May 10, at page 9935 of the Congressional Record.

Mr. FLETCHER. Mr. President, will the Senator yield in order that I may get this matter straightened out?

Mr. FRAZIER. I yield. Mr. FLETCHER. The Secretary said in the hearings before the Committee on Appropriations:

Of the 12,000 officers that we have who are absolutely essential for the operation of our defense system, only 5,031 are serving this moment actually with troops. The others are serving on rivers and harbors, on civilian work of a military nature, in training the citizen soldiery of the Nation, and on similar duties.

There is the General Staff School at Leavenworth, Kans.; the Infantry School at Benning, Ga.; School of Field Artillery, Fort Sill, Okla.; the Tank School is at Meade, Md.; the Coast Defense School is at Fort Monroe, Va.; the War College, of course, is here

Mr. FRAZIER. Does that give the number of officers engaged in the schools?

Mr. FLETCHER. All those not engaged on active duty are engaged either on river and harbor work or in schools.

Mr. FRAZIER. In active Army work there were 5,031. There are 12,100 officers altogether. That would leave 7,069 officers on some other duty than with the Regular Army. It seems to me they ought to be able to spare at least 2,000 out of that more than 7,000 in these hard times when we are making such a desperate attempt to balance the Budget and cut down the expenses of the Government.

A moment ago I started to quote from Congressman COLLINS'S statement on page 9935 of the RECORD. He said:

We have lieutenants 62 years old in our Army. We have captains 61 years old.

A little farther down he said:

What are the proper ages for Army officers? West Point graduates should be first lieutenants in 3 years, captains in 10 years, majors in 17 years, lieutenant colonels in 22 years, and colonels

I judge from this statement that we have Army officers who are older than they should be for the positions they occupy. Congressman Collins also quoted from some Army officer, as he said, though he did not mention his name, who said, in reply to an inquiry of how the expenses of the Army appropriation bill could be reduced, that it could well be done by cutting out 2,000 of the Army officers and putting them on the retired list.

Of course, it would be no great hardship to those officers to be put on the retired list. I do not know how much they are doing in civilian work, the 7,000 or more, for the benefit of the country, and whether they are all earning their money or not. I am frank to say I am doubtful whether they are all earning their money. As to some of those who are spreading propaganda, such as the Senator from Nebraska [Mr. Norris] read from an official booklet put out by the War Department would seem to indicate that it is doubtful whether or not men of that type are earning their money, whether they are carrying out the policy that should be carried out by the majority of the people of our country.

When they advocate militarism and preach against any progressive idea that they believe is against militarism, it is doubtful in my mind whether they are a benefit to the country and whether at least 2,000 of them should not be retired from the active service.

The amendment putting back those 2,000 Army officers would increase the appropriation of \$27,709,927 as passed by the House to \$31,833,427, or an increase of \$4,523,500. It is true, as the Senator from Pennsylvania explained, that in the other amendment in line 11, pay of officers on the retired list, it is cut down by \$3,467,625, but the saving would be, under those two or three amendments, \$1,055,875. Even that amount of money is worth while in these hard times, when we are attempting to balance the Budget. We have

argued and debated for days on items involving less than that amount of saving.

Mr. President, it seems to me this amendment should not be agreed to, but that the 2,000 Army officers who were put on the retired list by the vote of the House of Representatives should not be put back on the active list by the vote of the Senate. Only a little over 5,000 of them-to be exact, according to the Senator from Florida, 5,031—are in the Army service proper, and over 7,000 of them are in some other service. I would like to ask the Senator from Pennsylvania if he has the figures?

Mr. REED. Mr. President, I have the figures showing the distribution of officers in the different branches of the Army, and I would be glad to put them in the RECORD, but the figures do not show exactly how many were on duty with troops. The Senator must understand that the figures for those on duty with troops of the 5,000 officers included only those with regular troops.

In addition to that there is a very large number of regular officers on duty with troops of the National Guard, another large number serving with the headquarters of the reserve division, and, as was said by the Senator from Florida, there is a very considerable number in training all the time in the various schools like the Artillery School at Fort Sill, the Infantry School at Benning, and the Tank School at Camp Meade. There are several hundred officers all the time on duty at the War College. It is the only way to keep the officer up to the utmost professional fitness. I can assure the Senator that we have not any more than we need. We ought to have 14,000.

Mr. FRAZIER. Mr. President, the Secretary of the Reserve Officers' Association here in Washington gives the figures for the National Guard and other similar organizations as 1,653. That number deducted from 7,069 leaves 5,416 Army officers.

Mr. REED. But remember that over a thousand of those are doctors. I can get the breakdown from the War Department if the Senator thinks it would be helpful. When we take out the doctors and veterinarians and the dentists, the number comes down very fast. Many of the doctors are at Walter Reed Hospital. They are not loafing. I can assure the Senator they are all working.

Mr. FRAZIER. Mr. President, it may be true the Army officers are gainfully employed. I hope they are. Many of them are so-called Army engineers, but I notice a provision in the bill on page 36 that the Secretary of War, if he deems it necessary, may hire expert engineers at rates of pay to be fixed by him not to exceed \$50 per day and not exceeding 50 days each and necessary traveling expenses. take it those are civilian engineers. I think probably the Army engineers do need some expert advice once in a while, and have to go to civilian engineers to get it. From my experience with Army engineers in the river and harbor work and flood-control work, I would judge that they have made a dismal failure of it and are still hanging on to these jobs and do not want to be retired because it would cut down their pay a little. That is why the fight is being put up to put back into the bill the appropriation for the 2,000 additional Army officers over and above the number provided by the House.

When the farmers of the Nation are going broke or have gone broke by the millions, when business men throughout the Nation have gone broke along with the farmers, when we have 8,000,000 and more unemployed in the various cities in the United States, when we have an army estimated at anywhere from 5,000 to 10,000 unemployed World War veterans here in the city of Washington, we must stop and think. According to the newspapers these men here in and around Washington are being fed at a cost of 6 cents a day. In the bill the provision for food for the Regular Army has been reduced from 37 to 36 cents a day. I suppose the reduction of the price of food products generally would warrant at least that reduction of 1 cent a day, but that is six times as much as these poor fellows out in the suburbs of Washington are getting, who volunteered or were drafted in the World War, many of whom were sent to

France and fought in the trenches, many of whom were gassed or crippled and maimed and are now back here asking for a little money that is due them from the United States Government, asking Congress to make a little appropriation to take care of them. It is generally conceded that something has to be done to take care of the unemployed by appropriations of money or sale of bonds or some such way. We have an army of men here and more on the way, some coming from the west coast, demanding the payment of their bonus.

Mr. President, instead of passing the bonus measure providing the money for the unemployed World War veterans, who, in many instances, are half starved and half clothed, who are sleeping out here on the ground with Congress denying an appropriation to furnish them proper food and proper shelter, it seems to me it is time that a more drastic cut be made in the Army bill than is now proposed.

Under this bill as reported to the Senate there will be a total appropriation of \$389,578,513. Of course, some of thata few million dollars—is to be used for river and harbor work and other items of that kind that really do not belong to the Army appropriation bill; but, Mr. President, even at that it is the highest amount appropriated by any government on the face of the earth in peace times for its army. Here in the United States, where we try to make people believe we are for disarmament, that we are for cutting down all war forces, and are for the Kellogg peace pact, and all that, we have been for several years past appropriating more money for war purposes for the Army and the Navy than has any other civilized nation on the face of the earth in peace times, and we are doing it again this year. While it is true that our standing Army is not so large, according to our population, as are the standing armies of some of the other nations, yet a great many troops are provided for in this bill when we include the Reserve Officers' Corps, the National Guard, and numerous other organizations, which bring what might be termed a standing army, and what amounts to a standing army, at least to a larger number than is commonly stated to be the military force of the United States.

Mr. President, I want to refer again to these poor fellows who are camped on vacant lots around the edge of the city, herded there by the police force of the District. Some of them have shelter and some of them have none. An extra policeman is put on on every floor of the Senate Office Building. We have not had them before, but additional policemen are now employed to guard against what? To guard Members of the United States Senate in their offices over here, I do not know against what?

I do not believe, Mr. President, that there are any in the group that have come here belonging to the army of unemployed war veterans who would harm any Member of the United States Senate or any other public official. All they want is a square deal, Mr. President; all they want is the payment of money that the Government has promised them, that is due them; and to which I believe they are entitled. Yet extra policemen are put on; the unemployed veterans are guarded and watched as if they were a bunch of highway robbers, and it is even thought necessary to protect Members of Congress from those ex-service men who went into the war, who offered their very lives for their country, who worked for \$30 a month at a time when millions were made here by the war profiteers.

In talking with a friend of mine who was in the city of Washington during the war time, who is well informed and knew the situation and had something to do with some investigations that went on before the war closed, in regard to some of the reported graft that was going on, he said there were many men at that time who were supposed to be patriotic in serving the Government at a dollar a year or for nothing who made a great deal of money. He said, "I could name a number of those men who told me they were going to get all the money they could during the war time"; and they got it. Some of them are now in prominent positions, and undoubtedly they did make a great deal of money during the World War—blood money, if you please—at the expense of the poor fellows who are camping on vacant lots

around the city of Washington asking the United States Congress to appropriate a little money to keep body and soul together.

One poor fellow, whose wife had died, according to the newspapers, brought his little child, about 2 years old, clear across the continent, carrying the child on his back.

Mr. President, it is time the United States Congress should wake up; it is time that we reduce appropriations, especially those for the Army and Navy, and keep down expenses. We can do more toward balancing the Budget by cutting down the appropriation bill that is now before us than by any other one measure that has been considered, the economy bill or almost any other bill, without any detriment to the welfare of the United States Government or the welfare of its people.

Mr. President, I hope the motion to reconsider will prevail, and that the amendment will be rejected. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HATFIELD in the chair). The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Robinson, Ind.
Austin	Couzens	Jones	Schall
Bailey	Cutting	Kean	Sheppard
Bankhead	Dale	Kendrick	Shipstead
Barbour	Davis	Keyes	Shortridge
Barkley	Dickinson	King	Smith
Bingham	Dill	La Follette	Smoot
Blaine	Fletcher	Lewis	Steiwer
Borah	Frazier	Logan	Thomas, Idaho
Bratton	George	McGill	Thomas, Okla.
Brookhart	Glenn	McKellar	Townsend
Broussard	Goldsborough	McNary	Trammell
Bulkley	Gore	Moses	Tydings
Bulow	Hale	Norbeck	Vandenberg
Byrnes	Harrison	Norris	Wagner
Capper	Hatfield	Nye	Walcott
Caraway	Hawes	Oddle	Walsh, Mass.
Carey	Hayden	Patterson	Walsh, Mont.
Cohen	Hebert	Pittman	Watson
Connally	Howell	Reed	Wheeler
Coolidge	Hull	Robinson, Ark.	White

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. REED. Mr. President, I am perfectly well aware that most of the Senators have not had a chance to consider the pros and cons of this matter of the reduction in the number of officers.

The question involved comes down to this—whether it is a real economy to give up the full-time service of 2,000 officers upon whose training we have spent a very large amount of Government money, whether it is wise to throw away the services of those men in order to save something less than one-quarter of their pay, because the House bill provides not that we shall save the salaries of these officers who are dropped from the Army, but that we shall retire them on three-quarters pay, and, consequently, we would be paying hereafter 75 per cent of what we are paying now, and getting nothing whatever in return for it.

That is the proposition in a nutshell. Not only is it as bad as that but it is worse, because of the \$3,800,000 which we would save in their pay we would immediately lose \$900,000 because of the extra travel required to bring them back to their homes and to send officers to replace them in their present stations, which would be necessary to a large extent. So that from the standpoint of economy it seemed to us that there was nothing whatsoever gained.

Furthermore, a large number of those who would be thus retired are very young men; and they would be on the retired list for the rest of their lives, and we would have to count on paying them three-quarters of their pay for many years more than the average expectancy of an officer on the retired list at present.

Not only is that true, but we would have no one at all to use in training the National Guard, in training the reserve components, in the Reserve Officers' Training Corps and in the citizens' military training camps. All of those activities would cease to have the benefit of the training of regular officers; and they would be driven back upon the more dubious training that they might receive from reserve

officers, who themselves would not be under the supervision of regulars.

According to the forces that we now have in the Regular Army of the United States, it is estimated by the General Staff that 14,000 officers are needed properly to exercise the functions of that body of troops. We have only 12,000. We have made drastic cuts since the World War. After our war-time Army was disbanded in 1919, when we had got down to what we thought was a peace-time footing, we had nearly 20,000 officers. Then in 1922 Congress compelled a cut from 20,000 down to 12,000, and, in order to make that cut, put in the system which all of us remember who were here at that time, the Class B proceedings.

The corridors of the Capitol and of the Senate Office Building were filled with grief-stricken men and weeping women for months, trying to get relief from that enforced retirement from the Army. Men who had given up all prospect of success in civil life and had made the Army their career, were thrown out then ruthlessly. Now the House of Representatives and the Senator from North Dakota [Mr.

FRAZIER] propose to do it again.

I saw a list of the officers of the Army according to efficiency. I am sorry that I have not the figures before me; but it shows that out of the 12,000 officers now in the Army, all but 28, as I recall the figures, were classed satisfactory, excellent, or superior. Only 28 were classed unsatisfactory or inferior. That was as of the end of the last fiscal year; and it is safe to say that by the regular processes of attrition all of those 28 have now been dropped. So that the proposal now made of cutting an additional 2,000 officers means that we are to take officers who are graded by their superiors with the utmost care as being wholly satisfactory or excellent or superior. It does not mean that we are getting rid of the unfit. They have been weeded out already. It is safe to say that practically every man in the 12,000 today is efficient professionally, is fitted for the position that he occupies, the career that he has taken unto himself, and has fitted himself for its able performance.

And how does the House propose to do it? By creating a body of five generals who, between now and the 30th of next September, are to pass on these 2,000 cases, and drop the 2,000 least efficient. Could any five human beings between June 9 and September 30, pass judgment not only upon the 2,000 who are to be dropped but upon al. the others?—because naturally all the 12,600 have to be passed upon in order to pick out the 2,000 least efficient. It is a human impossibility to do it. They would have to pass on more than 100 officers a day in order to accomplish that result.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. TYDINGS. In the event that it becomes necessary to effect some economies in the military bill over those now contemplated, may I ask the opinion of the Senator as to what provision in the bill could be taken out with the least possible damage to the national defense?

Mr. REED. Rivers and harbors.

Mr. TYDINGS. As between the citizens' military training camps and the reduction of 2,000 officers, would the Senator care to express an opinion?

Mr. REED. I think it would be an unmixed calamity if either were dropped.

Mr. TYDINGS. If I may transgress on the Senator's time, I have always voted for what I hoped would promote the national defense; but I do feel that if there is anything we could get along without now without serious impairment of our national defense, this is the time to adopt it, at least for a year.

Mr. REED. I agree with the Senator.

Mr. TYDINGS. Therefore my question had this thought in mind:

The 2,000 Army officers who would go out if this proposition were adopted could not be brought back again after a year. They would be gone for good; but if the citizens' military training camps were discontinued for a year, we could, of course, start those all over again without changing

the general set-up of the Army. There will be separate votes on some of those things; and if the Senator cares to do so, I should appreciate it if he would point out, not that he favors it, but what things might be eliminated with the least damage to the whole picture, because some of us feel that if there is any real chance to vote for any economy in this bill without seriously handicapping the national defense we should do it.

Mr. REED. I quite understand the Senator's view. Let me say a word about that.

The bill as it stands to-day represents a cut of \$80,000,000 under the estimates submitted by the department to the Director of the Budget. For military activities the amount now carried by the bill is only \$290,000,000, which is 17 per cent less than the same item in this year's appropriations. The estimates of the Bureau of the Budget were reduced under the department's estimates by about \$30,000,000. That is the saving the Budget made. When those estimates came to the House, the House reduced the Budget estimates \$21,000,000 more. When the bill came to us, we reduced its aggregate \$3,000,000 more. The total cuts, therefore, up to the present time under last year's appropriations are \$51,000,000, and under the Budget estimates some twenty-odd million.

On top of that, last night in passing the economy bill we made a further reduction which will amount to between nine and ten million dollars. We have not had time to estimate it accurately. So, taking our action of last night on the economy bill, we have cut the Army appropriations about \$65,000,000 under last year's appropriations. At every place where they have been acted on they have suffered a cut; and I do believe, in all sincerity, that we have them down to the bare bones of the proposal.

I know the country demands economy, and we have been trying to give it; but it is not an economy, and I am sure the Senator must agree with me, to give up 100 per cent of the value of the service of these officers and save only 25 per cent of their pay.

Mr. TYDINGS. I agree with the Senator that that does not seem to me to be wise. Will the Senator yield for another question?

Mr. REED. Gladly.

Mr. TYDINGS. How much is the amount appropriated for rivers and harbors under the Senate bill?

Mr. REED. Fifty-four million dollars. That is a 10 per cent cut under last year.

Mr. TYDINGS. In the event there is a public-works program, which probably will be financed in some way, it is quite likely that if that item is taken out of the Army bill it will be reinserted in the public-works proposal.

Mr. REED. I should think it is likely; yes.

Mr. TYDINGS. That being so, if we could reduce the Army appropriation by taking that out, it strikes me that if there are to be public works this provision could very well be inserted in that bill as sound and constructive and meeting most of the criticism which has been offered to public-works propositions.

Mr. REED. In other words, to take it out of this bill as a running expense and put it into the other bill as a capital expense.

Mr. TYDINGS. That is it.

The thought I had in mind is that we know now, roughly, what the economy bill is going to save. We also know that the Budget is probably underbalanced over \$400,000,000; but, assuming that it is only \$200,000,000 underbalanced, with the depression increasing I have got to the point where I want to cut everything that can be cut, so that we can put as much money as possible into the relief program, because I am of the opinion that if we do not get the relief measure over very quickly it will not make any difference about a lot of these cuts, for they will be ancient history. Therefore I feel that now we ought to start to build up this relief program as much as we can, or else we will have a more serious situation than we have now.

Therefore I would much rather cut out the training camps for citizens, at least for the time being, and turn that money over to feed the unemployed and the hungry, and provide some work for them, than to take care of these boys in this altogether splendid way, in view of the fact that I think the need for it now is not as great as in other years.

Mr. NORRIS. Mr. President, will the Senator yield to me? Mr. REED. I yield.

Mr. NORRIS. I have been very much interested in the colloquy which has been going on between the two Senators. I want to suggest to both of them that from an economy standpoint I do not see how anything can be gained by taking an appropriation out of one bill and putting it in another.

Mr. TYDINGS. Mr. President, if I may interject, except that one would be financed over a longer period of time, and this would be financed in one year.

Mr. NORRIS. That would be along the line the Senator from Oklahoma suggested some time ago, and I agree with the suggestion, but that would mean the issuing of bonds very likely.

Mr. TYDINGS. That is true.

Mr. NORRIS. I can see the viewpoint of the Senator from Pennsylvania when he answers the Senator from Maryland, saying that appropriations for rivers and harbors could be cut out with less effect on the Military Establishment than any other thing. I have no doubt the Senator is right about that. At the same time, unless we do follow the suggestion of the Senator from Oklahoma and lift these things out and put them in some appropriation for which we are going to issue bonds, I do not see that there would be any benefit in doing it. On the other hand, the officers' training camp, or the citizens' training camp—I do not know which is the right term, or whether there are two—

Mr. REED. There are two—one the Reserve Officers' Training Corps and the other the citizens' military training camps.

Mr. NORRIS. It seems to me this must appeal to the Senator from Pennsylvania, as the Senator from Maryland said it appealed to him, and it seems to me it must appeal to everybody, that if we are going to be short of money and can not do all the things we want to do now, we could stop these training camps for a year without any material injury to the set-up of the Army, as I understand it. It would be different from cutting out the officers. I can see that point quite easily, because if we wanted the officers back we probably could not get them, but taking out these training camps temporarily, the Army would go on just the same. In case of difficulty the organization of the Army would be unimpaired and there would not be anything lacking, except that the citizens who go to the training camps to be trained would not get the training. That, I think, we ought to be willing to surrender in these times of distress, when we need the money for other things.

Mr. McKELLAR. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED. I yield.

Mr. McKELLAR. I just want to say to the Senator from Nebraska that I entertained exactly the same views he has expressed. I did not see how we would get very much by a suspension for one year, especially when we know that already for this year we are more than \$2,600,000,000 in the hole. Therefore I made a motion in the committee considering the military appropriations to strike out this language for citizens' military training camps. I got one vote, and that was my own; that was all.

Mr. NORRIS. The Senator was fortunate-

Mr. McKELLAR. To get my own vote?

Mr. NORRIS. To get his own vote, with such a terrible majority against him.

Mr. McKELLAR. I suppose so.

Mr. REED. Mr. President, the citizens' military training camps item is found on page 62. It is not involved in the question we are expected to act upon now.

I have from the staff a rough statement of the present duties of the 12,000 officers of the Regular Army, and that distribution is as follows: With troops of the Regular Army, including overhead at camps and posts, 7,000.

At arsenals and depots, 500.

At general hospitals, 300.

At the service schools, including the War College, 1,500.

With civilian components; that is to say, the National Guard, the Reserve Officers' Training Corps, and the reserve, 1,600.

General overhead, including on duty in the War Department here, corps area headquarters, and so on; on river and harbor work, on flood-control work, and so on, 1,100.

Total, 12,000.

Mr. President, there is one other matter which ought to be borne in mind in considering this proposed reduction in the number of officers, and that is the investment we already have in the 2,000 officers. About 35 per cent of the 2,000 in all likelihood will be West Pointers. We have spent on each one of them during the four years he was at West Point over \$9,000, and there, it will be seen, we would suffer a loss of investment of \$6,000,000, which we would have put into the education of those officers, in order to save about \$3,000,-000 on their pay.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me?

Mr. REED. I yield.

Mr. WALSH of Massachusetts. Would it not be much more advantageous to the Government to reduce the number of appointees to the Military Academy, rather than drop these highly trained and experienced officers?

Mr. REED. I think so.

Mr. WALSH of Massachusetts. If we are going to make a saving in the number of officers, the Senator would prefer a saving by reducing the number of new officers, rather than by dropping the experienced and trained officers?

Mr. REED. Very much so. After all, a new officer just out of West Point is a pretty green specimen in many ways, necessarily. He has not had any experience in the command of men, which is the most important thing in the training of a rounded-out officer. A West Pointer necessarily has had practically no experience in that regard.

Mr. LA FOLLETTE. Mr. President, on that very point, is it not a fact that we have such a large number of officers in the Army now that, on the average, they get with troops only about once in six years?

Mr. REED. Oh, no, Mr. President. On the average they spend about seven months per officer per year with troops, and under the Manchu law they have to go back to troops after every four years of possibly staff duty. So that with practically no exception the officers on the promotion list are constantly having experience with troops.

Mr. McKELLAR. Mr. President, has not the Manchu law been repealed?

Mr. REED. No; in effect it has not.

Mr. McKELLAR. I thought in effect it had been. That is my construction of the act.

Mr. REED. My impression is that, whether it is due to the Manchu law or some successor provision, no officer is permitted to remain away from troops more than four years.

Mr. LA FOLLETTE. Mr. President, will the Senator vield?

Mr. REED. I yield.

Mr. LA FOLLETTE. I merely wish to direct the attention of the Senator to the source of the information which I obtained, which was a statement made by Representative Collins, chairman of the Subcommittee on Appropriations in the House. On page 9936 of the Congressional Record of May 10, I find this:

Now, then, do you not know that we do not need more than 2,500 officers for the troops we have? A man is lucky if he has an opportunity to serve with troops every six or seven years, and, therefore, every year he is away from them he is going backward rather than forward, and we are permitting the entire mass to become more inefficient day by day.

Mr. REED. Mr. President, I should say that whoever gave Mr. Collins that information did not know anything

at all about the facts. We could not possibly officer 118,750 enlisted men with 2,500 officers, as he suggests there. It could not possibly be done. As 7,000 out of 12,000 officers of the Army are constantly on duty with troops, it is obvious that at least seven-twelfths of the time—seven months out of each year, on the average—an officer is serving with troops

When we exclude from the total number the 1,500 who are at the service schools acquiring professional fitness through intense study there, we can see that for the balance the proportion of the time spent with troops is that much greater

I can not think of any less effective economy than this proposal to save \$2,900,000, net, at the expense of the retirement of 2,000 perfectly competent officers of the Army. That is not economy; it is waste; waste of the most shocking kind; and if and when war comes again—and we have had a war in every generation of our history—we shall need those 2,000 officers, and we shall need them desperately, because a trained officer is the one thing that can not be improvised in war time in a hurry.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. FRAZIER. Can not these retired officers be called back into service at any time?

Mr. REED. They can be.

Mr. FRAZIER. Why does the Senator say we would lose them? Are they going to die because they are retired?

Mr. REED. No; they are going to become rusty, just as all of us who served in the World War became rusty. We have lost about 10 per cent of our efficiency every year that has passed. The retired officer does not keep up with the march of events.

Mr. FRAZIER. If the Senator's theory is correct, that it is going to be the young men who are retired, it does not seem to me that it will affect the efficiency so fast.

Mr. REED. I do not mean that they will lose their physical health—not at all—but they will lose their professional knowledge. They will not keep abreast of the times, and things are changing faster now than they have ever changed in peace time. All the ordnance is improved. An officer who went out of the Army 10 years ago is almost an ignoramus about the weapons that are used to-day. I know, because I feel my own loss of efficiency in that respect.

Mr. FRAZIER. Mr. President, I can not see much difference between this appropriation bill and other appropriation bills for the Army since I have been here. They all have had practically the same appropriations for buying more horses for the Cavalry, and very little for tanks, very little for the Air Service, very little for the Chemical Warfare Service. It is the same old "bunk," the militia two miles and a half an hour, and all that sort of thing, that we have always had.

Mr. REED. It may be "bunk," but the Senator would be paying his taxes to the Kaiser to-day if it had not been for men who thought differently.

Mr. FRAZIER. Of course, there is a difference of opinion about that. I do not agree with the Senator from Pennsylvania in that particular at all.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from North Dakota [Mr. Frazier].

Mr. FRAZIER. Mr. President, we should have a quorum, it seems to me, if we are to vote.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst		Byrnes		Fletcher	Kean
Austin		Capper		Frazier	Kendrick
Bailey		Caraway		George	Keyes
Bankhead	10	Carey		Glenn	King
Barbour		Cohen		Goldsborough	La Follette
Barkley		Connally		Hale	Logan
Bingham		Coolidge		Harrison	McGill
Blaine		Costigan		Hatfield	McKellar
Borah		Couzens		Hawes	McNary
Bratton		Cutting		Hebert	Moses
Brookhart		Dale		Hull	Norris
Bulkley	2 W	Davis.	1 88	Johnson	Nye
Bulow		Dill		Jones	Oddie

Patterson Pittman Reed Robinson, Ark. Robinson, Ind. Schall Sheppard Shipstead Shortridge Smith Steiwer Thomas, Idaho Thomas, Okla. Townsend Trammell Tydings Vandenberg Wagner Walcott Walsh, Mass. Walsh, Mont. Watson Wheeler White

The VICE PRESIDENT. Seventy-six Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Sandlin, Mr. Ludlow, and Mr. Hardy were appointed managers on the part of the House at the conference.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H.R. 79. An act to provide for conveyance of a portion of the Liston Range Rear Lighthouse Reservation, New Castle County, State of Delaware, for highway purposes;

H. R. 2238. An act for the relief of Edward Bodeck;

H. R. 3527. An act for the relief of Berta C. Hughes; H. R. 3724. An act for the relief of Charles Thomas;

H. R. 3951. An act to provide a preliminary examination of the Edisto River and its branches, South and North Edisto, S. C., with a view to the control of its floods;

H. R. 4144. An act for the relief of H. H. Lee;

H. R. 5052. An act to authorize the incorporated town of Juneau, Alaska, to use the funds arising from the sale of bonds in pursuance to the act of Congress of February 11, 1925, for the purpose either of improving the sewerage system of said town or of constructing permanent streets in said town:

H.R. 5940. An act for the relief of Florian Ford;

H.R. 6487. An act to authorize the incorporated town of Petersburg, Alaska, to issue bonds in any sum not exceeding \$100,000 for the purpose of improving and enlarging the capacity of the municipal light and power plant, and the improvement of the water and sewer systems, and for the purpose of retiring or purchasing bonds heretofore issued by the town of Petersburg;

H.R. 6713. An act for estimates necessary for the proper maintenance of the Government wharf at Juneau, Alaska;

H. R. 7123. An act to amend the act of March 2, 1917 (39 Stat. 983; U. S. C., title 25, sec. 242);

H. R. 7914. An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River;

H. R. 8393. An act providing for payment of \$25 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States;

H. R. 8907. An act to authorize the Secretary of the Treasury to acquire land adjoining Lawrence, Mass., post-office site:

H.R. 9259. An act to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U.S. C., title 28, sec. 187);

H. R. 10585. An act authorizing the Fort Hancock-Porvenir Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Fort Hancock, Tex.;

H. R. 10598. An act to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes;

H. R. 10926. An act to authorize conveyance to the United States of certain lands in the State of Arizona for use of the

United States in maintaining air-navigation facilities, and for other purposes:

H. R. 11020. An act authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington, Miss.:

H.R. 11081. An act to extend the times for commencing and completing the construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45;

H.R. 11085. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21;

H. R. 11120. An act to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256);

H. R. 11246. An act authorizing the Boca Chica Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Boca Chica, Tex.;

H.R. 12045. An act authorizing a per capita payment of \$50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States; and

H. J. Res. 305. Joint resolution for the improvement of Meridian Hill Park.

LEGISLATIVE APPROPRIATIONS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JONES. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. Jones, Mr. Smoot, Mr. Hale, Mr. Broussard, and Mr. Bratton conferees on the part of the Senate.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11897) making appropriations for the military and non-military activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes.

Mr. FRAZIER. Mr. President, the vote about to be taken is to reconsider the vote by which the Senate amendment on page 8, line 24, inserting "not to exceed an average of 12,000," was agreed to. That means an addition of 2,000 Army officers who have been stricken out by the House provision. I want to make just a brief comment on the statement made by the Senator from Pennsylvania [Mr. Reed].

The difference between the regular salary of these 2,000 officers and their retirement pay at three-quarters of their regular pay amounts to a saving of \$1,055,875. That would mean a saving per man of \$527.93. I call attention to the fact that that is more than the average net earning of the average farm family in the United States. It is \$1.44 per day. The army of war veterans now gathered in Washington would be glad to take jobs right now, practically every one of them that is able-bodied would be willing to work, at \$1.44 per day, which is the saving that will be made on these 2,000 Army officers per day.

More than that, of the retired pay—which I admit is too much and ought to be cut down—the average pay is \$1,690.31. That is more than the gross income of the average farm family in the United States last year. These men would be taken out of active service and put on the retired list. That does not mean they are barred out of the Army. They can be called back at any time their services may be needed. That is why they are kept on the retired list. This would mean a saving of \$1,055,875.

Mr. President, I call for the yeas and nays.

Mr. WHEELER. Mr. President, as I understand it, through the economy program nothing has been taken from the Army officers at all.

Mr. REED. Oh, yes, Mr. President; the furlough plan we adopted last night will cut down their active pay and their retired pay.

Mr. WHEELER. It will furlough the Army officers as well as others?

Mr. REED. Yes; it affects them just the same as it affects us.

Let me say that a vote "yea" is in favor of a reconsideration and therefore in favor of reducing the number of Army officers. A vote "nay," which I shall cast, means the retention of the present number of 12,000 Army officers.

The VICE PRESIDENT. The question is on the motion of the Senator from North Dakota to reconsider, upon which he has demanded the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GLENN (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. Long], who is necessarily absent. Being advised that if present he would vote as I shall vote, I feel at liberty to vote. I vote "nay."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson]. I transfer that pair to the Senator from Colorado [Mr. Waterman] and vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. In his absence, not knowing how he would vote, I withhold my vote. If I were permitted to vote, I would vote "nay."

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from Alabama [Mr. Black], who is unavoidably absent. In his absence I withhold my vote. If I were permitted to vote, I would vote "nay."

Mr. TYDINGS (when his name was called). On this vote I have a general pair with the senior Senator from Rhode Island [Mr. Metcalf]. I understand that if he were present he would vote the same as I shall vote, and therefore I am free to vote. I vote "nay."

The roll call was concluded.

Mr. BARKLEY. Has the junior Senator from Iowa [Mr. Dickinson] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. BARKLEY. I am paired with him, and not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. BINGHAM (after having voting in the negative). I have a general pair with the junior Senator from Virginia [Mr. Glass], who is necessarily absent. I transfer that pair to the senior Senator from Rhode Island [Mr. Metcalf], and permit my vote to stand.

Mr. KING. I have a pair with the senior Senator from South Dakota [Mr. Norbeck], and in his absence withhold my vote.

Mr. WAGNER. My colleague the senior Senator from New York [Mr. Copeland] is unavoidably absent. Upon this vote he is paired with the senior Senator from Ohio [Mr. FESS].

Mr. SHIPSTEAD (after having voted in the affirmative). On this vote I am paired with the junior Senator from Arizona [Mr. HAYDEN], and therefore, withdraw my vote.

Mr. McNARY. I desire to announce that the Senator from Delaware [Mr. Hastings], who is necessarily absent, is paired with the Senator from West Virginia [Mr. NEELY].

Mr. SHEPPARD. I desire to announce that the Senator from Arizona [Mr. Hayden], the Senator from South Dakota [Mr. Bulow], and the Senator from Illinois [Mr. Lewis] are detained on official business.

I also desire to announce that the Senator from New York [Mr. COPELAND], the Senator from Alabama [Mr.

the Senator from Louisiana [Mr. Long], and the Senator from West Virginia [Mr. NEELY] are necessarily out of the city.

I also announce that the senior Senator from Virginia [Mr. Swanson] is absent in attendance upon the disarmament conference at Geneva.

The result was announced—yeas 16, nays 51, as follows:

	YE	AS-16	
Bankhead Blaine Borah Bratton	Brookhart Capper Caraway Costigan	Dill Frazier Harrison La Follette	Norris Nye Walsh, Mont. Wheeler
	NA	YS-51	
Ashurst Austin Bailey Barbour Bingham Bulkley Byrnes Carey Cohen Connally Coolidge Couzens Cutting	Dale Davis Fletcher George Glenn Goldsborough Hale Hawes Hebert Hull Johnson Jones Kean	Kendrick Keyes Logan McGill McNary Moses Oddie Patterson Reed Robinson, Ark. Sheppard Shortridge Smith	Steiwer Thomas, Idaho Thomas, Okla. Townsend Trammell Tydings Vandenberg Wagner Walcott Walsh, Mass. Watson White
	NOT V	OTING-29	
Barkley Black Broussard Bulow Copeland Dickinson Fess Glass	Gore Hastings Hatfield Hayden Howell King Lewis Long	McKellar Metcalf Morrison Neely Norbeck Pittman Robinson, Ind. Schall	Shipstead Smoot Stephens Swanson Waterman

So Mr. Frazier's motion to reconsider was rejected. The VICE PRESIDENT. The next amendment of the committee will be stated.

The next amendment was, on page 9, line 22, after the word "allowances," to strike out "\$5,122,479" and insert "\$5,928,389, and the rental and subsistence allowances for the fiscal year 1933 shall be the same as for the fiscal year 1932, subject to such reduction therein as may be necessary under the provisions of section 102, Part II, of the legislative appropriation-act for the fiscal year 1933," so as to read:

Subsistence allowances, \$5,928,389, and the rental and subsistence allowances for the fiscal year 1933 shall be the same as for the fiscal year 1932, subject to such reduction therein as may be necessary under the provisions of section 102, Part II, of the legislative appropriation act for the fiscal year 1933.

Mr. McKELLAR. Mr. President, I want to call the attention of the Senate to the report on this bill which states the net reduction reported by the Senate committee as being \$3,007,633. I want also to call attention to the fact that substantially none of the saving is made in the appropriations for the military activities of the Army; but practically the entire saving is made by reducing the appropriation for river and harbor improvements by more than \$5,000,000; in other words, only the appropriations for nonmilitary activities are reduced, while some of the appropriations for military activities are increased very considerably, over \$2,000,000, as I read the report.

At such a time as this, it seems to me we ought not to increase the appropriations for military activities provided for in the bill; we ought to reduce them. I want to call attention to how these appropriations have increased for

In 1916 the Congress appropriated for the Army \$164,546,-866.95; in 1924, long after the war, we appropriated \$348,-629,778.55 for the Army; in 1925 we appropriated \$361,887,-888.84 for the Army; in 1926 we appropriated \$355,072,225.92 for the Army; in 1927 we appropriated \$318,909,096.28 for the Army; in 1928 we appropriated \$298,999,534.09 for the Army; in 1929 the appropriation was increased by more than 25 per cent; it was increased to \$416,901,546.42; in 1930 it was increased to \$453,524,973.41; in 1931 to \$478,418,974.73; and in 1932 to \$445,773,235. Now in the pending bill it is proposed to appropriate \$389,578,513, notwithstanding the fact that prices of practically all articles entering into the item of subsistence of the Army, indeed the prices of everything incident to the maintenance of the Army, are down

BLACK], the Senator from North Carolina [Mr. Morrison], something like 50 per cent. In this bill, however, the appropriations for military activities are substantially the same as in the bill as passed by the House.

Mr. President, I want to call attention to the figures; and if Senators will follow me a moment with the bill, they can see for themselves-

Mr. KING. Mr. President, will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Utah?

Mr. McKELLAR. I yield.

Mr. KING. I ask the Senator if he will again state, if he has the figures separated, the appropriation for the military activities of the Army for 1932?

Mr. McKELLAR. That item is found in the report. As I say, the appropriations in this bill for military activitiesthat is, activities pertaining purely to the Army itself-are not reduced but are increased; but, in order to show an apparent decrease in the appropriation, \$5,000,000 plus was cut off the river and harbor appropriation, and therefore, taking that into account, there is a reduction of \$3,000,000. As a matter of fact, however, the appropriations for the military activities of the Army have been increased over those provided by the House rather than decreased.

On page 20 of the bill, under the head of Quartermaster Corps, there is an appropriation for the purchase of subsistence supplies. There is not a Member of the Senate who does not know that subsistence supplies can be purchased all the way from 25 to 50 per cent less than they could a year or two ago. I think, by all means, there ought to be a reduction of at least 25 per cent in that item; and if it shall be necessary, I am going to propose an amendment reducing that item to \$9,172,242.

I turn to page 23, to the item for clothing and equipage of the Army. There is no reason in the world why that appropriation may not be reduced 25 per cent and the Army get along just as well.

Mr. REED. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. Yes.

Mr. REED. That appropriation has been reduced 25 per cent. It was eight and a half million for the present fiscal

Mr. McKELLAR. It has not been reduced 25 per cent below the appropriation made by the House, and I am talking now about the House bill. The House provides for an appropriation of \$6,776,519. There is no reason in the world why subsistence supplies can not be bought for 25 per cent under that sum, in my judgment, and I expect to propose an amendment to that effect.

Mr. REED. Mr. President, does the Senator think that the cost of clothing has gone down 25 per cent since the 20th of May, when the House passed this bill?

Mr. McKELLAR. Oh, no; but I think that the House did not reduce the appropriations sufficiently, and I think that, as compared with a year or so ago, the cost of many kinds of clothing has gone down 50 per cent. I think Senators will realize when they recall the cost of their own clothes, except in the case of very unusual clothes, that the price has gone down at least 50 per cent. As to the particular item to which I was referring, prices have gone down at least 25 per cent, and, in my opinion, the appropriation carried by the bill as it passed the House should be reduced that much.

I turn next to the item on page 23, "Incidental expenses of the Army." In that item I think a reduction of 10 per cent ought to be made.

On page 28, under the item "Military posts," including the improvement of military posts and building construction, in view of the extraordinary expenditures of last year, surely we ought to cut the appropriation down. We ought to slow down on those expenditures.

I turn next to page 30.
Mr. REED. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Pennsylvania?

Mr. McKELLAR. Yes.

Mr. REED. The item the Senator has just spoken of, expenses of military posts, for which two and a quarter million dollars are proposed to be appropriated, has been reduced from \$15,864,000, carried in the appropriation bill for the current year.

Mr. McKELLAR. That is exactly why we ought to reduce the amount below that provided by the House. In 1931, as I stated a few moments ago, we spent for the Army the enormous sum of \$478,000,000, and a very considerable amount of that appropriation was used for the purpose of building posts, and for the fiscal year 1932, \$445,000,000 was appropriated, and now it is undertaken to appropriate \$2,250,000 for construction at military posts. I am going to move to strike that out and insert in lieu thereof \$1,687,500.

I turn next to the item for "barracks and quarters, and other buildings and utilities," which is found on page 28, and for which \$13,595,017 is appropriated. In a period of distress such as that now existing we are proposing to appropriate this enormous sum for "barracks and quarters and other buildings and utilities." I say that appropriation ought to be cut at least 10 per cent, and it would be perfectly proper if it were cut 25 per cent, or even 50 per cent, and the work slowed down on these utilities.

As a matter of fact the Army itself has recommended, as I understand, the discontinuance of a number of military posts. Yet we are building barracks and quarters at a proposed cost this year of \$13,000,000 plus. The testimony before our committee the other day—

Mr. REED. Mr. President-

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Pennsylvania?

Mr. McKellar. I will yield in just a moment. The testimony before our committee the other day was that a post in North Dakota, Wyoming, or some other State in the West—I have forgotten the exact location—a splendid post, with excellent permanent brick buildings, had been recommended by the War Department to be discontinued entirely. Senators representing that particular State came before the committee and testified that it was a perfectly splendid post, a permanent post, needing practically no repairs; and yet we are abandoning posts of that kind and proposing to spend this year on other posts for quarters, and so forth, \$13,000,000; and much more than that, as the Senator from Pennsylvania has said, was spent last year. It is a profligate waste of the people's money.

Let me call attention to the fact that the year before the war—and, by the way, it was in anticipation of the war, and I was serving on the Military Affairs Committee in the House of Representatives at the time and know the facts to be as I state them—we appropriated \$164,000,000 for the Army, under a reorganization act then but lately passed, but in preparation of war; and yet now, when there is not a sign of war anywhere, in this bill it is proposed to appropriate the enormous sum of \$389,000,000 plus. It seems to me it is inexcusable. Millions of our people are out of employment, and yet we are recklessly and extravagantly spending the people's money for war purposes.

Mr. REED. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Pennsylvania?

Mr. McKELLAR. I yield.

Mr. REED. The item for barracks and quarters does not include one single cent for the building of barracks or the building of quarters. It includes such items as fuel and repairs, and that sort of thing.

Mr. McKELLAR. Heaven only knows what it includes, but we all know that it includes a \$13,000,000 appropriation from a bankrupt Treasury.

Mr. REED. Very good, Mr. President. But, if Heaven wants to know exactly what it includes, it will find the information on page 462 of the House hearings.

Mr. McKELLAR. All right. Well, I will let Heaven examine into it.

On page 34 there is the appropriation for the Signal Service of the Army. That ought to be reduced at least 10 per cent under the House appropriation. Instead of that, the amount was increased slightly over that appropriated by

the House. There is not any necessity for these enormous appropriations.

Again, on page 37 is the appropriation for the Air Corps of the Army, \$25,439,131. We ought not to expend that vast sum upon the Air Corps of the Army. It ought to be reduced. I am going to offer an amendment to reduce it 10 per cent, and it ought to be reduced even more.

I come next to page 44, ordnance service and supplies of the Army, under the Ordnance Department, where the bill carries \$9,832,715 for building new guns and supplies, including necessary traveling expenses. By all means that should be reduced 25 per cent. It is useless to build guns that will be obsolete when we get into a war. No country in the world is now able to go to war, for lack of finances; and if we spend all this money now for ordnance, it will be out of date when the next war comes on. I am going to ask that that be reduced.

I come next to page 46, Chemical Warfare Service. We have agents in Europe right now trying to abolish chemical warfare as being inhuman; and yet we are appropriating this year for Chemical Warfare Service \$1,222,000. That ought to be reduced, and I shall offer an amendment to reduce that 10 per cent.

Again, on page 49 is an item of \$2,338,136 for seacoast defenses. Those are very proper. We ought to have them; but surely we ought not to be expending to the very limit out of a Treasury that is empty.

Again, on page 50, there is an authorization of interchange of appropriations. Some time ago the Senator from Pennsylvania offered a resolution, to apply to all appropriation bills, providing that 15 per cent of any appropriation could be used interchangeably by the head of the department and transferred from one function to another. I was against it; but we agreed in the Interior Department bill and four other bills that were passed that 12 per cent could be so used interchangeably this year, when we were cutting down appropriations. I thought probably that would be the better way. Now the Senator brings in a 15 per cent provision of the kind in this bill. In other words, instead of bringing about a reduction in the military activities of this bill, there was an increase in the military activities of this bill. It ought not to have been agreed to; and I am going to move to change that from 15 per cent to 12 per cent.

On page 53 is an item for arms, uniforms, equipment, and so forth, for field service of the National Guard, \$5,886,849. We just continued to appropriate and reappropriate, year by year, that item. It ought to be reduced at least 10 per cent, and I am going to offer an amendment to that effect.

Mr. WHEELER. Mr. President, will the Senator yield? Mr. McKELLAR. Yes; I yield.

Mr. WHEELER. Will the Senator tell me why we should appropriate anything for the National Guard during these times?

Mr. McKELLAR. It seems to me it could be suspended. I think it ought to be suspended. There is not a sign or a threat of war anywhere. No other nation could afford to go to war with us, and in the present state of our Treasury we could not afford to go to war with any other nation. We have a deficit, the first 11 months of this year, of \$2,700,000,000. We have a deficit of over \$4,000,000,000 in the last two years, and we are putting additional taxes on the people now to the extent of a billion dollars. We are not in a position to go to war, and no other nation is in a position to go to war. Why keep up such a tremendous pressure of military preparedness?

It seems to me it is wholly out of place. It seems to me that we ought to cut these appropriations. We ought to reduce them. We have reduced them in other departments. We reduced them in the Interior Department, in the State Department, in the Labor Department, in the Commerce Department, in the Department of Justice. Why should we treat the military part of our Government better than we have treated these other departments? Why make fish of one and fowl of another? There is no good reason for it. The only reason in the world is the pomp and show of a great standing Army.

We have 118,000 men in the Army, or had that many last year. I believe we have 119,000 this year, besides the officers. Why is it necessary to keep up such a great army in times of profound peace, when nations are not able to go to war even if they were disposed to do so?

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. FRAZIER. The Senator from Pennsylvania [Mr. REED] stated that in this bill there is \$290,000,000 for the Army. Great Britain's appropriations for the British Army this year are \$127,525,560, less than half of our appropriation.

Mr. McKELLAR. Yes. It is absolutely indefensible to be appropriating \$389,000,000 of the people's money out of a Treasury where there is no money, when we are borrowing day by day, when we are leading a hand-to-mouth existence with our Government, when we are raising taxes enormously on the American people. There is no reason for making these great increases-and they are increases of at least two million, and maybe more, in the military activities of this Government over what the House provided. There is no reason in the world to build up a great army of 119,000 men and keep it in the pink of perfection, spending more than double what our neighbor, Great Britain, is spending. There is no reason in the world for our keeping up such an army. It is a willful, woeful waste of the people's money.

. Mr. WHEELER. Mr. President-

Mr. McKELLAR. I yield to the Senator from Montana. Mr. WHEELER. I notice here an item of \$1,178,238 for procurement of forage, bedding, and so forth, for animals used by the National Guard. That is on page 51, line 10. Then I find that the next item is one of \$2,428,553 for compensation of help for care of materials, animals, and equipment.

Mr. McKELLAR. Those items have just been recurring in every bill, and they are not considered by the committees of either House. The department sends them in, and we just agree to them. We do not go over them. We deal only with amendments before the committee. We do not deal with the perennial appropriations; and this, as I understand, is a perennial appropriation that has been made ever since the National Guard has been aided by the Federal Government,

Of course, I see that while we are providing bedding for the animals of the Army we are doing nothing for men who have not beds and have not the food with which to live. I think it is little short of outrageous so to legislate.

Now, Mr. President, I come to the next item, which is the item of Reserve Officers' Training Corps, under the heading of "Citizens' military training." If we were about to get into a war, if there were any threat of war, it would be very well to train our citizens in this way. It is a good thing, anyhow, for the citizens who take part in it. It is a very excellent thing. There is no reason why it should not be done in normal times. It is a very excellent thing; but with our Treasury in its present condition to spend \$4,079,484 for this purpose is inexcusable. The item ought to be stricken out entirely for one year.

Surely if we are going to reduce the salaries of the clerks of the Government-and I am in favor of it; I believe it is a necessity-in the same way I believe it is a necessity to suspend this item for one year. It is not necessary. It is a willful waste of the people's money, and I do not understand how the taxpayers will stand for it. I think if they knew how it was, they would rise up almost as one man and not stand for this willful waste, this woeful waste of the people's money.

The next item I come to is citizens' military training camps, \$2,603,624. That ought to be stricken out. It ought to be suspended for a year. I would rather suspend it than abolish it entirely. I think probably that would be the proper way to do-to suspend it-and it ought to be done.

Mr. LA FOLLETTE. Mr. President-

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. McKELLAR. I yield to the Senator

Mr. LA FOLLETTE. I should like to call the attention of the Senator to the statement made by General Summerall, when he retired as Chief of Staff, concerning the citizens' military training camps. He said:

It is apparent that the camps do not directly serve to promote any military objective. The chief benefit to the Army lies in the increased confidence in its personnel on the part of the civilian population which has followed from the many contacts incident to the conduct of the camps.

I should also like to direct the Senator's attention to the fact that it has been stated from an authoritative source that 39,061 boys in the citizens' military training camps provided only 10 reserve officers as a result of their training.

Mr. McKELLAR. Well, 10 officers for \$4,079,000 carried over a period of a number of years is doing pretty well, is it not? Does not the Senator think it is?

Mr. LA FOLLETTE. I think it is a pretty high price to

Mr. McKELLAR. It is a pretty high price; but as the Senator knows, the Government loves to pay high prices. It would rather pay a high price than to pay a low price for anything it buys or anything that it creates.

Mr. President, I want to say that I think this is very excellent physical training. I agree with the Senator from Wisconsin in thinking that it does not do the country any good as a means of national defense. I think it is a very delightful vacation in the summer time for men with a military trend of mind. I think if we had ample money in the Treasury there could be not very much objection to giving these men this sum of money; but with the present depleted condition of our Treasury we ought not thus to spend the people's money, and I am going to move to strike out that provision entirely.

I next come to ordnance equipment for rifle ranges for civilian instruction, where \$100,000 is appropriated for arms. ammunition, and targets for our rifle-range practice. That is wholly unnecessary at this time. The senior Senator from Iowa [Mr. Brookhart] would disagree with me, of course, because he is a crack shot, and, of course, the crack shots in the country like to go to these places. It is a very popular ' thing for them to do at Government expense. At a time when the Government is well equipped with money and the Treasury is full, it may be that we ought to agree to it, but it ought not to be agreed to now.

I believe that is the last provision. In these provisions there are 14 items, which aggregate a little over \$20,000,000. I think the bill ought to go back to the committee with instructions to reduce the appropriations 10 per cent.

If the furlough plan produces anything like the amount that has been claimed for it, the furlough reductions, with this \$23,000,000, would reduce this bill about 10 per cent, in accordance with the others.

I do not believe the furlough plan is going to reduce the expenditures of the Government by \$40,000,000. I doubt it very seriously. But, assuming that it will reduce the expenditures, as its advocates claim it will, some \$80,000,000, it would then be about 10 per cent, with these various reductions which I have indicated.

Under these circumstances, I move now to recommit the bill to the Committee on Appropriations, with instructions to reduce the appropriations 10 per cent below those made by the House.

Mr. REED. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HATFIELD in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Couzens Ashurst Cutting Bailey Bankhead Davis Dill Barbour Fletcher Barkley Bingham Frazier George Goldsborough Blaine Borah Gore Hale Bratton Harrison Hatfield Bulkley Byrnes Capper Caraway Hawes Hebert Carey Hull Cohen Johnson Connally Coolidge . Costigan Jones Kean Kendrick

King La Follette Logan McGill McKellar McNary Norris Oddie Patterson Pittman Robinson, Ark. Robinson, Ind.

Schall

Sheppard Shipstead

Shortridge Smith Stelwer Thomas, Idaho Thomas, Okla. Townsend Trammell Tydings Vandenberg Wagner Walcott Walsh, Mass. Walsh, Mont. Watson Wheeler White

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present.

Mr. REED. Mr. President, we are about to vote on the motion of the senior Senator from Tennessee [Mr. Mc-Kellar] to recommit the bill to the Committee on Appropriations with instructions to reduce it 10 per cent.

Mr. McKELLAR. Below the House appropriations.

Mr. REED. Below the House appropriations. I am not going to take up time in discussing it; I want only to call the attention of the Senate to the fact that that reduction has already been more than made by the House itself. The appropriation for this year was \$445,000,000. The House has cut under that some \$53,000,000. The bill, as it is reported now to the Senate, cuts under that \$56,000,000. The furlough plan reduces that further by another nine or ten million. So the total cut under last year's bill of \$445,000,000 is already \$65,000,000, or about 15 per cent, and the cuts in the military items are 17 per cent. We have cut it to the bone in every direction.

Mr. McKELLAR. Mr. President, will the Senator yield? Mr. REED. I yield.

Mr. McKELLAR. The Senator will recall that the House in like manner reduced the appropriations for the other departments. I do not remember the exact percentage, but they reduced the appropriations very largely under last year and under the present recommendations for the Interior Department, the State Department, the Commerce Department, the Treasury Department, the Post Office Department, and the Department of Justice. They reduced all the appropriations under the estimates of last year and under the estimates of the Budget. So we would just be applying the same rule we applied to other departments if we took the action I have suggested.

Mr. BLAINE. Mr. President, will the Senator from Pennsylvania yield?

Mr. REED. I yield.

Mr. BLAINE. Earlier in the day I was called from the Chamber to attend a meeting of the Committee on Banking and Currency about the time when the Senator from Pennsylvania was discussing the increases and decreases in the pending appropriation bill. The information I desire may have been given to the Senate, but I do not have it because of my necessary absence.

I note from the committee report that the appropriation as reported by the Senate committee is \$56,194,722 below the appropriation for 1932.

Mr. REED. That is correct.

Mr. BLAINE. Will the Senator advise me the amount of reduction in the appropriation for military activities?

Mr. REED. The amount carried in the bill for military activities is \$290,000,000, which is 17 per cent under the same item for last year.

Mr. BLAINE. It is 17 per cent less than the appropriation of last year?

Mr. REED. Yes. I do not carry in my head the exact figure for last year, but it is easy enough to calculate.

Mr. BLAINE. The calculation would be made upon the basis of 17 per cent of \$56,000,000, the total reduction. I assume?

Mr. REED. I have the exact figures now and can give them to the Senator. The amount of \$290,000,000 this year is a reduction of \$46,000,000 in the military items. The amount for military items last year was \$336,000,000. In 1931 it was \$347,000,000, so it has been cut down from \$347,000,000 for 1931, to \$336,000,000 for the present year, and is \$290,000,000 for the coming fiscal year.

Mr. BLAINE. Will the Senator also give me the information as to the total amount of the decrease for nonmilitary activities?

Mr. REED. For nonmilitary activities, in 1931 the appropriation was \$197,000,000; in the fiscal year 1932 it was \$123,000,000, and in the present bill it is \$99,000,000.

Mr. BLAINE. There is a reduction of about \$25,000,000 for nonmilitary activities?

Mr. REED. About twenty-three to twenty-four million.

Mr. BLAINE. I notice in the report, under decrease, the item, "Total decrease, military activities." I assume that is under the bill as it passed the House.

Mr. REED. That is correct.

Mr. BLAINE. A little over \$656,000, and the total decrease for nonmilitary activities under the bill as it passed the House in round figures is \$6,272,000, leaving a net increase for military activities over the bill as it passed the House of \$3,129,145, and a net decrease in nonmilitary activities as compared with the House bill of \$6,136,778.

Mr. REED. That is correct. The reason for the increase over the bill as it passed the House for military activities is due entirely to the restoration of the 2,000 officers, the provision for whom the House struck from the bill.

Mr. BLAINE. I thank the Senator.

Mr. KING. Mr. President, the Senator from Wisconsin, if he will permit, may be interested in knowing, however, that in 1923—and I have the figures from the office of the Chief of Finance of this date—the appropriations for military purposes were \$274,802,000, in 1924 they were \$260,-867,000, in 1925 they were \$268,974,000, in 1926 they were \$271,092,000, in 1927 they were \$274,000,000, in 1928 they were \$297,000,000, in 1930 they were \$329,000,000. So it is apparent that from the years to which I first challenged attention there has been a very large increase in the military expenses of our Government.

Mr. REED. Very largely accounted for by the expenditures in carrying out the Air Corps program, which is now about completed.

Mr. ROBINSON of Arkansas. I understand the bill as reported to the Senate by the committee reduces the aggregate amount carried in the bill by \$21,785,249 below the estimate.

Mr. REED. Yes.

Mr. ROBINSON of Arkansas. There has been added to that amount what the Senator from Pennsylvania stated to be \$9,000,000 on account of furloughs, which makes the total reduction below the estimate about \$30,000,000.

Mr. REED. That is true.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee.

Mr. REED. I call for the yeas and nays.

Mr. WHEELER. Mr. President, I hope the motion of the Senator from Tennessee will be adopted. It is not a question of how much we have reduced in the past. It is a question of being able to reduce the bill to the very minimum now. We have been told from the very inception of this session of Congress that we must balance the Budget, that we must reduce our expenditures. I am not one of those who want to cut down the Army under ordinary circumstances to the very minimum. I think in many instances we have not been very generous in our treatment of the Army, but I do think at this particular time there are items in the bill that could be dispensed with. I have particular reference to the citizens' training camps and the National Guard items.

The bill contains a provision for procurement of forage, bedding, and so forth, for the National Guard, \$1,178,238; compensation of help for care of materials, animals, and equipment, \$2,428,553; expenses camps of instruction, field and supplemental training, including medical and hospital treatment authorized by law, \$8,078,000; expenses selected officers and enlisted men, military-service schools, including medical and hospital treatment authorized by law, \$319,000; for pay of property and disbursing officers of the United States, \$79,800; for general expenses, equipment and instruction, National Guard, including medical and hospital treatment authorized by law, \$674,984; for expenses of enlisted men of the Regular Army on duty with the National Guard, including the hiring of quarters in kind, \$480,000; for pay of National Guard—armory drills—\$11,584,868.

Who on the floor of the Senate would tell me, in times of depression, when the people of the country are going hungry and suffering and walking the streets, when they are flooding the Capital of the country at the present time, that we could not dispense with these items, amounting in all, I should judge, to probably \$20,000,000?

Then we have arms, uniforms, equipment, and so forth, for field service of the National Guard, \$5,887,000. Then there is the matter of military training camps. Frankly, it seems to me that to set up these military training camps at this time, when we have so much suffering in the country, is the wrong thing to do.

Ordinarily I have no particular objection to them; but it is wrong to get a group of business men to go out and have a vacation and have it paid for by the Government of the United States when there are men in our galleries at this moment, men out here on the streets of our city who served in the war and are suffering because of the fact that they can not get food enough to eat, and yet a deaf ear will be turned to them and not anything done for them. We are not going to give them any work and we are not going to pay them anything of any kind or character. When it comes to cutting the wages of Government employees we talk about economy and balancing the Budget, and tears will roll down our cheeks as we plead for economy and to keep us upon the gold standard. But when these men come here knocking at our door a deaf ear is turned to them; but money will be spent and appropriated lavishly for a lot of nonessentials.

Mr. President, we ought to take out of the bill every single dollar that is not needed absolutely for the upkeep of the Army. We ought not to spend a dollar in these times for a citizens' training camp. We ought not to appropriate money lavishly as we are in this bill for the National Guard. There is no excuse for it whatever. If Senators are sincere about the reduction of Government expenses, then here is the opportunity to take out the nonessentials. If Senators are sincere about balancing the Budget, here is the opportunity to help balance the Budget by cutting down expenses. If Senators are sincere in the cries they have made upon the floor of the Senate heretofore about balancing the Budget and cutting down expenses and economizing, here is the opportunity.

I appreciate the fact that this body will probably not comply with the motion of the Senator from Tennessee. I have not any doubt but what the Republican orators will go to the country this fall and say they have economized in every possible way they could. I have not any doubt they will say that but for the Democrats in the House and in the Senate they would have cut down and economized still more. But somebody will ask them, "Why was it that you appropriated money for the citizens' training camps while men were sitting in your galleries hungry, without a place to sleep and without any food in their stomachs, men who went across the water and served their Nation, and yet you were turning them down? You were not even willing to appropriate money to furnish them a place to sleep, and yet you were appropriating money for citizens' training camps, so that a group of business men could go out and have a vacation and be fed and fêted and trained at the expense of the Government of the United States of America."

I say in all sincerity that I fear for what is going to hap-

pen in this country if we continue this sort of a policy. I fear for what is going to happen in this country unless we treat all classes of citizens of the United States of America in exactly the same way. It can not go on. Senators may think they can go on with it, but they can not do it, because of the fact that the people of the country, those suffering upon the farms of the country, those dependent upon the Red Cross in the Middle West and Southwest, those men who are seeing their wives and their children go without clothes. their schools being closed because of lack of funds, will not stand for it. These men who are walking the streets because they can not get any employment, men who came back from war with their arms off and their legs off, many of them, and others who served their country to the best of their ability and were willing to give up their lives, will have a deaf ear turned to them, and yet Congress will appropriate money for nonessentials. I say it is not fair, it is not just, and sooner or later if we continue in that policy some one will have to suffer for it.

Mr. TYDINGS. Mr. President, it is perfectly evident we are not going to approach balancing the Budget. The economy bill would not have balanced the Budget if it had been passed in full. However, it was reduced considerably to a saving of about \$121,000,000, leaving at least \$300,000,000 to be provided. Because the Senate would not agree to a tax upon beer, which would have raised \$300,000,000 or \$400,000,000, we are now forced to curtail every essential operation of the Government.

We read in the papers every day where this Senator or that Representative, who would not come out against this farce we call national prohibition, has been defeated. In the strongholds of prohibition, one after another, they have gone down to defeat. In the face of that, we have the effrontery and, I say with no disrespect, the ignorance to put \$1,200,000,000 of increased taxation on an impoverished people while crime goes unchecked and while the one thing which would yield a great deal of revenue contributes nothing to the welfare of the Government. We may need the Army before this situation is over, and our own action here will make the Army more needed than any condition now existing in the Government.

I am going to vote to eliminate some of the things from this bill, not because I would have done it had we balanced the Budget and furnished the money to run the Government but because, through our lack of courage in taking hold of the prohibition farce, which every man with good intelligence knows is a farce, there is no other alternative left but to walk into these services with a broadax and slash them right and left, regardless of the emergency in which we find ourselves.

I want to serve notice now that when the relief bill comes before the Senate I intend to offer the beer amendment again, because it is absolutely asinine to appropriate \$2,000,-000,000 or \$3,000,000,000 when we have an unbalanced Budget and project those bonds on a falling market, with fear and chaos everywhere, and not provide the means to pay them, to furnish the interest and a sinking fund from some sound source of taxation which will stabilize what little is left of property and wealth and security and happiness in the country. I hope when that time comes we can rise above the silly organization which has dominated and brought fear into the hearts of Members of both branches of Congress and realize that we are in a great national emergency, that here is a matter which does not violate the tenets of the Constitution, and which will furnish the revenue to run the Government which we can not get from any other source.

Yesterday we read of 3,000 men in a mob in Detroit walking into a factory and demanding work. This is summer time, Mr. President. People are not cold now as they will be next fall and winter. Last fall and winter a mob in Detroit hunting employment brought on a serious condition, and four or five of them lost their lives and many were injured, some of them very seriously. And yet with crime unchecked, with graft permeating the whole prohibition structure from top to bottom, with liquor to be had at any crossroads in the country, with men like Al Capone bilking millions from the pockets of the people, with the Government getting no taxation because of the refusal of Congress to tax that product which would furnish enough revenue to run the Government, we have got to go to our poor little Army, already thirteenth in size among the nations of the world. We have to go to the Federal employees' salaries, already in many cases too low. We have to put \$1,200,000,-000 more taxes on the backs of the people, taxing their electric current, their entrance to the cheap moving-picture theaters, their chewing gum, their radios, their automobile tires, and all the rest because we are afraid of the Anti-Saloon League. That is the only reason. Of course, we may be defeated at the next election, and that is the only reason why we do it.

A great many of us are going to be defeated in the next election, in my judgment, because an aroused populace is not going to stand this intolerable condition of public affairs. There is not a dry in this body who can not vote to put a tax on beer without violating the Constitution under which we live. The legalization of beer containing 2.75 per cent

of alcohol by weight, according to the best testimony it is possible to obtain, would not transgress the Constitution, and yet we whittle here and whittle there, cut down charwomen's salaries, and cut down the salaries of employees who have large families and who are not getting \$1,200 a year, simply because we will not tax this one thing that exists everywhere. Then, to make greater our hypocrisy, to add to this farce we tax wort, grape concentrates, and all the rest of the things that go into illegal beer. I say it is an outrage; and I am wondering how long those who are paying the bulk of the taxes in this country are going to rest under this large tax burden, shoulder this tremendous debt and deficit, endure our country's finances being unsettled, see commodity prices go down and chaos existing everywhere, while we sit here and refuse to face the issue.

In both political parties right at this moment there are men juggling with words in the effort to say something on prohibition that nobody on God's earth can understand. Instead of exhibiting some courage and honesty and telling the people they are for it or against it, one hears vague words like referendum and resubmission, which in the last analysis may mean any one of a thousand different things.

I say, if the action which I have proposed were taken it would not be necessary to cut some of these appropriations in the ruthless manner in which we are proposing to reduce them. We cut them without any regard to relative merits, simply to reach a certain sum, and perpetuate injustices multiplied by other injustices and without any regard for the needs or the fitness of the situation and conditions.

Let those who will not vote to tax beer realize that they have put \$400,000,000 a year in taxes upon an oppressed people which they could have avoided; let those who vote to slash salaries realize that this one great big industry—the industry of crime—is above the law and contributes nothing to the Government, while every decent farmer and business man is forced to pay his meed of tribute to our Government in order that its institutions may endure. The way the economy issue is being projected in this Congress is an outrage. Simply because we have not got the money which we could have gotten, we look every place in the whole Federal structure, and wherever we find a large appropriation we cut it down even though it might be a short-sighted business policy so to do.

I am going to vote for a few of the proposed economies in the Army appropriation bill, but very few, because we have now reached the point where we have got to have an Army, whether it costs money or not, in order to keep law and order in this country. There is no use evading the facts.

We have evidence piled on evidence from North Carolina, Florida, Alabama, from the West, everywhere in the country, that the people are in rebellion against this farce, that they are sick of this hypocrisy, that they do not want extra taxes, that they need relief. We have not the money adequately to provide it, and here is the one thing which would raise at least a third of all the revenue which we have proposed to raise in the new tax bill, but, because we are afraid of a few little organizations, we back away from it, more in fear, I venture to say, that we may be defeated in the next election than because of the merits or the demerits of the case.

How long will it be tolerated? How long will the people bear these new taxes? How long will we see this illegal industry go untaxed, corrupting the entire Government, State governments, city governments, county governments, the Federal Government? Every Senator here knows that not later than next December or next March we shall vote to resubmit the eighteenth amendment. Who challenges the statement that within one year from this hour some measure of repeal or modification will pass both branches of Congress? It may not pass, but the prophecies all are that it will pass. Why can we not accept the inevitable now, when the need is great, when the emergency is great, and when there is great demand that we shall raise the money to help maintain the Government under which we live and exist?

One State after another goes wet; one congressional district after another goes wet; even last fall in every special election, in Vermont and in Michigan—not in the big indus-

of alcohol by weight, according to the best testimony it is possible to obtain, would not transgress the Constitution, and yet we whittle here and whittle there, cut down charwomen's salaries, and cut down the salaries of employees who have large families and who are not getting \$1,200 a year, simply because we will not tax this one thing that

We come to the consideration of the Army appropriation bill, and we are actually in a few moments going to vote upon the question whether or not we will recommit this bill to the committee not with an idea of making any balanced adjustment but on the sheer formula that it must be cut 10 per cent. Whether the service can stand it or not, we must take off \$40,000,000; it does not make any difference whether it cuts the Army 3 per cent or 10 per cent or whether it eliminates so many officers; get the money. That is the kind of economy that is going on here. There is no sense to it; there is no logic to it; and there is no need for it. If we would tap this vast source of revenue, we could extract ten times as much money as is proposed to be saved by this motion.

I simply want to serve notice now, Mr. President, that when the relief bill comes before the Senate I shall again offer a combination of the bill offered by the Senator from Connecticut [Mr. Bingham] and myself for 2.75 per cent beer by weight, and I hope that by that time an aroused public opinion will force us to obtain in that way the money which we can so easily get, and not make necessary the taxation of an already distressed and overburdened people.

Mr. MOSES. Mr. President, in the early stages of this session of Congress I voted consistently for the motions offered, one by one, by the Senator from Tennessee to instruct the Committee on Appropriations to reduce each appropriation bill 10 per cent below the sum total carried in the bill sent to us by the House. I cast those votes, Mr. President, because I believed that there are but few bureaus of the Government which could not exist efficiently, perhaps even more efficiently, with a 10 per cent reduction in their total appropriation. Under those circumstances, Mr. President, I had every intention of voting for the motion made by the Senator from Tennessee to recommit this bill with similar instructions, and I would cast such a vote but for the fact that I regard as nothing less than a direct incentive to revolution in this country the remarks of the Senator from Montana [Mr. Wheeler], to the effect that he wishes the national defense cut down in order that money may be provided for others who have no right to it whatever.

Mr. President, neither the galleries nor any armed camp which may encircle the Capitol can have the slightest effect upon my convictions or upon my vote. I believe that lobbyists, no matter in what guise they come here, should not be fed and sheltered and supported from the Federal Treasury; that they should take care of themselves; that they should let their cause stand upon its own merits. If we have now come to a time when the Senate of the United States, like the Roman Senate of old, is to be encircled with legionnaires, intent to overthrow the Republic and set up a military dictatorship, now is the time to resist it. I therefore give notice to the Senator from Tennessee that I can not go forward with him and vote for this motion.

Mr. McKELLAR. Mr. President, the Senator says that he voted for the other reductions as a matter of principle, and I know he did, and I know he believes they were right.

Now, simply because another Senator makes a statement with which he does not agree, it does not seem to me that that would justify my splendid friend from New Hampshire in changing his convictions, though, of course, he is the judge of that and I am not. At the same time, however, just looking at it as one man to another, it seems to me that that would hardly be a fair reason for the Senator to change his vote in a matter of conviction, and I hope he will not do so; but, of course, the Senator himself will decide as to that.

Mr. MOSES. Mr. President, I must be the judge of my own conduct, and I intend to be. I think that if we could have gone forward in an orderly fashion, and if this bill could have been dealt with in subcommittee and in full committee as other measures have been, if the chiefs of the departments could have come before us and have set up a reallocation of funds, as the Senator from Tennessee knows has been done in connection with several of the appropriation bills, undoubtedly we could have worked out the proportionate reduction in military expenses which we have worked out in connection with civil expenses; but, Mr. President, I have never yet surrendered to a threat, and I do not intend to begin now.

Mr. WHEELER. Mr. President, I do not propose to stand idly by and let the Senator from New Hampshire [Mr. Moses] put words in my mouth. I say to him now that he knows very well that there was no threat made by me, and all the Senator is attempting to do by his statement is to stir up antipathy toward the ex-service men who are here.

Mr. President, I am not sure that there are any of them in the galleries, although I assume that there may be some in the galleries; but regardless of the views of the Senator from New Hampshire with reference to his feelings toward these men who have come to the city of Washington, and regardless of whether they are right or whether they are wrong, there is one thing about them, and that is they are not asking that we give them something any more than others in this country are appealing to the Congress and asking for special favors.

Ever since this Congress has been in session different groups of people have come here knocking at the doors of Congress, seeking and asking for special favors; and I make the statement without fear of contradiction that never before on the floor of the Senate have I heard the Senator from New Hampshire raise his voice in protest against special favors being granted to different classes of the citizens of this country, particularly, if you please, if those citizens happened to come from the State of New Hampshire or from New England.

I do not for one moment intend to stand here and let the statement of the Senator go by that I was making an inflammatory speech. What I was appealing for was for simple justice on the part of the people of this country, to protect them from being mulcted in taxes because of things that were unnecessary and unessential at a time when the Government of the United States, and particularly those on the other side of the Chamber, were crying with tears in their eyes, talking about the balancing of the Budget in one breath, and then, if you please on the other hand trying to put into this bill and into other bills appropriations that in my judgment and in the judgment of some of us were unessential in times of crisis like these.

Far be it from me, let me say to the Senator from New Hampshire, to appeal and try to bring on a revolution in this country. It is the last thing in the world that I want to bring on; but I do say that what I am seeking to do is to stop that sort of thing from being brought on in this country by seeing to it that the masses of the people, that the average citizens of this country, fare as well at the hands of the Congress of this Nation as do some of the Wall Street interests and bankers and insurance companies who have come into this Congress, getting special favors at the hands of Congress.

Let the farmers come here and knock for legislation and see what a deaf ear is turned toward them. Let the workers of this Nation come here and see what a deaf ear is turned toward them. But, if you please, when the Wall Street bankers come here, when the Wall Street brokers come here, when the representatives, if you please, of the stock exchange come here, do you find the Senator from New Hampshire standing upon his feet talking against special privilege?

No, Mr. President; the Senator from New Hampshire can not choke those words down my throat, here or at any other place, either upon the floor of the Senate or elsewhere. I resent the statement made by him to the effect that I or anybody else was trying to threaten the distinguished Senator from New Hampshire to make him vote for some piece of legislation that he did not want to vote for. I know him too well to think that any threat that might be made by me or by anybody else would influence him in arriving at a decision that he did not want to make.

Mr. MOSES. Mr. President, thanking the Senator from Montana for the implied compliment which he paid to my courage, let me say that the usual contradiction of terms with which he generally presents his cause here has accompanied, if you please, what he has now said. Inveighing against special privilege, if you please, for those who have not come from my section of the country, he now pleads for special privilege, if you please, for those for whom he has pleaded this afternoon.

While I do not wish to put words in the eloquent mouth of the Senator from Montana, I am entirely content that the country shall rest its judgment upon the printed words of what he has said when they appear in the RECORD to-morrow morning.

Mr. THOMAS of Oklahoma. Mr. President, I desire to ask the chairman of the committee having charge of this bill one or two questions.

The first question is, How many officers have we now in the United States Army?

Mr. REED. Approximately 12,000.

Mr. THOMAS of Oklahoma. How many enlisted men in the regular armed forces of the Nation?

Mr. REED. One hundred and eighteen thousand seven hundred and fifty.

Mr. THOMAS of Oklahoma. What is the number of the National Guard of the several States and Territories?

Mr. REED. My recollection is that it is about 140,000, but I should have to look it up.

Mr. THOMAS of Oklahoma. What is the number of the Reserve officers?

Mr. REED. Mr. President, I am only a 2-legged Senator, not a 12-volume encyclopedia. If the Senator would give me some notice that he was going to ask these questions, I would have the replies ready.

Mr. THOMAS of Oklahoma. The distinguished Senator is the chairman of the subcommittee handling this appropriation bill. He is likewise the chairman of the Military Affairs Committee. He is likewise one of if not the best-posted men in the Senate; and upon military affairs I give him credit for being the best-informed man in Congress.

Mr. REED. I thank the Senator.

Mr. THOMAS of Oklahoma. I was trying to get the figures in the Record as to the number of the forces of the country that this bill is making provision for. If it is simply making provision for 12,000 officers and 125,000 men, the total amount would seem large; but when it is spread over 12,000 officers, 125,000 regular soldiers, 140,000 National Guardsmen, and probably that many, if not more, reserve officers, and a very large number of civilian troops in the summer camps, perhaps it is not such a large sum after all.

Mr. REED. I thank the Senator. Now I have found the figures for which he was asking.

Mr. THOMAS of Oklahoma. I am very glad to revert to the question just submitted.

Mr. REED. According to Congressman Collins in the House, the estimates for the National Guard provide for the armory drill pay of 136,548 enlisted men, and for the drill pay or allowance of 14,300 officers. So, as the Senator says, the number of individuals affected by these appropriations is much greater than the mere Regular Army figures.

Mr. THOMAS of Oklahoma. Mr. President, the record shows that this year, 1932, we are spending something like \$445,000,000 in the support of this branch of the Federal service. The Budget requests of Congress for 1933 were less than we are spending this year. They were less by \$34,000,000. Hence, the Budget estimate is only for \$411,000,000. This estimate was transmitted to the House of Representatives, and the House committee recommended and the House itself passed a bill carrying the sum of \$392,000,000. That is the amount in the bill when it reached this body—a reduction of \$53,000,000 less than we are spending this year. That is less by \$19,000,000 than the Budget estimated for. So the House made a substantial reduction under the Budget estimates submitted by the President in the sum of \$19,000,000.

The Senate committee reduced the amount to \$389,000,000. That is \$56,000,000 less than we are spending this year. It

is \$22,000,000 less than the Budget requested, and it is \$3,000,000 less than the House actually passed in its bill. So to-day the bill stands before the Senate at a total figure of \$81,000,000 less than we are spending on the Army forces for the year 1932.

Mr. REED. Mr. President, will the Senator permit an interruption?

Mr. THOMAS of Oklahoma. Gladly.

Mr. REED. I think the Senator has summarized the facts very well and very effectively.

Mr. THOMAS of Oklahoma. Mr. President, we have two Armies in this country to-day. We have an active army and an ex-army. I had a chance to see the ex-army on parade a night or two ago. So far as I can learn, this ex-army, now camped in this city, has had no attention at the hands of the House or the Senate.

I have in my hand a paper that is just off the press. The top headline is as follows:

Vets won't leave-call 150,000 men.

Mr. President, I am unofficially advised that the Presiding Officer has on his desk a petition. I hold in my hand what purports to be a copy of that petition. I submit to the Presiding Officer the parliamentary inquiry if it is true that he does have such a petition.

The VICE PRESIDENT. A petition has been presented by a committee.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the petition delivered to the Vice President during the last few minutes be laid down and read for the information of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the petition will be read.

The Chief Clerk read as follows:

DEMANDS OF OUR "BUDDIES"

Whereas in the year of our Lord, 1918, the flower of our country, young and strong, at the call of their Government, and with the cry of "Hero" still echoing in their ears, went forth upon the blood-soaked battlefields of France to sacrifice their all, their time, their fortunes and opportunities, their health, and even their lives, in the service of our country, determined to liberate the nations of the world from oppressive militarism and to forever guarantee democratic governments upon earth, and guarantee democratic governments upon earth; and

Whereas in part performance of promises, solemnly given by the people and by the Government of these United States, the representatives of the people, in Congress assembled, enacted a law providing for soldiers' compensation certificates, varying in amount according to duration and place of service, calculated upon the lowest wage rate paid to unskilled laborers who had remained at home; and home: and

Whereas in a country overflowing and abundant with the riches of the earth a colossal disaster has now befallen these veterans and all other workmen, rendering them jobless, evicting them from their homes, and subjecting them and their wives to hunger and to starvation and their children to the blighting diseases of mainu-

Whereas the bankers and moneyed interests, through wild speculations, have caused nearly 4,000 banks to fail, depriving the workingmen of this country of \$3,000,000,000, and hurling this country to the very brink of economic disaster; and

Whereas the Government of this Nation, although deaf to the Whereas the Government of this Nation, although dear to the entreaties of the jobless, has lent a ready and willing ear to the wishes of these same bankers and moneyed interests, and has provided for their use a fund of \$2,000,000,000 to relieve them of the fruits of their own folly; and Whereas the soldiers' compensation certificates are the only thing of value still remaining in the possession of the jobless veterans and are valid obligations of our Government: Now, therefore he if

Resolved by the army of jobless veterans, representing the mil-lions of jobless veterans of every section of this country: First. That Congress provide for the immediate payment in cash

of the unpaid balance of the adjusted-compensation certificates: or

Second. That Congress provide jobs for the jobless veterans and the other jobless of the Nation by the appropriation of \$5,000,000,000, to be raised by the issue of currency or by the issue and sale of bonds, and to be expended for the creation of work in public construction, including highways, public buildings, hospitals in rural districts, reforestation, flood control, and waterpower conservation. Work is the solution of all industrial and farm problems; and be it further

Resolved, That a copy of this resolution be delivered by the Rev. Father James R. Cox and a delegation of veterans to the President of the United States, to the Vice President, as presiding officer of the Senate, and to the Speaker of the House.

The VICE PRESIDENT. The petition will be referred to the Committee on Finance.

Mr. THOMAS of Oklahoma. Mr. President, as one Member of the Senate, I wish to commend the authors of this petition for the manner in which it has been handled and for the text of the petition itself. I have had occasion to visit the camp in which these men are located. It is a misnomer to call it a camp, however. It is simply a vacant space of land over on the Anacostia River. When I was there two days ago I found several thousand ex-soldiers camped upon the open spaces. I found good order and the strictest discipline. The men have come from every State in the Nation. They have come in every way that men can travel. Some had their own cars, some had their own trucks, great numbers have come without regular means of conveyance. They are living out there on that barren plain, sleeping on the grass. Some have improvised beds of a little straw; others, more fortunate, have sacks, furnished by the War Department, filled with grass or straw or leaves; but they are the ones who are living de luxe. The average exservice man in that camp is forced to sleep upon the ground.

The only friends those men have found in Washington are the police, the newspaper boys, and the people of this city. They have made their appeals to the War Department and to the Congress and to date they have been turned down. They asked the War Department for tents and same were not furnished; however, the department did furnish some 2,000 empty canvas sacks, which can be filled with straw or hay or grass and used for sleeping purposes. There are some 10,000 of those ex-service men in this so-called camp.

Few of the boys have sacks, however. Most of them are forced to sleep on the ground. They have no blankets whatever. All the covering they have is the stars. The police department spent \$350 in buying some secondhand lumber and sent it down to the camp, and the men have gotten together some nails and some hammers and have put up some shelters, just roofs, no sides; but only a few are so accommodated.

In addition to some straw, the police department has found some old rusty tins, evidently from roofs, and some secondhand roofing paper, building paper, and delivered this junk and rubbish to the camp; and there these men, one-time soldiers of this Nation, all having honorable discharges, most of them having seen service abroad, are forced to sleep in the Capital of the Nation covered with tin and tar paper and straw.

Mr. President, those men have had no assistance except \$500 given them by the Veterans of Foreign Wars. A few nights ago the police arranged for the use of the Gayety Theater, and they got some of the boys who were able to entertain to go down to the theater and make fools of themselves for the entertainment of the public, and through that source they got \$540 more.

Last night at the baseball park there was a donation benefit. Some 30 or 40 of the boys put on boxing exhibitions. There was no admission charge, and 15,000 of the Washington people went out there to see those exhibitions. During the bouts put on by the soldier boys the management took up a collection and received as a voluntary donation between \$2,500 and \$3,000.

Mr. President, I said a moment ago that the only friends the boys have in Washington are the police force-and the police force have been their real friends; the newspaper boyswho are writing the news stories; and the people of the city of Washington. The War Department was appealed to, and some 2,000 of the canvas sacks were secured for beds. If they have appealed to Members of the Senate, it has not been mentioned on this floor.

Mr. President, who is responsible for this condition? I am not going into that phase of the question now, because it is a long story and perhaps a debatable matter. But we are facing to-day a fact and not a theory. Ten thousand veterans are here. They are not communists, they are not "reds," they are not "bums," they are not tramps, but are American citizens and entitled to all the rights and privileges as such. What are we to do in this emergency?

I realize that the police can not feed these veterans. I realize that the city of Washington can not feed them, and perhaps there is no department of the Government that can Perhaps no department is speak for the Government. charged with such responsibility. But there is one body in the capital that is charged with such responsibility, and that is the policy-making body of this Government—the Congress of the United States.

If we should receive information that a cyclone had struck in some part of this Nation rendering 10,000 people homeless and clotheless and foodless, no doubt resolutions would be introduced immediately for appropriations to buy food and clothing and housing facilities for the stricken community.

Perhaps some will say, "We are not responsible for these men being in Washington." That may be true, and on behalf of my State I am able to say that but very few Oklahomans are here. That may be a criticism of the men of my State. It may be that they are not so good at riding the rods as the men from some other States. It may be that the distance has kept them away. Still, men from States farther away than Oklahoma are here. I do see in the public press that down in Tennessee, I think it is, there are some Texans and Oklahomans on the way to Washington, but they are not coming here at my invitation. I am in rather close touch with the ex-service men of Oklahoma. I have been importuned to advise them as to whether or not to come, and I want to place in the RECORD my advice in the form of messages I have uniformly sent out. That advice has been as follows:

Replying to message, advise Washington rapidly filling with veterans. No accommodations, short rations, and fear suffering and trouble. While do not criticize soldiers for coming, yet realizing hardship awaiting them would hesitate to invite them here. Am doing all possible to advance immediate payment full balance due veterans.

Mr. President, the Senate now having this petition from this group, the press being filled with news stories written by friendly reporters and published by the friendly press, the Congress can not longer ignore the presence of 10,000 of these men, homeless and foodless, in Washington, and I now pause to ask those in responsible places of leadership whether any consideration is being given to this problem now hanging like a pall over this Capital City. I address myself to the chairman of the Committee on Military Affairs

Mr. REED. Mr. President, there is nothing in the pending bill that provides for persons outside the military service.

Mr. THOMAS of Oklahoma. My question is, Is anything being done or is any consideration being given to this problem of these men who are here, who are former soldiers, and perhaps other thousands on the way?

Mr. REED. In this bill?

Mr. THOMAS of Oklahoma. No; I do not mean in this

Mr. REED. Leaving this bill out of it, I know of no provision that is being made for them.

Mr. THOMAS of Oklahoma. I address the same inquiry to the chairman of the Committee on Appropriations.

Mr. JONES. Mr. President, no matter has been presented to the Committee on Appropriations with reference to this subject. I do not know what action the Committee on the District of Columbia has taken. I think nothing has been presented to them in reference to it. No proposition of any kind has been presented to the Committee on Appropriations touching the matter.

Mr. THOMAS of Oklahoma. Mr. President, the same papers that carried the headlines to which I have alluded carry another news story this afternoon, and it is this kind of news story to which I now direct attention;

NEW YORK CENTRAL ASKS UNITED STATES FOR \$13,600,000

The New York Central Railroad to-day asked the Interstate

Commerce Commission to approve its application for a \$13,600,000 loan from the Reconstruction Finance Corporation.

The money is needed to pay interest on fixed debts, rents for leased roads, and taxes, the application states. Of these fixed charges \$11,100,000 falls due July 1 and \$2,500,000 August 1.

On March 23 the commission approved the road's application for

84 399 000

stand why it is that this Government, under the orders of the Congress, can make it so easy for the railroads and the banks and the life insurance companies to come to Washington and, for the mere asking, receive money by the millions to pay interest and pay rents and pay taxes, but when these ex-soldiers come here, they are carted out to the edge of town and sleep on the barren ground, and when their petitions are presented, they are told by some, "You are not here at our invitation, and the place for you to be is at home." Mr. President, for five or six months now Congress has

Mr. President, many people in this country can not under-

devoted its time to making safe for their owners bonds, dollars, and property. When men, women, and children come before the Congress and ask for consideration we know what the answer has always been and what the answer is

Mr. President, I want to place in the RECORD copies of some news articles, so that the people of the country who may have a chance to read the RECORD may have some idea of what the press of the country is saying about the proposal to pay the soldier boys the amount due them on the certificates which they hold.

I know the Congress has said they can not get their money until 1945, but the railroads were not held up until 1945 waiting for their adjustments. Contractors that had business with the Government during the war and had business unfinished when the war was over were not held off until 1945 to secure their adjustments. They have their adjustments and secured their money promptly.

Just because the Congress placed a limitation of 1945 upon the adjustments to be made with these veterans, when times like these come they feel that they are entitled to come to Washington, justified in coming to Washington, and asking that the Government consider their petition. Their petition is on file. Some months ago a delegation came to the Capital and delivered a petition signed by 2,500,000 of the veterans asking that compensation due them on an admitted obligation be made available at once. They are demanding what they have a right to demand, and that is that Congress consider their petition and give them a vote upon the matter.

I understand that in the other branch of Congress on Monday next a vote will be taken. If the bill should pass that body, it will come to the Senate very shortly thereafter. These ex-service men are demanding of the Senate that in the event that bill does pass the other body and come here, we shall give it consideration and give them a vote upon the bill. If the bill reaches this body, then, so far as I am concerned, the Senate will not adjourn until it has voted upon the so-called bonus bill.

I find this headline in a late issue of one of the leading

Bonus army camp looks like Congo. Inspection reveals typical American atmosphere, however.

This is an article signed by Thomas R. Henry. I quote the following paragraph:

There is a squalid colorfulness to this sprawling Camp Camden, down by the Anacostia River.

It is a sort of cross between the military and the gypsy—this spot where more than 2,000 World War veterans from the four quarters of the United States to-day were drowsily waiting for

something to happen.

The shelterless ex-service men are showing considerable native ingenuity in meeting the elements—the showers and the burning

In this connection, if we should have here in Washington a rainstorm as we had in my State only a few days ago, it is difficult to conceive the results. In Oklahoma it was not a rainstorm; it was a waterspout. The rain fell in such torrents that the rivers and streams were unable to take it away. A portion of the capital city of my State was covered with water. Several lost their lives. Thousands were made homeless. I am advised that during that storm hailstones as large as baseballs fell in great profusion. If that should happen here, as I hope it shall not, falling on 10,000 American citizens camped in the open, without shelter and within

the shadow of the Capitol, what would be the reaction of the | people of America?

The immediate effect would be that many would be killed. The hospitals of the city would be filled to overflowing. An aroused public sentiment would condemn every official in a responsible position in the service of the Government.

I read further from the news article to which I have just referred:

They have evolved a curious sort of shelter—the straw tent. This is a structure about the size and shape of an Army "pup tent," with a framework of odd-sized sticks, pieces of rusty iron garnered from a neighboring junk pile, and any other material which will fit. This is all closely thatched over, top and sides, with alcolar intervences attems. with closely interwoven straw.

LIKE A CONGO VILLAGE

The nearest comparison to the part of the camp where these structures are most abundant is that of a Congo village.

And this in the Capital of the richest and the most powerful Nation on the face of the globe.

Mr. President, I have in my hand a news story containing a picture of one of the ex-service men. This picture shows the veteran wearing a distinguished-service cross. The name of this young man is Joe T. Angelo. I read one paragraph from this news story:

The War Department records tell of Joseph T. Angelo, Head-quarters Company, First Tank Brigade, who was awarded the distinguished-service cross for carrying his commanding officer, now Maj. George S. Patten, jr., Thirty-second Street and Woodland Drive NW., to the safety of a shell hole under continuous shell fire from the German lines, 40 meters away, and remaining with him until help arrived. That was September 26, 1918.

A few nights ago when the parade marched down historic Pennsylvania Avenue I saw many of these boys who were proudly wearing distinguished decorations for heroic service in the service of their country.

Mr. President, I ask unanimous consent that the news story from which I have just quoted one paragraph may be inserted at this point in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The news story is as follows:

ONE OF THE FIERIEST BONUS ARMY LEADERS WEARS DISTINGUISHED-SERVICE CROSS

By Richard Hollander

He's a few inches over 5 feet tall and weighs about 115 pounds. But when he stands on the running board of a truck and harrangues the army of bonus marchers quartered in the Anacostia Park section there's something about him that makes his less excitable comrades listen to him.

He is Joseph T. Angelo, of Pennsgrove, N. J., and that medal pinned to his tattered undershirt is the United States distin-

HE LORRIES

Angelo is one of the representatives appointed to go out each day to the Capitol and lobby for passage of the bonus. But in the mornings before he puts on his shirt and combs his hair he is the firebrand that keeps the "We want our bonus" flame burning.

Yesterday morning he had his chance to put into words just how he feels about this business of coming to Washington. A group of some 125 veterans rolled in from Atlantic City. They said they could only stay for the day. They were going right back.

"Why, you don't know what this is all about," he yelled, his hoarse voice threatening to give way any minute. This isn't a vacation or a sight-seeing trip. It's not a big joke. It may be a question of life and death before we're finished.

PEP TALK

"And you come here thinking you can do the job in one day. We couldn't do it that way in France, and we can't do it here. We'll have to keep going in at the doors of the Capitol until we wear them off the hinges—and then we'll only be starting."

The men from Atlantic City looked sheepish. Angelo continued, his voice getting more husky and his hair wilder. The veins of his neck swelled. He clapped his hand to his chest where that medal hung.

medal hung.
"You see this? Two hundred men were killed and I stayed to save a man's life."

ON THE RECORDS

The War Department records tell of Joseph T. Angelo, Headquarters Company, First Tank Brigade, who was awarded the distinguished-service cross for carrying his commanding officer, now Maj. George S. Patton, jr., Thirty-second Street and Woodland Drive NW., to the safety of a shell hole under continuous shell fire from the German lines 40 meters away, and remained with him until help arrived. That was September 26, 1918.

And now Angelo is here with the bonus army to get his \$762.50. He is not the actual commander of the camp in Anacostia. He

isn't even a platoon sergeant or a corporal. But when he wants to speak, the leaders give way to him.

"We'll stay here," he says, "until we drop. Then they can get rid of us. But while we've anything left to eat, we'll stay on. We're too big to be laughed at. That's the reason we don't want any of our own gang to make us look like fools.

MUST BE SERVICE MEN

"If they come to Washington without jobs, without anything

to eat and can show that they're ex-service men—O. K. Otherwise we don't want them. They're got to live as we do.

"A man here wanted me to go to a hotel and sleep between nice, clean sheets and have swell food. But I told him where to go. While we're here we're all buddles. We all want the same thing."

The rest of the camp doesn't quite know how to take Angelo. He's a bit overpowering and they urge him not to "get excited."

But when Angie speaks they listen. And Angie intends to keep on speaking for a long time.

Mr. THOMAS of Oklahoma. Mr. President, we have in this country a very distinguished Army correspondent. His name is Floyd Gibbons. Mr. Gibbons perhaps has seen more active service in more wars than any other correspondent that ever lived. He has contributed some news articles recently, one headlined "Bonus vets here to find out what ails the Government, says Gibbons." I shall not take the time of the Senate to read the article, but ask unanimous consent that the story, under the signature of Mr. Gibbons, may be printed at this point in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

BONUS VETS HERE TO FIND OUT WHAT AILS THE GOVERNMENT, SAYS GIBBONS

By Floyd Gibbons

Hello everybody! This blast comes from the Washington zoo. don't mean the one in Rock Creek Park. I am referring to the I don't mean the

one on Capitol Hill.

The animals are all disturbed. The congressional dog Rover has suddenly found himself full of fleas. And is he beginning to scratch?

Old congressional Rover had fleas before, but never anything like this set. The old unorganized taxpayer fleas got on his back occasionally, but he just walked out from under 'em.

EVERYBODY'S BUSINESS

But, jumping dog biscuits! Those bonus fleas stick closer than a dog collar and bite deeper than a chigger. They just won't let the old dog alone. Rover is having flea trouble like nobody's husiness

Funny part of it all is that it is everybody's business Funny part of it all is that it is everybody's business—especially everybody who has been having his own flea trouble for the last three years. Boys and girls who have been scratching like the very dickens to exterminate the depression fleas and get rid of the unemployment chiggers and feed the tax collector locusts—well, it has never made any of us any happier to see old Rover on Capitol Hill, without a single worry.

That's why Rover's present antics to shake off the bonus fleas are sending a suppressed snicker right across the country. Misery likes company. There's lots of people pulling for the fleas.

A REAL ARMY

There's an army here—a real army. They call it a bonus army. But it's more than that—much more.

These 4,000 men camped along the Potomac are here to get an answer to a mighty serious question. They want to know why they're starving in the midst of plenty.

They want their bonus money. But the main thing they want is work. They're hungry and these bonus certificates which don't mature for another 10 or 12 years are the only things that even look like meal tickets—much less money.

First of all, they are not bums. Second, they are not agitators.

CITIZENS AND VOTERS

And these men are shaven and clean. They pass safety razors and bits of soap back and forth. There's the Potomac River for a private bath and laundry and plenty of hot sun to dry out the

wash.

These men are citizens. They are veteran American soldiers. Some of them are disabled soldiers. We call them heroes when they sailed for France. Called them that again when they limped back with the bacon after the armistice and found the country dry and some other fellow with their girl and somebody else in their old job.

They are also voters.

They are also workmen—steel workers, coal miners, structuraliron workers, cowboys, stenographers, newspaper reporters, dairymen, shopkeepers without shops, clerks, farmers—well, they are just American people like you and me.

SOMETHING'S WRONG

And, by golly, they are just as puzzled as we are about what has happened to the United States of America.

They don't know any more about it than our big statesmen who denied the depression. No more than our big financiers and

bankers and Wall Street operators who used to be considered the prosperity brains of the country. And no more, apparently, than our Government.

They tell me, they tell everybody, that they think the country is all right. Nature has been good to us. We can produce all the food and coal and fruit and beef and clothing that we need. We can build all the houses and beds and furniture that we need. The banks are full of money. The grain elevators are full of wheat

wheat.

And the people are all right. They are all hard-working people, only too anxious to take care of themselves. But, by golly, something has gone wrong with the management.

The fault just lies with the people who are running the show. That's what this hungry army on the Potomac believes.

That management is here in Washington. As the veterans see it, it is centered in Congress. They are here to find out who's supposed to be running this show and whyinell it ain't running.

Mr. THOMAS of Oklahoma. I likewise ask permission to insert a second story by Mr. Gibbons, entitled "Heroes in '17; Outcasts Now."

The VICE PRESIDENT. Without objection, it is so ordered.

The story is as follows:

HEROES IN '17: OUTCASTS NOW

By Floyd Gibbons

I saw them march last night.

They were the men who won the war in '17 and '18 and were thrown into the discard in the battle of '29, '30, and '31.

In the old days—voung and strong, well shod and equipped, well fed and received with open arms—they marched the length of Pennsylvania Avenue, past the Capitol, and past the White House, where Woodrow Wilson reviewed them.

• In the light of day and the glory of youth and with prayers and hopes of the Nation pinned above their khaki-clad breasts, they marched that same route between thousands of proud and admiring public officials and civilians.

FORGOTTEN GHOSTS

FORGOTTEN GHOSTS

Last night they marched in the dark, like ghosts out of the forgotten past. Four abreast they marched—5,000 strong.

Few uniforms were shown, and those ragged and wear worn. The grease-stained overalls of jobless factory workers. The frayed straw hats of unemployed farm hands. The shoddy elbow-patched garments of idle clerks.

All were down at the heel. All were slim and gaunt, and their eyes had a light in them. There were empty sleeves and limping men with capes. men with canes.

They were 5,000 hungry ghosts of the heroes of 1917. Not so young now. They came back triumphant from the smoke of battle in distant wars, only to go down in the battle of life with their own kind. Their own people. Their own Government. The Government they fought for.

MARCH IN DARK

They did not march in the light of day. They marched in darkness. The moving-picture record of the march of the 5,000 guests will be dim and obscure, if any at all.

That's why they marched at night with their shoes worn thin and their boots run down at the heel. They marched without hats, many of them, because they have no hats. Many were without costs.

But they were clean shaven, every man of them. And the shirts they were, though patched and torn and thin and cheap, were

clean from their own washing.

And they marched proud and unashamed, carrying the flag they fought for. The flags were not carried on regular staffs. They were on makeshift pieces of patched wood. Some of the flags were carried proudly aloft on fresh-cut saplings from the river

bottoms where these ghosts live.

You know how pitiful and abandoned a garment looks when it is nailed on an oar and floats above a raft as a signal of distress

That is how their flags looked last night.

That's how their clothing looked—and their gaunt, clean faces. Distress and abandonment.

They carried no flagrant banners. They marched silently, as ghosts should,

WHITE HOUSE BAN

They were men of the old fighting First. They were the ragged remnants of Pershing's own. They were survivors from the glorious Second Division, from the Twenty-sixth, and the Thirty-sixth, and Forty-second, and the Eighty-sixth, and the Ninety-first—they were the ghosts of the American Expeditionary Forces, the largest and greatest Army that ever marched under the American flag flag.
They marched in darkness last night.

They were not allowed to march past the Capitol this time. Nor the Office Buildings of Congress. It would bring distress to the Congressmen.

They did not march past the White House last night. They were not allowed to. They would bring distress to the President of the richest nation in the world.

They were allowed to march just around and past one corner of the great United States Treasury, at the corner of Fifteenth

Street and Pennsylvania Avenue. It also was dark.

Some said that President Hoover could, if so inclined, have seen the march of the 5,000 hungry ghosts from either the south portico or the upper windows of the White House. From those positions he could have seen them.

I hope he saw them march last night.

Mr. THOMAS of Oklahoma. I ask unanimous consent to insert in the RECORD, so that the people of the country may know what is going on in Washington as reported through the local press, an article entitled "Bonus Brigade Called Soul of Decency." The article is under the signature of Elsie Robinson. I ask that it may be inserted in the RECORD at this point in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so or-

The article is as follows:

BONUS BRIGADE CALLED SOUL OF DECENCY—ELSIE ROBINSON DECLARES VETS ARE NOT TRAMPS BUT SOLID CITIZENS

By Elsie Robinson

By Elsie Robinson

Five thousand veterans camping on the Washington wastes—7,000 more ex-soldiers hurrying by foot, in trucks, box cars, fivvers, along every road that leads to Washington. The army that saved the country now marching on the Capital.

That's news. Perhaps it's also history. Whichever it is, you're listening in and forming your opinion. All right—for it. But before you do, there are certain facts you should have straight. Whether we approve of them or don't, these men are not tramps. They are not communists. They are not hoodlums nor restless unemployed. They are representative American citizens—conservative, respectable, patriotic men—merchants, real-estate dealers, lawyers, ex-bankers, union men in good standing. And they are here with a purpose. they are here with a purpose.

SOLID, DECENT MEN

Of course, there are some bums and radicals amongst them—bound to be. But in the main they're solid citizens like you and me—living by the same ideals—heading for the same goals.

Regular folks—that's the thing that hits you so hard when you first see them. You go down to the dumps "for a thrill," expecting to find a crowd of bums as you used to see in the hobo "jungles" across the railroad tracks. And with one glimpse that thrill is knowled out of you and you feel as choose the papers. thrill is knocked out of you and you feel as cheap as a phoney

nickel. For there facing you are your own people!

Men like your own father or husband, brother, sweetheart, or son, without shelter, rags on their backs, hunger in their eyes,

but their jaws grim.

ORDERLY, BUT GRIM

ORDERLY, BUT GRIM

The orderliness of it all—there's the one thing you mustn't forget. The orderliness of the bonus expeditionary force is the finest and the most hopeful—yet at the same time the most dangerous and ominous thing—about the whole performance.

Riots ravel out on themselves. But these men are not rioters. There's an almost solemn quietness about them—a conscious, steely-eyed precision. The look of men getting ready—waiting.

They have formed a military organization—live as nearly as they can by military rule. They permit absolutely no radical talk, no panhandling, disorderly conduct, or drinking.

They have established an intelligence service along army lines to ferret out any reds or riot talk.

They are here to get the bonus and—they tell you quietly, with-

to ferret out any reds or riot talk.

They are here to get the bonus and—they tell you quietly, without any boasts or blusters—that they'll stay until they get it; until 1945 if necessary.

"But suppose Congress adjourns?"

"We won't adjourn," they answer with a smile.

Work? They have an attitude about work that startles you a little until you realize how logical it is. They don't want a dole of work just as they don't want a dole of money or food, and they don't see why they should have to have it. They consider themselves the Nation's ex-creditors, and they don't see why they shouldn't be treated with as much respect as Morgan, Mitchell, or the Missouri Pacific. the Missouri Pacific.

HEARTLESS TREATMENT

Well, maybe that idea is cockeyed and again maybe it isn't. But the point is, it's their idea and they're sticking to it.

They won't work for less than union wages. If a man can't afford to pay that, they work for nothing at all—or just grub. There's a lot of criticism of this. But the bonus expeditionary forces are they are not seeks or more best.

forces say they are not scabs or moochers. How are they faring? Rotten. Regar

forces say they are not scabs or moochers.

How are they faring? Rotten. Regardless of the merits of their case. This is a mighty heartless—and perhaps a mighty dangerous—way for a big company to treat 10,000 human beings.

Over in Anacostia field—which is nothing more than a smelly, dirty flat down by the river bank—there a few shelters stuck up on poles—no floors, no sides, no tents, no cots, no mess table. A few hundred are sleeping on bags filled with straw in a big garage, and a few hundred more in some other old building. Outside of that, they are just lying around on any strip or dirt they can find

SKIMPY RATIONS

As for rations—here's what they had to eat Sunday: Two meals. For breakfast, black coffee and mush with a little milk stirred into it. At 4, one weenle and some sauerkraut. After Thursday morning there won't be anything. They say they expect starvation before they're through.

Mr. THOMAS of Oklahoma. I ask further permission to have printed in the RECORD in connection with my remarks an editorial appearing in the Washington Times of June 8. The editorial is under the title of "The Bonus, or a Job."

The VICE PRESIDENT. Without objection, it is so ordered

The editorial is as follows:

[From the Washington Times of June 8, 1932]

THE BONUS OR A JOB-MILLIONS OF MEN UPROOTED IN THE WAR, TAKEN FROM THEIR PLACES, THEIR OPPORTUNITY, SENT ABROAD WHILE OTHERS WERE MAKING WAR-TIME WAGES AND WAR-TIME PROFITS, ARE NOW WITHOUT JOBS AND IN WANT-THEY TOOK CARE OF THEIR GOVERNMENT, THEIR GOVERNMENT SHOULD TAKE CARE OF THEM

The Washington Times, on behalf of its readers, demands for every veteran his bonus or a job.

It is time for the Government of the United States, richest in the world, to stop its shilly-shallying methods concerning Ameri-

It is not necessary at this late date to dilate on the service rendered to their country by the soldiers. Heaven knows how presidents, governors, editors, politicians, and clergymen have talked enough about it.

What these men did for the United States, the sacrifices that

they were forced to make, are well known.

The question now is, What is the United States going to do for the men that it sent to Europe with promises of never-dying

Thousands of men, formerly in the Army, now out of work and in absolute want, are marching on Washington to learn whether their Government's promises will hold water, and whether the word "gratitude" is to be found only in the dictionary, now that the war is over.

These men do not want anybody's charity, not even that of the Government served by them. They do want and are entitled to a chance to make a living by work. If the Government can not find work for them to do, they are entitled at least to payment of the bonus, which the Government owes them and must pay eventually, and which represents no charity but recognition of the fact that these men are entitled to payment for lost opportunity and secretifices in the war.

sacrifices in the war.

This newspaper demands on behalf of the veterans that the

Government supply them with jobs or pay them the bonus now.

It ought not to be necessary for any veteran to walk or ride on a freight car hundreds or thousands of miles from home to the

The men ask only a chance to live, and they are entitled to it.

Many of them already in Washington have offered to work for \$1 a day, if no better job could be found, but even \$1-a-day jobs are not forthcoming.

There has been much talk about "inflation," failure to balance the Budget, "danger to the gold standard," lack of confidence in Europe, and Heaven knows what besides, if the soldiers' bonus should be paid.

There was no such talk when this country plunged into a war, started by other nations and sent into the Army the men that now ask for just treatment.

ask for just treatment.

As it is unnecessary to recall the services rendered by the soldiers, so it should be unnecessary to recall the Government attitude toward money expenditures when the war was on.

We talk now of "balancing the Budget" or "inflation of the dollar," or of "what Europe will think."

We did not bother about those things when we were shipping to

Europe 3,000,000 men that now demand just treatment.

Our Government spent money at the rate of \$10,000,000,000 a year. We had billions to lend to every country in Europe; we ran year. We had billions to lend to every country in Europe; we ran the Nation into debt by more than twenty thousand million dol-lars without a moment's hesitation in order to help foreign governments with a war that was not ours, one for which we were not

ments with a war that was not ours, one for which we were not responsible, a war which was in no way a menace to us.

The recent history of this country proves that the United States can spend the money when it wants to spend the money, while veterans of that war in which Uncle Sam poured out his billions so freely are neglected. If the Government refuses to pay to the soldiers the bonus that is due them, that will be because the Government does not want to pay.

What a disgrace that men that gave their time, sacrificed their opportunities, risked their lives, should now be sleeping on straw in sheds here, eating thin, poorly made cabbage soup, and told repeatedly in the newspapers on official authority:

"We are very hard up; we can not feed you 5,000 men much longer. We expect you to get out of here as soon as possible."

We were able to feed 3,000,000 of the same soldiers in Europe for the benefit of other countries.

the benefit of other countries.

We were able to ship 3,000,000 of them across the ocean, paying British shipowners gigantic sums for carrying our men to defend

were able to lend ten thousand million dollars to foreign countries to help them in their fighting, billions that we shall not get back.

What a disgrace to say that a Nation that could afford ten what a disgrace to say that a Nation that could allord ten billions for foreigners and forty-five billions for war can not now find two billions to save from want the veterans for whom work can not be found. The Government should and it must pay these men their bonus to enable them to live or find jobs that will support them.

What sort of men are they, gathered here and warned by this rich Government that they must "get out as soon as possible because it is difficult to feed them and their presence is a menace of some kind of violence "?

Are they not worthy men; do they deserve the misfortunes that have fallen upon them and compel them against their will to demand at least decent consideration from a Government that promised so much?

They are not unworthy men that lie on the straw here and eat that thin cabbage soup, supplied in such niggardly fashion.

Take one at random, Joseph T. Angelo, from Camden, N. J. He wears a whistle around his neck and blows it when he wants others to help him get the straw together and fix up the beds.

When he blows his whistle they come, for they respect him, even though his Government seems not to respect him.

Joseph Angelo does not look spick and span, as when he went to the war at his country's request. His clothes are old and worn, his shoes not in good condition. But you notice two medals on his breast, souvenirs presented to him by a generous Government. If you ask how he got them, he is not enthusiastic, but he says, smiling: "They don't get my family any food."

says, smiling: "They don't get my family any food."

One "medal" that he wears is the distinguished-service cross. The department records show that he got it, as a private in the Army, for rescuing his commanding officer under fire within 40 meters of the German machine guns. He has a wife and child, has been three years without work, and if the Government doesn't pay his bonus or give him a chance to work the tax gatherer will

pay his bonus or give him a chance to soon gather in his home.

A man from New York came to Washington to see if the Government really meant it when it talked about gratitude. He has had no work since last September, his wife and children are "camping with relatives." The home in which he lived has been taken from them, and he says "the \$800 I would get as a bonus would come in plenty handy."

taken from them, and he says "the \$800 I would get as a bonus would come in plenty handy."

Another man, from Illinois, a graduate of Northwestern University, a certified public accountant, walks around helping to pile up the straw and do odd jobs about the veterans' camp, wearing shoes with holes in the soles that allow the stockings to touch the ground.

Figure Jersen leader of 552 men from Salt Lake City and that

Elmer Jensen, leader of 553 men from Salt Lake City, says that all his men are out of work, 65 per cent are married, one has eight children. The Government might tell him:

"In these hard times a man ought not to have eight children."
But it did not hesitate about taking him over to Europe, without asking whether he ought to go or not.

While the proudest and richest country in the world fixes up its tax bills, votes one billion or two billions to be sent to the banks in order to "relieve them," manages through its gigantic "reconstruction fund" money to be used to reconstruct the mistakes of high financiers, the men that fought in the war sleep out of doors on straw when it is not raining, crowd into empty, cheerless buildings when it rains, wash themselves in the Potomac River or in barrels, commit no acts of violence, respect the flag that flies above their camp.

that files above their camp.

They hope that the Government that can give a thousand millions to a reconstruction committee to help disabled banks and hundreds of millions to help railroads in difficulties will decide that it can afford at least to pay the soldiers their bonus or else give them work.

Not to provide jobs for these soldiers in a gigantic public construction program, or not to pay these soldiers the money to which they are entitled, not to relieve their distress and that of their wives and children, is a brutal disgrace, and the country should not endure it.

To this subject this and other newspapers owned by William Randolph Hearst will return, continuing to discuss it until the matter is settled with justice to the soldiers and honor to the

Mr. THOMAS of Oklahoma. Mr. President, the Washington Post this morning carries a leading editorial under the title "Send Veterans Home." I have read the editorial very carefully. I think the editorial contains some good advice to the Congress of the United States. I ask permission to insert the editorial at this point in my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Post, Thursday, June 9, 1932]

SEND VETERANS HOME

The demagogues who encouraged the march of veterans upon Washington are now trying to exculpate themselves. They can not succeed. They are responsible for the present dangerous sit-uation, and will be morally responsible for any disorders that may

occur.

The parade of veterans on Tuesday evening made a very favorable impression upon all beholders. Those who marched are true Americans. They are not trying to stir up mischief. Many of them are pitifully misinformed. Others have learned much since their arrival and would be glad to dissuade veterans from coming if they could.

More veterans are on the way. Their presence will make matters worse. With all the good will in the world, these men will not remain peaceable if they do not have food.

Congress is now grappling with the national problem of emergency relief. If that problem can be quickly solved, the problem of feeding and demobilizing the bonus army can be solved also. It is proposed that money shall be lent to the States for relief of the unemployed. Congress can provide that a sufficient sum to feed the veterans and to transport them to their home States shall be absorbed except the allegant to each State in proposition to be charged against the allotment to each State in proportion to the number of veterans from each State. The States, and not the United States, should be made to pay the cost of the veterans' expedition to Washington.

The veterans should be advised that unemployment relief must be sought at their homes, where they are known, and where the only fund for the purpose will be available. They should be provided with transportation back to their home States as soon as

possible.

Unless the cost of feeding and dispersing the veterans' army is Unless the cost of feeding and dispersing the veterans army is made a charge against the unemployment loan to the States the country will be confronted with the beginning of the Federal dole system. Once begun, the dole will expand until the total cost will exceed the \$1,000,000,000 now paid annually to veterans.

Congress need not wait until the emergency relief legislation is completed. Both Houses and the administration have virtually agreed that there shall be an unemployment relief fund to be distributed through the States. Therefore the componentials well.

tributed through the States. Therefore the comparatively small sum required for feeding the veterans in Washington and sending them home can be appropriated at once, and charged against the loans to be made to the States.

Mr. THOMAS of Oklahoma. Mr. President, as I said a while ago, we are confronted by a state of facts, not a theory. These men are in Washington. They are here to stay, so they say, until they get their bonus. I construe that to mean until the Congress votes upon their pending bill. If the House passes the bill, the measure will reach the Senate immediately thereafter. These men, as I interpret their attitude, will remain here until the Senate likewise votes upon their measure. If Congress will act upon their petition and give them a vote and give them an answer, that is what they ask. If we could get a unanimous-consent agreement that a vote is to be had before adjournment, then, instead of these veterans sending for their friends and sending to their homes for supplies, they would commence immediately to make their plans for evacuation of this so-called camp.

Mr. President, I sincerely hope that these veterans may be assured that, in the event the other branch of the Congress passes the bill, the Senate will agree to consider the bill promptly and give them a prompt reply in the form of a vote. If that can be done, these men will soon begin their plans for getting away from Washington. While they are here they should be taken care of. They should be treated like human beings. At the present time there is not an animal on a farm in this section of the country that does not have better treatment than these men are having. Animals at least are provided with food, but these men have nothing.

Inasmuch as the bill is not before the Senate I can not ask unanimous consent that a vote be arranged for it, but I serve notice that the moment the bill reaches this body, if it does, I shall be active in trying to arrange to give these men the consideration to which they are entitled, and that consideration is an early vote upon their so-called bonus bill.

Mr. BLAINE. Mr. President-

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Wisconsin?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLAINE. The Senator has referred during the course of his remarks to a very practical proposition. I wish the Senator might give his attention particularly as I offer a suggestion.

The Senator referred to the possibility of terrific rainstorms in the District, the possibility of continuous rains. in which event, if this large number of men who are now encamped in Washington remain here, we are threatening and menacing everyone in the District of Columbia. Even without the weather conditions to which the Senator refers, there is a really serious problem confronting the people of the District of Columbia. As I understand, there are several thousand of those men here to-day. I think the Senator mentioned some 10,000.

Mr. THOMAS of Oklahoma. Yes, sir; there are approximately 10.000.

Mr. BLAINE. There are approximately 10,000. They are billeted in places that have inadequate sanitary facilities, inadequate housing facilities, under any circumstances that might prevail. Clearly it is going to be impossible to get a vote upon the bonus bill in the Senate until the House acts: and it is very apparent that the House will not act, and, perhaps, can not act under its rules, until next Monday. That will mean that the bill could not have committee consideration and reach the Senate, unless there were unanimous consent for its consideration, until next Wednesday or Thursday.

I understand that the funds of the local charitable organizations have been exhausted. These men come from all over the Union. I presume nearly every State is represented among the former-service men now in the District of Columbia. The responsibility for this situation should not rest upon the people of the District of Columbia; they have no voice in the Government; and yet, if the situation continues, as in all probability it is going to continue, with this large number of men who are here now and larger aggregations of men who will be here within the next few days, we shall be subjecting the people of the District to the possibility of an outbreak of disease and to a condition that will be a menace to the people who reside in the District, and will be particularly a menace to the former-service men who are here. So there are two classes of people to be considered in this situation.

It does not make any difference what our views may be upon the bonus; it does not make any difference what our views may be upon the subject that was discussed in the colloguy between the Senator from New Hampshire [Mr. Moses] and the Senator from Montana [Mr. Wheeler]; but here is a practical proposition; it is a very serious one, in my opinion, and I do not believe the Congress is justified in permitting the situation to go on without immediate

Mr. THOMAS of Oklahoma. Mr. President, at this point let me make this suggestion: These men are here because they are veterans of the World War, because at one time they were inducted into the service of the United States. wore the American uniform, and marched and fought under the American flag. The Congress sent them to that duty by declaring war in 1917. The Congress faces a serious responsibility. Those here now who voted for war face a double responsibility.

Mr. President, war is expensive, and the only way to avoid the expense, suffering, and misery of war is to find a plan to prevent war.

Mr. BLAINE. Mr. President, I am in full accord with what the Senator from Oklahoma has said regarding these former-service men. They have a right to be here. There is not any power in the Government of the United States or of the District of Columbia to load those men upon trucks and forcibly send them out of the District of Columbia. No such power exists in any jurisdiction.

How long those men are going to remain, I do not know, but they are here; they have a right to be here; they are human beings. We ought not to menace or jeopardize the lives of those men or their health and the lives of the people and the health of the people of the District of Columbia. The Congress of the United States has a double liability, a double obligation, a twofold obligation, which ought to be discharged immediately. These men must eat; they must be fed, as the Senator has said. I am not going into a long discussion of that proposition, but it is obvious to everyone that the demands of humanity would require the feeding of these men.

Taking into consideration the lack of sanitary facilities that are afforded these men, the possibility of weather conditions that may come, or even though the most delightful weather may continue, under any circumstances if we shall delay the consideration of the question of feeding those men for many more days, we do not know what situation we shall face here in the District of Columbia.

So I have presented this matter from the practical standpoint, from the standpoint of the welfare of the men who have a right to be here, and from the standpoint of the men, women, and children who reside in this District. I think, Mr. President, the obligation is such a heavy one that some action ought to be taken. I am a member of the Committee on the District of Columbia. Before that committee there is a bill, which was introduced by the Senator from Colorado [Mr. Costigan]. I am perfectly willing and anxious to vote that bill out with a favorable report. I am quite certain that the committee, if it were convened, would vote the bill out with a favorable report; and if some Senator should ask unanimous consent that the Committee on the District of Columbia be discharged from the further consideration of that bill, so that it could be brought before the Senate immediately, I rather assume there would be no Senator who would offer an objection.

That bill may not carry the necessary appropriation; it may be necessary to call the chief of police, General Glassford, before the committee in order to ascertain what may be the minimum or maximum needs to take care of these men; but, at any rate, it ought to be done quickly. We ought to have some measure before this body when we convene on to-morrow upon which we may act, in order that we may take care of and protect these men and protect the people of the District of Columbia under circumstances which are due to no fault of the men who are visiting Washington and demanding of the Government the passage of the soldiers' bonus bill.

I do not want to make the request respecting the bill which is before the committee of which I am a member; but when the chairman of the committee shall appear in the Chamber, I hope the Senator from Oklahoma will ask him whether or not he would take any offense or have any objection if a motion were made to discharge the Committee on the District of Columbia from the further consideration of the bill, so that the Senate may consider and pass it.

Mr. THOMAS of Oklahoma. Mr. President, citizens of this country have a right to come to Washington at any time they see fit and proper. When the present session of Congress convened in December citizens came here and asked for aid and assistance; they asked for the passage of a bill creating a superbank in order that such bank might lend them money. The Congress responded very promptly. I well remember that in the early days of the session we worked here until something like 11 o'clock one night to pass their bill.

Mr. President, when so large a group of citizens submits a petition, signed by millions, they have a right to expect consideration of such petition; and they have a right to expect a vote upon their bill.

If the Congress could assure these representatives of the millions of veterans that they are to receive consideration, and a speedy vote, the newspapers would carry such information throughout the country and the men from every angle of the compass now moving toward Washington would stop their journey and many of them would turn back toward home; and the veterans who are here would have a different attitude toward the future, and would plan to make their exit from Washington at a very early date.

Mr. BLAINE. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Wisconsin?

Mr. THOMAS of Oklahoma. I yield.

Mr. BLAINE. Does the Senator realize that if the vote shall be delayed for any considerable length of time, as it may be, the days intervening may jeopardize the health of these men and the health of the people of the District of Columbia? During the interim it would seem to me that some provision ought to be made by the National Government to feed those men, and to provide them adequate sanitation, so that both the men who are here as visitors, and who have a right to be here, and the people of the District together will be protected against any untoward situation that may arise out of conditions that are very apt to obtain under the circumstances.

Mr. THOMAS of Oklahoma. The suggestion, let me say

something might be done to stop this march on Washington. If the men who are now coming here could be assured that there is to be a vote upon their bill, in my judgment, many of them, if not all of them, would cease their journey toward this city and return to their former homes. I think such assurance should be given the veterans at the earliest possible date.

Mr. BLAINE. I heartily concur in that suggestion of the Senator from Oklahoma.

Mr. FLETCHER. Mr. President, we have wandered very far afield, which is not an unusual practice in the Senate, from the particular motion which is before the Senate. The question of beer is not before us: the question of a bonus is not before us. Questions have been discussed here for hours that have no relation whatever to the pending motion. I must call the attention of the Senate to what the motion is. The motion of the Senator from Tennessee is that this bill be recommitted to the committee with instructions to cut the appropriations it contains 10 per cent.

Mr. President, I have followed the Senator from Tennessee quite uniformly in his efforts to bring about economies. I think I have voted for all the motions that have been made with reference to reductions in appropriations; but there is a limit to such reductions. A 10 per cent reduction as applied to one bill might be all right; it might be justified; but a 10 per cent reduction applied to another bill might be all wrong; it might not be economy at all. This bill had been reduced to the limit before it came to the Senate. We reduced it before the Senate committee. I happen to know something about the facts in this connec-

I am very much opposed to the Senator's motion to recommit the bill with instructions to cut it 10 per cent. Having served on the subcommittee dealing with the bill, I became acquainted with these facts; and I want to state to the Senate that I think it would be a great mistake, and an unwise and unwarranted procedure, to agree to a motion like this.

I am opposed to destroying the fabric of our national defense. I am opposed to paralyzing the peace-time operations of the Army; and that is what we would do if we cut this bill any more than it already has been cut.

I desire to call attention to what the Secretary of War said before our committee:

The total of the War Department appropriation bill now before you is \$392,586,146. This is a reduction of more than \$84,000,000 under the current appropriation, and nearly \$19,000,000 under the Budget. Sixty-two per cent of this drastic curtailment is assessed against the military activities, which are decreased by \$52,000,000.

Why talk about another 10 per cent? Why discuss any more reductions with these facts before us, undisputed and unquestioned?

If we are going to have any Army, if we are going to have any means of national defense, if we are going to go on with the peace-time activities of the Army, or the civilian activities, if you please, such as the river and harbor improvements, flood control, and those things that we have already provided for, we must give them the appropriations that are carried in this bill. If we reduce them, we cut down all these activities, we cripple the Army, and we paralyze these operations that have been provided for and which we think are essential. That is not economy at all. That is destruction. That is waste.

I hope the motion will be defeated.

Mr. REED. I call for the yeas and nays.

Mr. BLAINE. Mr. President, I desire to make a brief statement, and then a request of the Senator from Tennessee [Mr. McKellar].

As we all know, the Panama Canal Zone is not a military government; and the provisions in the bill relating to the Panama Canal have nothing to do with military activities, but rather with nonmilitary activities.

There are two projects in the Panama Canal Zone which are very important. One is the Panama Railroad, operated by a corporation which is owned by the Government of the to the Senator from Wisconsin, was made in the hope that United States; the other is the Panama Canal Zone proper, which has under its jurisdiction, through a civil governor, the operation of the locks in the Panama Canal.

I call attention to the fact that there are three items in the appropriation. One is for maintenance and operation. That item relates primarily to the locks and the upkeep and the operation of the locks. Another item is sanitation. All sanitation in the Canal Zone is under the jurisdiction of the Government of the United States. The other item is the civil government.

The Panama Canal Zone is the most perfected socialistic state in the world. The Government of the United States owns the fee title to the land. It does not convey any title to the land. No one can construct a building in the zone without a permit from the civil authority, and it is only a permission. No one can conduct a business in the Canal Zone without a permit from the Government of the United States. No one can remain in the Canal Zone without the consent of the Government of the United States. The Panama Railroad is a Government railroad, operated by a corporation organized and owned by the Government. All the machine shops that are necessary to take care of the civilian machine work are owned and operated by the Government. In fact, everywhere in the Panama Canal Zoneoutside, of course, of the cities of Panama and Colon, where the Republic of Panama has jurisdiction—the Government of the United States has a perfect socialized state, and it is purely a business proposition. It has nothing to do with the military affairs of our Government.

There are peculiar situations obtaining in the Canal Zone. It is in the Tropics. The Government conducts the necessary hospitals. It has installed and operates all of the water system and the sanitary system, the health service, all of the essential services; and the whole operation of the government of the Panama Canal, so far as the appropriation is concerned, relates to a business organization which turns into the Public Treasury, as I recall, about \$16,000,000 a year in profits.

I am sorry that the chairman of the Committee on Appropriations is not present, because I intended to call to his attention the fact that when the economy bill goes into conference certain exceptions ought to be made. The Panama police should be exempted from the act. There should be some modification of the act with regard to the workers on the Panama Railroad, because those workers labor six days a week-not five and a half days, as in civil employment in continental United States. So that unless some provision is made in the economy bill to protect the men who work upon the railroad owned and operated by the Government, they will lose double the amount of time without pay that the civilian employees in the continental United States will lose; and I hope the committee of conference will take those two items into consideration.

Let me say that the salary reduction, whether the provision made by the House or the amendment adopted in the Senate is finally adopted, is effective against the employees of the Government of the Panama Canal Zone and also the employees of the Panama Railroad. Therefore, in view of that situation, to cut off 10 per cent on the operation and maintenance of the locks might, to a very large extent, and no doubt would, interfere with international trade and jeopardize the successful operation of the canal. It would also, no doubt, interfere with the sanitary conditions, which must be kept perfect in the Panama Canal Zone on account of the zone being near the Equator. I see no undertaking for which appropriations are made under the subject of the Panama Canal that can be reduced without jeopardizing the business interests of the Government as well as other interests in which the United States has a vital concern in the Canal Zone.

I had hoped, therefore, that the Senator from Tennessee would except from his motion the provisions relating to the Panama Canal.

Mr. McKELLAR. Mr. President, in answer to what the Senator says, I desire to say that this morning I outlined 14 cuts in appropriations in this bill that I felt ought to be made. I did not include the Panama Canal Zone. It is

not my purpose to include it if the bill goes back to the committee, because I am familiar with the facts as stated by the Senator from Wisconsin; and I had made up my mind, before the Senator brought the matter to the attention of the Senate, that there could not very well be a cut in the Panama Canal Zone.

I say that for the reason that if the Senator will look at the report of the Secretary of War for 1931, he will find the following statement on page 268:

Tolls levied during the year on commercial seagoing vessels amounted to \$24,645,456.57, as compared with \$27,076,890.01 for 1930, a decrease of \$2,431,433.44, or 9 per cent. Cargo carried through the canal during the year amounted to 25,082,000 long tons, as compared with 30,030,232 tons for 1930, a decrease of 16.5 per cent.

The net income from tolls and other miscellaneous receipts known as "canal revenue" was \$14,847,227.21. This was less than the net revenues for the fiscal year 1930 by \$3,235,224.57, or approximately 18 per cent.

Now I read from page 11 of the same report.

Total net revenue for the year from all sources (Panama Canal and Panama Railroad, exclusive of the Panama Railroad Steamship Line) was \$16,401,375.10, as compared with \$20,367,297.72 for 1930. The aggregate net revenue from all sources was less than that for any year since 1925. This shortage was due primarily to decreased shipping activities for the year as compared with the managed by the years. preceding five years.

It will be seen that the present bill on page 80 carries an appropriation of \$11,146,661. That is somewhat less than the revenue. During the good years of 1925, 1926, 1927, and 1928, and even in 1929, my recollection is-I have not the figures before me, but my recollection is—that the income from the Panama Canal and the Panama Railroad aggregated about \$25,000,000. We were making a very excellent profit on our investment down there at that time. But since that time, during the depression, the same thing has occurred there that has occurred here, and the revenues have dropped considerably.

But, for the reason the Senator has stated, and for the additional reasons I have stated, it is not my purpose to interfere in any way; and if the bill goes back, there will be no action on my part to reduce in any way those items. I hope the Senator will remember that under the terms of the motion the committee is merely to reduce the aggregate, not any specific item, and I have already mentioned the items which I think ought to be reduced. I do not think the Panama Canal appropriation is one of those items.

Mr. BLAINE. Mr. President, will the Senator perfect his motion?

Mr. McKELLAR. I could not very well do that.

Mr. BLAINE. Will he not add "except as to the Panama Canal appropriation "?

Mr. McKELLAR. There will be no necessity of that, because I assure the Senator that item will not be reduced, so far as I am able to prevent it. I do not think a reduction ought to be made in that activity of the Government.

Mr. BLAINE. I know the assurance of the Senator from Tennessee is a valuable assurance-

Mr. McKELLAR. No; it is just my own vote. I could not assure anything more; but I think the Senator is entirely right in his contention.

Mr. BLAINE. There would be no harm, then, in amending the motion to except the Panama Canal appropriation.

Mr. McKELLAR. If the Senator desires that, I have no objection to that being contained in the motion.

Mr. BLAINE. I ask that that be done.

Mr. McKELLAR. I will modify my motion to say, "with the exception of the Panama Canal."

The VICE PRESIDENT. The Senator so modifies his motion. The question is on the motion as modified.

Mr. REED. I ask for the yeas and nays.

Mr. NORRIS. Mr. President, I listened with some amazement, some concern, and considerable disappointment, to the controversy between the Senator from Montana [Mr. Wheeler], and the Senator from New Hampshire [Mr. Moses]. I heard all that was said by the Senator from Montana and I confess I was not impressed that he had made any threat or used any language that meant a threat.

It did seem to me that the Senator from New Hampshire was going far afield to find a reason for voting against the motion.

He said that he had voted for each one of the other motions by which the various appropriation bills had been sent back to the Committee on Appropriations with instructions to cut them 10 per cent, and that because of what the Senator from Montana said he was going to vote the other way on this motion. Mr. President, I want to have a pair with the Senator from New Hampshire. I voted against every one of the motions to return the appropriation bills to the committee with directions to bring in a bill reduced by 10 per cent, and I will now vote for this motion to send the pending bill back with instructions to bring in a report cutting the aggregate 10 per cent. If the Senator from New Hampshire is moved to vote the other way because of the speech of the Senator from Montana, I will say that I was so impressed with the speech of the Senator from Montana that I have decided to vote for the motion.

Mr. President, we have all been acting in the very best of faith, trying to reduce appropriations, and to cut down expenses. I confess that I was somewhat disappointed when I found the Senator from Utah and the Senator from Pennsylvania both advocating various items of taxation in the tax bill which grated very hard on me, which it was very difficult for me to support. But I followed them. In the main, I went through with them. We all united with the chairman of the Committee on Finance when he asked us to stay late at night and to start early in the morning. We discommoded ourselves, we neglected all our work, in order to help the committee dispose of and finally pass the tax bill, which everybody hoped would balance the Budget.

After all that teamwork, and those good-faith actions, we have seen the Senator from Utah and the Senator from Pennsylvania in the lead, in the main, in destroying the good work of that bill, which balanced the Budget, and opposing appropriations which would cut down the expenses of the Government, opposing items in the economy bill which would cut down expenses, so that by their own work they have been instrumental to quite a degree in unbalancing the Budget which they worked so hard to balance

Only yesterday they helped to cut out \$40,000,000 of savings. Now, in the pending bill, they proposed to use public funds to carry on an appropriation by which schools are held all over the United States, and 260,000 of the younger citizens are taught that, for instance, the election of judges is something that will go far to destroy our Government, that the initiative is entirely and fundamentally wrong, that the referendum is wrong, that the public ownership of public utilities anywhere is wrong, and that if these things are carried on, our Government is going to fail, our Government is going eventually to be destroyed by these various things. That kind of doctrine is being taught to our people and the spreading of it being paid for by the Federal Government through appropriations made in this particular bill.

It seems to me, therefore, that if there has been an appropriation bill which we are justified in sending back to the committee, as the pending motion will do with the War Department bill, with instructions to reduce the aggregate 10 per cent, if there has been such a case, it is before us now, and I do not hesitate to vote in favor of the motion.

Something was said by the Senator from New Hampshire about threats, indicating that threats had been made. Something was said about the large so-called bonus army now encamped within sight of the Capitol. I agree with the Senator from New Hampshire that no threat should move us; but I have not heard of any threat. Nobody so far has threatened me. I have not felt that it is necessary for me to carry weapons in order to defend myself at night upon the streets. I do not believe any of us have been frightened or scared by any threat. That does not mean that I approve of the action of these ex-soldiers who have come here by the thousands in order to get what they call the bonus. I think it was a mistake. I do not believe they ought to have come. I do not believe they have accomplished anything by coming. But that is their business, and not mine. If they want to come, it is a free country, and they can come.

I have not heard of those men threatening anybody. I do not expect they will threaten anybody. The person who is trying to excite somebody to fright and saying that we are going to be threatened, that we are going to be mobbed, is running away from his own shadow. No danger has yet appeared.

Mr. President, suppose it were true; is that any reason why we should carry large appropriations for a large Army? Are we going to build up an army now to fight the soldier boys who just a few years ago were carrying our flag in foreign lands? Are we going now to build up an army to fight the veterans of the great World War? I do not believe we ought to do that. I am not afraid to intrust the reins of this Government in the hands of those veterans. I do not believe we would run any risk if we did that. I do not believe we are justified in now saying to the country and to the world that our soldier boys, who went through hell fighting our battles in a war that was going to make the world safe for democracy, and which only tumbled everything upside down and made the world a thousand times worse than it ever was before-I do not believe those boys who made the fight under our flag are dangerous now to the perpetuity of our Government.

I have talked with many people who saw the parade the other night, and who have gone through the camps, and they have not seen anything "red," they have not found communists, and, as I said this morning, communists are made by bad government. Communists avoid good government. If we want to save our country from the danger of communism, we ought to see that our people are happy and contented.

If there is a danger of rebellion coming, we can not throw it off by having our Army use public funds to try to inculcate in the minds of our people the idea that things which many of the States have regarded as fundamental principles of democracy are in fact dangerous to free government.

Why was the initiative adopted? Why was the recall adopted? Why have judges been elected? Why has there been a demand in many places for the Government ownership of public utilities? It is because of the injustice that has confronted the country and the communities from the exactions of the great utility companies. Every municipal plant distributing energy to the citizens of a locality has come into existence because of injustice, because of wrong, because Government officials have not fully complied with the law, because big business, big organized monopoly has insisted on bearing down and getting unholy profits from the men and the women of this country who toil and who make up the backbone and the sinew of our citizenship. They have all come on that account. There is not an exception.

Why has the initiative been put in force? It has been because experience has shown that some instrument of that kind is necessary in order to safeguard the rights of the common people against the inroads and the merciless and unholy things which have been done by legislatures and other officials controlled by selfish monopoly.

Why has the recall been brought about? For the same reason. Why are people electing judges; why are they resisting the cry that our Army is now trying to inculcate in the minds of the young men that an elected judge is a dangerous sign in a democracy? It is because judges selected for life, with salaries larger than the ordinary person in the community receives, being given for life a power over their fellow men that is given to nobody else, have abused that power, have in many cases been merciless and tyrannical in the use of it.

The people have said, therefore, "We will elect our judges." The cry that goes up against Federal judges now is that they abuse the power in many cases. I do not believe they all do. I think that as a whole we have a remarkably fine judiciary. But this cry which comes from the common people who have suffered injustice on account of the tyranny of men who hold office for life can not be drowned, that cry can not be squelched, by a lot of Army officials, paid for from the taxpayers' money, going out in

the country through all our communities trying to make people believe that an elected judiciary has no place in a democracy, that the initiative has no place in a free government, that public ownership ought to be driven out and our public utilities turned over to the tender mercies of an organized oligarchy, of an organized trust that reaches from ocean to ocean and from the Gulf to the Lakes in every community, going into the churches, into the school districts, into the municipalities, into the lodges, sowing their seeds of dissension, trying to build up a sentiment in the country opposed to government ownership, paying for it all out of the pennies that the washerwoman and the laboring man pay for the electric current they use, paying for it all from the money obtained from the very men and very women whom they are trying to deceive and to fool.

Mr. President, it seems to me time now that we should call a halt. We can do it by cutting this item out of the appropriation bill. Will it hurt anybody in this time of distress, when we are in the greatest depression we have ever had in the history of our country? Will it hurt anything to suspend for a year or two these instrumentalities which, as a matter of fact, have nothing to do with the efficiency of the Army or the Navy? We got along a great many years, more than a hundred years, without any of them, and we will continue to get along if we should abolish them for a year or two.

I say again, there are a good many things about the training camps that I think are good. I think the physical training given to the young men of the country is a good thing, but it is not necessary to get that training in a military camp. It is not necessary, in order to get that training, to listen to a lot of doctrine that I think is unpatriotic, that goes to the very foundation of our liberty and our Government, trying to teach the young men of the country, with money that we pay them from our taxes, that these things which millions of our people regard as necessary in a democracy are as a matter of fact treasonable and will ultimately bring about destruction of government.

I have no hesitancy in voting to send the bill back to the committee and I hope, if it comes back with some of these items left as they are now, that the Senate of the United States will strike them out when the time comes.

Mr. CUTTING. Mr. President, I am sorry that the eloquence of the Senator from Montana [Mr. Wheeler] has been so powerful as to cause both the Senator from New Hampshire [Mr. Moses] and the Senator from Nebraska to vote otherwise than they had intended to vote before that speech

Mr. NORRIS. Oh, Mr. President, I hope the Senator will not have any feeling in regard to my vote, because that only emphasizes what I had already concluded to do.

Mr. CUTTING. I have been voting, as the Senator from Nebraska has voted, against every one of these motions to recommit bills for a 10 per cent cut. It seems to me a very foolish and futile policy. That has been proven by the cuts we have made on previous appropriation bills. It may be that in some cases the House has sent appropriation bills which could be cut and should be cut, not only 10 per cent but perhaps 20 per cent or more, but to assume offhand that any bill which comes from the House ought to be cut the exact sum of 10 per cent, no matter what the merits of the issue may be, seems to me a very poor compliment to the coordinate body at the other end of the Capitol.

I want to say with regard to the speech of the Senator from Montana that I do not consider it revolutionary, subversive, or in any other way offensive. I think it was a perfectly proper thing to call attention to the facts to which the Senator did call attention. The only criticism I would make of the speech is that it seems to brand all who vote against the motion to recommit as being Budget balancers at all costs, as being opposed to relief for the suffering, as being opposed to a public-works program, or to the demands of the army of visitors which has come to us at the present time.

I think the Senator from Montana knows that I have consistently preached that the balancing of the Budget was infinitely less important at the present time than the giving

of direct relief to the suffering and the providing of employment to every man for whom the Government is able to find a job.

So far as the question of the bonus is concerned, since 1924, when I was commander of the American Legion for the Department of New Mexico, I have believed and stated that a cash option should have been included in the bill at that time, on less favorable terms, of course, than would have been provided for the ex-service men who chose to wait for the final maturity of their certificates. There has been no time since then that I personally would not have voted to amend the original adjusted compensation act to include a cash option, and I should so vote now if I had the opportunity. I do not think that the arrival of the ex-service men will promote that cause in any respect. It will probably lead a great many who would otherwise have voted for their cause into voting the other way. Nevertheless I do not think anyone could have watched that parade two days ago without being profoundly moved at the idea that a whole generation of men, whom the Congress of the United States took out of private life and put into the war, is now at our doors pleading for the elementary right of citizens to be allowed to work or, if that is not given them, for the payment of a debt which they feel to be just.

Possibly these men would receive less permanent relief through an immediate cash payment at the present time than they would receive in employment through the enactment of some substantial measure providing for public works. I myself have proposed a bond issue of \$5,000,000,000 for that purpose. I am doubtful in my own mind whether even that vast sum is adequate to deal with the situation.

But, Mr. President, we are not voting on any of these questions at the present time. This is a vote on a motion to send back to the committee a bill which has already cut down the present Army appropriations by 17 per cent. That motion would instruct the committee to take out another 10 per cent, or rather to make a 10 per cent reduction under the figures proposed by the House. I served on the subcommittee which reported the bill now before the Senate, and I do not believe that any such cut is possible within the bounds of rational legislation. We have already taken \$80,000,000 off the department estimates. While I have not figured out the cut which would be required, I suppose it would amount to something like \$40,000,000 more.

Mr. REED. It would be \$39,000,000.

Mr. CUTTING. That seems to be a cut quite out of proportion with what any other department of the Government has been forced to take at the present time. I very much hope that the motion of the Senator from Tennessee will not prevail.

Mr. FRAZIER. Mr. President, may I call the Senator's attention to the fact that the present amount proposed to be appropriated for the Army alone is \$290,000,000, which is more than twice as much as the Army appropriation for the British Army at the present time.

Mr. REED. Mr. President, that statement has been made several times, but I am perfectly certain it is incorrect. The latest exact figures that I have are for the fiscal year 1930. At that time the British budget for their Army was more than the United States Budget, and that was our high year in our Budget for the Army. In that year Great Britain, with an army twice the size of ours—and she pays them very much less I might say—was spending \$334,937,000.

Mr. FRAZIER. Did not that include their navy and their air force, too?

Mr. REED. Oh, no. Our Army appropriation for that year was \$332,405,000. The British military appropriation does not include their air forces. The American appropriation includes that part of our air force which is attached to the Army.

Mr. CUTTING. Mr. President, may I call the attention of the Senator from North Dakota to the fact that, according to my understanding, the British Army is not employed on any of the public-works programs which in this country we employ our Army to perform.

Mr. REED. The Senator is exactly right. At the present time the British Army is 100,000 men larger than ours.

Mr. FRAZIER. Mr. President, according to the statement of the Senator from Pennsylvania, \$290,000,000 of this bill is for the Army itself. That is not for the river and harbor provisions of the bill at all. The \$290,000,000 is for the Army itself. According to Congressman Collins's statement appearing on page 10249 of the Congressional Record of May 10, the British budget provided for the army, navy, and air force an appropriation of \$364,753,228. The British Army budget alone is but \$127,525,560.

Mr. LA FOLLETTE. Mr. President, I have not voted for any of the motions previously made by the Senator from Tennessee [Mr. McKellar] to return appropriation bills to the committee with instructions to reduce the total amount by 10 per cent. I have not voted for those motions because I did not believe that the civil arm of the Government should be required to bear the entire brunt of the economies to be achieved at this session of Congress. The total expenditure of this Government for past wars and preparation for future wars, 20 years after the World War, amounts, according to a statement made recently by the President of the United States, to about 70 per cent of this year's Budget.

Therefore, Mr. President, the economies attained by the motions of the Senator from Tennessee and by the Senate up until this time have been taken from appropriation bills carrying the funds for the 30 per cent of the Budget which goes to maintain the entire civil arm of the Government. I suggested to the Senator from Tennessee on yesterday that while he had been very successful in cutting the appropriation bills that deal with the civil branches of the Government, and which render daily service to the citizens, when he came to offer similar motions to apply to the Army and Navy appropriation bills he would find a very different attitude on the part of Members of this body.

Mr. McKELLAR. Mr. President-

Mr. LA FOLLETTE. I yield to the Senator from Tennessee.

Mr. McKELLAR. I want to call the Senator's attention to the fact that while there is an apparent reduction in the bill of \$3,000,000 from appropriations for the Army, it does not come from the appropriations for military activities of the Army at all, but it comes from deductions made from appropriations for civil activities of the Army, \$5,000,000 plus being deducted from the appropriations for rivers and harbors alone, so that the bill really provides for an increase over the House appropriations of \$2,000,000 plus.

Mr. LA FOLLETTE. I thank the Senator for his suggestion. It merely emphasizes the point I am making.

Mr. President, I have not been one of those who participated in creating the panic in the public mind concerning the balancing of the Budget; I have not been a party to it either on the floor of the Senate or in anything I have said outside of this Chamber. The fact remains, however, that Members of this body, members of the administration, men in positions of leadership in our economic and financial life, and the press have created a panic in the country concerning the balancing of the Budget. Yet when those same gentlemen are confronted with a proposal to apply to the appropriations for the Army the same rule of economy they have applied to all the civil functions of the Government, they balk: they find excuses not to apply that rule to the one branch of the Federal Government expenditures which, taken with those for the Navy, account for the greater share of the outgo of the money that is gathered in through taxation

Our expenditures, Mr. President, for this purpose following the "war to end war" have been continuously mounting through the years. In 1916, after we had launched a preparedness program, we spent for military activities \$122,392,363; in 1922, after the war, we spent \$329,000,050; in 1923 we expended \$284,112,900; in 1924 the expenditure was \$250,714,592; in 1925 the expenditure was \$262,087,036; in 1926 it was \$267,260,488; in 1927 it was slightly reduced to \$267,124,000; in 1928 it rose to \$294,957,000; in 1929 it jumped to \$313,093,000; in 1930, the first year of the depression, it jumped again to \$325,400,742; and even in 1931 it mounted to \$339,604,259. The expenditures of the United States Government for national defense have increased

from 1913 to 1930 by 197 per cent, the largest increase in such expenditures of any of the great powers of the world. Our total expenditures for armament in 1931 were \$707,-425,000.

A majority of the Senate has been willing, in order to achieve economies, to take 10 per cent out of the pay of the lower-salaried employees of the Federal Government; but, Mr. President, according to Doctor Lubin, a noted economist connected with the Brookings Institute, if the 732,460 civil employees of the Federal Government who are to-day threatened with a cut in wages were to relinquish all their wages and salaries during the coming fiscal year, the savings to the United States Government would hardly be equal to two-thirds of the annual Federal expenditures for past and prospective wars.

One of the items which has been under discussion in this bill is the item for the citizens' military training camps. I wish again to direct the attention of those who hesitate to take the same action in connection with this bill that they have taken regarding all the other appropriation bills which have been considered by this body to the fact that Major General Summerall, when he retired as Chief of Staff, had this to say about the citizens' military training camps:

It is apparent that the camps do not directly serve to promote any military objective. The chief benefit to the Army lies in the increased confidence in its personnel on the part of the civilian population which has followed from the many contacts incident to the conduct of the camps.

In other words, Mr. President, the same gentlemen who have been shouting that drastic economies were necessary in order to maintain the credit structure of the Federal Government now refuse to apply the 10 per cent reduction rule to this bill which they applied to the other appropriation bills. It is evident they will vote to give the Army the money necessary to run the citizens' military training camps for instance when a former chief of staff has indicated that they are of no service so far as a military objective is concerned and that all the money expended for them accomplishes is to help carry on a propaganda among the citizenship of the country for the Army and for larger appropriations for its enlargement and maintenance.

I pointed out early in the afternoon that 339,061 boys participating in the citizens' military training camps have provided only 10 reserve officers; that half of the graduates who accept commissions let them lapse by showing no further interest; and, so far as the Reserve Officers' Training Corps unit is concerned, of 179,000 boys taking drill in educational institutions last year, only 5,150 became reserve officers, there being 833 graduates too young to receive commissions.

The Senate should be more consistent in its attitude toward the appropriation bills. Upon what theory will it refuse to reduce military appropriations and at the same time justify drastically cutting the independent offices appropriation bill, thereby crippling the investigation of the power companies, stopping the investigation of the chain-store organizations, stopping the investigation of the Cement Trust? It is said it is necessary to cut these appropriations in order to maintain the credit structure of the Government; but when the test comes on the Army bill, which accounts for a large percentage of the Government expenditures, the Senate is generous and declines to cut 10 per cent. Senators find excuses for changing their positions, even going so far as to seize upon the remarks made by another Senator as a justification for their inconsistencies.

Much has been said heretofore, Mr. President, relative to the military expenditures of France. I hold in my hand a clipping from the New York Times dated at Paris, June 8, from which I read as follows:

France's new radical socialist government intends to reduce armament appropriations this year by nearly 10 per cent, the figure currently given being 1,500,000,000 francs, or \$60,000,000. The reduction will be distributed among three services—the army, the navy, and the air force.

The nation which has been most militaristic since the war now recognizes that it can no longer maintain the enormous ment.

In January, 1929, the President of the United States had this to say:

In the matter of Army outlay, I am in agreement with the Secretary of War to set up within the General Staff a commission of leading Army officers to reconsider our whole Army program, to see what services and other outlays have become obsolete through advancement of science and war methods, and what development programs can be well spread over longer periods in view of the general world outlook.

In September in a radio address the President said:

To-day we are engaged in a most hopeful discussion with other governments leading to this end

Referring to disarmament.

These are proposals which would relieve the backs of those who toil from gigantic expenditures and the world from the hate and fear which flows from the rivalry in building armaments.

Mr. McKELLAR. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Tennessee?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. While we have that expression from the President, here is what actually happened:

In 1928 there was expended for the Army \$298,000,000. In 1929 there was expended for the Army \$416,000,000.

In 1930 there was expended for the Army \$453,000,000.

In 1931 there was expended for the Army \$478,000,000.

In 1932 there was expended for the Army \$445,000,000. While the President may have taken the position that

he was in favor of reduction, it will be found from the figures, from the actual facts, that during the time he has been President we have had the most extravagant and the costliest Army we have ever had in the history of time.

Mr. LA FOLLETTE. Mr. President, I was about to point out, before the Senator interrupted me, that despite these statements made by the Chief Executive, the appropriations for the Army have been mounting and mounting, mind you, during this period of depression; mounting during the very time when people were talking, in this Chamber and out of it, about reducing Government expenditures. It seems to me that in view of this situation we are entirely justified in pursuing with regard to this bill the course which the Senate has followed with regard to the bills carrying appropriations for the civil activities of the Federal Gov-

Mr. President, the mounting burden of armaments in the world is, no doubt, one of the causes for the prolongation of this depression.

I should like to point out that in Great Britain between 1913 and 1930, armaments rose from \$375,000,000 to \$535,-000,000, an increase of 42 per cent.

In France they rose from \$348,000,000 in 1913 to \$455,-000,000 in 1930, an increase of 30 per cent.

In Italy they rose from \$179,000,000 in 1913 to \$258,000,000 in 1930, an increase of 44 per cent.

In Japan they rose from \$95,000,000 in 1913 to \$232,000,000 in 1930, an increase of 142 per cent.

Mr. GORE. Is that for the army and navy, both?

Mr. LA FOLLETTE. Both.

In Russia they rose from \$447,000,000 in 1913 to \$579,000,000 in 1929, an increase of 30 per cent.

In the United States they rose from \$244,000,000 in 1913 to \$727,000,000 in 1930, an increase of 197 per cent; or, as I said a moment ago, the largest for any great power in the world.

In 1913 the six Governments I have named spent \$1,690,000,000 for armaments. In 1930 they expended \$2,788,000,000, or an increase for the group as a whole of

Mr. President, I hope that the motion offered by the Senator from Tennessee will prevail. I believe that if this bill is sent back to the committee and if the Secretary of War comes before the subcommittee, as the heads of other departments have come before other subcommittees in connection with other appropriation bills, a material saving may be made in this appropriation. I trust that the same | Senator from Illinois [Mr. LEWIS];

expenditure for the maintenance of its military establish-, procedure will be followed with regard to the naval appropriation bill; for unless the Senate adopts the same rule of economy with the Army and the Navy appropriations that have been applied to all of the other appropriation bills, its efforts to bring about economy become a sham and a hypocrisy.

> I, for one, can not see how Senators who have participated in directing public attention to the necessity of balancing the Budget, who have stated here on the floor of the United States Senate that if the Budget was not balanced it would create a run on the American dollar, can vote against this motion. The Senator from Pennsylvania [Mr. REED], in charge of this bill, made an impassioned speech, which I characterized as an unfortunate utterance and could but inevitably have the effect of increasing the panic already created in this country concerning the soundness of the credit structure of this Government. Yet, as the Senator in charge of this appropriation bill for the Army, he is unwilling to vote, as he has voted on other appropriation bills, to send it back to the committee in order to make a substantial reduction in that branch of the service. The Senator from Pennsylvania [Mr. REED] voted to reduce the civil branches of the Government but he declines to reduce the Army by the same percentage.

> I shall vote for this motion because I believe it is a sham on the part of the Senate to cut the civil services of the Government 10 per cent and then to refuse to make the same cut in the Army and Navy upon which we shall expend nearly \$700,000,000 this year.

> The PRESIDENT pro tempore. The Senator from Tennessee [Mr. McKellar] has moved to recommit the bill to the Committee on Appropriations, with instructions to cut the appropriations 10 per cent below the amount contained in the bill as passed by the House, with the exception of the appropriations for the Panama Canal.

> On that question the yeas and nays have been ordered, The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. JONES (when his name was called). Making the same announcement as heretofore with reference to my pair and its transfer, I vote "nay."

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. Harrison]. If he were present, he would vote "yea," and if I were at liberty to vote I should vote "nay."

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from Alabama [Mr. Black]. Were I at liberty to vote, I should vote "nay."

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I understand that if he were present he would vote on this question the same way that I shall vote. I therefore ask to be recorded. I vote "nay."

The roll call was concluded.

Mr. ROBINSON of Indiana. I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. In his absence, not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I transfer my pair to the senior Senator from Rhode Island [Mr. Metcalf], and will vote. I vote "nay."

Mr. BROOKHART. I have a pair with the Senator from Montana [Mr. Walsh]. In his absence I withhold my vote.

Mr. BARKLEY. I have a pair with the junior Senator from Iowa [Mr. Dickinson], who is absent. Not knowing how he would vote, I withhold my vote.

Mr. McNARY. I desire to announce the following general

The Senator from Ohio [Mr. Fess] with the Senator from New York [Mr. COPELAND];

The Senator from South Dakota [Mr. Norbeck] with the

Caraway

Coolidge

Carey

Cohen

The Senator from Delaware [Mr. Hastings] with the Senator from West Virginia [Mr. NEELY]; and

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. Long].

The resul	t was announced	i—yeas 23, na	ays 47, as follows
	YE	AS-23	
Bankhead Blaine Borah Bulow Capper Costigan	Couzens Dill Frazier Gore Hebert Howell	Hull King La Follette Logan McKellar Norris	Nye Shipstead Thomas, Idaho Walsh, Mass. Wheeler
	NA	YS-47	
Ashurst Austin Bailey Barbour Bingham Broussard	Cutting Dale Davis Fletcher George Goldsborough	Kendrick Keyes McGill Moses Oddie Patterson	Smoot Steiwer Thomas, Okla. Townsend Trammell Tydings

Smith NOT VOTING-26

Robinson, Ark.

Sheppard Shortridge

Wagner Walcott

Watson

White

Barkley	Fess	Long	Schall
Black	Glass	McNary	Stephens
Bratton	Glenn	Metcalf	Swanson
Brookhart	Harrison	Morrison	Walsh, Mont.
Byrnes	Hastings	Neely	Waterman
Copeland	Hatfield	Norbeck	
	The state of the s	73-11-11-11-11-11-11-11-11-11-11-11-11-11	

Hawes

Kean

Hayden

Johnson Jones

So Mr. McKellar's motion to recommit the bill, with instructions, was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

Mr. THOMAS of Oklahoma. Mr. President, at this time I desire to introduce a resolution which, if agreed to, would have an effect upon the pending bill and all other appropriation bills. I ask to have the resolution read for the information of the Senate.

The PRESIDENT pro tempore. The Senator from Oklahoma asks unanimous consent to introduce a resolution, which will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 224), as

Resolved. That it be declared the policy of the Senate to eliminate from H. R. 11897 and all other appropriation bills, including bills already enacted, all items for permanent improvements, such as for highway construction, public buildings, public works, flood control, river and harbor improvements, and that such items be ordered considered in connection with the bill for unemployment relief and that the cost of such permanent improvements be met with funds secured from the issuance and

Mr. REED. Mr. President, I ask that the resolution may lie over under the rule.

Mr. THOMAS of Oklahoma. I did not ask for the immediate consideration of the resolution.

The PRESIDENT pro tempore. As a matter of fact, may the Chair state to the Senator from Oklahoma, the resolution may not be introduced except by unanimous consent, because the Senate is already working under a unanimousconsent agreement.

Mr. THOMAS of Oklahoma. Mr. President, I realize that the resolution would not be in order as an amendment to the pending bill. The resolution, if agreed to, would affect a bill which has already been passed, the Interior Department appropriation bill, but that is not in such shape that it could not be reached. That bill contains items which can be taken from it and placed in what might be termed an unemployment relief bill.

This resolution, of course, is subject to a point of order. I could only get it up by unanimous consent, and I serve notice that at the earliest possible time I shall ask unanimous consent for the consideration of the resolution.

The PRESIDENT pro tempore. May the Chair suggest that the Senator ask unanimous consent to introduce the resolution, have it printed, and lie on the table?

Mr. THOMAS of Oklahoma. I make that request.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment proposed by the committee, which will be stated.

The CHIEF CLERK. On page 9, line 21, strike out "\$4,648,-006" and insert "\$6,281,824," so as to read:

Rental allowances, including allowances for quarters for enlisted men on duty where public quarters are not available, \$6,281,824.

The amendment was agreed to.

The next amendment was, on page 9, line 22, to strike out "\$5,122,479" and to insert "\$5,928,389," so as to read:

Subsistence allowances, \$5,928,389, and the rental and subsistence allowances for the fiscal year 1933 shall be the same as for the fiscal year 1932, subject to such reduction therein as may be necessary under the provisions of section 102, Part II, of the legislative appropriation act for the fiscal year 1933.

The amendment was agreed to.

The next amendment was, on page 10, line 9, to change the appropriation for pay, etc., of the Army from "\$133,-257,790" to "\$137,042,204," and in line 12, after the word "discharges," to strike out "£132,457,790" and insert "\$136,242,204," so as to read:

In all, \$137.042.204, less \$800,000 to be supplied by the Secretary of War for this purpose from funds received during the fiscal year 1933 from the purchase by enlisted men of the Army of their discharges, \$136,242,204; and the money herein appropriated for "Pay, etc., of the Army" shall be accounted for as one fund.

The amendment was agreed to.

The next amendment was, on page 10, line 15, after the word "Provided," to strike out:

That no part of this appropriation shall be available to pay any officer detailed as a military aide to any civil officer of the United States outside of the War Department except the President.

The amendment was agreed to.

The next amendment was, on page 10, commencing in line 18 to strike out:

Provided further, That no appropriation contained in this act shall be available for or on account of the maintenance of more than 50 military attachés.

The amendment was agreed to.

The next amendment was, on page 10, commencing in line 21. to strike out:

Provided further, That no appropriation contained in this act shall be available for or on account of the maintenance of more than 83 bands: Provided further.

The amendment was agreed to.

The next amendment was, on page 11, line 2, after "sec. 803)," to strike out the colon and the following additional

Provided further, That after September 30, 1932, the sum herein appropriated for the pay of officers shall not be used for the pay of more than 10,000 commissioned officers on the active list of the Regular Army.

The amendment was agreed to.

The next amendment was, on page 11, line 6, to strike out the following additional proviso:

Provided further, That after September 30, 1932, the number of officers of the line and promotion list officers on the active list of the Regular Army shall not exceed 8,930, to be distributed among the following grades in the proportion now authorized by law, namely: 17 in the grade of major general, 37 in the grade of brigadier general, 384 in the grade of colonel, 473 in the grade of lieutenant colonel, 1,411 in the grade of major, and 2,822 in the grade of captain, and in the grades of first and second lieutenant the total number shall not exceed 3,786.

The amendment was agreed to.

The next amendment was, on page 11, commencing in line 19, to strike out the following additional proviso:

Provided further, That hereafter no promotion shall be made to fill a vacancy in any of the several grades designated unless such promotion be necessary within the number of such grade as herein prescribed.

The amendment was agreed to.

The next amendment was, on page 11, after line 22, to strike out the following additional proviso:

Provided further, That upon the approval of this act, the President shall first select the general officers to be removed from the active list of the Army, and from the general officers remaining on the active list the President shall convene a board of five general officers, who shall select the officers to be removed from the active list in consequence hereof, and the action of such selection board as to the officers to be removed from the active list shall be final.

The next amendment was, on page 12, after line 5, to strike out the following additional proviso:

Provided further, That any officer may be retired upon his own application if same be filed prior to September 1, 1932.

The amendment was agreed to.

The next amendment was, on page 12, line 8, to strike out the following additional proviso:

Provided further, That the selection by the board aforesaid of the officers to be removed from the active list shall be made solely on the basis of comparative ability, efficiency, and physical fitness, as disclosed by all now existing efficiency reports and other pertinent official War Department records, and that no removals hereunder shall be made of officers permanently commissioned in the Air Corps or the Judge Advocate General's Department, and that any person who, by any means whatsoever, shall attempt to influence or interfere with the action of said selection board in its work of reduction with respect to the retirement of any officer of the Army shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine of not more than \$1,000 or imprisonment for not more than one year, or both, at the discretion of the court.

The amendment was agreed to.

The next amendment was, on page 12, line 23, to strike out the following additional proviso:

Provided further, That all officers selected for removal from the active list in consequence hereof shall be placed on the unlimited retired list with pay at the rate of 75 per cent of active pay.

The amendment was agreed to.

The next amendment was, on page 13, after line 3, to strike out:

Hereafter no person holding a civil office or position, appointive or elective, under the Federal Government or the municipal government of the District of Columbia or under any corporation, a majority of the capital stock of which is owned by the Government of the United States, shall be entitled, during the period of such incumbency, to retired pay from the United States for or on account of services as a commissioned officer in the military forces of the United States at a rate in excess of an amount which when combined with the annual rate of compensation from any such civil office or position, makes the total rate from both sources more than \$3,000; and when the retired pay amounts to or exceeds the rate of \$3,000 per annum such person shall be entitled to the pay of the civil office or position or the retired pay, whichever he may elect: Provided, That the term "retired pay" shall be construed to include credits for all military or naval service as lawfully may enter into the computation thereof.

The amendment was agreed to.

The next amendment was, on page 14, after line 22, to strike out:

TRAVEL, MILITARY AND CIVIL PERSONNEL

For mileage, reimbursement of actual traveling expenses, or per diem allowances in lieu thereof, as authorized by law for official travel on military and nonmilitary duty under the War Department, to commissioned officers (including discharged officers to their homes), warrant officers, contract surgeons, and expert accountant, Inspector General's Department; for transportation of troops, Philippine Scouts, nurses, flying cadets, enlisted men (including discharged enlisted men to their homes or places of enlistment); for transportation of recruits and recruiting parties and of applicants for enlistment between recruiting stations and recruiting depots; and rejected applicants for enlistment; for transportation of dependents of officers, warrant officers, and enlisted men as provided by law; for transportation of general, paroled, escaped, and discharged prisoners and persons discharged from St. Elizabeths Hospital after transfer thereto from the military service to their homes or elsewhere as they may elect, the cost in each case not to be greater than to the place of last enlistment; transportation of cadets and accepted cadets from their homes to the Military Academy and discharged cadets, including reimbursement of traveling expenses; for traveling expenses of civilian witnesses before courts-martial; for traveling expenses of civilian employees; for traveling expenses of civilian employees; for traveling expenses of civilian employees; and other persons under the War Department authorized by law to travel on departmental, military, and nonmilitary duty; and for examination of estimates of appropriations and of military activities in the field, \$4,126,865, of which sum \$737,478 shall be available exclusively on account of travel in connection with river and harbor and flood control activities under the Corps of Engineers, and no other appropriation in this act shall be available for any expense for or incident to travel of personnel of the Regular Army or civilian employees under the War Department, except t

The amendment was agreed to.

The next amendment was, on page 16, after line 14, to insert:

MILEAGE OF THE ARMY

For mileage, reimbursement of actual traveling expenses, or per diem allowances in lieu thereof, as authorized by law, to commissioned officers, warrant officers, contract surgeons, and expert accountant, Inspector General's Department, \$506,250.

Mr. FRAZIER. Mr. President, I would like to have an explanation of that insertion in lines 15 to 20, page 16.

Mr. REED. Mr. President, that is a part of the larger item, which, the Senator will see, was stricken out, ending on line 14, page 16. We have put back into a separate provision the appropriation for various items of travel; but we have not increased by a single cent the amount allowed by the House for travel. That is the explanation for many of these changes.

The PRESIDENT pro tempore. The question is on the amendment.

The amendment was agreed to.

The next amendment was, under the subhead "Expenses of courts-martial," on page 17, line 2, to strike out "\$55,700" and insert "\$58,925," so as to read:

For expenses of courts-martial, courts of inquiry, military commissions, retiring boards, and compensation of reporters and witnesses attending same, contract stenographic reporting services, and expenses of taking depositions and securing other evidence for use before the same, \$58,925.

The amendment was agreed to.

The next amendment was, under the subhead "Apprehension of deserters," and so forth, on page 17, line 13, after the word "discharge," to strike out "\$110,000" and insert "\$30,000," so as to read:

For the apprehension, securing, and delivering of soldiers absent without leave and of deserters, including escaped military prisoners, and the expenses incident to their pursuit; and no greater sum than \$50 for each deserter or escaped military prisoner shall, in the discretion of the Secretary of War, be paid to any civil officer or citizen for such services and expenses; for a donation of \$10 to each prisoner discharged otherwise than honorably upon his release from confinement under court-martial sentence involving dishonorable discharge, \$30,000.

The amendment was agreed to.

The next amendment was, under the subhead "Quarter-master Corps," on page 20, line 3, after the words "in all," to increase the appropriation for subsistence of the Army from \$11,714,792 to \$11,815,498.

The amendment was agreed to.

The next amendment was, on page 21, line 23, after the figures "\$3,904,926," to strike out the colon and the following proviso:

Provided, That no appropriation in this act shall be available for the purchase of electric ranges for buildings or quarters supplied with gas for cooking purposes or for buildings or quarters upon reservations to which such gas is supplied.

Mr. FRAZIER. Mr. President, I can not understand why this proviso should be stricken out. I do not know what the amount of the expenditure would be if it were left in. The appropriation to which it refers is \$3,904,926. The House has put in the proviso that no electric ranges shall be bought where gas is available. I can not see for the life of me why there should be; and I can not see why the committee struck the proviso out.

Mr. REED. Mr. President, that was stricken out on the report of the War Department that there are some posts at which electricity is so cheap that they save money by using electricity instead of any other fuel. Of course, that is not true in most posts, but there are some of them where hydroelectric works are right near by, where they can do their cooking cheaper by electricity than by coal or gas. That is the only reason why the proviso was stricken out.

Mr. FRAZIER. It seems to me strange, Mr. President, that the House committee would not have the same information the Senate committee had.

Mr. REED. If the Senator will yield, I will say that that is one of several items which the House committee inserted apparently without any evidence one way or the other.

Mr. FRAZIER. I do not know that it makes any difference, but where gas is already piped into buildings, it looks rather strange that they would be allowed to spend Government money for electric ranges.

Mr. REED. The War Department assures us that in every case they will adopt that course which is the cheapest, which will save the most money.

Mr. FRAZIER. I am not so sure that the War Department always carries out that kind of a promise. It seems to me that they have been mighty extravagant in many instances in their expenditures. I am afraid this is one of them, and that the reason is that the wife of the Army officer feels that she would prefer an electric range instead of a gas range because it is cooler in the summer time to have an electric range.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 23, line 9, after the word "reasons," to strike out "\$6,776,519" and insert "\$6,300,000," so as to read:

Clothing and equipage: For cloth, woolens, materials, and for the purchase and manufacture of clothing for the Army, including retired enlisted men when ordered to active duty, for issue and for sale; for payment of commutation of clothing due to warrant officers of the Mine Planter Service and to enlisted men; for altering and fitting clothing and washing and cleaning when necessary; for operation of laundries, including purchase and repair of laundry machinery; for the authorized issues of laundry materials for use of general prisoners confined at military posts without pay or allowances, and for applicants for enlistment while held under observation; for equipment and repair of equipment of dry-cleaning plants, salvage and sorting storehouses, hat-repairing shops, shoe-repair shops, clothing-repair shops, and garbage-reduction works; for equipage, including authorized issues of toilet articles, barbers' and tailors' materials, for use of general prisoners confined at military posts without pay or allowances and applicants for enlistment while held under observation; issue of toilet kits to recruits upon their first enlistment, and issue of housewives to the Army; for expenses of packing and handling and similar necessaries; for a suit of citizens' outer clothing and when necessary an overcoat, the cost of all not to exceed \$30, to be issued to each soldier discharged otherwise than honorably, to each enlisted man convicted by civil court for an offense resulting in confinement in a penitentiary or other civil prison, and to each enlisted man ordered interned by reason of the fact that he is an alien enemy, or, for the same reason, discharged without internment; for indemnity to officers and men of the Army for clothing and bedding, and so forth, destroyed since April 22, 1898, by order of medical officers of the Army for sanitary reasons, \$6,300,000, of which amount not exceeding \$60,000 shall be available immediately for the procurement and transportation of fuel for the service of the fiscal year 1933.

The amendment was agreed to.

The next amendment was, on page 24, line 6, after the word "departments," to strike out "\$3,809,251" and insert "\$3,709,251," so as to read:

Incidental expenses of the Army: Postage; hire of laborers in the Quartermaster Corps, including the care of officers' mounts when the same are furnished by the Government; compensation of clerks and other employees of the Quartermaster Corps, including not to exceed \$15,750 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (46 Stat. p. 818), and clerks, foremen, watchmen, and organist for the United States Disciplinary Barracks, and incidental expenses of recruiting; for the operation of coffee-roasting plants; for tests and experimental and development work and scientific research to be performed by the Bureau of Standards for the Quartermaster Corps; for inspection service and instruction furnished by the Department of Agriculture which may be transferred in advance; for such additional expenditures as are necessary and authorized by law in the movements and operation of the Army and at military posts, and not expressly assigned to any other departments, \$3,709,251.

The amendment was agreed to.

The next amendment was, in the item for Army transportation, on page 24, line 15, after the word "transportation," to strike out "For transportation of Army supplies; of authorized baggage, including packing and crating" and to insert:

For transportation of the Army and its supplies, including retired enlisted men when ordered to active duty; of authorized baggage, including that of retired officers, warrant officers, and enlisted men when ordered to active duty and upon relief therefrom, and including packing and crating; of recruits and recruiting parties; of applicants for enlistment between recruiting stations and recruiting depots; of necessary agents and other employees, including their traveling expenses; of dependents of officers and enlisted men as provided by law; of discharged prisoners and persons discharged from St. Elizabeths Hospital after transfer thereto from the military service to their homes (or elsewhere as they may elect): Provided, That the cost in each case shall not be greater than to the place of last enlistment.

Mr. REED. Mr. President, I ask that that amendment may be passed over for a moment. Apparently a line has been omitted by the printer.

The PRESIDENT pro tempore. Without objection, the amendment will be temporarily passed over.

The next amendment was, on page 25, line 16, after the word "allowances," to insert "to officers and enlisted men on discharge," so as to read:

For travel allowances to officers and enlisted men on discharge, to officers of National Guard on discharge from Federal service as prescribed in the act of March 2, 1901 (U. S. C., title 10, sec. 751), and to enlisted men of National Guard on discharge from Federal service, as prescribed in amendatory act of September 22, 1922 (U. S. C., title 10, sec. 752), and to members of the National Guard who have been mustered into Federal service and discharged on account of physical disability.

The amendment was agreed to.

The next amendment was, in the item for Army transportation, on page 25, line 24, after the words "in all," to strike out "\$9,555,854" and insert "\$12,078,734," so as to read:

In all, \$12,078,734, of which amount not exceeding \$250,000 shall be available immediately for the procurement and transportation of fuel for the service of the fiscal year 1933.

The amendment was agreed to.

The next amendment was, on page 26, line 10, after the word "types," to insert "except those that are procured solely for experimental purposes," so as to make the proviso read:

Provided, That no part of this appropriation shall be available for the purchase or exchange of motor-propelled passenger-carrying vehicles other than not exceeding \$80,000 for the purchase or exchange of motor-propelled ambulances and motor cycles, and not exceeding \$150,000 of this appropriation shall be available for the purchase or exchange of motor-propelled trucks, including station-wagon types, except those that are procured solely for experimental purposes.

The amendment was agreed to.

The next amendment was, on page 26, commencing in line 11, to strike out the following additional proviso:

Provided jurther, That no appropriation contained in this act shall be available for any expense for or incident to the transportation of privately owned automobiles except on account of the return to the United States of such privately owned automobiles as may be in transit to or from points outside of the continental limits of the United States or have been transported to such outside points at public expense on or by the date of the approval of this act.

The amendment was agreed to.

The next amendment was, on page 26, commencing in line 18, to strike out the following additional proviso:

Provided further, That no appropriation contained in this act shall be available for any expense for or incident to the maintenance, operation, or repair of any motor-propelled vehicle procured out of appropriations for the Regular Army that may be transferred to the custody and maintenance of any of the civil components of the Regular Army or to any of the activities embraced by Title II of this act that is more than 2 years old from the date of purchase at the time of such transfer.

The amendment was agreed to.

The next amendment was, under subhead "Signal Corps, Signal Service of the Army," on page 32, line 24, after the name "Signal Corps," to insert "mileage or other travel allowances of officers and traveling expenses of employees traveling on duty in connection with the Signal Service of the Army," so as to read:

Telegraph and telephone systems: Purchase, equipment, operation, and repair of military telegraph, telephone, radio, cable, and signaling systems; signal equipment and stores, heliographs, signal lanterns, flags, and other necessary instruments; wind vanes, barometers, anemometers, thermometers, and other meteorological instruments; photographic and cinematographic work performed for the Army by the Signal Corps; mileage or other travel allowances of officers, and traveling expenses of employees traveling on duty in connection with the Signal Service of the Army.

The amendment was agreed to.

Mr. JOHNSON. Mr. President, would an amendment be in order making an addition to a part of the bill now under consideration?

The PRESIDENT pro tempore. An amendment to a committee amendment is in order. An amendment to the House text is not yet in order.

Mr. JOHNSON. My amendment is not to a committee amendment, so I shall have to offer it subsequently.

The PRESIDENT pro tempore. It will be in order when the stage of individual amendments is reached.

Mr. WHEELER. Mr. President, may we have an explanation of the amendment on page 26, beginning with line 11?

Mr. REED. Mr. President, that language was stricken out because it was completely covered by our action on the economy bill yesterday. We did not see any use in duplicating it.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The next amendment was, on page 34, line 17, to increase the appropriation for telegraph and telephone systems, Signal Service of the Army, from \$2,525,634 to \$2,544,275.

The amendment was agreed to.

The next amendment was, under the subhead "Air Corps-Air Corps, Army," on page 35, line 20, after the word "necessary" to insert a comma and "and payment of their traveling and other necessary expenses as authorized by existing law," so as to read:

For creating, maintaining, and operating, at established flying schools and balloon schools, courses of instruction for officers, students, and enlisted men, including cost of equipment and supplies necessary for instruction, purchase of tools, equipment and supplies necessary for instruction, purchase of tools, equipment, materials, machines, textbooks, books of reference, scientific and professional papers, instruments, and materials for theoretical and practical instruction; for maintenance, repair, storage, and professional papers, instruments, and materials for theoretical and practical instruction; for maintenance, repair, storage, and operation of airships, war balloons, and other aerial machines, including instruments, materials, gas plants, hangars, and repair shops, and appliances of every sort and description necessary for the operation, construction, or equipment of all types of aircraft, and all necessary spare parts and equipment connected therewith and the establishment of landing and take-off runways; for purchase of supplies for securing, developing, printing, and reproducing photographs in connection with aerial photography; improvement, equipment, maintenance, and operation of plants for testing and experimental work, and procuring and introducing water, electric light and power, gas, and sewerage, including maintenance, operation, and repair of such utilities at such plants; for the procurement of helium gas; salaries and wages of civilian employees as may be necessary, and payment of their traveling and other necessary expenses as authorized by existing law. existing law.

The amendment was agreed to.

The next amendment was, on page 37, line 4, to increase the appropriation for the Air Corps of the Army from \$25,307,816 to \$25,439,131.

The amendment was agreed to.

The next amendment was, on page 37, line 5, after the word "exceed," to strike out "\$3,728,401" and insert "\$3,-758,401"; in line 6, after the word "pay," to insert "and expenses"; in line 11, after the word "exceeding," to strike out "\$2,813,077" and insert "\$2,821,567"; and in line 21, after the word "accessories," to strike out "not less than \$5,924,010 shall be expended, other than for pay of civilian employees, for aviation fuel and oil, and for the repair and maintenance of airplanes and their equipment, spare parts, and accessories," so as to make the proviso read:

Provided, That not to exceed \$3,758,401 from this appropriation may be expended for pay and expenses of civilian employees other than those employed in experimental and research work; not exthan those employed in experimental and research work; not exceeding \$9,000 may be expended for the procurement of helium from the Bureau of Mines, of which sum such amounts as may be required may be transferred in advance to that bureau; not exceeding \$2,821,567 may be expended for experimental and research work with airplanes or lighter-than-air craft and their equipment, including pay of necessary civilian employees; not exceeding \$100 may be expended for the production of lighter-than-air equipment; not less than \$11,525,728 shall be expended for the production or purchase of new airplanes and their equipment, spare parts, and accessories, of which \$9,017,152 shall be available exclusively for combat airplanes, their equipment, spare parts and accessories; and not more than \$6,000 may be expended for settlement of claims (not exceeding \$250 each) for damages to persons and private property resulting from the operation of aircraft at home and abroad when each claim is substantiated by a survey report of a board of officers appointed by the commanding officer of the nearest aviation post and approved by the Chief of Air Corps and the Secretary of War.

The amendment was agreed to.

The next amendment was, under the subhead "Engineer School," on page 42, line 11, after the word "expenses," to strike out "\$20,000" and insert "and for travel expenses of officers on journeys approved by the Secretary of War and made for the purpose of instruction, \$20,900: Provided,

That the traveling expenses herein provided for shall be in lieu of mileage and other allowances," so as to read:

For equipment and maintenance of the Engineer School, including purchase and repair of instruments, machinery, implements, models, boats, and materials for the use of the school and to provide means for the theoretical and practical instruction of Engineer officers and troops in their special duties as sappers and miners; for land mining, pontoniering, and signaling; for purchase and binding of scientific and professional works, papers, and periodicals treating on military engineering and scientific subjects; for textbooks and books of reference for the library of the United States Engineer School; for incidental expenses of the school, including chemicals, stationery, hardware, machinery, and boats; for pay of civilian clerks, draftsmen, electricians, mechanics, and laborers; for compensation of civilian lecturers; and for unand laborers; for compensation of civilian lecturers; and for unforeseen expenses, and for travel expenses of officers on journeys approved by the Secretary of War and made for the purpose of instruction, \$20,900: Provided, That the traveling expenses herein provided for shall be in lieu of mileage and other allowances.

The amendment was agreed to.

The next amendment was, under the subhead "Engineer operations in the field," on page 43, line 13, after the word "depots," to strike out "\$175,000" and insert "\$175,610," so as to read:

For expenses incident to military engineer operations in the For expenses incident to military engineer operations in the field, including the purchase of material and a reserve of material for such operations, the rental of storehouses within and outside of the District of Columbia, the operation, maintenance, and repair of horse-drawn and motor-propelled passenger-carrying vehicles; for the execution of topographic and other surveys and preparation and reproduction of maps for military purposes, and for research and development of surveying by means of aerial photography and in field reproduction methods; for services of surveyors, survey parties, draftsmen, photographers, master laborers, clerks, and other employees to Engineer officers on the staffs of division, corps area, and department commanders, and such of division, corps area, and department commanders, and such expenses as are ordinarily provided for under the appropriation for "Engineer depots," \$175,610.

The amendment was agreed to.

The next amendment was, under the subhead "Ordnance Department—Ordnance service and supplies, Army," on page 44, line 19, after the word "each," to strike out "\$9,805,734" and insert "and necessary traveling expenses, \$9.832,715," so as to read:

For manufacture, procurement, storage, and issue, including research, planning, design, development, inspection, test, alteration, maintenance, repair, and handling of ordnance material, together with the machinery, supplies, and services necessary thereto; for supplies and services in connection with the general work of the Ordnance Department, comprising police and office duties, rents, tolls, fuel, light, water, advertising, stationery, type-writing, and computing machines, including their exchange, and furniture, tools, and instruments of service; to provide for training and other incidental expenses of the ordnance service; for instruction purposes, other than tuition; for maintenance, repair, and operation of motor-propelled and horse-drawn freight and passenger-carrying vehicles; for ammunition for military salutes at Government establishments, and institutions to which the issues of arms for salutes are authorized; for services, material, tools, and appliances for operation of the testing machines and chemical laboratory in connection therewith; for publications for toois, and appliances for operation of the testing machines and chemical laboratory in connection therewith; for publications for libraries of the Ordnance Department, including the Ordnance Office, including subscriptions for periodicals; for services of not more than four consulting engineers as the Secretary of War may deem necessary, at rates of pay to be fixed by him not to exceed \$50 per day for not exceeding 50 days each, and necessary traveling expenses, \$9,832,715.

The amendment was agreed to.

The next amendment was, on page 44, line 21, after the word "available," to strike out "exclusively for the purchase of five convertible armored tanks" and insert "for the procurement of tank or combat cars," so as to make the proviso read:

Provided, That \$200,000 of this appropriation shall be available for the procurement of tank or combat cars.

The amendment was agreed to.

The next amendment was, under the subhead "Repairs of arsenals," on page 45, line 9, after the word "available," to strike out "exclusively," so as to read:

For repairs and improvements of ordnance establishments, and to meet such unforeseen expenditures as accidents or other contingencies may require, \$807,881, of which amount \$20,000 shall be available for dredging in connection with the hydroelectric power plant, Rock Island Arsenal.

The next amendment was, under the subhead "Gauges, I dies, and jigs for manufacture," on page 45, at the end of line 17, to strike out "\$74,200" and insert "\$74,800," so as to read:

For the development and procurement of gauges, dies, jigs, and other special aids and appliances, including specifications and detailed drawings, to carry out the purpose of section 123 of the national defense act, approved June 3, 1916 (U. S. C., title 50, sec. 78), \$74,800.

The amendment was agreed to.

The next amendment was, under the subhead "Seacoast defenses," on page 49, line 1, after the name "United States," to strike out "\$996,249" and insert "\$997,986," so

For all expenses incident to the preparation of plans and the construction, purchase, installation, equipment, maintenance, repair, and operation of fortifications and other works of defense, and their accessories, including personal services, maintenance of channels to submarine mine wharves, purchase of lands and rights of way as authorized by law, and experimental, test, and development work, as follows: United States, \$997,986.

The amendment was agreed to.

The next amendment was, on page 49, line 2, after the word "departments," to strike out "\$668,365" and insert "\$669,708," so as to read:

Insular departments, \$669,708.

The amendment was agreed to.

The next amendment was, on page 49, line 3, after the name "Panama Canal," to strike out "\$670,202" and insert "\$670,442," so as to read:

Panama Canal, \$670,442.

The amendment was agreed to.

The next amendment was, in the item for seacoast defenses, on page 49, line 4, after the words "in all," to strike out "\$2,334,816" and insert "\$2,338,136," so as to read: in all, \$2,338,136.

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance, United States Military Academy," on page 49, line 24, after the word "expressage," to insert "transportation of cadets and accepted cadets from their homes to the Military Academy, and discharged cadets, including reimbursement of traveling expenses," and on page 50, line 23, after the words "in all," to strike out "\$1,123,354" and insert "\$1,154,589," so as to read:

For text and reference books for instruction; increase and expense of library (not exceeding \$6,000); office equipment and supplies; stationery, blank books, forms, printing and binding, and periodicals; diplomas for graduates (not exceeding \$1,100); expense of lectures; apparatus, equipment, supplies, and materials for purpose of instruction and athletics, and maintenance and repair thereof; musical instruments and maintenance of band; care and maintenance of organ; equipment for cadet mess; postage telephones and telegrams; freight and expressage; transand repair thereof; musical instruments and maintenance of band; care and maintenance of organ; equipment for cadet mess; postage, telephones, and telegrams; freight and expressage; transportation of cadets and accepted cadets from their homes to the Military Academy, and discharged cadets, including reimbursement of traveling expenses; for payment of commutation of rations for the cadets of the United States Military Academy in lieu of the regular establishment ration; maintenance of children's school (not exceeding \$12,200); contingencies for superintendent of the academy, to be expended in his discretion (not to exceed \$3,500); expenses of the members of the Board of Visitors (not exceeding \$1,500); contingent fund, to be expended under the direction of the Academic Board (not exceeding \$500); improvement, repair, and maintenance of buildings and grounds (including roads, walls, and fences); shooting galleries and ranges; cooking, heating, and lighting apparatus and fixtures and operation and maintenance thereof; maintenance of water, sewer, and plumbing systems; maintenance of and repairs to cadet camp; fire-extinguishing apparatus; machinery and tools and repair of same; maintenance, repair, and operation of motor-propelled vehicles; policing buildings and grounds; furniture, refrigerators, and lockers for Government-owned buildings at the academy and repair and maintenance thereof; fuel for heat, light, and power; and other necessary incidental expenses in the discretion of the superintendent; in all, \$1,154,589. \$1,154,589.

The amendment was agreed to.

The next amendment was, on page 50, after line 23, to

When approved by the President, not to exceed 15 per cent of each of the amounts hereinbefore appropriated under the sub-

title "Military activities" shall be available interchangeably for expenditure on the objects named, but no one item shall be increased by more than 15 per cent: *Provided*, That any such transfers shall be reported to Congress in the annual Budget.

The amendment was agreed to.

The next amendment was, under the subhead "Arms, uniforms, equipment, etc., for field service, National Guard," on page 53, line 12, after the word "sums," to strike out "herein appropriated" and insert "appropriated for in this act," so as to read:

To procure by purchase or manufacture and issue from time to time to the National Guard, upon requisition of the governors of the several States and Territories, or the commanding general, National Guard of the District of Columbia, such military equip-National Guard of the District of Columbia, such military equipment and stores of all kinds and reserve supply thereof, including horses conforming to the Regular Army standards for use of the cavalry, field artillery, and mounted organizations of the National Guard, as are necessary to arm, uniform, and equip for field service the National Guard of the several States, Territories, and the District of Columbia, and to repair such of the aforementioned articles of equipage and military stores as are or may become damaged when, under regulations prescribed by the Secretary of War, such repair may be determined to be an economibecome damaged when, under regulations prescribed by the Secretary of War, such repair may be determined to be an economical measure and as necessary for their proper preservation and use, \$5,886,849, of which not to exceed \$908,745 shall be available for the production and purchase of new airplanes and their equipment, spare parts and accessories, and all of the sums appropriated for in this act on account of the National Guard shall be accounted for as one fund.

Mr. REED. Mr. President, apparently there is a misprint there. I move to amend the committee amendment by striking out the word "for," so it will read "sums appropriated in this act."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 53, line 15, after the word "hereby," to strike out "directed" and insert "authorized," so as to make the proviso read:

Provided, That the Secretary of War is hereby authorized to issue from surplus or reserves stores and material on hand and purchased for the United States Army such articles of clothing and equipment and Field Artillery, Engineer, and Signal material and ammunition as may be needed by the National Guard organized under the provisions of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916 (U. S. C., title 32, sec. 21), as amended. This issue shall be made without charge against militia appropriations except for actual expenses incident to such issue.

The amendment was agreed to.

The next amendment was, under the heading "Citizens' military training-Reserve Officers' Training Corps," on page 61, line 1, after the figures "1928," to strike out the colon and the following additional proviso:

Provided further, That none of the funds appropriated in this act shall be available for any expense on account of any student in Air Corps, Medical Corps, Dental Corps, or Veterinary units not a member of such units on May 5, 1932, but such stoppage of further enrollments shall not interfere with the maintenance of existing units. existing units:

The amendment was agreed to.

The next amendment was, on page 64, line 18, after the words "insignia," to insert "for the transportation of employees, instructors, and civilians to engage in practice." and in line 24, after the designation "Secretary of War," to strike out "\$28,650" and insert "\$33,650," so as to read:

NATIONAL BOARD FOR PROMOTION OF RIFLE PRACTICE, ARMY QUARTERMASTER SUPPLIES AND SERVICES FOR RIFLE RANGES FOR CIVILIAN INSTRUCTION

To establish and maintain indoor and outdoor rifle ranges for the use of all able-bodied males capable of bearing arms, under reasonable regulations to be prescribed by the National Board for the Promotion of Rifle Practice and approved by the Secretary of War; for the employment of labor in connection with the estab-War, for the employment of labor in connection with the establishment of outdoor and indoor rifle ranges, including labor in operating targets; for the employment of instructors; for clerical services, including not exceeding \$25,000 in the District of Columbia; for badges and other insignia; for the transportation of employees, instructors, and civilians to engage in practice; for the purchase of materials, supplies, and services, and for expenses incidental to instruction of citizens of the United States in marksmanship, and their participation in national and international matches, to be expended under the direction of the Secretary of War, \$33,650. War. \$33,650.

The next amendment was, under the subhead "Ordnance | equipment for rifle ranges for civilian instruction," on page 66, after line 2, to strike out:

No appropriation contained in this act shall be available for expenditures for or incidental to the manufacture and/or production of wearing apparel for enlisted men of the Regular Army in Government factories or establishments.

The amendment was agreed to.

The next amendment was, under Title II, "Nonmilitary activities of the War Department, Quartermaster Corps, cemeterial expenses," on page 67, line 19, after the name "Rock Island," to strike out "\$830,237" and insert "\$847.862," so as to read:

"\$847,862," so as to read:

For maintaining and improving national cemeteries, including fuel for and pay of superintendents and the superintendent at Mexico City, laborers and other employees; purchase of tools and materials; purchase of six motor-propelled freight-carrying vehicles at a total cost not to exceed \$5,750, and for the repair, maintenance, and operation of motor vehicles; care and maintenance of the Arlington Memorial Amphitheater, chapel, and grounds in the Arlington National Cemetery, and permanent American cemeteries abroad, including not to exceed \$2,256 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (46 Stat., p. 818); for repair to roadways, but not to more than a single approach road to any national cemetery constructed under special act of Congress; for headstones for unmarked graves of soldiers, sailors, and marines under the acts approved March 3, 1873 (U. S. C., title 24, sec. 279). February 3, 1879 (U. S. C., title 24, sec. 280). March 9, 1906 (34 Stat., p. 56), March 14, 1914 (33 Stat., p. 768), and February 26, 1929 (U. S. C., Supp. V, title 24, sec. 280a), and civilians interred in post cemeteries; for recovery of bodies and the disposition of remains of military personnel and civilian employees of the Army under act approved March 9, 1928 (U. S. C., Supp. V, title 10, sec. 916); for the care, protection, and maintenance of the Confederate Mound in Oakwood Cemetery at Chicago, the Confederate Stockade Cemetery at Johnstons Island, the Confederate burial plats owned by the United States in Confederate Cemetery at North Alton, the Confederate Cemetery, Camp Chase, at Columbus, the Confederate Section in Greenlawn Cemetery at Indianapolis, the Confederate Cemetery at Point Lookout, and the Confederate Cemetery at Rock Island, \$847,862.

The amendment was agreed to.

The next amendment was, on page 68, line 2, after the word "village," to strike out the colon and the following additional proviso:

Provided further, That no part of the appropriation "Pilgrimage of Gold Star Mothers and World War Widows, 1930-December 31, 1933," shall be available for the payment of steamship accommodations reserved and not used.

The amendment was agreed to.

The next amendment was, on page 68, line 20, after the word "duty," to strike out "\$6,020" and insert "\$6,057," so

For repair and preservation of monuments, tablets, observation tower, roads, fences, etc., made and constructed by the United States upon public lands within the limits of the Antietam battle-field, near Sharpsburg, Md.; for maintenance, repair, and operation of motor vehicles, and for pay of superintendent, said superin-tendent to perform his duties under the direction of the Quartermaster Corps and to be selected and appointed by the Secretary of War, at his discretion, the person selected for this position to have been either a commissioned officer or enlisted man who has been honorably mustered out or discharged from the military service of the United States and who may have been disabled for active field service in line of duty, \$6,057.

The amendment was agreed to.

The next amendment was, on page 69, line 13, after the word "highways," to strike out "\$59,728" and insert "\$59,880," so as to read:

NATIONAL MILITARY PARKS

CHICKAMAUGA AND CHATTANOOGA NATIONAL MILITARY PARK

For continuing the establishment of the park; compensation and expenses of the superintendent, maps, surveys, clerical and other assistance; maintenance, repair, and operation of one motor-propelled passenger-carrying vehicle; maintenance, repair, and operation of one horse-drawn passenger-carrying vehicle; office and all other necessary expenses; foundations for State monuments; mowing; historical tablets, iron and bronze; iron gun carriages; roads and their maintenance, including posts and guard rails on highways, \$59,880.

The amendment was agreed to.

The next amendment was, on page 69, line 22, to strike out "\$7,299" and insert "\$7,374," so as to read:

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FORT DONELSON NATIONAL MILITARY PARK

For care and maintenance of the Fort Donelson National Military Park established on the battlefield of Fort Donelson, Tenn., in accordance with the provisions of the act approved March 26, 1928 (U. S. C., Supp. V, title 16, secs. 428-428j), including personal services, procurement of supplies and equipment, and all other expenses incident to the care and maintenance of the park, a7, 374

The amendment was agreed to.

The next amendment was, on page 70, line 5, after the word "vehicle," to strike out "\$14,700" and insert "\$14,925," so as to read:

FREDERICKSBURG AND SPOTSYLVANIA COUNTY BATTLEFIELDS MEMORIAL

For continuing the establishment of a national military park to be known as the Fredericksburg and Spotsylvania County Battlefields Memorial, in accordance with the provisions of the act approved February 14, 1927 (U. S. C., Supp. V, title 16, secs. 425-425j), including the maintenance, repair, and operation of one motor-propelled passenger-carrying vehicle, \$14,925.

The amendment was agreed to.

The next amendment was, on page 70, line 22, after the word "foregoing," to strike out "\$60,064" and insert \$60,102," so as to read:

GETTYSBURG NATIONAL MILITARY PARK

For continuing the establishment of the park; acquisition of lands, surveys, and maps; constructing, improving, and maintaining avenues, roads, and bridges thereon; fences and gates; marking the lines of battle with tablets and guns, each tablet bearing a brief legend giving historic facts and compiled without censure and without praise; preserving the features of the battlefield and the monuments thereon; compensation of superintendent, clerical and other services, expenses, and labor; purchase and preparation of tablets and gun carriages and placing them in position; purchase of one motor-propelled freight-carrying vehicle at a cost not to exceed \$3,000, including the value of a vehicle exchanged, and purchase of two motor cycles at a cost not to exceed \$300 each; maintenance, repair, and operation of motor-propelled freight and passenger-carrying vehicles, and all other expenses incident to the foregoing, \$60,102. For continuing the establishment of the park; acquisition of

The amendment was agreed to.

The next amendment was, on page 71, at the end of line 3, to strike out "\$7,930" and insert "\$7,982," so as to read:

GUILFORD COURTHOUSE NATIONAL MILITARY PARK

For continuing the establishment of a national military park at the battlefield of Guilford Courthouse, in accordance with the act entitled "An act to establish a national military park at the battlefield of Guilford Courthouse," approved March 2, 1917 (39 Stat., p. 996), \$7,982.

The amendment was agreed to.

The next amendment was, on page 71, at the end of line 10, to strike out "\$4,616" and insert "\$4,725," so as to read:

MOORES CREEK NATIONAL MILITARY PARK

For continuing the establishment of a national military park at the battlefield of Moores Creek, N. C., in accordance with the act entitled "An act to establish a national military park at the battlefield of Moores Creek, N. C.," approved June 2, 1926 (U. S. C., Supp. V, title 16, secs. 422 to 422d), \$4,725.

The amendment was agreed to.

The next amendment was, on page 71, line 21, after the word "park," to strike out "\$4,750" and insert "\$4,937," so as to read:

PETERSBURG NATIONAL MILITARY PARK

For continuing the establishment of a national military park at For continuing the establishment of a national military park at the battlefields of the siege of Petersburg, Va., in accordance with the provisions of the act approved July 3, 1928 (U. S. C., Supp. V, title 16, secs. 423-4231), including surveys, maps, and marking the boundaries of the park; pay and expenses of civilian commissioners, and pay for clerical and other services; supplies, equipment, and materials; maintenance, repair, and operation of one motor-propelled passenger-carrying vehicle, and all other expenses necessary in establishing that park, \$4,937.

The amendment was agreed to.

The next amendment was, on page 72, line 6, after the word "vehicle," to strike out "\$39,873" and insert "\$39,968," so as to read:

SHILOH NATIONAL MILITARY PARK

For continuing the establishment of the park; compensation of superintendent of the park; clerical and other services; labor; historical tablets; maps and surveys; roads; purchase and transportation of supplies, implements, and materials; foundations for monuments; office and other necessary expenses, including maintenance, repair, and operation of one motor-propelled passengercarrying vehicle, \$39,968.

The next amendment was, on page 73, line 2, after the word "vehicle," to strike out "\$26,777" and insert "\$26,889," so as to read:

VICKSBURG NATIONAL MILITARY PARK

For continuing the establishment of the park; compensation of civilian commissioners; clerical and other services, labor, fron gun carriages, mounting of siege guns, memorials, monuments, markers, and historical tablets giving historical facts, compiled without praise and without censure; maps, surveys, roads, bridges, restoration of earthworks, purchase of lands, purchase and transportation of supplies and materials; and other necessary expenses, including maintenance, repair, and operation of one motor-propelled passenger-carrying vehicle, \$26,889.

The amendment was agreed to.

The next amendment was, under the subhead "National monuments," on page 73, line 12, after the word "power," to strike out "\$37,842" and insert "37,984," so as to read:

NATIONAL MONUMENTS

For maintaining and improving national monuments established by proclamation of the President under the act of June 8, 1906 (U. S. C., title 16, sec. 431), and administered by the Secretary of War, and such battlefield sites, monuments, grounds, and memorials as have been authorized from time to time by Congress, and not expressly provided for under other appropriations, including pay of the caretakers, laborers, and other employees, purchase of tools and materials, light, heat, and power, \$37,984, of which not to exceed \$300 may be paid to the superintendent of the Shiloh National Military Park, in addition to his salary as such superintendent, for performing the duties of superintendent of the Meriwether Lewis National Monument.

The amendment was agreed to.

The next amendment was, on page 73, at the end of line 25, to strike out "\$5,782" and insert "\$5,819," so as to read:

Lincoln Birthplace Memorial: For the preservation of the birthplace of Abraham Lincoln, near Hodgenville, Larue County, Ky., in accordance with the provisions of the act approved February 11, 1929 (U. S. C., Supp. V, title 16, secs. 215-216), including the purchase of necessary supplies, and equipment, the salary of the caretaker and other necessary employees, and all other necessary expenses incident to the foregoing, \$5,819.

The amendment was agreed to.

The next amendment was, on page 74, line 13, after the designation "Secretary of War," to strike out "\$151,280" and insert "\$161,285," so as to read:

SIGNAL CORPS

WASHINGTON-ALASKA MILITARY CABLE AND TELEGRAPH SYSTEM

For defraying the cost of such extensions, betterments, operation, and maintenance of the Washington-Alaska Military Cable and Telegraph System as may be approved by the Secretary of War, to be available until the close of the fiscal year 1934, from the receipts of the Washington-Alaska Military Cable and Telegraph System which have been covered into the Treasury of the United States, the extent of such extensions and betterments and the cost thereof to be reported to Congress by the Secretary of War, \$161,285.

The amendment was agreed to.

The next amendment was, on page 75, line 2, after the word "amended," to strike out "\$354,310" and insert "\$494,310," so as to read:

CORPS OF ENGINEERS

CONSTRUCTION AND MAINTENANCE OF ROADS, BRIDGES, AND TRAILS, ALASKA

For the construction, repair, and maintenance of roads, tramways, ferries, bridges, and trails, Territory of Alaska, to be expended under the direction of the board of road commissioners described in section 2 of an act entitled "An act to provide for the construction and maintenance of roads, the establishment and maintenance of schools, and the care and support of insane persons in the District of Alaska, and for other purposes," approved January 27, 1905, as amended (U. S. C., title 48, secs. 321–337), and to be expended conformably to the provisions of said act as amended, \$494,310, to be available immediately, and to include \$1,000 compensation to the president of the Board of Road Commissioners for Alaska, in addition to his regular pay and allowances.

The amendment was agreed to.

The next amendment was, under the subhead "Rivers and harbors," on page 76, line 1, after the word "law," to strike out "\$59,277,095" and insert "\$54,000,000," so as to read:

To be immediately available and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers:

Engineers:

For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation; for survey of northern and northwestern lakes, and other boundary and connecting waters as heretofore authorized,

including the preparation, correction, printing, and issuing of charts and bulletins and the investigation of lake levels; for prevention of obstructive and injurious deposits within the harbor and adjacent waters of New York City, for expenses of the California Débris Commission in carrying on the work authorized by the act approved March 1, 1893 (U. S. C., title 33, sec. 661); and for examinations, surveys, and contingencies of rivers and harbors: *Provided*, That no funds shall be expended for any preliminary examination, survey, project, or estimate not authorized by law, \$54,000,000.

The amendment was agreed to.

Mr. SHIPSTEAD. Mr. President, I want to call attention to these items in the river and harbor provisions of the bill. I invite attention to the prevailing method of financing river and harbor projects. I want to do that for the purpose of showing what a wasteful pork-barrel method of appropriating funds has been pursued all down through the years, an inexcusable method of wasting public funds.

I have had placed on the wall of the Senate Chamber a map which shows the Mississippi, Missouri, Ohio, and Tennessee Rivers. In the last 40 years there has been \$470,000,000 spent in developing those rivers—\$470,000,000 spent to develop channels for transportation; and we have not a channel in any of those rivers now, with the exception of the Ohio.

The Ohio River project was adopted in 1910. It was estimated it would cost \$60,000,000 if it was completed in 10 years. Under this piecemeal method of appropriations and piecemeal method of making contracts, and the delays incidental to this method of financing the project, it took 20 years to complete it. Because of the delays and because of the method pursued in letting the contracts it cost \$103,000,000 instead of \$60,000,000. The Ohio is the only project that has been completed. Last year the Ohio River, with its tributaries, carried 64,000,000 tons of freight. It carried 24,000,000 tons more of freight than passed through the Panama Canal last year.

To show what river transportation means to those who must pay for goods moved, we have here the Monongahela River carrying coal to the steel plants at Pittsburgh for 21 cents a ton. The rate by rail for the same coal 50 miles farther to Youngstown, Ohio, is \$1.46 a ton, \$1.22 extra to haul it an extra 50 miles by rail. I am informed that that difference in differential is worth \$25,000,000 a year to the United States Steel Corporation for the plants at Pittsburgh over what the Youngstown Sheet & Tube Co., at Youngstown, enjoys, having to haul by rail. There is a distance on the Ohio River from Pittsburgh to Youngstown that has not yet been developed. I believe that stretch is called the Beaver River. That will give an illustration of what it means to develop the inland waterways of the United States.

I am not going to take the time of the Senate to discuss now the advantages of developing the rivers and harbors. I want to point out how wasteful of the taxpayers' money is the method now pursued in this bill and in every appropriation bill that has been passed for rivers and harbors, because it does not finish any channel, it does not give the taxpayer the advantage of the cheaper water transportation. We have here \$470,000,000 invested in these inland waterways, but we do not have the use of them. The interest on the money thus invested, the interest on the idle capital tied up in inland waterways, would ensure the balancing of the Budget this year. The Chief of Engineers of the Army has testified before the Commerce Committee of the Senate that if this work were done as one job it could be completed in five years and he would save 20 to 25 per cent of the amount otherwise expended.

The method pursued in financing the inland rivers has been as expensive and wasteful as it would be when building a house to build one room each year and not put on any roof. We have dug in these rivers for 40 years and because the work was never finished, the work that was done this year was destroyed by the floods of next year, and it would have to be done over again. The only people who have had any benefit out of this wasteful pork-barrel method of financing the inland waterways have been the contractors who seem to have had a close corporation and have waxed fat upon these contracts without anyone else getting any benefit.

Mr. KING. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Utah?

Mr. SHIPSTEAD. I yield.

Mr. KING. A number of years ago I made a very careful investigation in regard to these contractors and their close corporation or their close affiliation under the terms of which they obtained substantially all the contracts. I was wondering if that combination still exists and whether the War Department of the Government still nurses them as it has been doing to my way of thinking for many, many years? I think it is perfectly indefensible conduct on the part of the Government. I discovered these organizations carried on a powerful propaganda. Their organization went so far as to affect the purchase of materials and the necessary machinery that was employed. I was wondering if the Senator knew of the existence of the organization to-day and whether there has been any change in its policy and in the relation of the Government to it.

Mr. SHIPSTEAD. I have no personal knowledge of the conspiracy, but judging from results and methods pursued they are evidently very good lobbyists. I am led to believe that in view of the attitude that has been taken by the War Department in the administration ever since Hoover in 1928 and again in 1929 made it a part of his program to finish these inland waterways as one project and to develop inland water transportation, nothing has been done to carry out a comprehensive plan of developing the inland waterways and finishing them to save money and to give people the benefit of water transportation.

Mr. WAGNER. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from New York?

Mr. SHIPSTEAD. I yield.

Mr. WAGNER. Has the Senator suggested how he thinks this project could be financed?

Mr. SHIPSTEAD. I shall be glad to do so.

Mr. WAGNER. I think that would be interesting.

Mr. SHIPSTEAD. These projects, in my opinion, being permanent improvements, that will mean a great saving to shippers of all kinds of goods in the 25 States affected, should be treated as capital investment. There is no reason for continuing appropriations under the present method unless we are going to handle this on a business basis and pursue a sound financial policy in financing and develop a sound economic policy in the construction of it; otherwise I think these appropriations should be abolished.

The capital investment should not be taken out of the taxpayer at the present time or at any time. The finances should be funded. It should not be funded in the Budget. No capital investment should be in a budget. The simplest housewife who has a budget at all will budget her current expenses, but extraordinary expenditures become capital investment and should not be taken out of current income.

The smallest business concern will not take capital expenditures out of current income. If the project is to be finished so that the people shall get the benefit of water transportation and so break the economic paralysis that has stricken this part of the country since Congress passed the transportation act, the whole financial project should be lifted out of appropriation bills; funds should be raised by the sale of bonds and retired over a long period of years. Future generations should help to pay for the benefits that are to accrue.

The benefits resulting would make it indirectly a selfliquidating project because the benefits that would come would so increase the income to the people, freight that can not now move would then move, and from the increased interchange of goods would come financial and economic benefit so that at least indirectly these projects would be self-liquidating.

To illustrate, from Shelby, Mont., to Duluth, 1,000 miles, it costs 21 cents to haul a bushel of wheat. From Duluth to Buffalo by water it costs 1.8 cents to haul the same bushel of wheat. It costs 7.5 cents to take a bushel of wheat across

3,000 miles by water that it does to take it a thousand miles by land. Transportation rates are so high in this part of the country [indicating on map] that industry is drifting to the seaboard in order to get to the water. The traffic manager for the John Deere Co. at Moline, Ill., testified before the Commerce Committee that, because of deep channel in the lower Mississippi, instead of shipping farm machinery to the Pacific Coast by rail, they took it down the Mississippi River by barges, put the machinery on board a ship and took it through the Panama Canal, up the coast of Central America and to ports in California at a saving of \$23 a ton. He said the saving amounts to as much as forty or fifty dollars on a farm tractor.

Mr. DILL. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Washington?

Mr. SHIPSTEAD. I yield.

Mr. DILL. As illustrative of what water transportation compared to land transportation means, I call the attention of the Senator to the fact that when the wheat farmers on the Pacific slope have a market in the Orient they get a higher price for their wheat than any other farmers in the United States; but when the market in the Orient is glutted or closed to them and they must ship their wheat east, they get 30 cents a bushel less than is paid in Chicago. is the practical illustration of the benefit of water transportation.

Mr. SHIPSTEAD. I thank the Senator from Washington for his contribution. I should like also to talk with the Senator from Washington about lumber because he is interested, I am interested, and we are all interested in it, because we buy it. Prices for it are very high. With the development of these waterways [indicating on map] lumber can be brought down from British Columbia and Washington to the Mississippi River and up the Ohio to Pittsburgh, or up the Mississippi to the Twin Cities, and up the Missouri River to Sioux City. Here [indicating on the map] is a development that seems to have been left in the hands of a very few people, who certainly have had a great deal of benefit out of it at the expense of the great mass of the taxpayers of the United States, though their number is very small, because the project has never been finished.

Later I shall call the attention of the Senate to a bill that would place all those projects into one project, which would save, according to the Chief of Engineers, from 20 to 25 per cent in construction costs and employ 160,000 for five years, working 120 days out of each year.

Mr. BLAINE. That is direct employment?

Mr. SHIPSTEAD. That is direct employment of labor, and the indirect employment of labor we can not estimate. Mr. BLAINE. It is three times the direct employment.

Mr. SHIPSTEAD. Possibly it is three times.

I simply wanted to take a few minutes of the time of the Senate to call attention to the miserable little appropriations being made for projects of this kind under the policy being pursued. It is a disgrace to any government; it is not businesslike at all; it is an example of business in government and not government in business.

Mr. KING. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. KING. Is it not a fact, notwithstanding the expenditure of considerably more than \$500,000,000 upon the Mississippi and Missouri Rivers, to say nothing of the Ohio, that there is less traffic upon those rivers now than there was in the days of Mark Twain and for 20 years anterior to his trips up and down the Mississippi River?

Mr. SHIPSTEAD. I think that is true of the Mississippi, because with the present channel it is uneconomic to move freight, the channel not being of sufficient depth. However, engineering plans have already been finished, and the Chief of Engineers said he could easily spend \$100,000,000 this year on the program of completing these inland waters and river and harbor projects. Where there is a 9-foot dependable channel there can be operated a barge tow of 24,000 tons. The average tow on the Ohio is 10,000 tons, the Atlantic, 3,000 miles. It costs just one-third to take it drawn by a little tugboat. Tows have been hauled on the Ohio, I am told, of 35,000 tons. That would be nearly four times the tonnage carried by an ocean freighter. The average tow, however, is 10,000 tons.

Mr. President, I do not think I will at this late hour take up any more time. I will address the Senate later upon this subject; but because of the fact that there is an appropriation bill now before us to continue the present uneconomic method of developing rivers and harbors, I wanted to call the Senate's attention to the policy which has been pursued for 40 years and which should be stopped at once.

Mr. KING. Mr. President, does the Senator's proposal involve taking the expenditure of the funds for rivers and harbors out of the hands of the War Department? I agree with the Senator, I will say, that that ought to be done, because of the experience of the past. We have expended now more than \$1,260,000,000 upon river and harbor projects; I have examined every project from the days of Washington down to the present time, and I have reached the conclusion that 95 per cent of them have been wasteful and extravagantly managed. It seems to me now, as the Senator has pending a very important proposition treating the question sort of de novo, we ought to take it out of the hands of the War Department and evolve a different system for handling these appropriations.

Mr. SHIPSTEAD. Mr. President, I believe that the Congress is to a great extent to blame, because Congress has sponsored and tolerated the kind of policy which has been pursued.

Mr. KING. I agree with the Senator as to that.

Mr. SHIPSTEAD. Congress should establish the policy, and I believe the engineers of the War Department will carry out whatever policy Congress may adopt. I have a great deal of regard for the ability and integrity of the Chief of Engineers, General Brown. I think he is a man who could complete this work as efficiently as General Goethals completed the Panama Canal. If there were adopted such a method of financing these projects as was adopted in the case of the Panama Canal, they could be brought to completion, and the people who are now suffering from exhorbitant freight rates and economic stagnation in that great inland empire, around which Congress built an economic wall when it constructed the Panama Canal, would be greatly benefited, as would the taxpayers; but under the methods pursued in the past, I can not see where anyone gets any benefit unless it be the contractors and those who furnish the material.

The PRESIDENT pro tempore. The next amendment reported by the committee will be stated.

The next amendment of the Committee on Appropriations was, under the subhead "Muscle Shoals," on page 76, line 6, after the word "development," to strike out "\$244,809" and insert "\$245,184," so as to read:

For operating, maintaining, and keeping in repair the works at Dam No. 2, Tennessee River, including the hydroelectric development, \$245,184, to remain available until June 30, 1933, and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers.

The amendment was agreed to.

The next amendment was, on page 76, at the end of line 13, to strike out "\$31,773,775" and insert "\$31,500,000," so as to read:

Flood control, Mississippi River and tributaries: For prosecuting work of flood control in accordance with the provisions of the flood control act, approved May 15, 1928 (U. S. C., Supp. V, title 33, sec. 702a), \$31,500,000.

The amendment was agreed to.

The next amendment was, on page 76, line 21, to strike out "\$390,307" and insert "\$400,000," so as to read:

Emergency fund for flood control on tributaries of Mississippi River: For rescue work and for repair or maintenance of any flood-control work on any tributaries of the Mississippi River threatened or destroyed by flood, in accordance with section 7 of flood control act, approved May 15, 1928 (U. S. C., Supp. V, title 33, sec. 702g), \$400,000.

The amendment was agreed to.

The next amendment was, on page 77, at the end of line 2, to strike out "\$993,855" and insert "\$1,000,000," so as to read:

Flood control, Sacramento River, Calif.: For prosecuting work of flood control in accordance with the provisions of the flood control act approved March 1, 1917 (U. S. C., title 33, sec. 703), as modified by the flood control act approved May 15, 1928 (U. S. C., Supp. V, title 33, sec. 704), \$1,000,000.

The amendment was agreed to.

The next amendment was, on page 77, after line 2, to insert:

Mileage, traveling expenses, or per diem in lieu thereof, transportation of dependents, including packing and crating, and transportation of baggage, as authorized by law, for officers, warrant officers, and enlisted men of the Regular Army and civilian employees, traveling on duty pertaining to or on detail to or relief from nonmilitary activities provided for in this act under appropriations for the Quartermaster Department, Signal Corps, and Engineer Department, shall be paid from the appropriation in connection with which such travel is performed.

The amendment was agreed to.

The PRESIDING OFFICER (Mr. Townsend in the chair). That completes the committee amendments with the exception of an amendment, on page 24, which the Chair is informed was passed over at the request of the chairman of the committee. Without objection, that amendment will be recurred to, and will be stated.

The CHIEF CLERK. On page 24, line 15, after the word "transportation," the committee proposes to strike out—

For transportation of Army supplies; of authorized baggage, including packing and crating.

And to insert:

For transportation of the Army and its supplies, including retired enlisted men when ordered to active duty; of authorized baggage, including that of retired officers, warrant officers, and enlisted men when ordered to active duty and upon relief therefrom, and including packing and crating; of recruits and recruiting parties; of applicants for enlistment between recruiting stations and recruiting depots; of necessary agents and other employees, including their traveling expenses; of dependents of officers and enlisted men as provided by law; of discharged prisoners, and persons discharged from Saint Elizabeths Hospital after transfer thereto from the military service, to their homes (or elsewhere as they may elect): Provided, That the cost in each case shall not be greater than to the place of last enlistment.

Mr. REED. I move to amend the committee amendment by inserting the word "transportation," after the semicolon at the end of line 5, page 25.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 25, in line 6, before the words "of horse," it is proposed to insert the word "transportation."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment was agreed to.

The amendment as amended was agreed to.

Mr. REED. Mr. President, I am authorized by the committee to submit an amendment, to come in on page 76, after the figures "\$54.000.000." in line 2.

The PRESIDING OFFICER. The amendment will be stated

The CHIEF CLERK. On page 76, line 2, after the figures "\$54,000,000," it is proposed to insert a colon and the following additional proviso:

Provided further, That the existing project for the improvement of the Miami River, Fia., authorized by the rivers and harbors act approved July 3, 1930, is hereby modified to include the improvement recommended by the Chief of Engineers in the report submitted in Senate Document No. 95, Seventy-second Congress, first session, provided that the authorization of \$800,000 for the existing project shall not be increased but is hereby continued as the total authorization for the project as herein modified.

Mr. REED. Mr. President, this amendment does not involve an increase of appropriation; it does not involve an increase of authorization, but is merely a modification of the project which has been recommended by the Chief of Engineers so as to permit the dredging of a place in Miami Harbor where airplanes en route to Panama may come to rest. It requires a 6-foot depth of water, and there is only 2 or 3 feet at the present time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania on behalf of the committee.

Mr. REED. I am authorized by the committee to offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 76, after the additional proviso just inserted, to insert the following additional proviso:

Provided further, That the existing river and harbor project at Monroe Harbor, Mich., as authorized by the act approved July 3, 1930, and in accordance with House Document No. 22, Seventy-first Congress, second session, is hereby modified in accordance with the report submitted in House Document No. 12, Seventy-second Congress, first session.

Mr. REED. Mr. President, that amendment involves an actual reduction in the appropriation at Monroe Harbor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania on behalf of the committee.

The amendment was agreed to.

Mr. REED. I am requested by the Quartermaster General to offer the amendment which I now send to the desk.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 68, line 2, after the word "village," it is proposed to insert a colon and the following additional proviso:

Provided further, That hereafter Arlington National Cemetery shall be administered by an officer of the Army retired from active service under the provisions of section 1251, Revised Statutes, detailed on active duty for that purpose.

Mr. KING. Mr. President, I should like an explanation of that amendment.

Mr. REED. The amendment merely authorizes the continuance in Arlington Cemetery of the retired officer who is now on duty there. The Quartermaster General has asked that the amendment be adopted in order to clear up any doubt that may exist.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. REED. I have one more amendment to come in on page 11, line 2, after the parenthesis. I send the amendment to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 11, line 2, after the parenthesis, it is proposed to insert the following proviso:

Provided further, That notwithstanding any provisions to the contrary contained in Part II of the legislative appropriation act for the fiscal year 1933, members of the military service shall be entitled to automatic increases in pay and allowances by reason of length of service or promotion during the fiscal year 1933.

Mr. REED. The purpose of that amendment, Mr. President, is to take care of those enlisted men and officers—but principally enlisted men—who may be promoted during the coming year. If a private is promoted to a corporal or a corporal is promoted to a sergeant, the promotion carries a very few dollars additional pay, but it is something that touches the pride of the man himself.

Mr. DILL. Mr. President, is this amendment not in defiance of the provisions of the economy bill which passed yesterday?

Mr. REED. It is the amendment which I tried to offer last night and which was ruled out of order because the bill had already been read the third time.

Mr. DILL. It permits promotions and increases of salary, which are forbidden in every other department, does it not?

Mr. REED. Promotion goes on just the same in the Army, but does not carry an increase of salary. In the case of the enlisted men in the Army, promotions result in an additional cost of approximately \$150,000 a year. If we are going to say to a newly made corporal that he is to be denied all increase of pay that should accrue from his promotion, we have just about destroyed his morale, and I hope the Senate will not insist upon doing that.

Furthermore, as to the officers, I have had a statement prepared to show who will bear the brunt of the change; and I find that it falls almost entirely upon the first lieu-

tenants and the captains. Three hundred and fifty-six thousand dollars out of the \$500,000 saving on officers will fall on first lieutenants and captains. I am sure the Senate did not realize that when it included military officers in section 201 of the economy bill.

I should like very much to have this amendment adopted and go to conference in the hope that we can do something for those young men.

Mr. JONES. Mr. President, I do not think that amendment should go in this bill. We should not start out in this bill to make exceptions in the other one before we get it through conference. I can realize that it will work some little hardship in the way of the expectations of these men, but we must deal with the situation as it is. What the economy bill may bring out I do not know; but I do not believe we should provide in this bill that exceptions shall be made.

Mr. REED. Mr. President, I feel perfectly certain that the Senate would have done this last night if we had not had snap judgment taken on us by the action of the Chair in announcing the third reading of the bill. It gave us no chance to offer the amendment or to thresh it out on its merits.

Mr. TRAMMELL. Mr. President, I have just read the amendment. It was impossible for anyone to keep up with the amendment when the clerk was reading it, he read it so rapidly.

This amendment distinctly says that nothwithstanding the provision in regard to promotions, members of the military service shall be entitled to automatic increases in pay and allowances by reason of length of service or promotion during the fiscal year 1933.

Mr. REED. That is right; and they ought to have them. Mr. TRAMMELL. That is directly in contradistinction to the policy applied to everybody else in the Government service.

I see no reason why we should make any exceptions. I have a very high regard for the Army officers. I have a very high regard for the administration of the War Department in general, as far as the Army officers are concerned. I might not extend that to the Secretary of War, although I think perhaps he is all right; but, while the Army officers are all right, there is no reason or justice in making exceptions in their case and giving them a privilege that we do not give anyone else.

I do not blame the Senator in charge of the bill for his zeal in trying to hold the War Department intact in every respect and have practically no reductions in the appropriations. He is now manifesting the same zeal in that respect that he did a day or two ago in regard to cutting the salary of everybody in civil employment.

Mr. REED. Frankly, I am concerned for the enlisted

Mr. TRAMMELL. I do not care for any exceptions. If the Senator is concerned about the enlisted men, why not apply it only to the enlisted men?

Mr. JONES. Mr. President, I think this amendment is subject to a point of order. I think it is legislation on an appropriation bill; and I make the point of order.

Mr. REED. I have to admit that, in my opinion, it is subject to a point of order.

The PRESIDENT pro tempore. The point of order is sustained.

Mr. REED. Mr. President, there is one other amendment which is requested by the Senator from California [Mr. Johnson]. It merely continues an authorization on which contracts are now being let. There is some apprehension in the War Department that they will not be able to get the contracts technically completed by the 1st of July. This will take care of that by continuing the authorization.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 28, line 17, in the appropriation for military posts, add the following:

The unexpended balances on June 30, 1932, under the following appropriations are hereby continued and made available until expended for the same respective purposes, namely: Barracks, officers' quarters, and noncommissioned officers' quarters, \$518,000, War Department appropriation act, fiscal year 1929, approved

March 23, 1928, and subsequently made available for the same purpose at Marin County, Calif., by the second deficiency act, fiscal year 1931, approved March 4, 1931; technical construction for the Air Corps of the Army, \$285,000, War Department appropriation act, fiscal year 1930, approved February 28, 1929, and subsequently made available for the same purpose at Marin County, Calif., by the second deficiency act, fiscal year 1931, approved March 4, 1931.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Pennsylvania on behalf of the Senator from California.

Mr. KING. Mr. President, I ask the chairman of the committee whether any effort has been made-and if so, whether it is being realized in this bill-to close a large number of the unnecessary posts throughout the United States?

Mr. REED. That is a matter for Executive discretion, Mr. President. It is a fact that a list of 58 posts-I think that is the number-has been prepared at the War Department. Many of them have already been abandoned. The property of many of them has been advertised for sale. They are making a conscientious effort to reduce the number as fast as it reasonably can be done.

Mr. KING. The Senator knows that the maintenance of this large number of Army posts adds materially to the expenses of the Government, and the same thing is true of the Navy. We are maintaining a large number of naval stations that are unnecessary; and, notwithstanding frequent recommendations for their abolishment, are still maintained. We are also maintaining many Army posts that ought to have been abandoned years ago.

Mr. REED. I think that is true; but every time we try to abandon one, Senators and Congressmen interested rush up to the War Department and to the President and make it difficult. I think, however, more have been abandoned in the last 12 months than in any similar period in the last

Of course, it is for the good of the Army. Men can not be trained satisfactorily when only a platoon is stationed at

Army maneuvers can not be conducted properly, as our troops have been scattered throughout the United States, a few hundred or, at the most, a very few thousand in posts, instead of having them concentrated in such a way that effective Army maneuvers can be conducted.

Mr. REED. The Senator is exactly right; but, of course, he sees as well as the rest of us that to bring that about by legislation is next to impossible. We would not get this bill through by Christmas if we undertook to put in a list of posts to be abandoned.

Mr. KING. May I ask the Senator one other question? I notice in the reports of the expenditures for a number of years that the civil employees in the Army have ranged all the way from 25,000 to 45,000. A large number have been clerks and officials doing civilian work. I am wondering if any effort had been made to reduce the number of civilian employees in the Army.

Mr. REED. Oh, I think so.

Mr. KING. I have not seen any evidence of it.

Mr. REED. Of course, the Senator must remember that a very large number of civilian employees are employed in nonmilitary activities. The flood control and river and harbor work calls for the employment of many civilians. They are not all clerks here in Washington, by any means.

Mr. KING. Mr. President, I express deep regret over the failure of the committee reporting this bill to bring it within proper bounds. In my judgment it contains a number of provisions that ought to have been eliminated and it carries a total appropriation of at least \$50,000,000 in excess of what the situation requires. There has been deep concern upon the part of Congress because of the fear that revenues would not be provided for the purpose of meeting the expenditures for the next fiscal year. That fear was shared by the business interests of our country as well as by thoughtful persons and those who were cognizant of the condition of the Treasury of the United States.

Congress was conjured to apply drastic reductions to the appropriation bills that were being formulated, and to enact than \$1,000,000,000 of additional revenue. It was recognized that the increasing deficit was a menace to the credit of the Federal Government and an obstacle to business revival. If the Federal Government failed to provide revenues to meet its expenditures, it was obvious that the day would soon come when the credit of the country would be impaired and its securities would fall below par. Such a situation would be calamitous. Securities of States and their political subdivisions, as well as those offered by corporations and individuals, would be seriously affected and the reactions in every business and industrial activity would be highly disadvantageous.

The Finance Committee, of which I am a member, struggled for weeks to agree upon a measure that would yield sufficient revenue, if appropriation bills were materially reduced, to cover the contemplated expenditures of the Federal Government for the coming fiscal year. Because of the continued depression and the rather dubious prospects of anticipated revival in business, it is a question whether the revenues anticipated by the committee and by Congress, will be realized, in which event a deficit undoubtedly will result, unless reductions made by Congress are hundreds of millions of dollars below the President's Budget submitted by him to Congress in December.

Mr. President, if Congress were to follow the recommendations of the President as contained in his budget, there would be, I feel certain, a deficit of hundreds of millions of dollars. Congress must disregard the President's recommendations and subject every appropriation bill to important, and indeed radical, reductions. Thus far Congress has made some progress and has cut appropriation bills considerably below the recommendations of the executive departments. But the cuts have not been sufficient. It has been my view that when the two military bills, the Army appropriation bill and the Navy appropriation bill, were before Congress, there would be an opportunity to achieve important results in the way of reductions in Federal expenditures. I believed that we could reduce the budget estimates covering the Army and Navy for the current year, between \$150,000,000 and \$200,000,000. But I am doomed to grievous disappointment. My expectations will not be realized. The Senate a few moments ago, refused to recommit the pending measure for the purpose of reducing the total amount carried by the bill, 10 per cent. With a decisive vote in opposition to the motion to recommit, the Senate served notice that it would not accept any amendments reducing the items carried in the bill.

The measure before us provides approximately \$400,000,000 for the next fiscal year. It is true only about three hundred millions are for strictly military purposes, the remainder being for improving rivers and harbors, and for flood-control work on the Mississippi River. With respect to the appropriations for rivers and harbors, may I say that in my opinion at least fifteen or twenty million dollars should be taken from the amounts allocated for that purpose. Three or four years ago I made a searching investigation of the appropriations made by the Government for improving rivers and harbors and so-called inland waterways. I examined every appropriation from the days of President Washington, and every project upon which money had been expended, together with the hundreds of reports and thousands of pages of testimony relating to such projects, and after such examination I was convinced that hundreds of millions of dollars appropriated by the Government had been wasted. There has been appropriated to date considerably more than one and a quarter billion dollars for such projects.

The Senator from Minnesota has just stated in substance that hundreds of millions of dollars expended during the past 40 years upon the Mississippi and Ohio Rivers have largely been wasted. In my opinion the inefficiency of the Government when it undertakes business activities has been exhibited in the waste and extravagance which have characterized its work in connection with rivers and harbors and so-called inland waterways. For years I contended for a different plan for dealing with rivers and harbors and inland waterways, and suggested a plan calling for a scientific a revenue measure that would produce considerably more and proper engineering organization to handle these public

projects, but we have kept on in the old inefficient and wasteful course with unsatisfactory results and with indefensible demands upon the Public Treasury.

Mr. President, this bill should carry no more than \$250,000,000 for the military activities of the Government for the next fiscal year. For a number of years, such as 1924, 1925, and 1926, the total appropriations by the Government for purely—Army—military purposes did not exceed \$250,000,000 per annum. There is no justification for a larger appropriation at the present time. Indeed, taking into account the nation-wide depression, the enormous burdens of taxation, the possibility and perhaps the probability of a deficit for the coming year, the appropriation should be less than it was in either of the years referred to.

The Senator from Tennessee a short time ago referred to a large number of items carried in the bill which should be reduced; and, as I recall, his suggestions would have reduced the military appropriations in the bill between thirty and forty million dollars. There are a number of other items that should be reduced so that the military appropriations carried in the bill would have been brought within the limits of \$250,000,000.

Mr. President, we will have before us within a few days a naval bill which will demand more than \$300,000,000 to meet the ordinary expenses of the Government for the next fiscal year. Senators will recall that only a few days ago there was forced through the Senate a bill authorizing nearly a billion dollars for new naval construction, the war vessels to be completed before the end of the year 1936. The appropriations demanded by the executive department for military and naval purposes for the next fiscal year will be greater by nearly \$200,000,000 than any country on earth. I have heretofore stated that there is no justification for this Republic, with its advantageous position-geographically, materially, and otherwise-devoting so large a sum for military purposes. During the past two or three years we have expended nearly \$800,000,000 each year for the ordinary expenses of the Army and the Navy. That stupendous sum has been nearly one-fifth of all of the expenses of all nations for military purposes.

This Nation professes to be a devotee of peace, to desire disarmament and the abolition of war, and the establishment of international tribunals to which appeals may be made to settle all controversies which might arise between nations. It is inexplicable to some, why, with the professions which we make, this Nation should expend more for military purposes than any of the so-called militaristic nations of the world. Many of our citizens with remarkable vocal powers and loud affirmations of patriotism, are constantly talking of preparedness, of national security, and indulge in bitter criticism and indeed denunciation of those who do not accept their view and who merely suggest that this Nation might be more influential in the world and might become a greater moral leader if it did not devote so large a portion of its revenues for military purposes. Within this latter category are many people in the United States who, if the occasion required, would gladly lay down their lives for their country and make every sacrifice possible to defend its honor and preserve its integrity. There are those who believe that this great Republic was brought into being under divine cognizance to serve a beneficent purpose, in promoting the cause of liberty and justice in all the world; that it is to be not only a powerful moral and spiritual force, but an effective instrumentality in securing world unity, peace, and good will.

Mr. President, I submit that there is no foe that menaces our country. This Republic is impregnable from any attack from without. If it ever falls it will be the result of domestic causes, and internal betrayal. But I have confidence in the enduring qualities of this Republic—the integrity and character, and the love of liberty and freedom of the American people. Social and political disturbances that shock the foundations of other nations will pass us by, and this Nation under God will indefinitely guard the liberties of the American people and contribute to the progress and welfare of all peoples.

Mr. President, this is not the time to spend hundreds of millions of dollars, as is proposed, for military and naval purposes. It will be a great mistake to pass this bill in its present form. It will provoke criticism from many American citizens; it will arouse the fears, or, at least, provoke questionings upon the part of other nations. They will be unable to comprehend how or why in this period of depression, with millions out of employment, this Government would be willing to heavily tax its people and appropriate between seven and eight hundred million dollars for its Army and Navy for the next fiscal year.

Many Americans have been critical of the policies of other countries, charging them with ambitions for territorial gain and militaristic enterprises. May we not expect criticisms of other nations if we pass measures such as the one before us? It seems to me that we should be more interested in rescuing our country from the frightful depression into which it has been plunged. We should be interested in reversing unwise and unsound policies by which our country has been guided for a number of years. We should abandon any narrow or partisan view, and formulate and carry into execution those policies that will unify the people, dissipate the difficulties that now exist, revivify stricken business, quicken moribund and stagnant enterprises, and contribute to the return of prosperity. We should attempt to instill confidence by adopting measures that have within them moral and humane qualities-if such may be attributed to social and economic policies—as well as sound business and financial measures that will bring assurance to the people that the shadows are passing and prosperity is within our

I express my profound regret that the Senate has set its face resolutely against modifying this bill or reducing the appropriations beyond the limits prescribed therein.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The question is on the amendment offered by the Senator from Pennsylvania [Mr. Reed] in behalf of the Senator from California [Mr. Johnson].

The amendment was agreed to.

The PRESIDING OFFICER. Individual amendments are in order.

Mr. NORRIS. Mr. President, I move to strike out all of pages 62 and 63, the provision for the citizens' military training camps.

I do not care to detain the Senate at this late hour in discussing the proposition, because I have already discussed it in considerable detail on the motion to send the bill back to the committee with instructions, which motion was defeated.

I believe that the Senate, if it wants to carry out what we have been professing we were trying to do—to bring about economy and to cut appropriations to the bone—can not vote against this amendment. I am not arguing, and I have not to-day argued, against these military training camps if they are properly administered, if they are properly handled, but I have called attention to the fact that in these military training camps the money that is to be used, or part of it at least, is used for the purpose of inculcating into the minds of the young men who attend those training camps ideas of government which are directly detrimental to the constitutions and laws of nearly all the States of the Union.

Can we not wait one year, can we not, for the sake of helping out the economy program, suspend the operation of these camps for one year? They have nothing to do with the military efficiency of the Army. They have nothing to do with any Army emergency of any kind. But over the country there are military training camps established, where for 30 days, I believe it is, young men from all walks of life come to get instruction. Some of the instruction they get is beneficial, although it is doubtful whether the expense should be paid by the Federal Government.

The young men are taught, as I have shown to-day, not military affairs so much but ideas of citizenship, which are absolutely contradictory to the theory of citizenship in 90 per cent of the States of the Union. They are taught there, as I have shown, that an elective judiciary, if carried out

to its logical end, would mean the destruction of our Republic. They are taught there that all the initiative provisions in the various State constitutions are in that class. They are taught that if a municipality wants to own its own electric-light plant, its waterworks, its street-car system, such a thing will ultimately lead to the ruin and the destruction of our Government.

Do we want such things taught? We have no objection to anybody having those theories of government if he wants to, but I submit that it is not right to ask the taxpayers of the United States to pay for them.

Are we not willing in this great emergency, as great as war itself, to forego for one year even the things in those training camps which are beneficial to the young men, physical training, and so forth? From every walk of life from whence these young men come there is human suffering on account of unemployment. A few are selected to go to these training camps. They have a vacation; they have a good time; they receive some instruction that is valuable, some instruction that is absolutely wrong, fundamentally wrongall of it at the expense of the taxpayers of the United States-when in every community from which they come, on all sides, their own neighbors, their own acquaintances, are suffering for the necessaries of life, and we are here now trying to meet the emergency, we are here now trying to cut down the unnecessary expenses of the Government, many which under ordinary circumstances it is conceded are unnecessary.

Why, then, should we insist on paying from public funds under these conditions the expenses of these training camps, even if this evil were taken out?

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the senior Senator from Nebraska [Mr. Norris].

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. Glass], which I transfer to the junior Senator from Wyoming [Mr. Carey], and vote "nay."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison], which I transfer to the junior Senator from Maryland [Mr. Goldsborough] and vote "nay."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson], which I transfer to the senior Senator from Colorado [Mr. Waterman], and vote "nay."

Mr. McNARY (when his name was called). Again announcing my pair with the senior Senator from Mississippi [Mr. Harrison], I transfer that pair to the senior Senator from California [Mr. Johnson] and vote "nay."

Mr. ROBINSON of Indiana (when his name was called). Again announcing my general pair with the junior Senator from Mississippi [Mr. Stephens], I withhold my vote, being unable to find a transfer. If I were permitted to vote, I would vote "nay."

Mr. TYDINGS (when his name was called). On this vote I have a general pair with the senior Senator from Rhode Island [Mr. Metcalf]. I understand that if he were present he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. WAGNER (when his name was called). On this vote I am paired with the junior Senator from Missouri [Mr. Patterson]. I am not informed how that Senator would vote if he were present. If I were permitted to vote, I would vote "nay."

I also desire to announce that my colleague the senior Senator from New York [Mr. Copeland] is unavoidably absent. On this vote he is paired with the senior Senator from Ohio [Mr. Fess].

The roll call was concluded.

Mr. KING. Upon this vote I am paired with the senior Senator from Arizona [Mr. Ashurst]. I am advised that if present he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. McNARY. I desire to announce the following general pairs:

The Senator from Delaware [Mr. Hastings] with the Senator from West Virginia [Mr. Neely];

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. Long];

The Senator from Ohio [Mr. Fess] with the Senator from New York [Mr. COPELAND];

The Senator from Iowa [Mr. Dickinson] with the Senator from Kentucky [Mr. Barkley];

The Senator from Minnesota [Mr. Schall] with the Senator from Alabama [Mr. Black];

The Senator from South Dakota [Mr. Norbeck] with the Senator from Illinois [Mr. Lewis];

The Senator from North Dakota [Mr. NyE] with the Senator from Wyoming [Mr. Kendrick]; and

The Senator from Michigan [Mr. Couzens] with the Senator from Massachusetts [Mr. Walsh].

Mr. COSTIGAN. I wish to announce that the junior Senator from West Virginia [Mr. Neely] is unavoidably absent. His pair with the Senator from Delaware [Mr. Hastings] has been announced.

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. Ashurst] is necessarily absent. He is paired with the junior Senator from Utah [Mr. King]. If my colleague were present, he would vote "nay."

Mr. REED (after having voted in the negative). I have a general pair with the senior Senator from Arkansas [Mr. Robinson], which I transfer to the senior Senator from Vermont [Mr. Dale], and allow my vote to stand.

Mr. BROOKHART. I have a pair with the senior Senator from Montana [Mr. Walsh]. I understand that he would vote as I am going to vote, and therefore I am permitted to vote. I vote "yea."

Mr. TOWNSEND. I have a general pair with the senior Senator from Tennessee [Mr. McKellar]. Has that Senator voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. TOWNSEND. I transfer my pair to the junior Senator from Maine [Mr. White] and vote "nay."

Mr. BULKLEY (after having voted in the negative). I have a general pair with the junior Senator from Wyoming [Mr. Carry], but I understand that he would vote as I have voted, and therefore I allow my vote to stand.

The result was announced—yeas 11, nays 45, as follows:

uniform and	YE YE	AS-11	Ministration
Blaine Brookhart Connally	Costigan Frazier Gore	La Follette Logan Norris	Shipstead Wheeler
	NA NA	YS-45	
Austin Balley Bankhead Barbour Bingham Bratton Broussard Bulkley Byrnes Capper Caraway Cohen	Coolidge Cutting Davis Dill Fletcher George Hale Hatfield Hawes Hayden Hebert Hull	Jones Kean Keyes McGill McNary Moses Oddie Pittman Reed Sheppard Shortridge Smith	Smoot Steiwer Thomas, Idaho Thomas, Okla. Townsend Trammell Vandenberg Walcott Watson
	NOT V	OTING-40	
Ashurst Barkley Black Borah Bulow Carey Copeland Couzens Dale Dickinson	Fess Glass Glenn Goldsborough Harrison Hastings Howell Johnson Kendrick King	Lewis Long McKellar Metcalf Morrison Neely Norbeck Nye Patterson Robinson, Ark.	Robinson, Ind. Schall Stephens Swanson Tydings Wagner Walsh, Mass. Walsh, Mont. Waterman White

So the amendment proposed by Mr. Norris was rejected. Mr. DILL. Mr. President, on page 14 of the bill there is a provision, beginning in line 12, that—

No appropriation for the pay of the Army shall be available for the pay of any officer or enlisted man on active list of the Army who is engaged in any manner with any publication which is or may be issued by or for any branch or organization of the Army or military association in which officers or enlisted men have membership and which carry paid advertising of firms doing business with the Government.

Then follows a proviso to the effect that this shall not | prohibit officers from writing articles not in violation of the regulations of the War Department.

This has been interpreted so that officers are afraid to permit the publication of special booklets or special publications for their posts for athletic contests and recreation purposes. The Senator from New Hampshire [Mr. Moses], who was instrumental in having this passed, said it had not been the intention to interfere with those special publications. I have prepared a short amendment to be inserted at the end of the provision in line 24, page 14, which I offer.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 14, line 22, at the end of the provision after the word "war," strike out the period and and insert a comma and add the following:

Nor from giving approval to the issuance of special publications in the interest of athletic contests or recreations at a local post or fort.

Mr. REED. Mr. President. I have looked at the amendment and I am quite clear that it does not conflict with the original purpose of Congress in adopting the general policy. This would relate only to athletic programs and things of that sort

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment in the nature of a limitation and ask that the same be read.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. On page 82, after line 20, add a new section, as follows:

SEC. 4. No part of any appropriation made by this act shall be SEC. 4. No part of any appropriation made by this act shall be used in any way to pay any expense in connection with the conduct, operation, or management of any post exchange, branch exchange, or subexchange within any State, save and except for real assistance and convenience to enlisted men and troops in supplying them with articles of ordinary use, wear, and consumption not furnished by the Government: Provided, That excess and surplus stocks of merchandise now on hand at any exchange, branch exchange, or subexchange may be disposed of, and all goods on consignment shall be returned immediately: Provided further, That all branch exchanges and subexchanges located off of Government lands and outside of Government reservations, and operernment lands and outside of Government reservations, and operernment lands and outside of Government reservations, and operated by private contract or agreement on a commission basis, shall be closed and terminated as to such contract or agreement immediately: And provided further, That the Secretary of War shall make a report to the Speaker of the House of Representatives and to the President of the Senate at the beginning of the next session of the Congress, covering the several exchanges, branch exchanges, and subexchanges operated by or under the supervision of the War Department.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, in support of the amendment I ask unanimous consent to print in the RECORD at this point a radio address delivered by Merle Thorpe, editor of Nation's Business, entitled "On Behalf of the Delinquent Taxpayer."

The PRESIDENT pro tempore. Without objection, leave is granted.

The article is as follows:

ON BEHALF OF THE DELINQUENT TAXPAYER

(Transcript of the thirty-second radio talk of the Popular Busi-Fallacies series conducted by Merle Thorpe, editor Nation's Business)

I have been discussing with you, ladies and gentlemen, the increasing activities of government and its inevitable increase of taxes. Many of these activities are in direct competition with the taxes. Many of these activities are in direct competition with the business enterprises of its citizens. We have the spectacle of the Government laying taxes on the people and at the same time undermining the income of the individual by destroying his opportunity of earning a livelihood. Such a spectacle needs no eloquence to argue its complete impropriety.

I wish I could say that this encroachment on individual enterprise is something near that it had only near here because it.

prise is something new, that it had only now been brought into the light of public opinion, and that this publicity offered a de-pendable protection from future trespass. Let us not be deluded. Business men have long been alive to the insidious curtailment

of their markets for goods and services through the paternalistic and welfare innovations of government. Unfortunately, nothing is done except pass resolutions. But now the public is thoroughly aroused because the related tax burden has become oppressive, and at the same time it sees with its own eyes the ruin of an individual business or industry through Government competition.

As a result of this aroused public opinion a significant thing occurred in the Congress this week. The House agreed to the appointment of a committee of five Members to investigate Government competition with private enterprise.

rnment competition with private enterprise.

The proposed inquiry had its inception in a personal investigation made by Representative Shannon, of Missouri. He had been hearing from some of his constituents who have been forced to divide their business with Uncle Sam, as well as hand over a sizable share of their earnings in taxes. The discussion of the resolution on the floor of the House helps to define the breadth and depth of the Federal Government's aggressive curtailment of

the money-making possibilities of the American people.

He sent a young clerk, John Cronkite, to an Army supply store.

He returned outfitted from head to foot in apparel that cost him \$27.55. The same outfit purchased elsewhere would have cost from \$38 to \$50.

Mr. Shannon's experience caused Representative Ralph Horr, of Washington State, to go shopping. At the Army canteen he bought a straw hat for \$1.85 and four bottles of cordial at 50 cents each

"The cordial is labeled rum, Scotch, rye, and gin," said Mr. Horr. "Directions explain it should be mixed with one gallon of alcohol and the result will be the required flavor as well as color."

tour of Government agencies was started at the cronkite's tour of Government agencies was started at the post store at Bolling Field, Army airport. There he bought for \$4.85 a pair of shoes. To his surprise they were stamped "Made in England." At another Government store he acquired a light-gray 3-piece suit for \$16; pocket handkerchief, 25 cents; underwear, 75 cents; white shirt, \$1.60; belt, \$1. At the Army post exchange he bought a necktie, 85 cents; straw hat, \$1.85; socks, 40 cents.

The young man also had luncheon, a shoe shine, hair cut, and shaye at Government establishments and determined to take

shave at Government establishments and, determined to take advantage of all possible bargains, bought cigars, camera film, witch hazel, soap, and vaseline at Federal agencies.

The office of the Missouri Representative contains large packages of goods bought in this manner and innumerable letters from business men complaining of this competition. One of his exhibits is a letter sent out under Government frank by a Government store to local citizens of Leavenworth, Kans. The letter announces "special sales for Friday and Saturday; fresh country eggs, 15 cents a dozen; bananas, 15 cents a dozen; ketchup, 3 bottles for 57 and so on.

Mr. Shannon said merchants of that city were in distress because they could not meet the lower prices of the Government

competition

competition.

As he read a letter from one of them he opened a large cardboard box containing a string of beads, brilliant yellow necktie, a bottle of cologne, and a pair of women's pink pajamas (price, 89 cents) that his secretary had bought at the Army post store.

Well, what of these exhibits in the case? Are they to be dismissed with a few paragraphs in the editorial and news columns of the press? My friends, the situation revealed through Representative Shannon's enterprise defines a problem of national dimensions. I think I can suggest to you the magnitude of the malady by indicating the nature of the protests registered by businesses which are struggling against this Government competition.

From one city came this letter to Congressman Shannon: "There is a serious condition existing in our little community. Our merchants are being ruined by the Government stores, with which they are unable to compete."

One of his constituents wrote him to see if something could

not be done to save his business from this unfair competition. He has a little jewelry store, which is his sole support. A customer gets his price on, say, a Seth Thomas clock. He takes the number, then walks across the street to the Government store and buys the same clock for much less.

A woman clerk sent shopping by the Congressman was able to purchase at a Government store a bottle of cologne, a handkerchief, and a pajama suit, and two packages of cigarettes—the cigarettes minus the 2 cents for the State tax which the private store across the street had to charge. And here's another angle, a St. Louis shoe factory petitioned its Representative in these words: "Can not something be done to stop the Government from making shoes at Leavenworth * * *."

It takes no personal exposure to this sort of competition to

making shoes at Leavenworth * * *."

It takes no personal exposure to this sort of competition to understand the feeling of merchants in trying to get their plight before the Members of Congress. Why not consider us as well as the personnel of the Army, they ask, in pointing out that the Government pays its officers and men, and then, after they have served a specified time, they are retired on part pay, "but we still have to fight for a living."

Then there's the difficulty faced by private laundries in competition with the Government-operated establishments. It seems that a Government employee's cousins, sisters, and his uncles

petition with the Government-operated establishments. It seems that a Government employee's cousins, sisters, and his uncles and his aunts may send their soiled linen to a Government laundry if they send it in his name. Representative Shannon says he has received protests from privately operated laundries in 20 cities. The situation in Washington is illuminating. I give it in his words. "Fort Myer sends Government wagons over to gather up the Army officer's clothes, and incidentally the clothes of all his neighbors and friends, and later they whisper, 'We get our work

done 30 per cent cheaper by sending it to the Government laundry!

To that the laundrymen of Washington say, "Of course you do. We have to pay rent. We have to pay labor. We have to equip our plants and pay for everything that is necessary for our privately conducted business, including higher and higher taxes."

Years ago Professor Downing, of Harvard University, showed

Years ago Professor Downing, or Harvard Chiversity, that—
"It is this pernicious practice of obscuring the actual costs of Government business enterprises of all kinds—by diverting interest, depreciation, and some measure of the overhead expenses into the general tax levy—which makes possible the appearance of an apparent profit to the taxpayer, when in reality he suffers an actual deficit. That deficit the uncritical taxpayer never recognizes, because it comes to him only as increased taxes. A private business enterprise can not resort to a shifty system of accounting and throw its burdens on the patient and sinewy shoulders of the taxpayer."

The restaurant and delicatessen men also have a case, and Representative Shannon has been looking into it.

Representative Shannon has been looking into it.

In Kansas City a restaurant is operated in the Federal Reserve Building, and the installation of another in the new post-office building is contemplated. Space in Government office buildings is also leased, I am told, in competition with local real-estate

owners.

Representative STOKES, of Pennsylvania, reports that a varnish factory at Scranton is being ruined by the competition of a Government plant at Norfolk. Representative Bacon is authority for the statement that the Navy Department maintains a factory for the manufacture of clothing, whereas it previously called for bids from private contractors on a competitive basis. Now, he says, the Navy is spending a good deal more for its clothing than it paid under the old system.

So much for the mere item and detail of the competitive encroachment of Government on the domain of private business. The examples carry a significance far beyond the localities which provide them. In a very real sense they are symptomatic of a comprehensive trend toward a paralyzing restriction of the area of individual endeavor.

individual endeavor.

provide them. In a very real sense they are symptomatic of a comprehensive trend toward a paralyzing restriction of the area of individual endeavor.

Possibly it is something of a novelty that public opinion as reflected by the Congress thinks it worth while to hear what the small business man has to say about Government in business. As long as I can remember, it has been a popular fashion to regard "big business" as the only objector to a commercial rivalry with a public administration, such as banking, insurance, the grain trade, the railroads, water-power developments, fertilizer, and the operation of ships.

But the fact is, my friends, that Government has set up shop in about 250 separate lines of business, and the complications in which Government competition involves the local laundry owner, merchant, real-estate man, or tailor are only the localized vibrations from a profound disturbance feit throughout the length and breadth of the entire structure of finance, trade, and industry. In the main, our attitude has been "Let 'em take it on the chin. They're big enough to stand the punishment." But if in the past we have noted only the opposition of corporations to Government competition, we are now impressed with the rising tide of protest from individuals, men who might be your neighbors or mine. It is this per capita expression of public opinion that comes home to us, for it awakens our sense of fellow feeling. When we hear that a friend or acquaintance, some familiar figure in our town, is on the financial rocks because he had to give odds to his Government in carrying on his business, we do more than say, "Poor old So-and-so." We resent this unfair treatment of a fellow citizen.

Every business community has a stake in this inquiry. An actual interest will do much to revitalize the guarantees written into the Constitution. And it is no carping or mischievous spirit that business men throughout the country are seriously questioning whether the roots and trunk of government can sustain the luxuriant folia

which is ours to ask themselves in all seriousness, government?"

An agency to protect life and property, to establish justice, to provide for the national defense. As Charles R. Fowler, of Minneapolis, reported to the American Bar Association in New York, only a minor part of the present Federal Budget goes to pay for the essential constitutional functions of the legislative, executive, and judicial branches of the Government. In other words, a large percentage of our costs is due to those activities which we have

percentage of our costs is due to those activities which we have wished upon our governments, that do not fall within the primary purpose of our social compact.

Because of this, our tax burden is increased in two ways: First, the activities now assumed by Government, which should be carried on by the individual, are not subject to taxation. Therefore, a growing number of business enterprises, including property, are taken off the tax base. In the second place, when Government attempts to carry on a business undertaking, it invariably runs at a deficit, which must be made up by the taxpayer. This may be due to no lack of ability on the part of those whom we intrust to operate a governmental business undertaking. It is due, as I have pointed out, to the political mechanism which we have set up to protect political liberty, with its checks and balances—red tape, we call it—necessary in handling matters involving our

political rights, but which rules and regulations hinder the efficient operation of a business enterprise. We must have red tape in order to prevent a quick overturn of established political principles. Otherwise it is revolution. Quickness of decision is essential to the proper conduct of a business.

So, when we have a large percentage of governmental activities, we find the reduced taxpaying capacity of the country is aggravated because Government deprives citizens from earning money with which to pay taxes.

This gradual and subtle encroachment of Government into those activities which belong the individual of the individual of the country is a subtle encroachment of government into those activities which belong the individual of the

This gradual and subtle encroachment of Government into those activities which belong to the individual, and for which you and I as citizens are responsible through our indifference or our

Thus we have the anomaly of taxpayers providing the funds for their own competition, and it is one of the factors to-day affecting the delinquent taxpayer, present and prospective, in whose

behalf these talks are given.

Mr. REED. Mr. President, as I listened to the amendment being read, it occurred to me that it might possibly create some difficulties in places like Panama.

Mr. THOMAS of Oklahoma. It applies only to the States,

will say to the Senator.

Mr. REED. It does not apply to the outlying possessions? Mr. THOMAS of Oklahoma. It does not apply to the Territories.

Mr. REED. I can not commit myself to it very definitely. but I am inclined to consent to its adoption at this time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. CUTTING. Mr. President, I desire to submit an amendment which I think will take care of the situation so ably and justly criticized by the Senator from Nebraska [Mr. Norris] with regard to the use of citizens' training camps for the dissemination of various kinds of propaganda relating to economics, governmental theories, and so forth.

The PRESIDENT pro tempore. The amendment will be

The LEGISLATIVE CLERK. On page 63, line 25, after the word "made," insert the following:

Provided further, That no money appropriated in this act shall be available for any citizens' military training camp or unit of the Reserve Officers' Training Corps in which there is instruction in civics, economics, governmental theory, or any other nonmilitary subject

Mr. CUTTING. Mr. President, this subject has been discussed at such length to-day that I do not care to add anything more; but I should like to have the yeas and nays.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Mexico, on which the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were not ordered.

Mr. NORRIS. Mr. President, if we are not going to have the yeas and nays, let us talk about it a while.

Mr. REED. O Mr. President, let us have the yeas and

The PRESIDENT pro tempore. Is the demand for the yeas and navs seconded?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. JONES (when his name was called). Making the same announcement as heretofore with reference to my pair and its transfer, I vote "nay."

Mr. McNARY (when his name was called). Making the same announcement with reference to my pair and its transfer, I vote "nay."

Mr. REED (when his name was called). Making the same announcement as before, I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I again announce my general pair with the junior Senator from Mississippi [Mr. Stephens] and withhold my vote. If permitted to vote, I would vote "nay."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKellar]. I transfer that pair to the junior Senator from Maine [Mr. WHITE] and vote "nay."

Mr. TYDINGS (when his name was called). I make the same announcement with reference to my pair with the senior Senator from Rhode Island [Mr. Metcalf]. I understand that if my pair were present he would vote as I shall vote. Therefore I vote "nay."

Mr. WAGNER (when his name was called). I am informed that if the junior Senator from Missouri [Mr. Patterson], with whom I am paired, were present he would vote "nay." Therefore I feel at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. BULKLEY (after having voted in the negative). I have a general pair with the junior Senator from Wyoming [Mr. Carey]. I am advised that if present he would vote as I have voted, so I allow my vote to stand.

Mr. BINGHAM (after having voted in the negative). Making the same announcement as to my pair and its transfer to the junior Senator from Wyoming [Mr. CAREY], I permit my vote to stand.

Mr. ROBINSON of Indiana. I find that I can transfer my general pair with the junior Senator from Mississippi [Mr. Stephens] to the senior Senator from Rhode Island [Mr. Metcalf], which I do, and vote "nay."

Mr. NYE. On this question I have a pair with the senior Senator from Wyoming [Mr. Kendrick]. Were I permitted to vote, I should vote "yea."

Mr. HATFIELD. I transfer my general pair with the Senator from North Carolina [Mr. Morrison] to the junior Senator from Maryland [Mr. Goldsborough] and vote "nay."

_Mr. McNARY. I desire to announce the following general pairs:

The Senator from Ohio [Mr. FESS] with the Senator from New York [Mr. COPELAND];

The Senator from Minnesota [Mr. Shipstead] with the Senator from Massachusetts [Mr. Walsh];

The Senator from Delaware [Mr. Hastings] with the Senator from West Virginia [Mr. NEELY];

The Senator from South Dakota [Mr. Norbeck] with the Senator from Illinois [Mr. Lewis];

The Senator from Minnesota [Mr. Schall] with the Senator from Alabama [Mr. Black];

The Senator from Iowa [Mr. Dickinson] with the Senator from Kentucky [Mr. Barkley];

The Senator from Illinois [Mr. Glenn] with the Senator from Louisiana [Mr. Long]; and

The Senator from Michigan [Mr. Couzens] with the Senator from South Dakota [Mr. Bulow].

Mr. COSTIGAN. I wish to announce the necessary absence of the junior Senator from West Virginia [Mr. Neely]. His pair has been announced.

The result was announced—yeas 18 navs 36 as follows:

The resul	t was announced		36, as ioliows:
	YE	AS—18	
Blaine Brookhart Caraway Connally Costigan	Cutting Dill Fletcher Frazier George	Howell La Follette Logan McGill Norris	Smith Trammell Wheeler
	NA	YS-36	
Austin Balley Barbour Bingham Bratton Broussard Bulkley Byrnes Capper	Cohen Coolidge Davis Hale Hatfield Hayden Hebert Jones Kean	Keyes McNary Moses Oddie Reed Robinson, Ind. Sheppard Shortridge Smoot	Stelwer Thomas, Idaho Thomas, Okla. Townsend Tydings Vandenberg Wagner Walcott Watson
	NOT V	OTING-42	
Ashurst Bankhead Barkley Black Borah Bulow Carey Copeland Couzens Dale	Fess Glass Glenn Goldsborough Gore Harrison Hastings Hawes Hull Johnson	King Lewis Long McKellar Metcalf Morrison Neely Norbeck Nye Patterson	Robinson, Ark. Schall Shipstead Stephens Swanson Walsh, Mass. Walsh, Mont. Waterman White
Diekinson	Wandriele	Dittmon	

So the amendment proposed by Mr. Cutting was rejected.

Mr. TRAMMELL. Mr. President, I desire to offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be reported for the information of the Senate.

The LEGISLATIVE CLERK. On page 82, line 8, after the word "department," strike out the remainder of line 8 and all of lines 9 to 13, inclusive, and insert:

This section shall not apply to medical officers on out-patient medical service to whom may be assigned a Government-owned motor vehicle for their exclusive use.

Mr. TRAMMELL. Mr. President, the object of the amendment is to effect a very substantial economy when we apply the policy to the various departments here in Washington. This is the first appropriation bill that has been considered since I discovered a week or two ago that probably half a million dollars a year is expended for private automobiles for officials to use at Government expense. I do not know that there was ever any justification for this policy. I do not think the American people would quite approve of the idea of furnishing a Cadillac automobile for an Assistant Secretary of War in which to ride around on his private business. Of course, it is called "official business," but I do not know of any particular official business of any consequence that would require the Government to furnish an automobile for an Assistant Secretary of War. It happens that the other House requested data in regard to the use of Government automobiles, and the head of the Bureau of Efficiency reported, as best I am able to figure from the data furnished, that there are about 21 or 22 automobiles used in connection with the War Department.

Mr. REED. Mr. President, will the Senator from Florida vield to me?

Mr. TRAMMELL. I yield.

Mr. REED. I do not see why this amendment should not be agreed to and allowed to go to conference. Then we can look into it and ascertain the number of automobiles that are being used.

Mr. TRAMMELL. I should like to have that information. I thank the Senator. I am going to say only a few additional words to show some justification for the amendment. The report made by the Director of the Efficiency Bureau shows that the Secretary of War has a Packard automobile, purchased with Government money, and that \$1,380 is provided for a chauffeur. I have great respect for the dignity of that office, but I submit, especially in view of depressed economic conditions, that there is no reason in the world why the Government should furnish the Secretary of War an automobile. Let him own his own automobile and provide his own chauffeur just as does the average official in this city or any other city does or as a Senator does. I do not know of any Senator who has an automobile furnished to him; I do not know of any Senator who even has the privilege of the use of what are called "group automobiles." In the War Department the Secretary has a Packard furnished him, with a chauffeur at \$1,380 a year. One of the Assistant Secretaries has a LaSalle, with a chauffeur furnished at an expense to the Government of \$1,380. The other Assistant Secretary of War has a LaSalle, purchased by the Government, furnished free of charge, with a chauffeur at \$1,380. The Chief of Staff is furnished with a Cadillac, which is operated by an enlisted man. The chief deputy of the General Staff has a LaSalle, which is also operated by an enlisted man.

Then they have what they call the "reserve and replacement" LaSalle, operated by an enlisted man. The Adjutant General has furnished to him only a Dodge and an enlisted man to operate it for him. Then they have what is called the "messenger center," with a Dodge. Then they have six cars in a general pool. I suppose anybody may use those. Those cars are all operated by enlisted men and are directly connected with the department, as I understand. I have checked these data the best I can. There are about 21 cars, as stated here, purchased by the Government, furnished by the Government, operated by the Government, used by the War Department. I think some of these automobiles are also used by the district engineer, probably as many as 15 or 16; but the others are used entirely by the War Department.

This system has crept into all the departments. It has crept into the Agricultural Department. The Secretary, his assistant, and the heads of the different bureaus are all provided with Packards, LaSalles, Cadillacs, and so forth, at Government expense, and with chauffeurs. The Secretary of Agriculture tries to effectuate economy when it comes to the question of rendering some assistance to the poor, downstricken farmers of the country, but he did not ask Congress to cut off the appropriation for all those automobiles, for which he really has practically no use so far as official business is concerned.

I say he has "practically no use" for them. If the Secretary of Agriculture or one of his assistants has occasion to come to the Capitol, let him go out and get in his own car, just as a Senator does when he visits the department. I dare say that 90 per cent of the Senators spend more time visiting different departments on official business than do any of the department officials calling at different places on official business.

Mr. JONES. Mr. President, will the Senator from Florida yield to me?

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Washington?

Mr. TRAMMELL. I will yield to the Senator in a moment. We have no transportation accommodations furnished to us—none whatever. I do not make this criticism on account of what we have or do not have. I would not have such accommodations if they could be furnished; I think it would be wrong for transportation to be furnished to a Senator. I now yield to the Senator from Washington.

Mr. JONES. My recollection is that in the appropriation bills which we have heretofore passed there has been a general provision in regard to the use of automobiles by department officials.

Mr. TRAMMELL. I do not think so. I raised this question the other day.

Mr. JONES. I will ask the Senator from Pennsylvania if there is not such a provision in the pending bill?

Mr. REED. There are restrictions in this bill, but they do not go so far as the amendment of the Senator from Florida.

Mr. TRAMMELL, No.

Mr. JONES. But they are similar to the provisions in the other appropriation bills?

Mr. REED. Yes.

Mr. TRAMMELL. There is in this bill a restriction against the use of automobiles for any other than official purposes; then there is a definition of "official purposes," and then there is the provision which I seek to have stricken out which excepts the Secretary of War and his assistants and those connected with his department. That in itself shows it should be taken out. Why should they be made favorites? Why under any idea of the dignity of the office or placing a higher official upon a pedestal that should any of them except the Secretary be allowed to have free cars and chauffeurs? I think in these times that even he should not be permitted to have them. They have absolutely overdone the business of getting Government automobiles and using them practically for personal purposes. The abuse runs all through the Government service. I dare say that in the various appropriation bills there are at least half a million dollars or a million dollars carried this year for that purpose.

I never said anything about the Chief Executive. I have a great deal of sympathy for the man who occupies the high office of President of the United States, and particularly in these times when he has his trials and his tribulations and responsibilities. But as an illustration, what use is there for nine automobiles at the White House, purchased and paid for by the American people, and with chauffeurs provided by the American people?

If the Senator will accept this amendment, I will be glad to have him do so.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida. The amendment was agreed to. Mr. FRAZIER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 61, after line 11, it is proposed to insert the following proviso:

Provided further, That none of the funds appropriated in this act shall be expended for or on account of any educational institution not essentially a military school which makes military training compulsory to any student enrolled therein, and this appropriation shall be available in accordance with law to such institutions as maintain elective military training courses.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. FRAZIER. Mr. President, this amendment simply cuts out the compulsory feature of military training at public educational institutions. I should like a yea-and-nay vote on it, and if that is agreeable I will make no further remarks. I ask for the yeas and nays.

Mr. WHEELER. Mr. President, I ask that the amendment be again stated.

The PRESIDENT pro tempore. The amendment will be again stated for the information of the Senate.

The legislative clerk again stated the amendment.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from North Dakota on which the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). Making the same announcement as before regarding my pair and its transfer, I will vote. I vote "nay."

Mr. BULKLEY (when his name was called). Making the same announcement as before with respect to my general pair with the junior Senator from Wyoming [Mr. Carey] and its transfer, I vote "nay."

Mr. HATFIELD (when his name was called). Repeating my previous announcement regarding my pair and its transfer, I vote "nay."

Mr. JONES (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. McNARY (when his name was called). Referring to my former announcement, I vote "nay."

Mr. NYE (when his name was called). Again announcing my pair with the senior Senator from Wyoming [Mr. Kendrick], I desire to announce that were I at liberty to vote I should vote "yea."

Mr. REED (when his name was called). Making the same announcement as before, I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I find that I can transfer my general pair with the junior Senator from Mississippi [Mr. Stephens] to the junior Senator from Connecticut [Mr. Walcott]. I do so, and vote "nay."

Mr. TOWNSEND (when his name was called). Making the same announcement as to my general pair with the senior Senator from Tennessee [Mr. McKellar], I vote "nay."

The roll call was concluded.

Mr. NORBECK. I have a general pair with the junior Senator from Illinois [Mr. Lewis], and therefore withhold my vote.

Mr. McNARY. I desire to announce the following general pairs:

The Senator from Missouri [Mr. Patterson] with the Senator from New York [Mr. Wagner];

The Senator from Ohio [Mr. Fess] with the Senator from New York [Mr. COPELAND]:

The Senator from Delaware [Mr. Hastings] with the Senator from West Virginia [Mr. NEELY]:

The Senator from Illinois [Mr. GLENN] with the Senator from Louisiana [Mr. Long];

The Senator from Iowa [Mr. Dickinson] with the Senator from Kentucky [Mr. Barkley];

The Senator from Minnesota [Mr. Schall] with the Senator from Alabama [Mr. BLACK];

The Senator from Minnesota [Mr. Shipstead] with the Senator from Massachusetts [Mr. Walsh];

The Senator from Michigan [Mr. Couzens] with the Senator from Montana [Mr. Walsh]; and

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. Typings].

The result was announced—yeas 7, nays 43, as follows:

YEAS-7 Blaine Brookhart Costigan La Follette Wheeler Frazier Norris NAYS-43 Howell Shortridge Cohen Bailey Bankhead Connally Cutting Jones Kean Smith Barbour Davis Keyes Steiwer Fletcher Bingham Logan McNary Thomas, Idaho Thomas, Okla. George Bratton Broussard Bulkley Townsend Trammell Hale Mos Hatfield Oddie Byrnes Capper Hawes Hayden Reed Robinson, Ind. Vandenberg Watson Sheppard Caraway Hebert NOT VOTING-46 Long McGill Shipstead Stephens Ashurst Fess Glass Barkley Black Glenn McKellar Swanson Goldsborough Metcalf Tydings Gore Harrison Hastings Bulow Morrison Wagner Neely Norbeck Walcott Walsh, Mass Carey Coolidge Copeland Couzens Nye Patterson Pittman Walsh, Mont. Hull Johnson Waterman Dale Kendrick White King Lewis Dickinson Robinson, Ark. Dill Schall

So Mr. Frazier's amendment was rejected.

The PRESIDENT pro tempore. The bill is still on its second reading and open to amendment. No further amendments being proposed, the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

LOANS TO STATES FOR UNEMPLOYMENT RELIEF-ADDITIONAL AMENDMENTS

Mr. LA FOLLETTE submitted amendments intended to be proposed by him to the bill (S. 4860) to provide for loans to States for the relief of distress arising from unemployment, and for other purposes, which were ordered to lie on the table and to be printed.

EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmas-

Mr. HEBERT, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Thomas D. Goldrick to be postmaster at Pascoag, R. I., in place of T. D. Goldrick.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

RADIO ADDRESS OF EDWARD A. O'NEAL

Mr. BROOKHART. Mr. President, I ask leave to insert in the RECORD a speech of Edward A. O'Neal, president of the American Farm Bureau Federation, delivered on June 4 over the Columbia Broadcasting System.

The PRESIDENT pro tempore. The clerks at the desk state to the Chair that this speech was inserted in the REC-ORD yesterday by the Senator from North Dakota [Mr. Nye].

Mr. BROOKHART. Very well; if that has been done, I withdraw the request. I will let my statement stand in the RECORD, however, with the further statement that this of, we take up for consideration Order of Business 836, Sen-

speech ought to be read by every Senator, including the President pro tempore.

The PRESIDENT pro tempore. The RECORD will carry that statement, undoubtedly accurately.

Mr. NORRIS. Mr. President, I should like to say that if that speech of Mr. O'Neal is not better than those I usually hear him make, I advise anybody who is thinking about reading it not to waste his time. [Laughter.]

FEDERAL POWER COMMISSION-LEGAL EXPENSES

Mr. TOWNSEND. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably a short resolution which will not entail any

Mr. NORRIS. I ask unanimous consent for its present consideration

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The legislative clerk read Senate Resolution 222, submitted by Mr. Norris on the 8th instant, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on the Judiciary, authorized by Senate Resolution No. 415, agreed to February 5, 1931, to engage counsel for the purpose of instituting proceedings to secure a determination of the right of George Otis Smith to the position of member of the Federal Power Commission, and to pay the counsel fees and other expenses necessarily incident to such proceedings, hereby is authorized to expend from the contingent fund of the Senate \$395.40 in addition to the amount heretofore authorized for said purpose.

FEDERAL BUILDING SITE, DOVER, N. J.

Mr. BARBOUR. Mr. President, I ask unanimous consent that Order of Business 729, House bill 11337, be taken up and passed at this time. I may say that the bill passed yesterday without discussion or debate; and I requested my colleague the senior Senator from New Jersey [Mr. Kean] to let it go over through an inadvertence. I ask that it be passed again.

Mr. CONNALLY. Reserving the right to object, whose bill is it?

Mr. BARBOUR. My bill.

The PRESIDENT pro tempore. The Chair understands the action of the Senate to have been to have passed the bill yesterday, and, upon request, that action was reconsidered and the bill was replaced upon the calendar. The Senator from New Jersey now asks unanimous consent that it may be taken up for consideration. Is there objection? The Chair hears none, and the question is on the passage of the bill.

The bill was passed.

AGRICULTURAL DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. McNARY obtained the floor.

Mr. WAGNER. Mr. President, I desire to make a request following a motion which I understand is about to be made.

The PRESIDENT pro tempore. The Chair intends to lay before the Senate the unfinished business

Mr. WAGNER. What is the unfinished business?

The PRESIDENT pro tempore. It is the bank bill, the so-called Glass bill.

Mr. McNARY. Mr. President, I move that the Senate proceed to the consideration of the conference report on the agricultural appropriation bill.

The PRESIDENT pro tempore. That is a privileged motion. The question is on the motion of the Senator from

The motion-was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

Mr. WAGNER. Mr. President— Mr. McNARY. I yield to the Senator from New York.

Mr. WAGNER. I ask unanimous consent that as soon as the conference report just made the special order is disposed ate bill 4860, which is the so-called relief bill, providing for an appropriation of \$300,000,000 for the relief of the destitute.

Mr. BULKLEY. Mr. President, does the Senator couple with that request a further request that the Glass bill be temporarily laid aside?

Mr. WAGNER. Yes; of course, that the Glass bill be only temporarily laid aside.

Mr. McNARY. Mr. President, it is my opinion that this morning, when the Army bill was made the unfinished business, it displaced the unfinished business. Is that correct?

The PRESIDENT pro tempore. The Chair did not so understand, although the present occupant of the chair was not in the chair at the time. The Chair understood that it was temporarily laid aside.

Mr. McNARY. A motion was made to proceed to the consideration of the Army bill.

The PRESIDENT pro tempore. The Chair is informed at the desk that it was temporarily laid aside, in which case the Chair was perfectly correct in laying the unfinished business before the Senate; but, of course, a motion to take up a conference report is privileged. That motion has already been agreed to, and the conference report is now before the Senate.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.
Mr. LA FOLLETTE. I understood that the Senator from
Nebraska [Mr. Norris] objected to unanimous consent to
laying aside the unfinished business temporarily and the
question came on the motion to proceed to the consideration
of the Army bill.

The PRESIDENT pro tempore. The present occupant of the chair was not presiding at that moment.

Mr. LA FOLLETTE. May I suggest that the Chair inquire at the desk?

The PRESIDENT pro tempore. The Chair will ask the Journal clerk what occurred.

Mr. McNARY. That is precisely what occurred, Mr. President.

The PRESIDENT pro tempore. The Journal clerk informs the Chair that that is correct, and the banking bill has been laid aside permanently.

Mr. McNARY. That is correct.

The PRESIDENT pro tempore. The business before the Senate now is the conference report on the agricultural appropriation bill.

Mr. WAGNER. Mr. President-

Mr. McNARY. I yield to the Senator from New York.

Mr. WAGNER. I have submitted a unanimous-consent request which I ask to have put by the Chair.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent that upon the conclusion of the consideration of the conference report now before the Senate Order of Business 836, Senate bill 4860, shall be taken up. Is there objection?

Mr. HAWES. Mr. President, reserving the right to object, the Senate has had on its calendar for some time the bill providing for the independence of the Philippine people. That bill passed the House by almost a unanimous vote, and it is on our preferential calendar.

I desire to say that the friends of Philippine independence do not want to interfere with relief bills or these other important measures; but there must come a time when the Senate will take up that bill and dispose of it. It not only represents a very large sentiment in the House, but I am sure that that sentiment is equally strong in the Senate. I therefore ask unanimous consent that that bill be taken

Mr. NORRIS. Mr. President, if the Senator will yield, the Senator from Oregon does not intend to proceed with the conference report to-night; and all this is unnecessary, because it all comes after the conference report, which is not going to be acted on to-night.

Mr. WAGNER. I understand that.

Mr. NORRIS. Why does not the Senator wait until to-morrow, then?

Mr. WAGNER. What I wanted to do was to have some definite time fixed when this bill, which is so important, shall be taken up.

Mr. NORRIS. The conference report may take all day. There will be plenty of time to make the request to-morrow. Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. The Senator from Oregon has the floor.

Mr. WAGNER. I understand that the Senator from Missouri does not intend to object to my request.

Mr. HAWES. No.

Mr. McNARY. Mr. President, in view of the parliamentary situation, the possibility of some Senators objecting, and the fact that the Senator from New York will have an opportunity to submit his request in the morning, I move now that the Senate take a recess until to-morrow morning at 11 o'clock; and I suggest that the Senator from New York withhold his request until that time.

Mr. WAGNER. Of course, I will follow the suggestion; but the Senator from Missouri has just informed me that he does not intend to object to my request.

Mr. McNARY. Other Senators have informed me that they may do so this evening; so I move that we recess now, and suggest to the Senator that he proceed with the matter to-morrow.

RECESS

The PRESIDENT pro tempore. The Senator from Oregon moves that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 7 o'clock and 40 minutes p. m.) the Senate took a recess until to-morrow, Friday, June 10, 1932, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 9 (legislative day of June 8), 1932

UNITED STATES ATTORNEY

David D. Ashworth, of West Virginia, to be United States attorney, southern district of West Virginia, to succeed James Damron, whose term expired January 4, 1932.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO ORDNANCE DEPARTMENT

First Lieut. Wiley Thomas Moore, Field Artillery (detailed in Ordnance Department), with rank from October 1, 1930.

PROMOTIONS IN THE REGULAR ARMY

To be colonel

Lieut. Col. Thomas Watson Brown, Infantry, from June 1,

To be lieutenant colonel

Major Arthur Earl Wilbourn, Cavalry, from June 1, 1932.

To be major

Capt. Henry Hutchings, jr., Corps of Engineers, from June 1, 1932.

To be captain

First Lieut. William Jacob Kunzmann, Infantry, from June 1, 1932.

To be first lieutenant

Second Lieut. Harry Joseph Wheaton, Infantry, from June 1, 1932.

DENTAL CORPS

To be major

Capt. John Charles Burr, Dental Corps, from June 5, 1932.

To be captain

First Lieut. Eugene Edward Manning, Dental Corps, from June 2, 1932.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 9, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

God is our refuge and strength, a very present help in trouble. Therefore will not we fear, though the earth be removed and though the mountains be carried in the midst of the sea; though the waters thereof roar and be troubled; though the mountains shake with the swelling thereof. There is a river the streams whereof shall make glad the city of God, the holy place of the tabernacles of the Most High. God is in the midst of her; she shall not be moved; God shall help her, and that right early. The Lord of Hosts is with us; the God of Jacob is our refuge. Be still and know that I am God; I will be exalted in the earth. The Lord of Hosts is with us; the God of Jacob is our refuge.

Heavenly Father, anchor our faith in Thy Holy Word and in the mission of Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 79. An act to provide for conveyance of a portion of the Liston Range Rear Lighthouse Reservation, New Castle County, State of Delaware, for highway purposes;

H.R. 2238. An act for the relief of Edward Bodeck;

H. R. 3527. An act for the relief of Berta C. Hughes;

H. R. 3724. An act for the relief of Charles Thomas;

H. R. 3951. An act to provide a preliminary examination of the Edisto River and its branches, South and North Edisto, S. C., with a view to the control of its floods;

H. R. 4144. An act for the relief of H. H. Lee;

H. R. 5052. An act to authorize the incorporated town of Juneau, Alaska, to use the funds arising from the sale of bonds in pursuance to the act of Congress of February 11, 1925, for the purpose either of improving the sewerage system of said town or of constructing permanent streets in said town;

H. R. 5940. An act for the relief of Florian Ford;

H. R. 6487. An act to authorize the incorporated town of Petersburg, Alaska, to issue bonds in any sum not exceeding \$100,000 for the purpose of improving and enlarging the capacity of the municipal light and power plant, and the improvement of the water and sewer systems, and for the purpose of retiring or purchasing bonds heretofore issued by the town of Petersburg;

H. R. 6713. An act for estimates necessary for the proper maintenance of the Government wharf at Juneau, Alaska;

H. R. 7123. An act to amend the act of March 2, 1917 (39 Stat. 983; U. S. Code, title 25, sec. 242);

H. R. 7914. An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River;

H. R. 8393. An act providing for payment of \$25 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States;

H. R. 8907. An act to authorize the Secretary of the Treasury to acquire land adjoining Lawrence (Mass.) post-office site:

H. R. 9259. An act to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187);

H. R. 10585. An act authorizing the Fort Hancock-Porvenir Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Fort Hancock, Tex.;

H.R. 10598. An act to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes;

H. R. 10926. An act to authorize conveyance to the United States of certain lands in the State of Arizona for use of the United States in maintaining air-navigation facilities, and for other purposes;

H.R. 11020. An act authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington. Miss.:

H.R. 11081. An act to extend the times for commencing and completing the construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45:

H. R. 11085. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21;

H.R. 11120. An act to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256);

H. R. 11246. An act authorizing the Boca Chica Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Boca Chica, Tex.;

H. R. 12045. An act authorizing a per capita payment of \$50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States; and

H. J. Res. 305. Joint resolution for the improvement of Meridian Hill Park.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2633. An act for the relief of William R. Cox;

H. R. 5242. An act for the relief of D. Emmett Hamilton; H. R. 5649. An act to extend the life of "An act to permit a compact or agreement between the States of Washington, Idaho, Oregon, and Montana respecting the disposition and apportionment of the waters of the Columbia River and its tributaries, and for other purposes";

H. R. 10683. An act to provide for the conveyance by the United States of a certain tract of land to the borough of Stonington, in the county of New London, in the State of Connecticut; and

H. R. 11267. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the Senate had passed bills, joint resolutions, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 13. An act to regulate foreclosure of mortgages and deeds of trust in the District of Columbia;
S. 36. An act to amend the act entitled "An act to provide

S. 36. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes;

S. 256. An act authorizing adjustment of the claim of Madrigal & Co., Manila, P. I.;

S. 261. An act authorizing adjustment of the claims of John T. Lennon and George T. Flora;

S. 329. An act for the relief of Beatrice I. Manges;

S. 363. An act for the relief of Nannie Swearingen;

S. 571. An act for the relief of Jennie Bruce Gallahan;

S. 763. An act to extend the provisions of the forest exchange act to lands adjacent to the national forests in the State of Oregon;

State of Oregon; S. 772. An act to authorize the Secretary of Agriculture to sell the Morton Nursery site, in the county of Cherry, State of Nebraska; S. 773. An act to facilitate the use and occupancy of national-forest lands for purposes of residence, recreation, education, industry, and commerce;

S. 850. An act for the relief of Michael J. Moran;

S. 1525. An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped or otherwise unlawfully detained, and making such act a felony;

S. 1877. An act for the relief of Francis N. Dominick;

S. 1980. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.;

S. 2178. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution in Washington, D. C.;

S. 2331. An act to provide for the care, maintenance, and education of children born out of lawful wedlock:

S. 2447. An act to provide for references in law cases by consent of the parties and declaring the effect of such submission:

S. 2914. An act to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named, under the terms of the act of June 7, 1924, and the liability of the United States to non-Indian claimants on Indian pueblo grants whose claims, extinguished under the act of June 7, 1924, have been found by the Pueblo Lands Board to have been claims in good faith; to authorize the expenditure by the Secretary of the Interior of the sums herein authorized and of sums heretofore appropriated, in conformity with the act of June 7, 1924, for the purchase of needed lands and water rights and the creation of other permanent economic improvements as contemplated by said act; to direct the issuance of a patent to the Pueblo of Taos for certain lands described herein, and for other purposes;

S. 2941. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.;

S. 3145. An act providing for the appointment of a commissioner to hear cases arising under contracts of war-risk insurance in the district courts for the eastern and western districts of South Carolina;

S. 3543. An act for the relief of Robert Emil Taylor:

S. 3792. An act to amend sections 5 and 6 of the act of June 30, 1906, entitled "An act to prohibit the killing of wild birds and wild animals in the District of Columbia," and thereby to establish a game and bird sanctuary of the Potomac River and its tributaries in the said District;

S. 3817. An act to provide funds for cooperation with the school board at Wolf Point, Mont., in the extension of the public-school building to be available to Indian children of the Fort Peck Indian Reservation;

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia:

S. 4107. An act to amend section 3 of an act, as amended, entitled "An act making it a misdemeanor in the District of Columbia to abandon or willfully neglect to provide for the support and maintenance by any person of his wife or his or her minor children in destitute or necessitous circumstances," approved June 10, 1926;

S. 4273. An act to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission:

S. 4339. An act repealing certain provisions of the act of June 21, 1906, as amended, relating to the sale and encumbrance of lands of Kickapoo and affiliated Indians of Oklaboma:

S. 4349. An act authorizing the President of the United States to present a Navy cross to Carlos V. Cusachs, late lieutenant commander, United States Navy;

S. 4367. An act to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail;

S. 4374. An act to empower the superintendent of the Hawaii National Park to perform the functions now performed by the United States commissioner for the said national park, and for other purposes;

S. 4390. An act authorizing the Secretary of the Interior to cancel patent in fee issued to Henry J. Kirn and Louise H. Kirn:

S. 4391. An act to authorize appropriations for the completion of the public high school at Frazer, Mont.;

S. 4396. An act to provide for readjustment of street lines and the transfer of land for school, park, and highway purposes in the northeast section of the District of Columbia, and for other purposes:

S. 4425. An act relating to the immigration and naturalization of certain natives of the Virgin Islands;

S. 4440. An act authorizing adjustment of the claim of George H. Hansen:

S. 4441. An act authorizing adjustment of the claim of the National Surety Co.;

S. 4444. An act to provide for recording of deeds of trust and mortgages secured on real estate in the District of Columbia and for the releasing thereof, and for other purposes;

S. 4510. An act to authorize exchange of small tribal acreage on the Fort Hall Indian school reserve in Idaho for adjoining land:

S. 4511. An act to amend sections 328 and 329 of the United States Criminal Code of 1910 and sections 548 and 549 of the United States Code of 1926;

S. 4512. An act authorizing a preliminary examination of the McKenzie River in the State of Oregon, with a view to the control of its floods;

S. 4513. An act for the relief of Walter Thomas Foreman; S. 4542. An act providing for the use by the Veterans' Administration of the old post-office building in Casper, Wyo.:

S. 4572. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 4573. An act authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind.;

S. 4574. An act to extend the provisions of the National Bank Act to the Virgin Islands of the United States, and for other purposes;

S. 4614. An act to amend section 14 of an act entitled "An act to adjust water-right charges, to grant certain other relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended (46 Stat. 249);

S. 4689. An act to authorize the closing of certain streets in the District of Columbia rendered useless or unnecessary, and for other purposes;

S. 4736. An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes;

S. 4778. An act to extend the time for the construction of a bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y.;

S. 4791. An act to amend the United States mining laws applicable to the city of Prescott municipal watershed in the Prescott National Forest within the State of Arizona;

S. 4803. An act relating to the acquisition of restricted Indian lands by States, counties, or municipalities;

S. J. Res. 97. Joint resolution extending for one year the time within which American claimants may make application for payment, under the settlement of war claims act of 1928, of awards of the Mixed Claims Commission and of the Tripartite Claims Commission;

S. J. Res. 124. Joint resolution to provide for the determination of claims for damages sustained by the fluctuation of the water levels of Lake of the Woods in certain cases, and for other purposes;

S. J. Res. 148. Joint resolution to permit a compact or agreement between the States of Idaho and Wyoming respecting the disposition and apportionment of the waters of the Snake River and its tributaries, and for other purposes;

S. Con. Res. 7. Concurrent resolution to print and bind the proceedings in Congress, together with the proceedings at the unveiling in Statuary Hall of the statue of Gen. John Sevier, presented by the State of Tennessee;

S. Con. Res. 21. Concurrent resolution to provide for the publication of the proceedings in Congress and in Statuary Hall in connection with the unveiling of the statues of Junipero Serra and Thomas Starr King, presented by the State of California; and

S. Con. Res. 24. Concurrent resolution to print and bind the proceedings in Congress and in Statuary Hall upon the occasions of the unveiling in the Capitol of the statues of Jefferson Davis and James Z. George, presented by the State of Mississippi.

CONGRESSIONAL APPROPRIATION

Mr. PARSONS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting therein a my remarks in the Record I include the following table:

table showing the total appropriations, total ordinary receipts, and the expenditures chargeable to these receipts, a table prepared in the department of the Secretary of the Treasury, for the years 1928 to 1932, inclusive.

The SPEAKER. Is there objection?

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, how much space will that take in the RECORD?

Mr. PARSONS. There are only three lines, with the figures running through them.

The SPEAKER. Is there objection?

There was no objection.

Mr. PARSONS. Mr. Speaker, under the leave to extend

tement showing the appropriations provided by Congress for the fiscal years 1928 to 1932, inclusive, the ordinary receipts of the Government for the fiscal years 1928 to 1931, inclusive, and the ordinary expenditures, on the basis of daily Treasury statements, for the fiscal years 1928 to 1931, inclusive, together with the actual receipts and expenditures for the fiscal year 1932 from July 1, 1931, up to and including June 1, 1932.

	1928	1929	1930	1931	1932
Total appropriations payable from ordinary receipts Total ordinary receipts. Expenditures chargeable against ordinary receipts.	\$3, 455, 646, 991, 25	\$3, 856, 603, 432, 40	\$3, 823, 111, 547. 84	\$4, 231, 440, 339, 86	\$4, 333, 914, 694, 94
	4, 042, 348, 156, 19	4, 033, 250, 225, 05	4, 177, 941, 701. 99	3, 317, 233, 493, 81	1, 880, 268, 226, 78
	3, 643, 519, 875, 13	3, 848, 463, 189, 63	3, 994, 152, 487. 09	4, 219, 950, 338, 88	4, 573, 027, 261, 27

Note. -The figures shown in this statement are exclusive of amounts pertaining to the public debt of the United States and the Postal Service payable from postal

TREASURY DEPARTMENT, June 3, 1982.

JOHN H. MEHRLE

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to take from the Private Calendar H. R. 2920, for the relief of John H. Mehrle, and refer it again to the Committee on Claims.

The SPEAKER. Is there objection?

There was no objection.

DISPOSITION OF SURPLUS MATTER IN FOLDING ROOM

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent for the present consideration of the House Resolution 259, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 259

Resolved, That the documents now in the folding room of the House of Representatives, described in the list hereafter set forth under the heading "List of Documents," shall be disposed of in the following manner:

First. Members, Delegates, Commissioners from Puerto Rico and the Philippine Islands, and officers of the House having such documents to their credit may dispose of the same in the usual manner at any time before December 1, 1932.

at any time before December 1, 1932.

Second. Upon the expiration of the said time the Doorkeeper shall furnish to the Members of the House, as promptly as practicable, a list of the documents herein referred to then remaining in the folding room, and thereupon such documents shall be subject to the order of any Member or Delegate in the order in which they are applied for, for the period of 30 days after the day when such list shall be furnished by the Doorkeeper.

Third. The Doorkeeper shall furnish a list of all such documents remaining in the folding room at the expiration of the last-named

remaining in the folding room at the expiration of the last-named period to the various departments and commissions of the Government at Washington, including the Superintendent of Documents, Smithsonian Institution, Library of Congress, Bureau of American Republics, and the Commissioners of the District of Columbia, and any such documents shall be turned over to any such department, commission, etc., above referred to, in the order in which their application shall be made, and all such documents which shall remain in the folding room for a period of 10 days after such list shall have been furnished to the departments or commissions aforesaid shall be sold by the Doorkeeper as waste paper.

Fourth. No documents which are described in the list aforesaid

shall thereafter be returned to the folding room from any source.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think the gentleman from South Carolina should make a short statement so that we would know exactly what he proposes to do with this resolution.

Mr. STEVENSON. Mr. Speaker, there is attached to the resolution a list of the matter that is in the folding room and which will have to be moved. That was printed in the RECORD some two or three weeks ago, though probably most of the Members did not notice it. The resolution itself, with some slight variation, was printed also then. The folding room has to be moved before the first of the year over into the new House Office Building. There are about 1,000,-000 documents in the folding room to the credit of different

Members of Congress. The resolution provides that Members must get these documents away from there by the 1st day of next December. When this was last done Members were given only 30 days in which to do that. That was in 1908. My proposition is to put it to the 1st of next December, because Members are exceedingly busy now, and they will go to the conventions and into the campaign and I think it would be unfair to ask them to remove these documents in 30 days. Therefore we have fixed the time at the 1st of next December in which to get those documents to their credit out of the folding room. Then the Doorkeeper is to give a list of all that is left to each Member of the House. Then every Member may go and get what he wants of that residuum, according to the date of his application-first come first served, for 30 days. Then a list of what is then left is to be given to the departments, and the departments are to have 10 days in which to go and get what they want out of that residuum. When that is done, the balance will be disposed of as waste paper.

Mr. WARREN. Mr. Speaker, will the gentleman yield? Mr. STEVENSON. Yes.

Mr. WARREN. I notice that the gentleman has made the date December, 1932.

Mr. STEVENSON. Yes.

Mr. WARREN. I note that he has changed the date from the original resolution.

Mr. STEVENSON. Yes.

Mr. WARREN. The original resolution which the gentleman introduced called for the employment of from 12 to 15 clerks over a period of several months. I wish the gentleman would inform the House if by making it December 1 it is going to entail any additional expense on the contingent fund.

Mr. STEVENSON. I do not think it will. I think by making it December 1 the Members will get their stuff away, because they are going to need a lot of it this year in distribution in their campaigns, and I think they will get most of it out.. If they do not, of course we are going to have to stand the expense of dealing with it as it is; and if we do not do this, we are going to have to stand the expense of moving whatever we must over into the new House Office Building.

Mr. BLANTON. Mr. Speaker, will the gentleman yield? Mr. STEVENSON. Yes.

Mr. BLANTON. Then, as I understand it, the present resolution does not call for the employment of any additional force or the expenditure of any money.

Mr. STEVENSON. Not at all. It merely calls on the Members to take what belongs to them and gives them until the 1st of December in which to do it.

Mr. WILLIAMSON. And how soon will the list of what we | in Washington, as most of them have been held, and not have there be available to us?

Mr. BLANTON. It is in the RECORD now.

Mr. STEVENSON. It is attached to this resolution, and by application to the superintendent of the folding room the Members can get what is to their credit from the books of the folding room.

Mr. BLANTON. The gentleman put the list in the RECORD about two weeks ago.

Mr. STEVENSON. Yes, sir; and I am attaching it to this resolution.

Mr. PARSONS. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. PARSONS. I think the gentleman means what will be allotted to each individual Member.

Mr. STEVENSON. I understand.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The resolution was agreed to.

LEGISLATIVE APPROPRIATION BILL

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

The Chair hears none, and appoints the following conferees: Messrs. Sandlin, Ludlow, and Hardy.

HAROLD LOUDERBACK, UNITED STATES DISTRICT JUDGE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution. H. Res. 239.

The Clerk read the resolution as follows:

Resolved, That a special committee of five Members of the House of Representatives who are members of the Committee on the Judiciary of the House, the same to be designated by the chairman Judiciary of the House, the same to be designated by the chairman of said committee, be, and is hereby, authorized and directed to inquire into the official conduct of Haroid Louderback, a district judge of the United States District Court for the Northern District of California, and to report to the Committee on the Judiciary of the House whether in their opinion the said Harold Louderback has been guilty of any acts which in contemplation of the Constitution are high crimes or misdemeanors requiring the the Constitution are high crimes or misdemeanors requiring the interposition of the constitutional powers of the House; and that the said special committee have power to hold meetings in the city of Washington, D. C., and elsewhere, and to send for persons and papers, to administer the customary oaths to witnesses, all process to be signed by the Clerk of the House of Representatives under its seal and be served by the Sergeant at Arms of the House or his special messenger; to sit during the session of the House and until adjournment of the first session of the Seventy-second Congress and thereafter until said inquiry is completed, and report to the Committee on the Judiciary of the House; and be it further further

Resolved, That said special committee be, and the same is hereby, Resolved. That said special committee be, and the same is nereby, authorized to employ such stenographic, clerical, and other assistance as they may deem necessary; and all expenses incurred by said special committee, including the expenses of such committee when sitting in or outside the District of Columbia, shall be paid out of the contingent fund of the House of Representatives on vouchers ordered by said committee, signed by the chairman of said committee: Provided, however, That the total expenditures authorized by this resolution shall not exceed the sum of \$5,000.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question. What expense is connected with this investigation?

Mr. SUMNERS of Texas. It proposes an appropriation of

Mr. BLANTON. Does it provide for a junket to the west coast for the committee?

Mr. SUMNERS of Texas. No; it does not. And there will be no trip to the west coast unless it is necessary; but it is

Mr. BLANTON. But the purpose of the gentleman and his committee is, if possible, to have that investigation here

require an expensive trip to the west coast?

Mr. SUMNERS of Texas. That has been the policy of this committee.

Mr. BLANTON. I just want to remind my colleague of the last expensive trip a House committee took there, the Joe Walsh committee, that lived on the Pacific coast in Pullman trains so long.

Mr. TILSON. Reserving the right to object, may I ask if this inquiry is requested or backed by the bar association or a reputable part of the bar?

Mr. SUMNERS of Texas. May I make a brief statement? This investigation is requested by the two bar associations of San Francisco; and in so far as I have heard from the Representatives from the State of California, they all believe that a condition obtains there which requires an investigation by the Judiciary Committee.

Mr. TILSON. It is not a case of the personal grievance of somebody?

Mr. SUMNERS of Texas. It is at the request of the bar associations, and there are only two.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks by incorporating in the Rec-ORD at this point letters from the bar associations with reference to this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The letters referred to are as follows:

SAN FRANCISCO, CALIF., May 24, 1932.

House of Representatives, Washington, D. C.

Sibs: Under date of May 2, 1932, the Bar Association of San Francisco addressed a communication to His Excellency Herbert Hoover, President of the United States, with reference to certain matters published in the press of San Francisco concerning Hon. Harold C. Louderback, judge of the United States district court at San Francisco, Calif., accompanying said communication with clippings from San Francisco newspapers.

clippings from San Francisco newspapers.

Under date of May 9, 1932, we received an acknowledgment of said communication from Mr. Lawrence Richey, Secretary to the President, stating that the matter "is being referred for consideration of the Attorney General," and thereafter we received a letter dated May 12, 1932, from Mr. Charles P. Sisson, Assistant Attorney General, stating in effect that our letter addressed to the President had been referred to the Department of Justice for consideration, and further stating "that the Department of Justice has no jurisdiction whatsoever over the United States judges. Criticisms of Federal judges are ordinarily addressed to the Judiciary Committee of the House of Representatives."

Pursuant to the suggestion contained in the letter from the

rederal judges are ordinarily addressed to the Judiciary Committee of the House of Representatives."

Pursuant to the suggestion contained in the letter from the Assistant Attorney General, we are hereby addressing your honorable committee and forwarding copies of the above-mentioned correspondence, together with duplicate press clippings, for such action as your committee may deem proper.

We feel certain that you will readily realize that the interest of the Bar Association of San Francisco in this matter is solely a public one and that it is concerned only in preserving the integrity of the bench, public confidence in, and respect for, the courts and the due administration of justice. We believe that no department of the Government should occupy a higher position in the public mind, or performs a more important function, than that of the courts, and that it is of the utmost importance they shall be maintained on a plane of the strictest honesty and efficiency and shall be above suspicion. Charges against a court or judge, especially when publicly made, require thorough investigation, not only in the interest of the public and respect for our judicial system but also in the interest of the incumbent.

If your committee should undertake an investigation of the

If your committee should undertake an investigation of the matters in question, our association will cheerfully render such assistance as is within its power, in the hope that whatever the outcome may be the result will contribute to the maintenance of public confidence in our courts.

Respectfully submitted.

BAR ASSOCIATION OF SAN FRANCISCO, By RANDOLPH V. WHITING, President.

BARRISTERS' CLUB OF SAN FRANCISCO,
BAR ASSOCIATION OF SAN FRANCISCO,
San Francisco, Calif., May 28, 1932.

CHAIRMAN OF THE JUDICIARY COMMITTEE,

HOUSE of Representatives, Washington, D. C.

HONORABLE SIR: For some time past the press of this city has published news articles, editorials, and cartoons referring to receivership and bankruptcy matters pending before the Hon. Harold Louderback, judge of the United States District Court for the Northern District of California, and the conduct of the judge in connection with these matters

Northern District of California, and the conduct of the judge in connection with these matters.

The Barristers' Club of San Francisco, the junior bar organization of this city, believes that the matter is one which should be called to your attention because of the serious nature of the charges against Judge Louderback. We express no opinion as to the truth or falsity of the publications. However, regardless of their truth or falsity, their effect has been to create a question in the public mind as to the integrity of the Federal courts.

We believe that it is essential that this should not occur. The people should be able to rely upon the integrity of the United States courts. Therefore, being of the opinion that the matter is properly within your jurisdiction, we request that you conduct an inquiry into the facts surrounding the administration of justice by Judge Louderback, and that you take such action as may be warranted by the facts as you find them to be.

If the Barristers' Club can be of any assistance to you in such action as you see fit to take, we are at your service.

action as you see fit to take, we are at your service.

Respectfully yours,

Gordon Johnson, Chairman Board of Directors.

SECOND DEFICIENCY APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12443) to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12443, the second deficiency appropriation bill, with Mr. DISNEY in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, namely.

Mr. BYRNS. Mr. Chairman, I move to strike out the last word.

I do this for the purpose of making a very brief statement to the committee. There has been no explanation of this bill, and I simply want to call the attention of the committee to the fact that in amount it is the smallest general deficiency bill that has ever been proposed to the Congress. I think that the House is to be congratulated on that fact. It carries a total of \$15,398,873.01. That sum is \$1,137,250 less than the Budget estimate. I do not recall just what the next smallest general deficiency bill which has been heretofore passed carried, but I am sure it was over \$50,000,000, and possibly \$80,000,000, but I did want the House and the country to know that this general deficiency bill carries a far lesser sum than has been carried in any general deficiency bill at any session of Congress during its history in recent

Another fact to which I want to call the attention of the House is this. I will not say there has been a deliberate purpose, but there would seem to be an effort on the part of some to minimize just what the House has accomplished in the way of reductions in appropriations and expenditures. The effect of this has been that the country has failed to appreciate just what the House has accomplished in this way, and credit is due, of course, to both sides of the House for the action taken. It has fully sustained its reputation as being the most economical branch of Congress, and also far more economical than the Executive.

I feel there should be something said at this time on the occasion of the passage of the last appropriation bill which will be passed at this session showing just what those reductions are. If you will indulge me a moment, I will state that the Budget estimates which have been submitted for the regular annual appropriation bills and the deficiency bills, including the one now under consideration, amount to \$3,474,052,120.30. The amount of the bills as they have passed the House, including the one now pending, is \$3,311,-585,653.50, which represents a reduction under the estimates submitted of \$162,466,556.74.

Of course, all of these bills, with the exception of the bill making appropriations for the Department of the Interior, are now pending in the Senate.

The future will tell as to whether or not these reductions will be increased or decreased, but this represents the action taken by the House at this session upon these various bills, and I ask unanimous consent to incorporate as a part of my remarks a table showing the various amounts of each bill and the reductions made in each bill for the information of the House and of the country.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. WOODRUFF. Will the gentleman yield? Mr. BYRNS. I will be glad to yield after I complete my statement.

I have in my hand also a statement showing a comparison of the amounts of the annual appropriations exclusive of permanent appropriations for the fiscal years 1932 and 1933 as of June 7, 1932. This shows that the House has reduced the appropriations for the year 1933 under 1932 in the sum of \$627,422,101.42.

In other words, the total appropriations for 1932 were \$3,802,271,218. The appropriations passed by the House amount to \$3,174,849,116.66.

I also ask unanimous consent to incorporate this table as part of my remarks for the information of the House.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks as indicated. Is there objection?

There was no objection.

The matter referred to follows:

Comparison of Budget estimates and amounts in regular and deficiency appropriation bills, Seventy-second Congress, first session, exclusive of permanent appropriations and special acts

[Status of June 7, 1932]

ВШ	Budget esti- mates ¹	Amount of bills 2	Decrease (-) bills compared to Budget esti- mates
Agriculture. District of Columbia Independent offices Interior Legislative. Navy State, Justice, Commerce, and Labor Tressury and Post Office. War	\$186, 243, 405. 00 44, 086, 919. 00 1, 041, 385, 041. 00 56, 840, 352. 33 22, 517, 842. 00 341, 677, 450. 00 129, 784, 136, 89 1, 082, 575, 905. 00 411, 383, 702. 00	\$175, 408, 814, 00 30, 913, 810, 00 985, 931, 431, 00 45, 533, 672, 33 20, 214, 869, 00 326, 353, 459, 00 124, 215, 992, 23 1, 059, 778, 163, 00 392, 586, 146, 00	-\$10, 834, 591, 09 -4, 173, 199, 09 -55, 463, 610, 09 -11, 306, 680, 09 -2, 302, 973, 00 -5, 568, 144, -2 -22, 797, 742, 09 -18, 777, 616, 00
Total regular bills	3, 316, 484, 813. 22	3, 169, 936, 356. 66	-146, 548, 456. 56
First deficiencySecond deficiency	141, 031, 184, 07 16, 536, 123, 01	126, 250, 333, 89 15, 398, 873, 01	-14, 780, 850, 18 -1, 137, 250, 00
Total, first and second deficiency	157, 567, 307. 08	141, 649, 206. 90	-15, 918, 100. 18
Grand total	3, 474, 052, 120. 30	3, 311, 585, 563, 56	-162, 466, 556, 74

¹ Includes all estimates before Congress for first deficiency and Interior bills, and estimates before the House on all other bills.
¹ Includes first deficiency and Interior bills as they became laws, second deficiency bill as reported to the House, and all other bills as passed by the House.

Comparison of amounts of annual appropriations, exclusive of permanent appropriations, fiscal years 1932 and 1933 [Status as of June 7, 1932]

	Section of the property of		
Departments and establishments by appropriation bills	Fiscal year 1932, amounts in regu- lar annual, defi- ciency, and spe- cial acts, Sev- enty-first Con- gress, third ses- sion, and Sev- enty-second Con- gress, first ses- sion, to June 1, 1932 t	Fiscal year 1933, amounts in all appropriation bills as they passed the House	Decrease 1933 bills compared to 1932 appro- priations
Agriculture District of Columbia Independent offices Interior Legislative Navy	\$289, 925, 550, 95 45, 811, 888, 00 1, 318, 962, 723, 58 69, 765, 342, 13 28, 786, 036, 94 358, 269, 823, 63	\$175, 408, 814. 00 39, 913, 810. 00 985, 931, 431. 00 50, 446, 432. 33 20, 214, 869. 00 326, 353, 459. 00	\$114, 516, 736, 95 5, 898, 078, 00 333, 031, 292, 58 19, 318, 909, 80 8, 571, 167, 94 31, 916, 364, 63
State, Justice, Commerce, and Labor: State	18, 730, 573, 34 51, 489, 201, 00 54, 436, 582, 95 15, 565, 450, 00	15, 192, 148, 33 50, 741, 775, 00 43, 935, 242, 00 14, 346, 827, 00	3, 538, 425. 01 747, 426. 00 10, 501, 340. 95 1, 218, 623. 00
Treasury and Post Office: Treasury Post Office	261, 704, 977. 68 842, 912, 129. 86	254, 311, 988. 00 805, 466, 175. 00	7, 392, 989. 68 37, 445, 954. 86
Total	1, 104, 617, 107. 54	1, 059, 778, 163. 00	44, 838, 944. 54
War	445, 910, 938. 02	392, 586, 146. 00	53, 324, 792. 02
Grand total	3, 802, 271, 218. 08	3, 174, 849, 116. 66	1 627, 422, 101. 42

¹ Exclusive of Reconstruction Finance Corporation and Federal land bank capital

**Stock.

This amount shows the net decrease on regular and supplemental annual appropriations which are passed upon by Congress. The permanent annual appropriations, which occur automatically each year without action by Congress, as estimated in December, 1931, show an increase, for 1933 over 1932, of \$104,535,684, wholly due to interest on the public debt and debt-retirement funds.

Mr. LAMNECK. Will the gentleman yield for a brief question?

Mr. BYRNS. I must yield first to the gentleman from Michigan.

Mr. WOODRUFF. I want to thank the gentleman for his courtesy. He has just given the House the exact information I was hoping he would give us when he quoted the last figures.

Mr. BYRNS. I now yield to the gentleman from Ohio [Mr. LAMNECK].

Mr. LAMNECK. Does the reduction the gentleman from Tennessee spoke of include the reduction accomplished by the economy bill?

Mr. BYRNS. No; this has reference only to appropriation bills which have been passed by the House up to this time.

Mr. DYER. Will the gentleman yield for a question? Mr. BYRNS. I yield.

Mr. DYER. I would like to ask the gentleman from Tennessee, the chairman of the Committee on Appropriations, for some explanation of the money provided for in this bill at page 31, in the first paragraph, for furnishing and installing fixed permanent equipment for cafeterias, in view of the policy of the House a few days ago in passing a resolution to investigate the Government participating in private business and competing with private individuals in matters of this kind.

Mr. BYRNS. I will say to the gentleman this simply follows the recommendation of the Post Office Department and its action with reference to a number of other buildings that have either been constructed or are now in the process of construction. The item will come up in regular course, and I am satisfied that when it is reached the gentleman will have an opportunity to discuss it. I do not care to anticipate anything in the bill at the present time.

Mr. DYER. Will the gentleman state approximately how much money this will take out of the Treasury?

Mr. BYRNS. The gentleman understands that these cafeterias are carried on by the postal employees who conduct these cafeterias on a cost basis. It costs the Government nothing except the space that is provided and the fixed equipment.

Mr. DYER. But they do compete with private cafeterias and restaurants?

Mr. BYRNS. To the extent the postal employees take their meals in these cafeterias.

Mr. JOHNSON of Missouri. Will the gentleman yield? Mr. BYRNS. Yes; but I do not want to anticipate what will come up for discussion later on. The item on cafeterias is way down in the bill.

Mr. JOHNSON of Missouri. Do not the hearings disclose that it will cost \$750,000 to equip the cafeterias?

Mr. BYRNS. It was stated at one point that the cost would be \$50,000 on the average. Just what was meant by that I do not know, but undoubtedly the fixtures and equipment will not cost \$50,000.

Mr. DYER. I will say to the gentleman that the hearings show there are 15 of them which, at \$50,000 each, amounts to \$750,000.

Mr. BYRNS. Let us delay that controversy until we get to the item in the bill.

Mr. DYER. We ought to delay that or the investigation.

Mr. HOLMES. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HOLMES. Is the pending deficiency bill also included in the gentleman's figures?

Mr. BYRNS. Yes: it is.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I have just returned from the State of Oklahoma, where I participated in the dedication of a splendid new bridge which spans the Red River between Texas and Oklahoma. While there I took occasion to feel the pulse of as many of the citizens of both Texas and Oklahoma as I could with respect to their views as to what Congress is doing. I regret exceedingly to advise you that the situation, as I view it, in this section of the Nation, is much worse than I have ever witnessed during the time I have served as a Member of the House. people are not able to pay their taxes this year. Without relief they can not pay them next year. There is nothing in the way of hope being held out in front of them, and in my opinion, unless this Congress passes some kind of a law which will provide some kind of aid to those who till the soil there is liable to be an eruption that will shake the very foundation of this Government.

Up to the present time this Congress has been extending relief beginning at the top and working down. Our people do not believe that a sufficient amount will trickle down to be of any material benefit to them. Therefore, they are clamoring for proper legislation which will put a foundation under the Nation to the extent that the 52,000,000 people who depend upon agriculture for a livelihood may have some kind of assurance given which will cause them to obtain a fair price for that which they produce instead of 5 or 6 cents for cotton, 30 or 40 cents for wheat, and similar prices for the other commodities that are produced on the farm. They believe, as I do, that the cost of production on commodities needed for home consumption should be guaranteed and that this Congress should indicate a willingness to help out to this extent in the present crisis.

I say to you, my friends, that the source of all wealth is in the ground and that every occupation in the section of the country where I reside is more or less dependent upon agriculture. If the farmers are not given some measure of relief, so they can at least obtain the cost of production on that part of the yield that is necessary for home consumption, there is not an industry in either of the States I have visited that will be able to carry on very much longer.

Mr. JOHNSON of Washington. Will the gentleman yield? Mr. McCLINTIC of Oklahoma. I yield.

Mr. JOHNSON of Washington. Has the gentleman thought of any plan that could be laid out or presented? I agree with much the gentleman says.

Mr. McCLINTIC of Oklahoma. I am glad to have the gentleman ask that question. It does seem to me that when we know the amount the Nation has to produce in order to take care of the needs of our own people that it is not a difficult question to work out suitable legislation that will be fair to all concerned. We know that if we did not produce that which is needed for home consumption in the United States that we would have to purchase the same abroad and probably pay a price that would be greater than the cost of production in the United States.

Therefore, if our farmers could be assured that this principle would be enacted into a law, then they would receive 12 or 15 cents a pound for cotton, \$1 a bushel for wheat, and similar prices for other kinds of commodities. This would result in our farmers obtaining a fair wage scale for their own labor, and should they produce a greater amount than was needed for home consumption, the same could be utilized on the farm or fed into the world's market when there was a demand for such surplus. I am sure that beneficial results would be obtained, as such a law would automatically bring about either a reduction of acreage in some crops or diversification to the extent that those who till the soil would utilize their land in a way that would bring about the most benefit.

[Here the gavel fell.]

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McCLINTIC of Oklahoma. During the World War the conditions that confronted this Nation from an agricultural standpoint, in my opinion, were not one-tenth as bad as they are now. At that time we established a precedent for such legislation by guaranteeing a certain product to sell at a stipulated price. I do not consider to go that far in the proposed legislation, but if we could take into consideration that every occupation is either directly or indirectly dependent upon the success of the farmer, then no one could object to the principle I am sponsoring at the present time. We know that unless the farmer can make a profit, he can not pay his taxes. It will be impossible for him to pay the banker or to take care of any mortgage indebtedness on his farm. The merchant will have his volume of business reduced, and this will reflect clear back to the manufacturer of raw products, thus clogging up the wheels of industry to the extent that everyone suffers.

Mr. JOHNSON of Washington. The gentleman speaks of the fact that because we began relief at the top nothing has trickled down. I would like to ask the gentleman if he does not think that had there not been some relief at the top the banks in all of the cotton country would not have been able to pay even 6 cents for cotton.

Mr. McCLINTIC of Oklahoma. I want to say to the gentleman that I am in accord with the statement he has made. I voted for the emergency relief measure he has in mind. I knew that many of our institutions had reached the place where they could go no farther, that the foreign nations were drawing millions of dollars in gold and that unless credit had been provided there would have been a smash in this country that might have destroyed every major industry, yet I will have the gentleman understand that unless we put a foundation under agriculture there can be no permanent benefits obtained from this emergency legislation, as we must realize that when pay day comes these institutions will have to have another postponement or be given relief in some other way.

Mr. JOHNSON of Washington. The gentleman wants to bring the bottom up a little bit.

Mr. McCLINTIC of Oklahoma. Yes.

Mr. SPARKS. Will the gentleman yield?

Mr. McCLINTIC of Oklahoma. Yes.

Mr. SPARKS. I agree with the gentleman that we should have some substantial relief for agriculture before Congress adjourns. I am wondering if the gentleman has in mind any particular bill now pending before the House that he is referring to in his discussion.

Mr. McCLINTIC of Oklahoma. I am very glad to say to the gentleman that I have pending a bill before the Committee on Agriculture which, if enacted into a law, would

guarantee to the producer the cost of production on that part of the yield that is needed for home consumption. Likewise, there is pending a bill that has the indorsement of the different farm organizations. It has incorporated in it three plans, namely, the debenture, the equalization fee, and the one I have referred to, which is called the allotment plan.

I say to you that if we can not get the committee to report favorably on the plan I have in mind, I would like to see the bill sponsored by the farm organizations enacted into law, with a provision contained in the same making it mandatory on the agency of our Government that is charged with the responsibility of putting the same into effect to use the plan which is best suited for the particular commodity grown in any section of the country, so that if the debenture plan is better suited for wheat the growers could obtain such benefits; if the allotment plan is best for some other commodity, it could be used; and if the equalization plan would bring better results for some crop, it would be available.

This has been a long-drawn-out session, and I realize there are many Members who would like to go home to look after their political fences. However, as I view it, it will be far better to remain in session until the farm-relief program is concluded even if it takes all summer. I feel that when a person has faithfully represented a district for many years and has always looked after the needs of the people in a proper way, that they will not be stampeded by any person who resorts to unethical practice to deceive the voters. Therefore, I have decided that it will be more beneficial to give our people relief than it is to elect anyone to any office, and it is for this reason I am going to leave my candidacy in the hands of my friends, feeling sure that they will put themselves in my place and give justice where it is deserved.

I regret exceedingly that the President and the Secretary of Agriculture have not felt warranted to urge Congress to pass this legislation. I am sure that if this subject had been included in one of the messages that have been sent to Congress during the session, it would have caused the party leaders to take a united stand, thereby insuring the country that such relief was going to be provided. Everyone realizes that the President by a veto can defeat any bill in the House if a two-thirds vote can not be obtained to override the same; yet I am hoping that he has the interests of the farmers at heart to the extent that if Congress passes such a bill it will receive his approval.

If there ever was a time on earth when Congress should realize the emergency condition that is confronting this country, it is now. Our poor depressed farmers are facing a situation where they know they are not going to receive one-half of the cost of production on their crops unless this legislation is approved. Likewise, every other occupation is facing disaster. Therefore it is for this reason I am pleading with you, as I have never pleaded before, not to adjourn and go home until this relief has been provided. I say to you—and I know what I am talking about—our people are far worse off than they have ever been during all of my public career, and unless we give some kind of aid God only knows what is going to happen to the Nation in the future. [Applause.]

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I heard with interest what the gentleman from Oklahoma has just said, and I am wholly in sympathy with him, because I, too, wish to help the farmer. I shall pledge him to vote for an equalization fee or the debenture plan or any other plan to rescue the farmer, but I should like to get from him as condition precedent a pledge that would relieve this country of staggering taxation. Will the gentleman pledge me that he will vote for relief as to prohibition in this country? Will he repeal prohibition in the interests of the taxpayer, especially the farmer?

Mr. BLANTON. Oh, bunk.

Mr. CELLER. You may say, "Oh, bunk," but the people of the country are not saying that. There are unmis-

takable signs of a revolt in this country. The newspapers are filled with matter that those who are now dry might very well weigh with the greatest amount of meditation and thought and wisdom.

I am informed that the former President of the United States, Mr. Coolidge, for example, as dry as ever was a President in the White House, will, in the next issue of the Cosmopolitan, condemn prohibition, and I ask the gentleman from Texas to take heed. The handwriting is on the wall.

Mr. BLANTON. How did the gentleman find out that the former President was going to do that—from his wet organization?

Mr. CELLER. That is not a subject of present argument. I will tell the gentleman that I have it from a reliable source and on good authority.

Mr. BLANTON. The gentleman ought not to prognosticate this far in advance of the next issue of the Cosmopolitan.

Mr. CELLER. The gentleman need not worry about my "inside information."

Mr. BLANTON. The gentleman is on the inside, of course. Mr. CELLER. I refuse to yield further, Mr. Chairman.

I may say to the gentleman from Texas, however, that he had better sit up and take notice. He should read very carefully the returns from the State of Florida and see where those who were wet won and those who were dry lost, and the very charming lady——

Mr. BLANTON. No; the straddlers lost.

Mr. CELLER. I have refused to yield.

The very charming lady from Florida, Mrs. Ruth Bryan Owen, because she did not come out in time and suitably for the referendum, went down, unfortunately, to defeat. She was defeated by one who was more pronounced in his wet views than the lady from Florida. From reports he appears to have been for out-and-out repeal. She had come out for referendum, but rather too late. I regret her defeat. She was an asset to this House. It is regrettable she did not see the light earlier.

Mr. MARTIN of Oregon. How about Texas?

Mr. CELLER. Yes; Texas is wet. Why, the Democratic State convention of the State of Texas came out against the drys. It is for the referendum. I say to the gentleman from Texas [Mr. Blanton] that he had better consult his party leaders. I could go into almost every State and give you the unmistakable portents as to prohibition.

See what happened to the Senator from North Carolina [Mr. Morrison]. He misread the signs in his State. He came out as a dry in the beginning, then straddled as a "moist" and went down to defeat. See what happened to the gentleman from Illinois [Mr. William E. Hull], my esteemed friend—a former distiller. He was a recent convert. He had been dry; he voted for the "five and ten" Jones law. He came out against prohibition too late, and see what was the result in his district. What a tragedy it was to him because he could not read these portents properly, or shall I say with intelligence. He therefore reaps the whirlwind.

Mr. BLANTON. Will the gentleman yield?

Mr. CELLER. I now yield to my friend from Texas.

Mr. BLANTON. I just want to cite the gentleman two instances. Our good friend Chindblom, who turned wet, was turned down. Our friend Governor Yates, who stood loyal and firm on the question and was as dry as the Sahara, was returned by 167,000 votes from wet Illinois.

Mr. CELLER. My distinguished friend from Illinois [Mr. Chindblom] undoubtedly was not defeated because of that fact. There were other issues in his campaign that, unfortunately, caused his defeat. He is a very distinguished Member of the House, and I am very unhappy at his defeat. Governor Yates is an exception. His many years of honorable service is more important than his dry views. I will wager, however, that the governor will soon change.

Mr. MILLARD. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. MILLARD. I wonder if the gentleman from Texas has ever heard of John D. Rockefeller, jr., a classmate of mine?

Mr. CELLER. I am coming to that. The gentleman from Texas has probably reluctantly heard of John D. Rockefeller, jr., who very courageously and in most pronounced terms came out against prohibition and has stated that while the saloon has gone we have received in its stead something far worse—the speakeasy.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, because the gentleman is always willing to yield.

Mr. CELLER. Even William G. McAdoo has declared for a vote of the people in a special national election. McAdoo has been impervious to all wet argument. He, too, has succumbed. He now admits the feebleness of national prohibition and deplores the lack of cooperation of the States. He admits that during prohibition crime has so increased as to become menacing to the well-being of the Republic.

Let us go back to Florida for a moment. Our colleague, Representative Herbert J. Drane, wisely ran as a wet and won in the primary. Our colleague, Representative Tom Yon, however, ran as a dry and was defeated.

As agreeably startling as the Rockefeller statement is the announcement in this morning's press of John R. Mott, world head of the Young Men's Christian Association. His views—another bombshell in the prohibition ranks—are as follows:

I desire resubmission for two reasons. First, I think the young generation which has grown up since the eighteenth amendment was adopted should have a voice in determining the law under which they have got to live. The opportunity should be given them to vote on the matter, not in accordance with pleas from political parties, but after thoroughgoing education as to the merits and demerits of prohibition.

My second reason for resubmission of the question to the people of all the States is that there has been a change of mind on the part of so many good men like Rockefeller, in whose sincerity and

intellectual honesty I have absolute confidence.

The recent Digest poll, where only two States were counted as dry—Kansas and North Carolina—should be sufficient warning to my wavering colleagues.

Take the case of our colleague Mr. Rogers, of New Hampshire. He won as a wet. Our former colleague, Mr. Sears, of Miami, Fla., wins as candidate for Congressman at large from Florida on the wet side.

General Martin won in Oregon as a wet. The Republican delegation from New Jersey has run to cover—to emerge as wets. They are wise.

Watch your step, my friends. You can not run against public opinion. The American Legion, the American Federation of Labor, the American Bar Association, the American Medical Association, and many other important organizations are tired of prohibition and want a change. The Anti-Saloon League has had its teeth drawn. Woman's Christian Temperance Union has lost prestige. They can not help you. They can not help themselves.

Coming events cast their shadows before. The end of prohibition is coming. It is coming with greased-lightning speed.

When I first came here, almost 10 years ago, we wets were very lonesome. We are no longer lonesome. Our numbers are steadily increasing.

We stood for much abuse and harsh treatment. We were accused of high crimes and misdemeanors, nullification and treason. We were threatened with defeat. But we stood our ground. We have the satisfaction now of seeing the enemy routed. The enemy now flees from the field in hopeless despair and disorder.

Before it is too late, my dry colleagues, come over to our side—the wet side.

Mr. BYRNS. Mr. Chairman, I am compelled to object. We have got to pass this bill. These speeches are wholly out of order. There has been plenty of opportunity under

general debate. I am going to object to any further speeches not confined to the bill, except one speech on the other side—where the gentleman from Indiana [Mr. Wood] had some time left, and I agreed with him that if we could go on and read the bill he might use his time to-day.

Mr. BLANTON. I know the gentleman from Tennessee so well that I know he is fair. I am a member of his committee, and I back him up in every move he makes to save the Government money.

I want to tell my friend from New York something about John D. Rockefeller, jr.

Mr. Rockefeller is only one of 120,000,000 people. He means no more to the prohibition cause than any other one of the 120,000,000 people.

The prohibition cause does not need his money. I honestly believe that every dollar that has ever been contributed to the prohibition cause has done it harm. Men who have collected prohibition funds have brought the cause into disrepute. It is the antis who need the money. Why, they have bought up the newspapers, they have bought up the magazines, they have bought up college professors and big business. They control the radio, they control everything—they almost control some Congressmen.

If there were not a dollar contributed to the prohibition cause, it would grow and thrive just the same. It does not require money. It requires loyalty to duty and patriotism to country and humanity. Mothers and fathers will continue to vote against saloons regardless of whether funds are contributed to the prohibition cause or not. Money has never yet bought one vote for prohibition. It takes much money sometimes to gather strength against prohibition. The action of John D. Rockefeller, jr., is inconsequential.

Mr. BYRNS. Does not the gentleman think he has sufficiently answered the gentleman from New York to let us proceed with this bill?

Mr. BLANTON. Mr. Chairman, I am going to obey the orders of my chairman, because he is the ablest, safest chairman that I ever followed. [Applause.]

The pro forma amendment was withdrawn.

Mr. WOOD of Indiana. Mr. Chairman, under agreement with the gentleman from Tennessee, I yield to the gentleman from Michigan [Mr. Wolcort].

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and incorporate therein two very short bills on the sugar industry.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, during this session of Congress many worthy proposals have been advanced as aids to economic stability in Government and business. By the time we adjourn we shall have enacted legislation which has made available facilities which should ease credits, guarantee the stability of the American dollar, insure a more even flow of money, and a more equitable distribution of the wealth of the Nation. We have pinned our hope for agricultural, industrial, and economic rehabilitation on our ability to balance the Government's Budget by strict economies and the curtailment of Federal activities. It is to our credit that this has been done with a minimum of depreciation of the value of government to the people and without serious injury to our national defense. Many of the proposals of economy, if adopted, would have but transferred the tax burden from the Federal Government to the States, thereby increasing the real-estate tax of an already overburdened people wroth at the possibility of the loss of years of saving by tax sales of their homes and farms. Much credit is due the stalwarts in this House who have stood steadfastly against an avalanche of abuse and villification hurled by selfish interests who would subjugate republican freedom of thought and action to oligarchical tyranny.

History will write the achievements of this Congress in glowing terms. The broad Republican policies adopted during this session of Congress will outlive the men of this century and will be chosen by posterity as the guiding stars to national destiny. By our efforts the people of the Nation have been awakened to the desirability of sound but progres-

sive Government. The futility of the "ism" which was growing upon us that the citizens of our country existed for Government instead of the truth that Government was created and maintained for the common welfare of our people has been proven so conclusively that we now, on a firmer foundation, can start to build anew.

The foundation has been built; the superstructure will take such form as we deem desirable for a proper housing of the complete happiness and well-being of our people, wherein lies the reason for my rising at this time to present my thoughts on the questions before us.

There is much to be accomplished if the Nation is to emerge from the depression with any degree of hope for

permanent prosperity.

We must perhaps be more jealous of our national entity; we must live more unto ourselves than we have during the past 15 years; we must come to a realization in respect to our own policies that throughout the history of the world internationalism has destroyed more nations than domestic strife; paternalism must give way to fraternalism; we must henceforth live for America and insist that our policy of protection of our own people be maintained against all the world if necessary. Because we are a commercial Nation, the well-being of our people must of necessity be measured by the yardstick of commerce, and as much by the steadiness of our domestic trade as by the expansion of our foreign commerce.

We will not complete the work which we have begun here until we create a market in the United States for the products of our own soil and industry preferential to those of foreign countries.

Some weeks ago I rose in this Chamber and called attention to a serious condition confronting the Nation due to our failure to adequately protect our domestic market. At that time we were considering the Democratic tariff bill, recently vetoed by the President, who was sustained by this House. During those remarks I emphasized the value of our domestic market and warned that we could hope for no permanent recovery from the depression unless we protected the products of our farms and industries from foreign invasion.

I pointed out that the purpose of tariff legislation was to protect and encourage agriculture and the industries of the United States, and to protect American labor by maintaining a high standard scale of wages, which would in turn preserve our economic structure. At that time I said in part as follows:

Rather than see this Nation of ours further enmeshed in the economic net of foreign governments, it would be preferable to sustain a total loss of our foreign trade. Let me explain why: For months we have all been steeped with the thought that the economic recovery of the United States depended wholly upon a resumption of a normal foreign trade. We have been led to believe that our commercial and agricultural structures were built upon our exports to foreign countries. The majority party in this House would have us believe that we should tear down our tariff wall in order that the people of the United States might buy abroad and thereby foreign capital would be created by these purchases with which to buy American goods. What an economic fallacy in the face of the facts.

I pointed out that the average exports for the 30 years preceding 1929 constitute only about 10 per cent of our total trade. In this connection it is interesting to note what Dr. E. Dana Durand, formerly statistical assistant to the Secretary of Commerce, has to say on this subject. On page 583 in a book entitled "American Industry and Commerce," he says:

Were comparison made between the value of foreign trade and the total output of the American people, the ratio would be very modest. At present (1929) it is only 5 or 6 per cent. This is a very much lower ratio than in many other countries of the world.

I particularly had in mind the sugar industry of the United States, and I would like to discuss for a few minutes the condition of that industry as a typical example of the point which I make that there can be no permanent recovery of agriculture and business until our home market is made available to our producers and manufacturers. I know that there is little hope of any legislation emanating from this

Congress which will help the sugar industry of the United | ket. Philippine raw sugar has been heretofore used to fill in States, because we are controlled by certain Democratic free traders who believe, apparently, that 90 per cent of our trade should be jeopardized to protect the other 10 per cent. However, we are thankful that there were enough Republicans in the House to prevent the abolition of the Federal Tariff Commission, which I believe can and will give some relief to the sugar industry. You; sirs, would have destroyed the Tariff Commission if your tariff bill had become law, and with it you would have completely obliterated the sugar industry of the United States from the face of the earth.

On January 9, 1932, one month after coming here, I made my first speech on the floor of this House. My voice was raised then against the destruction of the only hope held out for the sugar growers and refiners. Like Cato before the Roman senate, urging the destruction of Carthage, every speech I make will be replete with entreaties for a safeguard to our sugar industry.

I am particularly interested in the sugar-beet industry, and if my career in Congress amounts to no more than to have had an aggressive part in the preservation of the only means by which my sugar-beet growers can get permanent relief, I feel that my time has been well spent.

Recently a petition was filed with the Tariff Commission to increase the tariff on sugar under the flexible provisions authorized by Congress. Previous to this I had started an exhaustive study of the sugar business, and the tariffs and treaties affecting it. Since then I have been in constant contact with the commission, and have addressed a communication to the President setting forth in substance the result of my research and stressing the dire necessity for relief. Until recently I considered it unethical to introduce a bill to increase the tariff on sugar, raw or refined, while this petition was pending before the Tariff Commission; but when it was learned that the commission is still conducting a field study, and because I am informed that it is doubtful whether the field work will be completed before this year's crop is harvested and refined, I introduced H. J. Res. 411. and welcome this opportunity to call your attention, and the attention of the country, to the need for relief by immediate passage of that legislation.

In this respect let me say that I have also introduced House Joint Resolution 426, which, after setting forth certain facts concerning sugar importations from the Philippine Islands, provides that sugar coming into the United States from the Philippine Islands, the product of such islands, shall be admitted free of duty in an amount not in excess of 500,000 short tons in any one fiscal year. Until such time as the Philippine Islands are granted full independence resulting in the levying of the same tariff duties on imports from the Philippine Islands as are now paid on the imports from all other countries except Cuba, and until such time as the Government of Cuba realizes that the reciprocity treaty and act of 1903 were for the purpose of allowing them an opportunity to build up their domestic industries and that they were in no manner intended to be used as weapons of destruction little hope can be held out for the future of the sugar industry in the United States. It will be remembered that under the existing law sugar may be imported from the Philippine Islands into the United States free of duty. The increase in importation of Philippine sugar is alarming. The Payne-Aldrich Tariff Act of 1909, recognizing the danger to the stability and growth of the domestic production of sugar in an unlimited duty-free importation of sugar from the tropical regions, with cheaper labor and practically unlimited areas favorable to the growth of sugarcane, restricted the duty-free importation of Philippine sugar to a maximum of 300,000 tons per annum. It is interesting to note in this respect that in the same year only about 40,000 tons of Philippine sugar were imported into the

In 1922 the importation of Philippine sugar was removed by the Fordney-McCumber Tariff Act, due to the fact that although the importation of Philippine sugar had reached somewhat over 200,000 short tons per annum, it was thought that it would never seriously interfere with the domestic mar-

the gap between domestic production and consumption. However, importation has steadily increased, so that in 1930 the importation of Philippine sugar into the United States had amounted to about 809,000 short tons, as opposed to about 63,000 short tons imported from all other countries, exclusive of Cuba. The encouragement thus given to the Philippine sugar industry not only contributes to the destruction of the industry in the United States but it also delays the agricultural and economic development of the islands, due to the fact that it makes them largely dependent upon a single competitive export crop, contrary to the principles of diversified agriculture and industry, upon which depends ultimate economic, cultural, and political progress.

Our purpose in advocating Philippine independence should not alone be predicated upon our selfish desire to safeguard our domestic interests, but if our local sugar industry can be helped by providing that the Philippine Islands be saved from ultimate dependence on the United States, then, of course, we are justified in insisting that they gradually create other markets for the products of their land and factories. The protection of our sugar industry is but one of the many problems confronting us during this period of agricultural, industrial, and economic depression. One of the most sane ways of balancing our Budget is to put our agriculture and industry on such a stable basis that the return to our Treasury from these industries will of itself obviate the necessity of an increase in taxes and the adoption of dangerous economies.

Our citizens are the most resourceful people in the world. As it was lately said by Representative Hawley, coauthor of the Smoot-Hawley Tariff Act, "Our national resources are unimpaired; our farms retain their fertility; our labor still has its efficiency and its intelligence; our industries continue to possess the enterprise and ability which has made us the greatest industrial nation—our people are the best of all." It remains, then, only to encourage our farmers and our laboring men in their ordinary pursuits to assure a return of

The United States sugar industry as a whole operates 173 refineries in 21 States; employs 27,321 persons, pays in salaries and wages \$37,330,769, which, together with the purchase of material, fuel, and electric power, amounting to \$521,582,617, brings the total value of this industry annually to a sum total of \$558,913,386, exclusive of capital investments in real estate and equipment. These figures do not include the thousands of farmers and farm hands engaged in growing sugar beets on approximately 720,000 acres of land, nor do they take into consideration the unknown amount of revenue to the Government, States, counties, and municipalities in the form of taxes derived from incomes from the industry and the land and buildings used in the production.

Although the investments in the domestic sugar business are seriously menaced by the increased importation of dutyfree sugar from the Philippines, the danger from that source is small compared to the threatened disintegration of the industry by the activities of Cuba within recent years.

As proof of the contention that the sugar industry of the United States is on the verge of collapse unless some relief is immediately offered, I insert at this point a table showing the consumption of sugar in the continental United States from 1925 to 1931, both inclusive:

Consumption (in long tons) of sugar in the continental United

24 DE ALEMAN ALEMAN EL BORROS							
Year	Refiners	Beet	Puerto Rico, Philip- pines, and Hawaii	Cuba	Other foreign refined	All other direct- consump- tion sugar	Total
1925 1926 1927 1928 1929 1930 1931	4, 507, 609 4, 702, 579 4, 380, 173 4, 161, 374 4, 469, 867 4, 199, 284 3, 831, 737	887, 324 872, 815 780, 362 1, 037, 241 856, 640 951, 830 1, 120, 818	11, 946 14, 135 24, 748 61, 750 56, 088 106, 364 114, 043	1, 182 51, 859 79, 201 176, 842 244, 646 239, 049 320, 987	3, 654 3, 394 917 5, 200 1, 820 9, 197 6, 499	98, 345 26, 553 31, 649 100, 229 181, 919 93, 653 81, 120	5, 510, 060 5, 671, 335 5, 297, 050 5, 542, 636 5, 810, 980 5, 599, 377 5, 475, 204

Note that the importation of refined sugar from Cuba increased from 1,182 long tons in 1925 to 51,859 long tons in 1926. It will be seen that the importation of Cuban sugar continues to increase steadily so that at the present rate it can completely supplant the domestic sugar industry in the next 15 years. We need have no fear of a reasonable increase in tariff rates on sugar, due to the fact that competition between the various units of the domestic sugar industry would prevent any increase in the price of sugar if a higher duty on the refined product were enacted. What the industry needs more than an increase in price is a restoration of its lost volume. This can only be brought about by creating a market for domestic sugar by some drastic regulation of importations.

The reasons why Cuba can import sugar into the United States to the detriment of the domestic industry is due, first, to the 20 per cent preferential which is given on tariff duties under the reciprocity treaty of 1903, and, secondly, the lower labor costs, lower taxes, lower land values, and small capital investment. It will be recalled that the United States entered into a commercial treaty with Cuba, the reciprocity act of 1903, which provides in part, as follows:

During the term of this convention, all articles of merchandise not included in the foregoing Article I and being the product of the soil or industry of the Republic of Cuba imported into the United States shall be admitted at a reduction of 20 per cent of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897, or as may be provided by any tariff law of the United States subsequently enacted.

Under this treaty its provisions can be abrogated only in the following manner. I quote from the treaty—

* * and the convention shall go into effect on the tenth day after the exchange of ratifications, and shall continue in force for the term of five years from date of going into effect, and from year to year thereafter until the expiration of one year from the day when either of the contracting parties shall give notice to the other of its intention to terminate the same.

I am requesting the Secretary of State to give notice under the provisions of article 11 of the treaty, from which I have just quoted, in the hope that a more equitable commercial treaty may be entered into.

The real point involved in the argument for protection of the domestic industry lies in the difference between the differential as fixed by the Hawley-Smoot Act of 1930 and the differential as fixed by the Fordney-McCumber Act of 1922. Under the tariff act of 1922, a world rate on 96 per cent sugar, which we refer to as unrefined sugar, was \$2.20 per hundred pounds; for Cuba, with the operation of the preferential, the rate for 96 per cent sugar was \$1.76 per hundred pounds. Under the same act, on 100 per cent sugar the world rate was fixed at \$2.39 per hundred pounds, and for Cuba \$1.91 per hundred pounds. The Cuban rate is determined by deducting 20 per cent from the world rate.

The difference between the Cuban rate on raw sugar and the rate on refined sugar was, therefore, the difference between \$1.91 and \$1.76, or 15 cents. Under the Hawley-Smoot Tariff Act of 1930 the world rate on 96 per cent sugar is \$2.50 per hundred pounds; the Cuban rate on 96 per cent sugar is \$2 per hundred pounds; the world rate on 100 per cent sugar is \$2.65 per hundred pounds, and the Cuban rate on 100 per cent sugar is \$2.12 per hundred pounds, thereby giving a differential between the duty on raw sugar and refined sugar of only 12 cents, or a differential in Cuba's favor between the Fordney-McCumber Act of 1922 and the Hawley-Smoot Act of 1930 of 3 cents.

Under the Fordney-McCumber Act this differential of 15 cents enabled the refiner to import Cuban raw sugar with a polariscopic test of 96 per cent, to refine it and still compete successfully in the domestic and in the world market. The differential of 12 per cent as provided by the Hawley-Smoot Act is insufficient to enable the American refiner to meet Cuban competition. An attempt has been made in the bill which I have introduced to increase this differential sufficient to give protection to the American refiner.

Because of the advantage given to the Cuban refiner there has been a decrease in the importation of Cuban raw sugar and a marked increase in the importation of refined sugar. In 1920 and 1921 there were 198 raw-sugar mills in operation

on the island of Cuba. In 1931 there were but 127 rawsugar mills operating. Previous to 1925 Cuba had two refineries. Since 1925 there have been 7 built on the island,
and 11 additional units are planned. Great advantage is
given to the Cuban industry over the American grower and
refiner by reason of smaller capital investment, cheaper
land, less substantial buildings, and lower operating costs,
due to extremely low wages. I have gathered some figures
showing the relative wages paid in the industry in Cuba and
the United States as of 1930. I pick a few at random in
substantiation of my point that under such conditions it is
difficult for us to meet Cuban competition.

In 1930 the relative wages were somewhat as follows:

Occupation	United States wages	Cuban wages
Melters Filter pressmen Evaporator tenders Tank men Sugar boilers Weighers and checkers Laborers Electricians	\$5, 53 5, 43 6, 36 5, 53 8, 32 6, 04 4, 95 7, 88	\$1. 20 1. 20 2. 50 1. 20 5, 00 1. 50 1. 20 2. 75

These figures are furnished by the United States Department of Labor, Bureau of Labor Statistics. In view of the fact that the Cuban wage rate is on the basis of a 12-hour day, the American wage rate has been taken for a corresponding number of hours of work.

Summarizing the above, we find that in 1930 the Cuban refiner paid about 26 per cent of the wages paid by the American refiner. There is likewise a large advantage to the Cuban refiner on capital investment, due to the fact that in Cuba the factories are usually located outside of metropolitan areas and the climatic conditions make it unnecessary to build expensive permanent structures. In the United States refineries are almost universally built in villages or cities, where the price of land is higher, and because of the permanency of the buildings and equipment much more capital is invested. For this reason taxes on the capital investment of the refineries and factories in the United States are much higher than those of Cuba.

Much of the keen and disparaging competition within the domestic industry is due to the very small margin of profit for which this condition is responsible. If the domestic market as a whole is sufficiently protected, this competition will be fair in all respects and there will be no repetition of the present deplorable condition of the industry.

I am aware of the fact that many people in the United States are sympathetic with the endeavors of Cuba to build up its export trade, but I do not believe that there can be any concerted effort on the part of any numbers of our people to bring this about at the expense of our own prosperity, especially in view of the attitude which Cuba has lately taken concerning its trade relations with the United States. There is much talk in Cuba of setting up an embargo against products of the United States. El Mercurio, a newspaper of which President Machado's son-in-law, Jose Emilio Obregon, is president, carries each day on its front page a warning to the people to refrain from purchasing anything from the United States.

I also quote from an article appearing in El Comercio, a prominent Cuban newspaper, as follows:

If the Cuban producers could obtain an absolute and irrevocable guaranty that the duties on sugar refined in Cuba would not be raised within 10 years, there would not be left standing a single cane-sugar refinery on the Atlantic Coast or on the Gulf of Mexico. Only the fear of an increase in duty deters the Cuban planter from investing his money and adapting his raw-sugar mill to refining.

This applies also to the factories refining beet sugar in Michigan, Colorado, Nebraska, Utah, Wyoming, Montana, and the other sugar-beet producing States, because of the close affiliation of the beet-sugar industry and the canesugar industry.

This, we hope, is not the attitude of the Cuban people. It surely is not the attitude of Horatio S. Rubens, the sole surviving member of the Cuban Junta, which organized the successful Cuban revolution and sustained the Cuban troops in the field until the intervention of the United States in the Spanish-American War. In a fine friendly talk given on the thirtieth anniversary of the independence of Cuba, in addressing himself to the American people in appreciation of our activities in rehabilitating the island, he said:

We can never forget that the supreme sacrifice of your sons on our soil consolidated the freedom for which we fought for 13½ years. The single star of our flag will ever shine as the symbol of our gratitude.

The American people desire more than anything else a continuation of the friendly relations between our Government and Cuba. These relations have become strained during this economic depression. We are hopeful that it will not continue, but probably the future amicable commercial relations between the island of Cuba and the United States depend upon a more complete understanding of our respective trade problems. If the people of Cuba understand that this dissatisfaction in our trade relations is caused by the knowledge on the part of our people that our generous attitude toward the people of the island is destructive to American industry, then I believe that they will be appreciative enough of the many gratuities bestowed upon them by us to aid in the reestablishment of reciprocal agreements more equitable than now exist, assuring continuance of the friendly feeling which has existed since the Spanish-American War.

My congressional district includes a large sugar-beet area interested both in the production of sugar beets and the refining of beet sugar. Millions of dollars are invested in this industry. Thousands of farmers and their helpers are dependent upon this industry for a livelihood. I have presented these facts to the President and to the Tariff Commission; I have appeared before the Ways and Means Committee and called its attention to the condition of the sugar industry in my district, pleading with them for relief, and I have but lately attempted to write a provision into the revenue bill for an increase in tariff on sugar.

Although we were unable to accomplish our purpose, due to the antipathy of the Democratic majority in this House to further tariffs, I feel that the groundwork has been laid for a more thorough understanding of the problems of the sugar-beet farmer, and that eventually this Congress will grant the relief so necessary to the life of this valuable industry.

The Clerk read as follows:

The four preceding appropriations shall be disbursed by the Sergeant at Arms of the House.

Mr. BYRNS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Byrns: Page 2, after line 15, insert the following: "For payment of expenses incurred by Wesley E. Disney, contestee in the contested-election case of O'Connor v. Disney, audited and recommended by the Committee on Elections No. 2, \$2,000, to be disbursed by the Clerk of the House."

Mr. BYRNS. Mr. Chairman, if this amendment be adopted, I shall follow it with another amendment to pay Mr. O'Connor, the contestant, for his expenses. In explanation of this amendment the certification from the chairman of the Elections Committee did not reach the Committee on Appropriations until after the bill had been reported to the House. Certifications of this character are required according to law. We have the certificate here, and these are the expenses which the Committee on Elections, which had jurisdiction of this case, has certified.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. STAFFORD. Is the gentleman acquainted with any instance where the Elections Committee has recommended a less amount than \$2,000, which is the maximum amount allowed by law?

Mr. BYRNS. Oh, yes; here is one that is to follow.

Mr. STAFFORD. Many years ago when I was serving on Committee on Elections No. 2, in some election contest arising out of Oklahoma, as I recall, our committee recommended the amount of only \$500. We tried to deprecate the practice of filing contests primarily for the purpose of getting the \$2,000 fee. It had been abused in many instances. I am not acquainted with any instance since where any Committee on Elections has recommended a less amount. The chairman of the Committee on Appropriations may be aware of the fact that many times contests are precipitated largely for the sake of getting the \$2,000 fee, and some Elections Committees have attempted to discourage that by cutting down the expenses that will be allowed to the marrow, so as not to encourage election contests where there is not much merit.

Mr. BYRNS. Mr. Chairman, I do not think any such objection can be raised in so far as this contest is concerned. This contest was instituted by Mr. Charles O'Connor, a former Member of the House, against the present sitting Member, Mr. DISNEY. I not only have no reason to say so, but I do not believe that he instituted the contest for any such purpose as that indicated by the gentleman from Wisconsin. I think it was instituted in perfect good faith. The law authorizes the payment of \$2,000 of actual expenses to the contestant and to the contestee upon the recommendation and certification of the Elections Committee under the signature of the chairman. The Appropriations Committee knows nothing about the expenditures incurred, but I am sure the Elections Committee, which had jurisdiction of the matter, made an investigation. I understand that the expenses incurred were greater than the amount allowed. which is the limit provided by law.

Mr. STAFFORD. I am quite sure that in the instant case the contest was started in good faith by the former Member of the House, Mr. O'Connor, who was the contestant, but my question goes more to the fact of whether the expenses were really incurred. In the cases in which the committee of which I was a member had to do, there was no question of the contest, but we did not think the contestant and the contestee had earned the \$2,000 allowed, and we allowed only \$500.

Mr. COLTON. Mr. Chairman, will the gentleman yield? Mr. BYRNS. Yes.

Mr. COLTON. I am not now a member of a Committee on Elections, but I served for some years as chairman of Committee on Elections No. 1. We did what the gentleman from Wisconsin suggests in every instance. We allowed only the amount actually shown to have been incurred by way of expenses, and often it amounted to only a few hundred dollars.

Mr. CANNON. Mr. Chairman, will the gentleman yield? Mr. BYRNS. Yes.

Mr. CANNON. It is the rule that the amount—or whether any amount at all shall be allowed—is solely within the jurisdiction of the Committee on Elections. The gentleman will doubtless recall a number of cases in which an appropriation was denied altogether and one celebrated case from South Carolina many years ago which has been held as authoritative from that time down, in which the committee made the announcement that in the future it would refuse to make allowances in cases which the committee did not consider there was meritorious ground for contest.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the amendment. In reply to the statement made by the gentleman from Missouri [Mr. Cannon], I am glad to get the information, and perhaps the position taken by that Committee on Elections in holding they would in the future not grant expenses unless the contests were meritorious and entered upon in good faith has discouraged these contests which were formerly merely abusing the privilege to such a large extent.

Mr. CANNON. The gentleman will doubtless recall that the statement by the committee resulted in the discontinuance of the class of cases to which the committee referred.

Mr. STAFFORD. In recent Congresses we have been free from other than bona fide contests.

Mr. BYRNS. Let me read to the gentleman the certification which has been made in the case of this particular amendment, and there is a similar one with reference to the | which reads "that no part of this appropriation shall be amendment which is to follow, if this be adopted:

EXPENDITURES OF WESLEY E. DISNEY

I certify that duly verified vouchers have been presented to this I certify that duly verified vouchers have been presented to this committee showing the expenditure of \$2,000 by Wesley E. Disney, contestee in contested-election case of Charles O'Connor v. Wesley E. Disney from the first congressional district of the State of Oklahoma, and proof that such expenditures were reasonable and necessary. I further certify that the conclusion that Wesley E. Disney has spent such an amount of money was determined at a meeting of the Committee on Elections No. 2, held June 8, 1932.

JOSEPH A. GAVAGAN,

Chairman Committee on Elections No. 2

Chairman Committee on Elections No. 2.

I think it ought to be clear that the expenses were actually incurred.

Mr. STAFFORD. It is a general statement that warrants the Committee on Appropriations in appropriating \$2,000. Of course, there is no bill of particulars.

Mr. BYRNS. They have the vouchers in the committee.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. CHINDBLOM. I think Mr. O'Connor was perfectly justified in pressing this contest. If the case of Granata v. Kunz had been decided by the House upon the same principles which governed the House in the case of O'Connor v. Disney, Mr. Granata would not have been unseated: but I think the House took the right view in the case of Disney v. O'Connor.

Mr. BYRNS. I will not go into the merits of the case, because I know nothing about it; but I feel sure it was a case that was brought in good faith.

Mr. STAFFORD. Oh, there is no question about that.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. COCHRAN of Missouri. Is it not a fact that under the law he is entitled to \$2,500 if he makes out a prima

Mr. STAFFORD. No: no. The gentleman is entirely in error. That is the maximum amount that can be allowed. He must show that the amount has been expended, so that it will not be an inducement merely to get money out of the

The CHAIRMAN (Mr. BANKHEAD). The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. BYRNS. Mr. Chairman, I offer a further amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. Byrns: On page 2, after line 15, insert the following: "For payment to Charles O'Connor, contestant in the contested-election case of O'Connor v. DISNEY, audited and recommended by the Committee on Elections No. 2, \$1,712.71, to be dispensed by the Clerk of the House.'

Mr. STAFFORD. Mr. Chairman, in view of the fact that this amount gets down to the penny-\$1,712.71-it is rather prima facie proof that vouchers to the very penny were produced for the money expended by the contestant. I have no further objection to the allowance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

The Clerk read as follows:

The Clerk read as follows:

For assistants in compiling lists of reports to be made to Congress by public officials; compiling copy and revising proofs for the House portion of the Official Register; preparing and indexing the statistical reports of the Clerk of the House; compiling the telephone and Members' directories; preparing and indexing the daily calendars of business; preparing the official statement of Members' voting records; preparing lists of congressional nominees and statistical summary of elections; preparing and indexing questions of order printed in the appendix to the Journal pursuant to House Rule III; for recording and filing statements of political committees and candidates for election to the House of Representatives pursuant to the Federal corrupt practices act, 1925 (U. S. C., title 2, secs. 241–256); and for such other assistance as the Clerk of the House may deem necessary and proper in the conduct of the business of his office, fiscal year 1933, \$5,000: Provided, That no part of this appropriation shall be used to augment the annual salary of any employee of the House of Representatives.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order for the purpose of making an inquiry as to that part the 1st of July, as I take it from your answer that nothing

used to augment the annual salary of any employee of the House of Representatives."

I understand the practice has been heretofore to use this fund to amplify the salaries of certain regular employees of the House. Does the gentleman think that this work can be performed for this amount by individual employees who are not on the pay roll of the Government? The gentleman is well aware of the fact that the Clerk's office has a large retinue of employees and that the Congress has been rather liberal with that retinue and has not diminished it or curtailed their salaries.

Mr. BYRNS. That may be true, but the Clerk stated that this was absolutely necessary to perform the work of his office, and the committee put in this proviso so that if this money was expended it would not be used for the purpose as stated in the proviso, namely, to augment anybody's salary. If the Clerk does not employ some one on the outside, the money will not be used, but the Clerk of the House appeared before the committee and assured the committee that this sum was necessary. He was not able to say that all of it would be used. In fact, he assured the committee that he would not use any greater sum of this amount than was necessary, but he said he needed it.

Mr. STAFFORD. Then, as I understand, from the statement of the Clerk of the House, this money will be used for temporary employees for part-service work, and not as a means to add to the permanent roll of the House of Representatives?

Mr. BYRNS. That is true, and the proviso so states.

Mr. STAFFORD. No. It simply provides that it shall not be used to augment the salary of any present employee.

Mr. BYRNS. But, of course, he will be compelled to employ somebody on the outside. Whether he will employ them for one week or two weeks or two months depends on the work that is to be performed, but it is only temporary em-

Mr. STAFFORD. And it is not intended that this \$5,000 shall be used as a basis for permanent employment in the future?

Mr. BYRNS. Oh, no; and I am sure the Clerk of the House would not even think of so using it.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of the point of order.

The Clerk read as follows:

Contingent expenses: For expenses of special and select committees authorized by the House, fiscal year 1932, \$5,250.

Mr. EATON of Colorado. Mr. Chairman, I move to strike out the last word.

I ask this time for the purpose of asking the chairman of the committee what provision has been made in this \$5,250 to finance that special committee authorized by House Resolution No. 235, which committee was organized a few days ago for the purpose of investigating Government competition with private enterprise and all the other questions in relation thereto that would aid Congress in consideration of any necessary remedial legislation. The gentleman from Missouri [Mr. Shannon] is chairman of the committee. I see the gentleman from Wisconsin [Mr. Staf-FORD], the Republican member, here. It is one of the most important committees of this House, I think.

Mr. BYRNS. This is to cover a deficiency in this item between now and the 1st of July. The Clerk stated that this sum would be sufficient to provide for the expenditures until that time. I think he named two committees. One of them was the investigation of holding companies on the part of the Committee on Interstate and Foreign Commerce. Another was the silver investigating committee. I think those were the only two he mentioned, but this sum goes into the general fund which may be used for all purposes with reference to special investigating committees. After July 1 there is an appropriation of \$50,000 which will be available for all of these various investigations.

Mr. EATON of Colorado. My point is: Where is the appropriation to carry on the work of this committee up to is included in this \$5,240, or at any other place in this bill, to pay for stenographic help, printing, or any of the rest of the work? I am informed the committee has started its work. I am prepared and am ready to present to the committee evidence in regard to the interference of the Government with the handling of livestock at the Denver Union Stock Yards and several other subjects. Let me mention four of them:

PRISON-MADE TENTAGE AND CANVAS GOODS

I am informed that the Forest Service is required to buy its tents and other canvas-made commodities from the Atlanta Penitentiary, which heretofore have been purchased from the manufacturers in the Rocky Mountain and Pacific coast regions. Such a change interferes materially with a local industry 2,000 to 3,000 miles away from the penitentiary.

The director of the Bureau of Prisons states under date of February 3, 1932, that:

There are probably not more than 15 or 20 men engaged continuously on the manufacture of the tents, but there are upwards of 100 men employed in the various processes of spinning the yarn and weaving the cloth.

When it is considered that the Bureau of the Census report shows only 7,162 wage earners in this entire industry in the United States, of which 113 are in Colorado and 15 in Utah, where they work in 9 Colorado and 5 Utah establishments, you may understand the demoralization which the cutting out of this business has wrought in that industry.

I have a file of accurate information obtained from the Bureau of the Census and the Department of Prisons, the Denver Chamber of Commerce, and the Seattle Tent and Awning Co.

WAR DEPARTMENT'S COFFEE-ROASTING PLANT AT CHICAGO

Purchase and distribution of issue coffee for Fort Logan, Fort Warren, and Fitzsimons General Hospital have been discontinued from the coffee roasters in the Rocky Mountain region and under date of February 3, 1932, the Quartermaster General of the War Department advised that—

It is believed that the best interests of the Government are conserved through the methods adopted for the supply of this commodity—

namely, the centralizing of all distribution of roasted and ground coffee in Chicago and the utilization to the fullest extent of the coffee-roasting plant of the War Department at the Chicago quartermaster depot.

EVASION OF STATE TAXES ON GASOLINE

The United States pays no State taxes upon gasoline. It is alleged that the various post exchanges and other Federal agencies sell gasoline for privately owned automobiles for purposes which are not the Government's business.

At the recent conference of gasoline-tax administrators of the various States, this matter was taken up and practically every State in the Union represented at that meeting complained bitterly at the unfairness of the United States Government competing with its citizens in this as well as other respects.

It was pointed out that not only was each State deprived of its legitimate tax upon gasoline, but that the private merchants were also deprived of their legitimate sales of gasoline used for all purposes except the Government's business.

VETERANS' BUREAU PURCHASES FOR HOSPITALS

This item goes farther than mere interference of the Government in business and also touches the subject of prices paid for commodities. The Veterans' Administration insists that its centralized system of buying and distribution is best. Detailed information furnished by the chamber of commerce concerning freight rates and the handling of goods in the Rocky Mountain district indicates that the purchase and distribution from the supply depots at San Francisco and Chicago resulted in a greatly increased cost to certain hospitals situated in the Rocky Mountain district.

I can name Fort Lyons, Colo.; Albuquerque, N. Mex.; Sheridan, Wyo.; and Hot Springs, S. Dak. Maybe there are others.

I have not the exact figures before me, but each hospital purchases supplies amounting to hundreds of thousands of dollars each year. A comparison some months ago of contracts then in existence with current prices indicated that the freight-rate saving alone was a considerable item, being in some instances as much as 20 per cent.

At least there should be made available one of the House Committee reporters to take down the morning hearings. And there should be available enough of the printing fund to print the hearings which are daily being held and which should not be discontinued until July 1 merely because no mention thereof is made in this bill.

I was speaking to the chairman of the committee, the gentleman from Missouri [Mr. Shannon], and he said he did not know where the money is coming from, and that his own private clerks have up to this time been doing all of the work.

Mr. BYRNS. I will say to the gentleman from Colorado that so far as stenographic work is concerned the committee has the right to call on the committee stenographers, and I hope they will do so and not go on the outside and undertake to employ stenographers.

Let me also say that this fund, the gentleman understands, is available for all purposes of this kind. In fact, the Clerk of the House stated that this was all that would be necessary to provide funds up until July 1. Whether he will have enough to carry on the work of the committee to which the gentleman refers, I do not know, but this is all we were asked to provide.

Mr. STAFFORD. Will the gentleman from Colorado yield?

Mr. EATON of Colorado. I yield.

Mr. STAFFORD. Will the chairman of the committee kindly inform the House how much was carried for contingent expenses for similar work for the next year?

Mr. BYRNS. The amount for that purpose is \$50,000.

Mr. STAFFORD. If the gentleman will yield further, I may say that, so far as the work of the committee the gentleman has referred to is concerned, we have already started our hearings. We have not even placed the Government to any expense so far as committee stenographers are concerned in that the chairman of our committee has called upon his clerk, who is an efficient stenographer, to do that work; and, further, we do not know how much will be required for the actual expenses.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

I question whether we will have occasion to utilize any of the contingent expenses prior to the ending of the present fiscal year. I know it is the intention of the chairman, and I believe of the other Members, to have as economical an administration of that investigation as possible. It was the consensus of opinion in the organization meeting of the committee that the Members would not use any money unnecessarily for any junket purposes whatsoever. In fact, it was expressed by a number of Members that they would retire from the committee if that was the purpose.

Now, Mr. Chairman, I have served on two other investigating committees, and on both of them the committee established a policy that might well be emulated by every committee of the House. It was my privilege in 1908 to serve on the first tariff commission ever appointed by Congress, headed by that greatest of all legislators, the great James R. Mann, and, even though we toured a large part of the United States and went up into the wilds of Canada, our expenses, all told, were less than \$10,000. I also served later on the Mulhall Investigating Committee that ran for months and months, of which our former distinguished Democratic

leader, Mr. Finis Garrett, was chairman, and the expenses were not much more than \$6,000 or \$8,000.

Mr. CHINDBLOM. Will the gentleman yield?
Mr. STAFFORD. So, I will assure the House that the doubts that seem to pervade that as there was no limit to the amount that could be expended by the committee for its expenses have little foundation.

[Here the gavel fell.]

The pro forma amendment was withdrawn. The Clerk read as follows:

Military and naval insurance: For an additional amount for military and naval insurance accruing during the fiscal year 1932 or in prior fiscal years, \$4,233,000.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word for the purpose of calling the attention of the chairman of the committee and the committee to a condition existing in reference to the administration of war-risk insurance. The matter was before the Judiciary Committee this morning. There are thousands and thousands of cases pending in courts on insurance claims in many districts. There are so many thousands of cases that it will take many years before they can possibly be reached. The result is that a bill, I think, has passed the Senate, and a bill was reported favorably from our committee, permitting the United States commissioner in one district to try these cases. Now, you will readily see that that is a very doubtful precedent to establish. A United States commissioner has no power to hear and determine cases. Commissioners have no trial jurisdiction, and if we start with these cases, the first thing we know we will have that jurisdiction extended and another superior court established. It will be most unsatisfactory. On the other hand, it has been suggested that we create a new court with sole jurisdiction to hear warrisk insurance cases, but the minute we create a new court with limited jurisdiction they will never be abolished, even though their purpose has been completed.

It occurred to me that the only way we can clean up these cases would be to establish boards of review in each veteran regional district. I think the country is divided into regional districts by the Veterans' Bureau.

And not any employee or official of the Veterans' Bureau should be on the board, of course-men who would be qualified to pass upon these cases, as if they were appointed as referees or masters by the court, men of proper standing and, of course, ability and capacity. I would have these men appointed on a per diem basis, and the reason for that is that there is always danger, if we establish anything like a tribunal and give it the dignity of the name of court and judge, of having it on our hands forever.

Mr. PARSONS. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. PARSONS. How many of these boards would the gentleman provide—one for each regional office or simply one here in Washington?

Mr. LaGUARDIA. I would provide these boards of review in each regional district, and in some places it might be necessary to have two or three, because there are thousands of cases pending.

Mr. PARSONS. It would be necessary to have purely independent boards, entirely outside of the Veterans' Bureau; otherwise you would have the same condition prevailing that prevails now.

Mr. LAGUARDIA. It would not be judicial otherwise. think I would even have them appointed, if necessary, by the district judges. It has to be judicial, it has to be impartial, and it would have to pass upon these claims judicially. However, to do that it would be necessary to change the law. I would give these boards the power to decide and make their decisions final, with an appeal to the United States circuit court of appeals.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. COCHRAN of Missouri. The gentleman, of course, knows that the last date for filing suits has passed except where there was an agreement between the Veterans' Bureau and the veterans in cases awaiting a final decision in the Veterans' Bureau. The Administrator of Veterans' Affairs testified before the Economy Committee that they had 44,000 such cases now pending, that many already decided adversely by the Veterans' Bureau had gone to court, and thousands of others would go to court. It means congestion in our Federal courts.

Mr. PARSONS. Is not the total around 100,000?

Mr. LaGUARDIA. There are a great many on stipulation. awaiting results in other cases.

I mention this, gentlemen, so that you may give it some thought, because something ought to be done. However, the plan before us to give jurisdiction to United States commissioners is not satisfactory. It is not satisfactory to the veterans; it is not satisfactory to the Government; and it is a very dangerous precedent to establish.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment. I wish to acquaint the gentleman from New York with the provisions of the bill which passed the House on Monday last under suspension of the rules, a bill reported from the Committee on Military Affairs, and where it was sought to restrict the right of review to all those cases that have heretofore been passed upon in the bureau, at least those which have gone to the highest appellate branch of the bureau.

Mr. LAGUARDIA. Was that with reference to war-risk insurance?

Mr. STAFFORD. Yes. We sought to correct the abuses that have been indulged in by the veterans who have had their day in court.

Mr. PARSONS. Will the gentleman yield?

Mr. STAFFORD. Yes. Mr. PARSONS. Did not that bill relate purely to the matter of retirement or compensation? The insurance proposition is purely a contract, while the compensation and retirement proposition is not a contract.

Mr. STAFFORD. No; it referred to the insurance cases. I would like to inquire of the chairman of the committee as to the reason for this large appropriation of \$4,000,000. Is it occasioned by an erroneous estimate, a curtailment of estimate, or how did it come about?

Mr. BYRNS. It came about through an estimate, which was submitted as being the amount required to pay the insurance and these judgments on contracts up to July 1.

Mr. LaGUARDIA. These are additional liabilities which have come about since the last appropriation bill was passed by reason of deaths over and above the estimated number and by reason of judgments.

Mr. STAFFORD. It was that character of cases to which our attention was called by General Hines, that after the bureau passed upon them in an administrative way, then, through the importuning of some claim agent or attorney, they are taken to the courts and judgments are awarded against the Government. In the trial of those cases evidence is presented in many instances which was not presented to the Government when the Veterans' Administration received the claim, and the Administrator of Veterans' Affairs is very desirous of having some machinery established that would curtail that practice.

Mr. BYRNS. Let me read this to the gentleman from the testimony of General Hines:

This estimated deficit is occasioned entirely as the result of litigation on contracts for war-risk insurance, allowed under sections 19 and 307 of the World War veterans' act. These sections have permitted the filing of suits on war-risk insurance contracts either where the insurance has been terminated through failure to pay premiums or where it has been converted into a conventional type of Government policy.

In other words, there were more suits brought and more claims settled than was anticipated when the original estimate was submitted, and this money is needed for that

Mr. STAFFORD. I may say there is some abuse on the part of some of these claimants of insurance. They present their claims to the Veterans' Administration, appeal is made through the respective boards, turned down, and then the claimant employs attorneys, goes into court and presents additional evidence that was never presented before the administrative board, which, in many instances, results in a judgment against the Government.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Land for workhouse and reformatory: For an additional amount for the purchase of approximately $1\frac{1}{2}$ acres of land at the work-

house and reformatory to provide suitable switching connections and switching yards for industrial railroad adjacent to main line of the Richmond, Fredericksburg & Potomac Railroad, fiscal year 1932, 844.99.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph just read, although the amount is very small. I wish to inquire whether authorization has been made for the purchase of this additional land. I make this inquiry for the purpose of guiding the Committee on Military Affairs in similar requests for additional land. Has authority of law been granted for the securing of additional land as provided in this paragraph?

Mr. BYRNS. The land is owned at this time by the District, and this is simply an appropriation to pay for securing title to the land.

Mr. STAFFORD. Then it is not really to secure additional land?

Mr. BYRNS. It is not for the purchase of additional

Mr. STAFFORD. The wording of the paragraph is "for the purchase of approximately 11/2 acres additional."

Mr. BYRNS. I know that. It relates to the purchase of the land which is contiguous to the other property and, of course, the language included here is in the same terms as the language used in the original purchase. However, this simply relates to the amount of money necessary to complete the payment in making the transfer of the property; in other words, it involves the cost of the transfer rather than any land.

Mr. STAFFORD. I made the inquiry because the Committee on Military Affairs has before it bills to authorize the purchase of additional land tributary to some of the original projects. I did not think the Committee on Appropriations was taking jurisdiction of such cases.

Mr. BYRNS. No; this land has already been bought, but the buyer, the District of Columbia, had to pay the cost of the transfer.

Mr. STAFFORD. I withdraw the reservation of a point of order, Mr. Chairman.

The Clerk read as follows:

SETTLEMENT OF CLAIMS

For the payment of claims approved by the commissioners under and in accordance with the provisions of the act entitled "An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia," approved February 11, 1929 (45 Stat. 1160), as amended by the act of June 5, 1930 (46 Stat. 500), and reported in House Document No. 333 of the Seventy-second Congress, \$162,169.43.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word

In general debate I took occasion to refer to the two acts under which the Commissioners of the District of Columbia are authorized to settle claims against the District as if the District were a private individual, the amount up to which they may settle claims being \$5,000.

As the chairman of the committee knows, the departments are only authorized to settle claims up to \$500. I stated then that after considering the law that was passed in 1930, delegating to the commissioners the right to settle tort actions against the District to the extent of \$5,000, I was inclined to favor an amendment of the general law delegating to the heads of departments the right to settle claims against the Government arising out of automobile accidents or other kinds of tort actions to the extent of \$2,000. I looked over the hearings to see whether there was any statement by the commissioners as to the work of settling these claims under this authorization. I was rather impressed by the size of the appropriation that they ask for the administration of this authority for one year, namely, \$162,000.

Has the gentleman any information as to how they have administered this large authority whereby Congress has delegated to the commissioners the right to settle all tort actions up to \$5,000? I am seeking information as to their method of administration as a guide for the Congress so as to relieve the Private Calendar. We have claims on the Private Calendar where the Committee on Claims has recommended \$2,000 or \$3,000 or \$4,000 or more, and I am seeking to

transfer such authority to the department heads rather than impose it upon any committee of Congress.

Mr. BYRNS. I will say to the gentleman, it is my impression they consider all kinds of claims up to the amount stated by the gentleman.

Mr. STAFFORD. But I was seeking information as to whether they have any certain schedule as to the fixing of the maximum amount or a lesser amount under the authority invested in them by the act of June 5, 1930.

Mr. BYRNS. I do not know that I understand exactly what the gentleman means by "schedule."

Mr. STAFFORD. For instance, here in the Congress, the Committee on Claims usually allows the payment of \$5,000 upon the death of a member of the family or a lesser amount where the claimant is injured. I was seeking to ascertain whether this total amount is segregated in any way to determine how the amounts allowed are arrived at.

Mr. BYRNS. The gentleman will find that on page 17 of the hearings and also in House Document No. 333, which is referred to in the bill.

I will say to the gentleman that \$145,000, in round numbers, of this amount is a refund for certain paving assessments under the Borland law, which the gentleman is aware has been set aside by the courts.

Mr. STAFFORD. Well, that is very illuminating. I feared that the \$160,000 was payment for personal-injury claims under this authorization.

Mr. BYRNS. Oh, no; the courts have practically set aside the Borland Act, and wherever persons have made payments and applied for a refund they received that refund, which amounts to \$145,000.

Mr. STAFFORD. That relieves me of the fear that the power granted to the commissioners might have been abused in settling pure tort actions.

Mr. BYRNS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 9, line 9, after the word "person," strike out the word "or" and insert the word "of."

The amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro forma amendment of the gentleman from Wisconsin.

I want to ask the chairman in regard to the repeal of the so-called Borland law. The courts have not set the law aside altogether; they have set aside certain features of it.

The commissioners have attempted by their action to set the entire law aside and to grant refunds of taxes to various individuals and corporations owning large real-estate tracts around the city.

The Borland law was a good law. It was an equitable law, it was a just law, and it made the contiguous property owners of big tracts of land pay their proportional part of the improvements.

Now, has the gentleman from Tennessee investigated to find out whether or not the commissioners have overstepped their rights in attempting to repeal in toto the Borland law?

Mr. BYRNS. The gentleman will find the information on page 20 of the hearings. It is true that the court has never declared the act void.

Mr. BLANTON. And until it does declare the act void the commissioners have no right to consider it as void.

Mr. BYRNS. Mr. West stated, and the gentleman will find it on page 20 of the hearings, "There were suits to cancel these assessments on the ground that the act was void and the assessments were unconstitutional. The court, however, has never declared the act void, but never has a single paving assessment been sustained by any one of our courts. We have gone so far as to apply to the Supreme Court for a writ of certiorari in three cases, and we have been denied that writ."

I asked Mr. West on what theory the court denied the writ, and he replied, "The theory of the court is that where this assessment is made according to the rule laid down by Congress, without hearing, that such assessments are void or there is any inequality in the depth of the lot or in the

value of the lot. It is practically impossible to find any place in the District of Columbia where there is not some irregularity, either in the shape of the lot, or in the depth of the lot.'

Mr. BLANTON. That so-called setting aside on a preliminary hearing by the court has been accepted without carrying it up to the Court of Appeals and having it properly decided. You have a little preliminary court hearing in Washington setting aside an act of Congress for the benefit of a few big taxpayers of the District.

I have a list of taxes of some big corporations and big property owners in the District, where they have refused to pay their taxes for a number of years. That list would astonish you. It was furnished me by the tax assessor's office. They let those taxes run along for a few years, and the first thing they know, they make a settlement with the District Commissioners, and get rid of a big amount of taxes. Of course there is a sympathy here by the officials for the taxpayers of the District, people who live here in this beautiful city filled with tax dodgers, and I am afraid that some of that sympathy gets into the courts.

Every time you come to condemn a piece of property for the Government you find that the jury of view, as we speak of them in the States, assessing the amount the Government must pay at two or three times the real value of the property. Some of these days the people of the States are going to wake up fully to all of the rights and privileges that the 450,000 people who live in Washington enjoy at their expense. When they do finally realize it you had better watch out. When the people back in the States wake up some day and find out just what Congress is doing for the people of Washington at their expense, you had better watch out when the primary time comes and you had better watch out when the general election time comes in November. They are not going to stand for being robbed in taxes that the people who live in Washington may live without paying comparable taxes. The fact remains that \$1.70 on the hundred is all the tax that the people of Washington pay for everything-school purposes and all. They have all of the books furnished for their school children; they have the playgrounds furnished free; they have everything in the world furnished the people here. They enjoy all of the fine parks and all of the fine improvements, and the chambers of commerce back in our State are spending hundreds of thousands of dollars a year to get people to visit our cities, when the Government does all that for Washington.

Mr. ARENTZ. What does the gentleman estimate the valuation of property here for assessment to be?

Mr. BLANTON. When they wake up you are going to be called on for an accounting.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. I shall speak on that later, when that item comes up.

The Clerk read as follows:

DEPARTMENT OF AGRICULTURE OFFICE OF THE SECRETARY

Rent of buildings: For an additional amount for rent of buildings and parts of buildings in the District of Columbia for use of the various bureaus, divisions, and offices of the Department of Agriculture, including the same objects specified under this head in the agricultural appropriation act for the fiscal year 1932,

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word to ask the chairman of the Committee on Appropriations why it is that, with all the building going on now by the Government in the District of Columbia to provide these various departments with enormously enlarged quarters, we are always encountering new items for rental of privately owned buildings by these departments? It seems to me, instead of requiring additional sums out of the Treasury for rentals, we should be saving enormous sums. On the contrary, in the city of Washington, we are constantly confronted with the refusal of the Government to relinquish rental quarters and go into quarters owned by the Government. Whether it is that the departments prevail upon the

Building Commission to award them additional space so that they can keep those buildings in which they have once been quartered, without going into space available in the Government buildings, I do not know, but it seems to me we have a tremendous amount of overhead that ought to be saved to the people, particularly at this time. I am not merely directing this inquiry to this particular item but I ask an expression from the chairman of the Committee on Appropriations as to what is the reason for the Government not saving more in rentals with all of this enormous building program in the District of Columbia-the greatest building program the Government has in the whole United States?

Mr. BYRNS. Mr. Chairman, I shall confine myself to this particular item. This item was made necessary by the fact that the public building was not completed in time for the Government to occupy it. Because it was not completed in time it was necessary to rent space under a contract which will expire on June 30; this sum is the amount of the rent which will have to be paid at that time.

Mr. BRIGGS. The purpose I have in asking this question is not alone with reference to this particular item but it is the general experience that is now being encountered by the Government. I notice that as soon as the Government gets out of one building with rented quarters, it is reoccupied by another branch of the Government, notwithstanding the enormous building the Government has been carrying on in the District of Columbia. I am interested in ascertaining from the chairman of the committee if he can state why this condition exists; whether it is due to the sanctioning of all this by the Budget Bureau, whether it is due to the action of some commission, like the Public Building Commission, or whether the Appropriations Committee sanctions all the things?

Mr. BYRNS. I am not so sure that the condition is quite so bad as the gentleman describes. These buildings are just now being completed from time to time, and are just now being occupied, some of them authorized and under construction, not yet completed. I think some time has to be given, of course, to the location of these bureaus in these various buildings. That is all done under the supervision of the Joint Committee on Public Buildings and Grounds, of which, I think, the Senator from Utah [Mr. Smoot] is chairman. They have charge of that, and it is done really under the commission composed of Members of the Senate and of the House.

Mr. BRIGGS. Does not the gentleman think, after all, that that commission functions through some subordinate, and that the Committee on Appropriations could handle it better than the commission?

Mr. BYRNS. I submit to the gentleman that the Committee on Appropriations can not possibly go around and undertake to locate every bureau and every building in the city. All we can do is to make the appropriations where it is shown that they are necessary.

Mr. BRIGGS. It could pass on the necessity for this expansion, and why they do not confine themselves to quarters available in Government-owned buildings without going outside and renting others.

Mr. BYRNS. We do that, and if the gentleman will read the hearings with reference to this \$9,100 item, he will see the reasons assigned for this appropriation. Every time these appropriations come before the committee we make a close and thorough investigation, and never recommend them unless it is quite evident they are proper.

Mr. BRIGGS. I notice that the Government from time to time gets out of some of these buildings that are rented in the city of Washington, and then is back again in them within 30 or 60 days.

There was the Commerce Building on Nineteenth and Pennsylvania Avenue, vacated by the Commerce Department, and it seems to me it was reoccupied by another bureau within 30 days.

Mr. BYRNS. This Congress passed the Reconstruction Finance Corporation bill, for which the gentleman no doubt votedMr. BRIGGS. Certainly I did, to relieve unemployment and revive prosperity, if possible, in industry, agriculture, and other lines of business activity.

Mr. BYRNS. That provided for a very large activity which had to be housed. There was no place to put it, and it was necessary, therefore, for it to go into that building.

Mr. BRIGGS. That is the point on which I am not agreeing with the gentleman—that is was necessary to house it in this building.

Mr. BYRNS. How does the gentleman know?

Mr. BRIGGS. I do not; but the Appropriations Committee, I think, should go into that matter and determine itself.

Mr. BLANTON. Will the gentleman yield?

Mr. BRIGGS. I yield.

Mr. BLANTON. Does the gentleman know that General Dawes is paying \$75,000 rent for that old Commerce Building?

Mr. BRIGGS. I had no idea what he was paying; but I believe when the Patent Office vacated the Patent Office Building there was space there or in the Interior Department or some other Government building. When the Commerce branches were moved into that great Commerce Building, one of the largest buildings in the world, there ought to have been space in some of those other Government buildings to house these commissions and agencies of the Government.

Mr. BLANTON. I think the gentleman is entirely correct. Mr. BYRNS. Let me say this, that Congress has provided a Public Buildings Commission and that commission is composed of certain Members of the United States Senate and certain Members of the House, together with Colonel Grant. That Public Buildings Commission has been given entire authority with reference to the location of governmental activities in Washington. It is not the duty of the Committee on Appropriations to go out and make investigations as to whether those activities are located here or there, except to inquire whether there is need for the space, and whether or not the sums being paid are reasonable; but I submit that when the gentleman criticizes the Committee on Appropriations, he ought to direct his criticism, if he has any, to the Public Buildings Commission, which represents the Congress and the Government and has authority in the

Mr. BRIGGS. I want to take occasion to disclaim any criticism of the Appropriations Committee. What I am doing is seeking to find out if the Appropriations Committee in this House can not ascertain more accurately the alleged need for the rental of these privately owned buildings; I want to say with reference to the commission, to which the gentleman refers, that the Congress itself should review the action of that commission and let it feel that Congress intends to scrutinize its action, and that it will not be allowed to pay out vast sums of money, simply upon its own recommendation, without sufficient justification therefor.

Mr. BYRNS. Permit me to say that that Public Buildings Commission is composed of the chairman and ranking member of the Senate Committee on Public Buildings, and the chairman and ranking member of the House Committee on Public Buildings, of which the gentleman's colleague is a member, and I am sure that that commission makes a close investigation of these matters.

Mr. BRIGGS. I agree with the gentleman that there are estimable gentlemen upon that commission, but I know, with the duties devolving upon them in a legislative way and many other departmental duties, they can not always give the time necessary to determine all these details.

Mr. BYRNS. Does the gentleman not think that the Committee on Appropriations is about as busy as any legislative committee of this House?

Mr. BRIGGS. I have no doubt that is true; but it has facilities for reaching down to the bottom of things.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the pro forma amendment.

Mr. Chairman, there is a popular impression abroad that it is cheaper for the Government to house its activities in the very fine ornate Government buildings in the District of Columbia than it is to pay rent. Some years ago when I happened to be a member of the Subcommittee on Appropriations for the Legislative and Executive and Judicial Departments, of which the distinguished chairman was then chairman of the subcommittee, that committee had occasion to go into that question, and we found it was much cheaper for the Government to house its activities in rented buildings rather than to own its own buildings. Even with a 3 per cent interest rate, when the additional overhead required on these more extravagant buildings was considered, it was found to be cheaper to pay rent.

The gentleman from Texas [Mr. Briggs] levels his shaft of criticism against the commission which has been created in the last 10 years for allotting space in the Government buildings. The gentleman must be aware that we have reduced much of the space that was allotted to the Government when the buildings on the triangle were razed. For instance, the Coast Guard Service was housed down on Fourteenth and Pennsylvania Avenue. That building was razed and their activities were transferred to the Treasury Annex.

The gentleman from Texas [Mr. Blanton] levels his dart of criticism against the Reconstruction Finance Corporation in occupying a privately owned building, on which the Government had a lease until July 1, in which the Reconstruction Finance Corporation is only utilizing three floors. There was no other available space for the Reconstruction Finance Corporation in which to be housed for their activities.

Now, can the gentleman, who must be acquainted with conditions, point out in any particular where any of those activities are being improperly housed? If so, I will yield to him and will be glad to yield to him.

Mr. BRIGGS. It occurs to me that, with the merging of all these bureaus and special activities of the Department of Commerce in that great building, one of the largest, not only in this city but in the entire world, it is bound to have released an immense amount of space to the Government. Down in the Patent Office alone there is a whole square—

Mr. STAFFORD. Let us take the Patent Office, for instance. Anyone who has been in the old Patent Office, as perhaps the gentleman has and as I have, and has searched patents, knows that they were not in adequate quarters. They were cramped there.

Mr. BRIGGS. But they have moved out of there now.

Mr. STAFFORD. I say they were cramped there. Now, they are in adequate quarters. Take the Forestry Service, down on F Street, they were in cramped quarters, which were really unsuitable and insanitary.

The modern building of the Department of the Interior is an up-to-date building, in my opinion, for housing Government activities, with its three airways, with adequate light. The Government has been merging and housing its activities in modern up-to-date quarters and moving from the temporary quarters which were erected during war days.

Does the gentleman favor housing the Census Bureau in these shacks down here on the Mall, which are fire traps, three or four stories high, or does he favor its transfer to the Commerce Building?

Mr. BRIGGS. I will say that, of course, the gentleman does not favor housing it in fire traps, but the Census Bureau is housed in the magnificent Commerce Building, and there is no occasion for any talk about the Census Bureau not being properly and adequately housed.

Mr. STAFFORD. The Census Bureau, until recently, has been housed down here in these temporary shacks.

Mr. BRIGGS. I know where they have been housed; but the gentleman's argument is that it has been, and is, cheaper to house Government activities in rented quarters than in quarters owned by the Government; but that policy has been abandoned in the District of Columbia, and the Government of the United States is spending over \$150,000,000 in putting up brand-new buildings for Government use.

Certainly the Government ought not to be subjected to the double expense of building new structures and continuing to rent old ones.

Mr. STAFFORD. Yes; and your taxpayers and my taxpayers are paying for that extravagant policy, and the taxpayers of the country are raising a cry against such extravagances.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, I quite agree with my colleague from Texas [Mr. Briggs] that it behooves Congress to watch the rentals that are paid by every department of the Government. One summer here I spent two months at my own expense checking up the rents paid and the buildings used by the United States Shipping Board and the United States Emergency Fleet Corporation, and to my great surprise, here in Washington and in the city of Philadelphia, they were paying out \$754,000 a year rents on all the buildings they had in use. I spent my own funds investigating and had employees, specially employed by me to do the work, go with me and we actually measured the floor space in every building they had rented. Then I went down here with the same employees and measured the surplus floor space in the new Army and Navy Building on the park driveway near the Lincoln Memorial and checked up the vacant floor space in that tremendous big building, a building in which they say if you travel all the corridors and do not retrace any steps you will have gone 28 miles, and I found there was more actual floor space vacant in that building than was taken up in the rented buildings used by the Emergency Fleet Corporation and the Shipping Board. I brought those figures and facts to the attention of the then chairman of the Committee on Appropriations, and he forced the Shipping Board and the Emergency Fleet Corporation to move into the Army-Navy Building. You will find them there right now, and they have been there ever since.

Now, if you will check up the floor space for which the Reconstruction Finance Corporation is paying \$75,000 rental, and check the surplus floor space available in that monstrosity of extravagance known as the new Commerce Building, you will find there is more available floor space right now in the new Department of Commerce Building than is necessary to house the new Reconstruction Finance Corporation. If that is so, why can we not save the \$75,000 rent per annum?

Mr. BRIGGS. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BRIGGS. May I ask the gentleman if his investigations thus far have not indicated the Government can save thousands upon thousands of dollars that it is now paying out to private interests in rent of private buildings?

Mr. BLANTON. Certainly; and I want to say to my friend that I did not vote for the Reconstruction Finance Corporation bill, so I can criticize it. When you keep on appointing these commissions and keep on giving them an army of employees and allowing them to fix salaries without any limit, the man appointed at the head of it generally begins to look around for a tremendous building and tremendous floor space for that great army, and he is not very careful about the maximum he places on their salaries or on expenses.

Why, I can remember, and so can you, when Herbert Hoover was first appointed Food Administrator and he rented the old Gordon Hotel on Sixteenth Street. You remember how Will Wood, Martin Madden, and Graham, of Illinois, and some others rose here one day and said that he was guilty of extravagance for the rent he paid.

I wrote Mr. Hoover that evening and said:

Here is what they are saying about you. I do not think it is true. I want to defend you if it is not true. Give me the facts.

I found from his reply that, as a matter of fact, he was paying for the Gordon Hotel nearly twice as much as his accusers on this floor were claiming he was paying. You have got to watch these heads of departments on these rentals.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. McDUFFIE. The Government has bought the old Southern Railway Building at Thirteenth Street and Pennsylvania Avenue, and there is space available there for just such activities.

Mr. BLANTON. Yes; I am sure that some space is surplus there.

Mr. McDUFFIE. And I can not understand why the Government did not use its own building instead of going out and getting quarters for which it must pay extravagant rentals.

Mr. BLANTON. We have got to watch them, and I am going to watch them; and if they do not utilize vacant floor space in our own buildings I am going to let the country know about it.

Mr. GOSS. Mr. Chairman, I rise in opposition to the proforma amendment, for the purpose of calling attention to the fact that the Bureau of the Budget recommended an item of \$90,000 for salaries to carry on the work of the President's Unemployment Relief Committee, as well as an item of \$24,000 for contingent expenses and an item of \$6,000 for printing and binding. I notice the Appropriations Committee has refused to appropriate for any of the matters affecting unemployment relief, which Mr. Gifford and Mr. Owen D. Young have been heading for the past few months and in which they have done an excellent job. I want to know if the chairman can inform the committee why the Committee on Appropriations left those appropriations out of the bill?

Mr. BYRNS. The very best reason I can offer the gentleman is that there was no law authorizing it, as was admitted by the gentlemen who appeared before the committee in support of the estimate. If these items had been reported they would have been subject to points of order.

Mr. GOSS. The gentleman includes lots of things in

these bills which are subject to points of order.

Mr. BYRNS. I know of none in this bill.

Mr. GOSS. Perhaps; but in other bills he does.

Mr. BYRNS. Let me say to the gentleman in addition that the so-called Gifford Unemployment Committee was created in the Department of Commerce in August, 1931, when Congress was not in session. The President of the United States, owing to the emergency which he considered existed at the time, without the slightest authority of law, provided for this committee and designated certain funds which had been appropriated for the Department of Commerce for the employment of such clerks as were necessary. As I have stated, there was not the slightest authority of law—so admitted by all the authorities—for the action of the President.

Let me say to the gentleman that this House made an appropriation to carry on this work or provided for a deficiency up to June 30, 1932. It was stated when the first deficiency bill was passed that there was no intention of asking for any appropriation for the next year and that the work of that employment committee would be concluded and finished, so far as all things it could do were concerned, by June 30. But to my surprise, when we came to consider this bill, after that positive statement from the Department of Commerce, we were met with an estimate for an additional appropriation of \$120,000 for next year, when we were told only two or three months ago it would not be needed.

Mr. GOSS. Does not the gentleman know about the unemployment situation and agree that something should be done?

Mr. BYRNS. I do; but can the gentleman tell me one single thing this Gifford Employment Commission has done looking to the relief of unemployment?

Mr. GOSS. Yes; many things. It raised funds in the various local communities to help those local communities take care of their own unemployment. They have done it in my district. They ran the Army and Navy football game in New York City for unemployment relief.

Mr. BYRNS. Are we going to spend \$120,000 for a commission to run an Army and Navy football game?

Mr. GOSS. No. The gentleman is facetious in that remark. They have done a good job all over the country.

Mr. BYRNS. The funds to which the gentleman refers were raised by local communities, and those funds could have been raised and doubtless would have been raised by those local communities without the establishment of an illegal and unauthorized employment commission. We have an employment commission in the Department of Labor. Why have another employment commission in the Department of Commerce?

Mr. GOSS. Simply to follow up and help in this unemployment-relief program.

Mr. BYRNS. That is the trouble with these departments of the Government; there is so much duplication of service that it is impossible for anybody to know just what is being done, and that is one reason for the enormous increase of expenditure.

[Here the gavel fell.]

Mr. GOSS. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GOSS. Then the only reason why your committee did not bring this in was because it was subject to a point of order?

Mr. BYRNS. Oh, no. I am not speaking for the other members of the committee, but I want to say to the gentleman that I think that was a useless expenditure of money and that I do not believe it ought to be carried on next year. Certainly when there is no authority of law for it the committee would not have been justified in bringing it in.

Mr. HART. Will the gentleman yield? Mr. GOSS. Yes.

Mr. HART. As a member of the Appropriations Committee I voted to exclude it because I thought it was a waste

Mr. GOSS. The gentleman does not think Mr. Young or Mr. Gifford has done anything toward the relief of unemployment?

Mr. HART. Mr. Young and Mr. Gifford put in no bill for their services.

Mr. GOSS. But there are 108 employees working without any compensation at all and there is more or less of a skeleton organization over the country.

Mr. BYRNS. Does not the gentleman know we have the United States Employment Service?

Mr. GOSS. I know that, and it does a fine service. Mr. BYRNS. Then why have one in the Department of Commerce? Is not the Department of Labor the proper place in the Government for that activity?

Mr. GOSS. My information is that this agency is doing a different class of work from that of the Federal employment service in the Department of Labor.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BLANTON. The gentleman from Connecticut [Mr. Goss] spoke about points of order. I want to ask the chairman of the Committee on Appropriations if it is not the fact that every item that the gentleman and his committee have put in any of the supply bills that was subject to a point of order, was put in to save money and not to spend money?

Mr. BYRNS. The gentleman is correct.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the pro forma amendment.

If the record is allowed to stand, and some of the remarks made in the last 15 minutes go out to the public, they will be misunderstood.

I am surprised that one gentleman desires to know why the Government does not use the Southern Railroad Building. Of course, the gentleman probably does not know that we have a Prohibition Department—few people realize that, but still we have it-that we have a Bureau of Industrial Alcohol; that we have the Customs Service; that we have the overpopulated Farm Board and other activities; all of which are now housed in the Southern Railroad Building.

Some Government offices have been there since the day it was taken over by the Government.

Mr. McDUFFIE. Will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. McDUFFIE. Is the gentleman sure that all the space available in that large building is now occupied by some activity of the Government?

Mr. COCHRAN of Missouri. Certainly.

Mr. McDUFFIE. If the gentleman is sure, that settles it. I was ignorant of that fact. The gentleman has been communicating with the Prohibition Department more than I

Mr. COCHRAN of Missouri. No; I seldom go there, as the administrator will attest. Then, again, I do not think we have a Prohibition Department—at least we have no prohibition. [Laughter and applause.]

Now, Mr. Chairman, the gentleman from Connecticut [Mr. Goss] a minute ago told us that we have 108 employees with the Gifford commission and no appropriation made for them.

Mr. GOSS. That is true.

Mr. COCHRAN of Missouri. They are all taken from other departments of the Government and paid for out of other appropriations.

Mr. GOSS. Oh, no.

Mr. McDUFFIE. The gentleman is mistaken.

Mr. GOSS. These workers are volunteers.

Mr. COCHRAN of Missouri. The Executive order of the President creating the commission provided for transfers from other departments. The clerk of the Appropriations Committee, who knows, says they have paid employees.

Mr. GOSS. Not these particular employees.

Mr. COCHRAN of Missouri. I will tell the gentleman how he can save space.

Mr. McDUFFIE. If the gentleman does not know more about the Southern Railway Building on the Avenue than he does about this other proposition, I am beginning to question the gentleman's statement.

Mr. COCHRAN of Missouri. The gentleman can question my statement all he desires, but I know that Government employees were transferred to the Gifford Commission. I know that positively. I know that Government employees were taken out of the Treasury and out of other Departments and placed in the Reconstruction Finance Corporation, and not only that, but are now paid an increased salary by the Reconstruction Finance Corporation. Let some one question that statement.

Mr. McDUFFIE. The gentleman is quite correct as to that, but I do not think the gentleman understands the proposition that the gentleman from Connecticut [Mr. Goss] is talking about.

Mr. GOSS. I refer the gentleman to page 66 of the hearings and I will read it to him.

Mr. COCHRAN of Missouri. I am talking about the clerical help.

Mr. GOSS. It refers to a general advisory committee of 108 members serving without pay.

Mr. COCHRAN of Missouri. But what about the clerical employees? Mr. Shields, clerk of the Appropriations Committee, says they are working there.

Mr. GOSS. They are paid.

Mr. COCHRAN of Missouri. Now, if you want to save some space in the District of Columbia I can tell you how you can save it. I have told this to the building committee and on this floor for several years. About 40 per cent of the space occupied by Government agencies in the District of Columbia is taken up with obsolete files and records; and if you get a warehouse to put the obsolete files and records in, you will have room to house your Government employees and it will not be necessary to build so many fine buildings. You have in the Department of the Interior Building, or I presume they are now in the Arlington Building, pension records of the Revolutionary period. You have in the War Department, Navy Department records from the Revolutionary period up to date—records of every man and woman who served in the Army and Navy. You have in the Department of the Interior all the Land Office records that take up, we might say, acres of space and they are nothing but old plats and books that are used only now and then. Why could you not have them in a warehouse where they had expert file clerks to get out the records when any department wanted them and have them sent over to the main building, and utilize the space that is now occupied by cabinets and file cases holding old records and files?

Mr. McDUFFIE. I would be very glad to see that done. Mr. COCHRAN of Missouri. The records while obsolete are valuable. They must be preserved. They can not be destroyed, but they can be placed in a safe fireproof building where they will be always available. When a record is wanted it can be brought to the office desiring it by messenger. I am told that in many cases the old records are only needed when some Member of Congress wants information for a constituent. Every department of the Government has tons and tons of obsolete records that could be placed in some storehouse. For a reasonable amount of money a suitable place could be rented and hundreds of thousands of dollars now being paid to house bureaus and commissions would be unnecessary as space could be found in Government-owned buildings after the obsolete files had been removed.

I again urge the building commission to give this suggestion some consideration.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last two words.

A great deal has been said and is being said about unemployment, and the question has just been raised as to the advisability of continuing the activities of the Gifford committee or the Young committee, which, originally, I believe, was the Arthur Woods committee.

Perhaps, two years ago we were in need of information concerning unemployment. Perhaps at that time statistics on unemployment were useful; but, gentlemen, we have passed the period when we need any more fact-finding commissions on unemployment or any more statistics.

Conditions have not become any better in the last six months that we have been here. The only purpose of the President's original Committee on Unemployment was to ascertain the real conditions of the country and to make specific recommendations. Arthur Woods was appointed as chairman of that committee and there were several volunteer workers and members of the committee who cooperated with him, but Arthur Woods resigned. I do not know why, but I have often wondered if it is not true that after Arthur Woods completed his fact-finding mission and did ascertain the facts, and did make specific recommendations for relief to the President, the President did not accept the recommendations and did not and has not to this day acted on

I never heard that denied.

Mr. McDUFFIE. Did we ever have a report?

Mr. LaGUARDIA. I do not think we had a report. In connection with that there was another commission for the study of technological employment and technological unemployment, and a report was made on that, I will say to the gentleman from Alabama, and that report is now on the desk of the Secretary of Labor. It is a scientific research into that subject and a scholarly report; and for some reason that I have been unable to fathom, the report has never been published. I formally asked the Secretary of Labor for a copy, and if I get it I will introduce a resolution making it a public document, because it is a very useful document to any student of the present economic conditions.

I submit that this is no time to suppress the facts, it is no time to suppress recommendations, it is no time to sup-Conditions in this country are beyond press reports.

I do not subscribe to this school of thought that we can run this country or feed hungry children on slogans. We have the slogan, "Just around the corner," "Better times are

Budget," "Two chickens in one pot," "Adjourn Congress and go home." As far as I am concerned, I do not want any more slogans. We need no more statistics. We must have action, direct relief, a vast building program, a 5-day week, a 6-hour day, unemployment insurance, and economic security. I have insisted on such constructive measures for many years. Some of you gentlemen will realize before long the necessity of such an economic readjustment.

Mr. BLANTON. The gentleman will get his postmasterships taken away from him if he does not look out.

[Laughter.]

Mr. LAGUARDIA. There is only one thing we can do, and that is to face the facts. There should be no difference of opinion about existing facts. You can not shut your eyes to the fact that in the big cities there is great unemployment, the factories are closed, on the farms mortgages are being foreclosed and the farmers in dire need. Gentlemen. the time for an economic readjustment has arrived, and the quicker we act the better for our country.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto be now closed.

The motion was agreed to.

The Clerk read as follows:

Laguna, \$33,566.47, which may be expended for the purchase of Laguna, \$33,566.47, which may be expended for the purchase of land, irrigation, drainage, and other improvements, and the purchase of equipment for the benefit of the Laguna Pueblo Indians; San Felipe, supplemental, \$21,860.88, which, together with the unexpended balance of the original award for this pueblo, may be expended for the purchase of land, irrigation, drainage, and other improvements, and the purchase of equipment for the benefit of the San Felipe Pueblo Indians; Nambe, supplemental, \$1.40. San Edgense supplemental, \$23.27 \$1.40; San Ildefonso, supplemental, \$73.27.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph. I would like to inquire of the gentleman in relation to this paragraph and the following item, where authority is vested in the Secretary of the Interior to use funds for the construction of a power line and distributing system and the purchase of equipment. Is it sought to confer authority on the Secretary to establish a utility plant in this restricted service?

Mr. LEAVITT. This is an Indian agency at a considerable distance from any other settlement, except surrounding ranch land. There is considerable Indian population, a hospital, and school. It has not sufficient light. They have a plant with a worn-out engine and battery system. It does not give sufficient light so that the physicians can perform operations. I was there last summer, and that was stressed as one of the necessities of the case.

Mr. STAFFORD. Is the gentleman referring to the Laguna or the Tongue River? I am inquiring about both.

Mr. LEAVITT. I am referring to the Tongue River. I am not acquainted with the Laguna.

Mr. STAFFORD. There is a plant there now, and this is to make it more serviceable.

Mr. LEAVITT. To give them a much better supply of electricity than they now have.

Mr. McDUFFIE. Will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. McDUFFIE. Can not they get along without this improvement for another year? Is it absolutely essential

Mr. LEAVITT. This is absolutely essential to the wellbeing of those Indians. They have a plant there that is worn out. They can not even run the laundry system in the hospital with what they have now.

Mr. BYRNS. And this is not a new appropriation?

Mr. LEAVITT. Oh, no; it continues an old appropriation. Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of the point of order.

The Clerk read as follows:

Indian school, Pipestone, Minn.: For new school building and auditorium, including equipment, \$75,000, to remain available until June 30, 1933.

Mr. STAFFORD. Mr. Chairman, I reserve a point of coming," "Don't sell your country short," "Balance the order upon the paragraph, which provides for new school building and auditorium in addition thereto. Is there authorization of law for this school at Pipestone, Minn.?

Mr. BYRNS. This is an existing school, and this is to take the place of some buildings that were destroyed by fire in February of this year.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of the point of order.

Mr. LOZIER. Mr. Chairman, I wholeheartedly supported the nonpartisan economy program. The record of roll calls shows that in every instance I voted for the proposal that would effect the greatest economies. I joined with my colleagues in voting a reduction of congressional salaries. By voice and vote I have endeavored to bring about a very substantial reduction in all Government expenditures. I have insisted that under existing unprecedented conditions a reduction in Government expenditures is not only wise but absolutely necessary.

The ever-increasing cost of government is not primarily chargeable to Congress but to the President and those in charge of the various departments of the executive branch of our Government. The number of employees in the departments, bureaus, boards, and commissions has grown enormously under the administration of Harding, Coolidge, and Hoover. There has been an increase of approximately 200,000 employees under these three Republican administrations. I am convinced we will never get a worth-while reduction of Government expenditures until the departmental heads are "put on the spot" and brought to a realization that much of the responsibility for the prodigality in public expenses rests upon their shoulders. Moreover, these Cabinet officers, bureau chiefs, and heads of boards and commissions are appointed by the President, hold office at his will, and are answerable to him for the manner in which they conduct their respective activities. The President could have compelled his subordinates to economize and thereby save millions of dollars if he had not lacked the courage to act.

While I can not furnish a bill of particulars, there is a widespread belief both in and out of Congress that the personnel of every department has been unnecessarily increased, and that there are many thousand Government employees who perform little or no useful or necessary service, and who could be eliminated from the pay rolls without any impairment of the efficiency of the service and without discontinuing any useful or necessary governmental activity.

Mr. BLANTON. There are 40,000 of them at least.

Mr. LOZIER. In my opinion, many more than 40,000. I am convinced that an accurate survey would demonstrate that of the 750,000 civilian employees probably as many as 100,000 could be separated from the service without impairing the functions of any useful or necessary Government activity. The responsibility for this condition of affairs rests largely upon the President of the United States and upon the departmental heads. In every department there has been each year a large increase in the number of employees.

While Secretary of Commerce for eight years Mr. Hoover did absolutely nothing in the way of reducing the expenses of his or the other departments. In the three years he has been President he has effected no economies and, aside from a little talk now and then, has done nothing to reduce the expenses of Government. His Cabinet officers have appeared before the Committee on Appropriations and vigorously protested against any reduction in appropriations for their respective departments. They have insisted that there were no duplications, overlappings, or surplus employees in their respective departments.

The House Committee on Appropriations substantially reduced the appropriation for each and every one of the departments over the protest of the Cabinet officers and bureau chiefs. When these appropriation bills were pending in the Senate Chairman Jones wrote to the department heads, asking them for suggestions where reductions could be made with the least objection. The Cabinet members replied, and all said substantially the same thing, that cuts in the appropriations could not be made without materially impairing the functions of their respective departments.

The subsidized press of the Nation did not carry to the people the astounding fact that a Democratic House and a Republican Senate were trying to reduce the expenses of government; and instead of having the cooperation of President Hoover's Cabinet officers, the departmental heads opposed these reductions. These Cabinet officers belong to President Hoover's family. If the President wanted to effect economies, why in the name of reason did he not begin with his Cabinet officers and prevent them from using their influence against a reasonable reduction in the expenses of their respective departments?

While the economy bill was pending in the House I received a letter from an ex-Cabinet officer advocating a substantial reduction in government expenditures. In reply, I wrote him that I was consistently and aggressively supporting the nonpartisan economy program, including a consolidation of the War and Navy Departments, which would effect a saving of \$50,000,000 to \$100,000,000 annually, but that the Secretary of War, the Secretary of the Navy, and the President opposed this consolidation, and the President sent one of his secretaries to the floor of the House to lobby against this economy and line up his partisans against the proposal. In reply this ex-Cabinet officer wrote as follows:

I have not been in public service for many years, but the situation with which you are now contending was fairly apparent even during the —— administration. An effort was made at that time, to which my department contributed in every way possible, to combine by transfer or otherwise, bureaus, etc., to reduce expenses. We met the same opposition you are now meeting, which, in my judgment, will ultimately have to be overcome.

From the foregoing letter I deleted the name of the President under whom the writer served, and I do not feel authorized to give the name of the writer, although I am quite sure he would have no objection to having the letter made public. I will say, however, that the writer is not of my political faith, and he did not serve under a Democratic President. He is a man of national reputation, of outstanding ability, exalted character, and enjoys the confidence and respect of all with whom he has come in contact in a long, useful, and honorable life. As a Cabinet officer he realized that by consolidating departments, boards, bureaus, and commissions the expenses of Government could be tremendously reduced. As a patriotic public servant he tried to bring about such consolidations and reductions in Government expenditures, but he encountered powerful opposition from other departmental heads and bureau chiefs, whose influence was so potent as to neutralize and defeat his laudable purpose.

Now, as then, the Cabinet officers and bureau chiefs are arrayed in a solid phalanx in opposition to the efforts of Congress to consolidate departments, bureaus, boards, and commissions and to thereby reduce expenses, and it is regrettable that the President, instead of calling off these greedy departmental heads, lends them aid and encouragement, and sends one of his many secretaries to the House to lobby against the economy program of Congress and to prevent the consolidation of departments, bureaus, and commissions.

The President and his Cabinet officers have taken no steps to reduce the excessive expenses of Government. Congress has had to contend with the ceaseless, aggressive, and persistent opposition of the departmental heads who are in the confidence of the President and are supposed to reflect his wishes, and who appeal to the Appropriation Committees not to reduce appropriations for their departments. Congress in its efforts to effect economies has had absolutely no cooperation and no help from the department heads who have used their power and influence to prevent substantial reduction of expenditures. [Applause.]

What has the President done to bring about a reduction in Government expenses or a reduction in taxation? Absolutely nothing. Since 1929 he has been giving out interviews and issuing statements opposing salary and wage reductions, and to this good hour has never gone on record in favor of a reduction of salaries of Government officers and employees. But you say the President advocated the furlough plan. This is true, but the adoption of the fur-

lough plan will not reduce the pay roll, as I can prove by a statement made by President Hoover, over his own signature. In his letter of May 21, 1932, to Richard S. Parker, president of the American Society of Civil Engineers, in a lengthy review of economic and governmental conditions, President Hoover outlined a relief program and in paragraph (i) of his statement, as a means of lifting the depression, the President proposed:

The introduction of the 5-day week in Government, which would save the discharge of 100,000 employees and would add 30,000 to the present list.

I am quoting President Hoover's language, as you will see by reference to page 10917 of the Congressional Record of May 23, 1932. Here we have the President himself construing his so-called furlough or 5-day week plan, the net result of which the President says will be to "save the discharge of 100,000 employees and add 30,000 to the present list." Instead of reducing the number of Federal employees, the President is about to succeed in forcing on Congress his furlough plan, which, according to his own statement, will not only prevent the discharge of 100,000 employees but will "add 30,000 to the present list." If adding 30,000 new names to the pay roll is the kind of economy the President stands for, then the less we have of it the better it will be for the country.

Congress has reduced appropriations much below the recommendations of the President and the estimates of the Bureau of the Budget. When Congress adjourns it will have reduced appropriations several hundred million dollars below the amount the President recommended. On the record, no one can deny that the Congress has been more economically minded than the President and his Cabinet officers. When the economy bill and the appropriation bills reach the White House, the country will be compelled to give Congress the credit of having reduced Government expenses several hundred million dollars below the amount which the President said he needed to run the Government.

It is easy to prove that Congress is more economical than President Hoover. In December the President sent to Congress recommendation as to the amount of money required to run the Government for the next fiscal year, the grand total of which was \$3,474,000,0000, which the economically minded House reduced to \$3,311,000,000, or \$162,000,000 below the amount recommended by the President. Most certainly Congress is entitled to credit for saving this \$162,000,000 that the President asked for.

Nor is that all. The present Democratic House has conclusively demonstrated its willingness and ability to reduce government expenses. Last year the Republicans had a safe majority in the Senate and a 100 majority in the House. Now, what did our Republican friends do when they controlled both branches of Congress and wrote the appropriation bills? They did not exhibit any spasms of economy or desire to reduce expenses, for they appropriated for the fiscal year of 1932, \$3,802,271,218, while the present Democratic House has held down appropriations to \$3,174,849,116, or \$627,422,101 less than the appropriations for last year when the Republicans held the purse strings of the Nation.

While in my opinion these supply bills should have been subjected to a more drastic cut, nevertheless I am sure the American people will approve the action of the Democratic House in cutting appropriations \$627,000,000 below last year's appropriations, and in slicing \$162,000,000 off of the amount the President said he needed to run the government next year. To these savings should be added the reductions in expenses made by the new economy bill which will be between \$150,000,000 and \$200,000,000. When all these items are added you will find that the present Congress has made very substantial reductions in government expenses. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The Clerk read as follows:

BUREAU OF RECLAMATION

Boulder Canyon project: For the continuation of construction of the Hoover Dam and incidental works in the main stream of the

Colorado River and Black Canyon, to create a storage reservoir, and of a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from such reservoir; to acquire by proceedings in eminent domain or otherwise, all lands, rights of way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon project act, approved December 21, 1928 (U. S. C., Supp. V, title 43, ch. 12A); \$2,000,000, to remain available until advanced to the Colorado River Dam fund; which amount shall be available for personal services in the District of Columbia and for all other objects of expenditure that are specified for projects included in the Interior Department appropriation act for the fiscal year 1933 under the caption "Bureau of Reclamation" without regard to the limitations of amounts therein set forth.

Mr. GOSS. Mr. Chairman, I reserve the point of order. What new legislation is in this paragraph? I notice in line 10, on page 22, it says:

Without regard to the limitations of amounts therein set forth. Also in lines 19 and 20, on page 21:

To create a new storage reservoir, and of a complete plant and incidental structures suitable for the fullest economical development of electrical energy from the water discharged from such reservoir; to acquire by proceedings in eminent domain or otherwise.

What is the new legislation in this paragraph, and what are its effects?

Mr. BYRNS. I do not think there is any new legislation. Mr. GOSS. What about the language?—

Without regard to the limitations of amounts therein set forth.

Mr. ARENTZ. Mr. Chairman, I think the gentleman from Connecticut is referring to the condemnation suits on the Virgin River at St. Thomas. These assessments have been made of this farm or range land, that will ultimately be covered by the reservoir, and they are about complete now, and the land will have to be paid for, because it is contemplated to move these settlers from this section to another place in Nevada, in my county, and because of that, it is necessary to pay these appraised amounts.

Mr. BYRNS. It is already assessed.

Mr. ARENTZ. Yes.

Mr. GOSS. What does that wording "referring to the limitation of the amount therein set forth" mean? There were certain limitations placed in the act, were there not?

Mr. BYRNS. That refers to certain limitations placed in the Interior Department appropriation act for 1933, with regard to certain administrative expenses. Those limitations were based upon the amount of the appropriation made in that bill. Now, we are adding \$2,000,000 more.

Mr. GOSS. What were the limitations?

Mr. BYRNS. I do not have the bill before me, but if I had it I could show the gentleman.

Mr. GOSS. Certain persons in the District of Columbia, as I recall.

Mr. BYRNS. But that does not constitute legislation.

Mr. ARENTZ. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. ARENTZ. There was a certain amount of money set aside for material and a certain amount for administration, and finally for the monthly pay to the contractors, which was the full amount, less 10 per cent.

Mr. BYRNS. Yes.

Mr. ARENTZ. The contractors have gone ahead much faster than they contemplated. Most of the material that was contemplated to be purchased has also been purchased far ahead.

Mr. BYRNS. Yes.

Mr. ARENTZ. So that the limitations set by the previous appropriation bill must be set aside or these things can not be done?

Mr. BYRNS. Yes. In other words, those limitations applied, as I recall, solely to personal services and telephone bills and telegraph bills, and things of that general nature.

Mr. GOSS. What does the gentleman mean by this \$2,-000,000 fund remaining available until advanced to the Colorado River Dam fund? Is there authorization for that also?

Mr. BYRNS. That is under the law. That is simply carrying out the exact terms of the law.

increased \$1,000,000, is that true, over what was contained in the last appropriation bill of this year?

Mr. BYRNS. Two million dollars; yes.

Mr. GOSS. And the limitations that were put on the bill this session are being taken off. Is that correct?

Mr. BYRNS. Yes; but those limitations related to personal services. This does not relate to personal services, telephone, or telegraph bills. This appropriation is intended to be advanced to this fund.

Mr. GOSS. But it states, "which amount shall be available for personal services in the District of Columbia."

Mr. BYRNS. That is general language.

Mr. GOSS. In the other bill we limited it, did we not? Mr. BYRNS. That is general language used in the appropriation bill which has been passed and signed by the Presi-

Mr. GOSS. Does the gentleman think this additional \$2,000,000 is absolutely necessary at this time?

Mr. BYRNS. I do; and the report shows that under the proof submitted it probably will not be sufficient to carry the work along farther than January 10.

Mr. ARENTZ. According to the report that the chairman has made on this bill, January 1 will find a deficit or overexpenditure of \$1,826,000.

Mr. BYRNS. No. It is \$1,554,000.

Mr. ARENTZ. And the \$2,000,000 will be extended up until January 1, and then there will be a deficit of \$1,526,000. Then there are two plans proposed by the gentleman, one of \$7,000,000 and one of \$11,000,000 to carry on until July 1 of next year.

Mr. BYRNS. No. The deficit to which the gentleman refers amounts to \$1,554,412. That is the deficit that will exist under the present appropriation on January 1. We recommend an appropriation of \$2,000,000, which will mean that on January 1 they will have a balance of something like \$440,000, which will carry them, as we estimate, until about January 10.

Mr. ARENTZ. To carry on the work they are doing now?

Mr. BYRNS. Yes.

Mr. ARENTZ. Without making any provision for that steel lining and other things?

Mr. BYRNS. Oh, yes; it takes care of everything.

Mr. ARENTZ. According to the requirements of Doctor Mead?

Mr. BYRNS. Yes. This is the estimate which was finally submitted by the Department of the Interior.

Mr. ARENTZ. The gentleman's idea is not to curtail or to obstruct in any way the carrying on of this work?

Mr. BYRNS. Oh, no. The committee has no intention of undertaking to reduce the force there or cause the contractors to postpone the work; but it was thought this amount would carry the work along until a deficiency could be provided, and undoubtedly a deficiency will be necessary.

Mr. GOSS. How many men does the gentleman estimate this will keep at work?

Mr. BYRNS. About 3,300, as I now recall.

Mr. GOSS. Mr. Chairman, I withdraw the reservation of point of order.

The Clerk read as follows:

Salaries and expenses: For an additional amount for salaries and expenses, Bureau of Immigration, for the fiscal year 1932, including the same objects specified under this head in the act making appropriations for the Department of Labor for the fiscal year 1932, \$200,000.

Mr. SABATH. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. Sabath: Page 24, line 17, strike out "\$200,000" and insert "\$100,000."

Mr. SABATH. Mr. Chairman, the Secretary of Labor reports that immigration is down to within 5 per cent of the 153,000 permitted under the act of 1927. It is practically nil; yet notwithstanding this fact we are increasing the appropriations from year to year. I do not believe that the

Mr. GOSS. In other words, this appropriation is being | total number of immigrants this year is more than 8,000, and still we are asked to appropriate an additional \$200,000 for that bureau. What the Secretary of Labor does with the money is something I do not know.

Of course, the deportation bill, which I voted for, was passed a few days ago, and I am willing that we should deport any undesirables; but I can not understand why the department is asking for these additional sums, which are increasing from year to year, unless it be to put in a lot of political appointees to do political work.

Now, in 1923, when the President advocated the creation of a Budget Bureau, the country was promised that such a bureau would bring about a reduction of expenditures in all departments; but I have been waiting anxiously since then for the great service that was to be rendered by the Budget Bureau. In 1931 that bureau expended \$208,000. In 1932 it expended \$191,000, and now, with all the necessity for economy, the appropriation has been reduced to \$190,870, or exactly \$130 less than was expended by the bureau in 1932. Why do they not practice what they preach?

What can we expect? The President demands that we balance the Budget. We are doing our duty, but what is the Budget Bureau doing? Instead of making it easier and possible for us to comply with the general request of the Nation, it is making it harder and well-nigh impossible for us to bring about the economy which the House desires.

I claim that we should begin to economize with the Budget Bureau and with the Bureau of Efficiency, another bureau that is supposed to effect economies and that expended \$270,000 last year. Gentlemen, here we have the Bureau of Efficiency and the Budget Bureau expending nearly \$500,000 in an effort to bring about economy and efficiency; and yet, in the last analysis, we are the ones who are effecting the economies, for we are obliged to cut the appropriations reported by them by millions, on the floor of this House, in order to help balance the Budget; and, therefore, is it any wonder that many ask what purpose these bureaus serve or what good they accomplish?

I wonder why it is that the President, instead of advocating economy from day to day in the press, and instead of censuring the House for not economizing, does not instruct these bureaus and the bureau heads to begin practicing economy? He has permitted his own bureaus to expand and increase expenditures to a point that I think is outrageous. I have not been able to detect what real service these bureaus have rendered to the country; and I think it is high time that they should be eliminated, or, at least, instructed to perform the work for which they were organized.

Mr. SCHAFER. Mr. Chairman, I rise in opposition to the amendment.

I sincerely hope the pending amendment is defeated. If I had my way I would increase the appropriation to enforce the immigration laws by two or three million dollars, and I think it would be money well spent and that it would be expended in an economical manner.

I am certainly surprised to have my good friend the distinguished gentleman from Illinois intimate this small appropriation is to employ politicians to run around the

Mr. SABATH. The provision states it is for salaries.

Mr. SCHAFER. For salaries, certainly; but let me state to the gentleman that in the State of Wisconsin there are only three immigration officers enforcing the immigration laws, and while there may be bootlegging of liquor from Canada and from foreign countries, I believe that the immigrant bootleggers are making about as much money as the liquor bootleggers. In these days of unemployment, when American citizens, whether they were born here or whether they legally came to our country from foreign shores and have become naturalized, and aliens who have legally entered are walking the streets out of employment, I, for one, want to take every alien who has been bootlegged into the country in violation of the immigration law and send him on his way rejoicing back to his native country. [Applause.]

We have in the State of Wisconsin three immigration officers to enforce the immigration laws and to perform the additional duties placed upon them by enactments of Congress. When Congress enacted the law to provide that upon investigation a certificate in lieu of arrival could be issued you can imagine the additional work placed upon this undermanned immigration office with the three immigration officers in Wisconsin, who have been faithfully and effectually working 13, 14, and sometimes 20 hours a day. They now have to conduct these examinations and investigations and were unable to obtain even a stenographer to take the testimony on these immigration cases where it is practically a matter of life and death to the alien in some cases where the alien legally enters and the hearings are held by the immigration officer. Yet we find under this great Government of ours that the immigration inspectors, who are overburdened, have to write the testimony down in long-

May I suggest to the gentleman from Illinois [Mr. Sabath] that if he really sympathizes with the unemployed of this country, and I know that he does, he ought not to make any of these veiled attacks upon the President of the United States and the Department of Labor who are trying their very best to relieve the serious unemployment situation by sending out of this country aliens who have entered illegally.

Mr. SABATH. Will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. SABATH. Is there any doubt in the gentleman's mind as to my sympathy with the unemployed?

Mr. SCHAFER. My good friend is a very able legislator, and I know that he has great sympathy for the unemployed. He has been working hard to solve the unemployment and depression problem. I therefore hope that upon further thought he will ask unanimous consent to withdraw his amendment so we can have the additional funds to send those aliens, who have been bootlegged into our country illegally in violation of the immigration law, out of the country and let some of those walking the streets, unemployed, fill the positions which they now have.

Mr. BLANTON. Will the gentleman yield? Mr. SCHAFER. I yield.

Mr. BLANTON. I am very glad to learn the gentleman from Wisconsin is against the bootlegger.

Mr. SCHAFER. I certainly am against bootlegging aliens into this country in violation of the immigration laws.

Mr. BLANTON. Well, all bootlegging; is not the gentleman against all bootlegging?

Mr. SCHAFER. The time is not far distant, my friend, when the contraband-liquor bootleggers will not be able to make millions and billions of dollars while the poor, battered Treasury has a deficit of billions of dollars. The people are waking up and it will not be long before the prohibition laws which brought recognition to liquor bootleggers will be a thing of the past.

[Here the gavel fell.]

Mr. SCHAFER. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes in order to cite the case to which I have referred.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, reserving the right to object, and I never object to my friend the distinguished gentleman from Wisconsin using time, I am just glad again that the gentleman is against all bootlegging. I hope he will help us to enforce the law.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SCHAFER. I am also against liquor bootlegging and the best way to prevent that is to repeal the prohibition

Mr. Chairman, I had a party from my district recently ask me to request the Secretary of Labor to extend the deportation warrant in the case of himself, his wife, and his daughter, 21 years of age. He admitted in his letter that he was bootlegged into this country by way of Canada in violation of the immigration law.

He said that if the extension were granted he would have sufficient funds to voluntarily depart and pay the transportation of himself, his wife, and his daughter, 21 years of age, as the three of them were working. That is how they were going to get the money, even in these days of unemployment.

I hope that the gentleman from Illinois, who is a conscientious legislator and who realizes the unemployment conditions we now have in this country, in the name of law enforcement and in the name of the people out of jobs who are walking the streets, including many war veterans who offered their all for their country, will rise in his place and ask unanimous consent to withdraw his amendment.

In closing I want to commend the present Secretary of Labor, the Commissioner of Immigration, and the employees enforcing the immigration laws for their efficient, effective work. Mr. Reynolds and his small staff in the immigration office at Milwaukee are among the most efficient and hardest working employees in the Federal Government service.

Mr. OLIVER of Alabama. Mr. Chairman, I share the same high opinion of the gentleman from Illinois that we have just heard expressed, and I feel he offered the amendment to reduce this appropriation because of misinformation. I therefore wish to submit a brief statement in connection with this additional \$200,000 now urgently asked for by the Department of Labor.

There was appropriated during the present fiscal year for the purpose of deporting aliens and removing indigent aliens, \$1,884,000. There was unexpended of that amount on May 1 only \$143,000 plus. There had been deported and removed during the first 10 months of the present fiscal year only about 300 less than were deported during the full 12 months

Mr. SABATH. Eighteen thousand three hundred and twenty-two.

Mr. OLIVER of Alabama. Eighteen thousand three hundred and twenty-two up to May 1, 1932, as against 18,666. It is claimed by the Department of Labor they are now prepared and ready before July 1, 1932, to send out of this country over 4,000 who are here unlawfully and who should be removed. They will require this amount, the committee was told, to remove them.

The committee reluctantly grants any increase in appropriations, but this was one item that we felt the Members of the House would not hesitate to vote for if shown to be needed for the purpose of deporting this large number of aliens before the end of this month.

Mr. BRIGGS. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. BRIGGS. The hearings show that the deportations to be made during the months of May and June will amount

Mr. OLIVER of Alabama. Over 4,000 are to be deported by July 1.

Mr. BRIGGS. And this deficiency of \$200,000 is needed to accomplish that deportation?

Mr. OLIVER of Alabama. The gentleman is entirely

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last three words. I rise in opposition to the Sabath amendment, and I do so in the interest of a condition which ought to be remedied. Instead of these aliens who are unlawfully brought here having an opportunity to make a great deal of money a new and cruel system of exploitation has been established. In the first place, the cost of entering the country unlawfully is very large. Whether they come as stowaways or whether they are smuggled over the boundary, the cost is very large, from three to five times what it costs an alien to come here lawfully. The result is that that unfortunate person enters into the country heavily in debt and becomes the victim of a system of peonage. He has to work for lower wages and longer hours, and is exploited to a degree that is most cruel.

Only the other day I heard of a case—and this happens very often-where an alien unlawfully here was injured in course of his employment.

When an alien unlawfully here is injured at his work, as | soon as he puts in a claim for compensation he is immediately reported and deported, so that the insurance company will not have to pay his compensation. Just think of that, gentlemen. So it is for the protection of the people who come here under a misapprehension and under the misrepresentation of steamship agents and steamship companies, I am sorry to say, to put a stop to unlawful entry of aliens. Aliens in foreign countries are shown a map which indicates that Cuba is but a step from Florida and showing Canada as part of the United States. They say, "Once you get there it will be easy to cross the line." When they do get into this country they are turned over to padrones and employment agencies, private employment agencies which specialize in that kind of labor. They are placed in employment in competition with citizens and aliens who are here lawfully, and at a lower wage scale, and by reason of their unlawful status are at the mercy of labor

I say we should attempt to get the word to other countries that there is no use of coming here unlawfully. In the first place, economic conditions here are bad. In the second place, we should show that the United States Government will be compelled, in order to protect its own people and aliens who are here lawfully, to deport unlawful entrants, and I think if we could get that information across the sea it might put an end to this organized system of alien smuggling.

I suggest to the gentleman from Illinois that it is for the protection of these innocent victims that unlawful entries should be stopped. It is harsh to take an alien, apprehend him, and deport him; but we can not do anything else under the present conditions, because we have private employment agencies specializing in aliens who enter the country unlawfully and exploit them. They underbid lawful labor, and these men take the places of people who are here lawfully and of citizens of the country. The result is what I have told you. If they are injured in their work, instead of being compensated, the insurance company reports them to the Immigration Bureau, and they are deported before they can get their compensation. I think it is an act of mercy to provide the means whereby we can put an end to this system of peonage, this new padrone system that the steamship companies and private employment agencies and crimps are to blame for, and I hope the gentleman from Illinois will withdraw his amendment.

Mr. SABATH. Mr. Chairman, in view of the statement of the gentleman from New York, the gentleman from Alabama and the gentleman from Wisconsin, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

Second Polar Year Program: For the purpose of carrying into effect the provisions of the public resolution entitled "Joint resolution authorizing an appropriation to defray the expenses of participation by the United States Government in the Second Polar Year Program, August 1, 1932, to August 31, 1933," approved March 18, 1932, and for each and every object and purpose specified therein, \$30,000, to remain available until June 30, 1934.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order.

I am curious to inquire the attitude of the Committee on Appropriations as to authorizing \$30,000 in these hot times to go to the polar regions.

Mr. BYRNS. Would the gentleman like to go?

Mr. STAFFORD. I would like to go home to my North Lake resort where I can get a refreshing cold bath, rather than the hot baths I suffer here in the House of Representatives.

Mr. BYRNS. This is a scientific investigation, as the gentleman knows, that is to be conducted in unison with all the other nations of the world. They have all made their appropriations and most of them will have more stations than the United States and will spend more money upon the subject of this investigation. I can not express myself tech-

nically and accurately, but this has to do with sound waves. radio, telegraph, and things of that sort.

Mr. STAFFORD. What is the total amount appropriated by all the governments for this specific purpose?

Mr. BYRNS. I can not tell the gentleman, and those who appeared before us did not have the information, but they did tell us that Great Britain has two or three stations and practically all of the countries are spending more than the United States. We are going to have only one station.

Mr. STAFFORD. When I examined the paragraph the thought occurred to me whether we could abandon for the time being this scientific work, but if it is a contributing part to an international fund I can see the reason why we should perhaps participate.

Mr. BYRNS. The gentleman understands this money does not go into any general fund. This only provides for the station that the United States Government will operate. The last investigation of this kind was made 50 years ago. The other governments will have their stations and, I understand, have already made arrangements for them. In other words, the whole world is to be covered and each nation has been allotted a certain portion of the world, and this is to take care of our portion of the investigation.

Mr. STAFFORD. The United States is virtually a contributing country to a general scientific work participated in by the other nations of the world.

Mr. BYRNS. That is true; and, of course, the United States will get the results of their investigations.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of a point of order.

The Clerk read as follows:

Treasury Department.

Mr. BYRNS. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Bynns: On page 28, after line 3, insert a new paragraph, as follows:

"BUREAU OF CUSTOMS

"For an additional amount for collecting the revenues from customs, including the same objects specified under this head in the act making appropriations for the Treasury Department for the fiscal year 1929, \$1,665.27."

Mr. BYRNS. Mr. Chairman, this estimate came in after the bill had been reported by the general committee. This amendment simply represents five claims which have been audited and recommended for payment by the General Accounting Office.

Mr. STAFFORD. And either now or next year or sometime they will have to be paid.

Mr. BYRNS. They will have to be paid, and there is every reason why they should be taken care of now.

The amendment was agreed to.

The Clerk read as follows:

Washington, D. C., central heating plant: The authorization contained in the second deficiency act, fiscal year 1931, approved March 4, 1931 (46 Stat. 1604), is hereby amended so as to include the buildings in the Municipal Center among those to be served, steam for the purpose to be purchased at a rate to be agreed upon, also to serve the Federal warehouse, the Land Office, Patent Office, Pension Office Buildings, and the Supreme Court of the District of Columbia and the Court of Appeals of the District of Columbia Buildings; also to serve the buildings contemplated to be served under the legislation for the West Potomac Park heating plant, authorized in such act approved March 4, 1931 (46 Stat. 1555), and the lodge east of Washington Monument in lieu of the Washington Monument. Washington Monument.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph. This is a change of existing law, and I want to ask the chairman, does this provide for a utility or public-heating plant?

Mr. BYRNS. This is to enable the building to be heated by the Government heating plant.

Mr. STAFFORD. The language is not very clear, and I withdraw the reservation.

The Clerk read as follows:

Sundry Federal buildings: The limits of cost heretofore fixed and the authorizations and appropriations heretofore made for the acquisition of sites and construction of buildings for Atlanta, Ga., post office, etc.; Boston, Mass., post office, courthouse, etc.; Cincinnati, Ohio, post office; Fort Worth, Tex., post office; Kansas City, Mo., post office, etc.; Nashville, Tenn., post office, etc.; Newark, N. J., post office, courthouse, etc.; New York, N. Y., post office; Norfolk, Va., post office, courthouse, etc.; Philadelphia, Pa., post office; Pittsburgh, Pa., post office, courthouse, etc.; Rochester, N. Y., post office; St. Paul, Minn., post office, courthouse, etc.; San Francisco, Calif., post office, courthouse, etc.; Tulsa, Okla., post office, courthouse, etc.; are hereby amended so as to make such limits of costs, authorizations, and appropriations available for furnishing and installing fixed permanent equipment for cafeterias.

Mr. SHANNON. Mr. Chairman, I make a point of order against the language, starting on line 18, page 30, under the title "Sundry Federal Buildings" and ending with the word "cafeteria" on line 11, page 31.

This is legislation on an appropriation bill not authorized by existing law, and is therefore subject to a point of order.

Appropriations for public buildings are subject to the public building act and amendments thereto. In no public building act can it be found where the Congress has authorized the expenditure of public money for the installation of business establishments within post offices. It might be that provisions have been made for some specific buildings, but the act does not provide that money can be used for furnishing and installing fixed permanent equipment for cafeterias in all public buildings, if the department so desires.

I can not conceive how the Chair can hold that public money, under existing law, can be used for such purposes,

and I therefore insist upon my point of order.

My authorities for that are Hinds' Precedents, volume 4, section 3811; Cannon's Precedents, volume 6, page 544; Cannon's Precedents, volume 6, 8545; Hinds' Precedents, volume 4, 3582; Cannon's Precedents, volume 6, section 8552; Hinds' Precedents, volume 4, section 3868.

The CHAIRMAN. Does the gentleman from Tennessee wish to discuss the point of order?

Mr. BYRNS. I do. Mr. Chairman, the only authority for the provision I have been able to find is contained in the act for the construction of public buildings, and other purposes, approved May 25, 1926. I will read the language:

That to enable the Secretary of the Treasury to provide suitable accommodations in the District of Columbia for the executive departments and independent establishments of the Government not under any executive department, and for courthouses, post offices, immigration stations, customhouses, marine hospitals, quarantine stations, and other public buildings of the classes under the control of the Treasury Department in the States, Territories, and possessions of the United States, he is hereby authorized and directed to acquire, by purchase, condemnation, or otherwise, such sites and additions to sites as he may deem necessary and to cause to be constructed thereon—

And so forth.

Now, it seems to me the only question which confronts the Chair is whether or not a cafeteria can properly be classed as an incidental part of a post office. The Post Office Department has already established a number of these cafeterias. I understand that it wants to establish them in post offices now being constructed in the larger cities. I may say that the Post Office Department thinks that, while this is not necessary, it is a yery important feature of the Post Office Department, that it makes for efficiency in the service, that it promotes efficiency in providing for postal clerks a place where they can get meals within the building without running out.

Mr. SHANNON. Mr. Chairman, I make the point of order that the gentleman is not speaking to the point of order but is arguing the merits of the question.

Mr. BYRNS. I am trying to show why it is regarded by the Post Office Department as necessary.

Mr. SHANNON. And I would like to explain why it is not necessary.

Mr. BYRNS. I was attempting to show why the Post Office Department regarded this as incidentally a part of the construction of the post office, and it was necessary to make the statement that I have made.

Mr. BLANTON. Mr. Chairman, I want to discuss the point of order.

The CHAIRMAN. Has the gentleman from Tennessee concluded?

Mr. BYRNS. I may say that there are lockers already provided in post-office buildings.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. RICH. Does the gentleman think a cafeteria is essential to the Post Office Department in conducting the affairs of the post office?

Mr. BYRNS. No; if I made it that strong, I made it too strong. What I was trying to say was that a cafeteria, in the opinion of the Post Office Department, operated for better efficiency in the department. In other words, it was claimed that hot-dog stands grew up around these places and employees ran out during work hours to patronize them, and so forth.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. DYER. Does the gentleman think that because the Post Office Department thinks it is essential that that brings it within the rule cited by the gentleman from Missouri [Mr. Shannon] that it is legislation?

Mr. BYRNS. No; I would not say that; but the Post Office Department constructs lockers, and I think it is a legitimate argument to say that the post office regards these not as essential but as more or less necessary to promote the greatest amount of efficiency.

Mr. COCHRAN of Missouri. Is it not, as a matter of fact, nothing more than a convenience?

Mr. BYRNS. It undoubtedly is a convenience.

Mr. COCHRAN of Missouri. The House a few days ago passed a resolution appointing a special committee that is coming in with a resolution to-morrow asking the House for money to carry on its investigations to determine how much the Government is competing with private business, and we are going to appropriate the money. The purpose is to bring back legislation here to do away with competition by the Government with private enterprise. If that means nothing, we ought to know it now, so that we will not appropriate the money and have it wasted by this committee.

Mr. BYRNS. I think it is just a question under the point of order whether this is authorized. If it is authorized by law, it is a question for the House to say whether it wants to provide for them or not

to provide for them or not.

Mr. JOHNSON of Missouri. Does not the very language of the provision indicate that the original law did not authorize the construction of any such thing as a cafeteria? This is new legislation amending the original law.

Mr. BYRNS. I think this question is one which is clearly

open to argument.

Mr. BLANTON. Mr. Chairman, the hearings show that this will cost an average of \$50,000 each for the 15 different post offices, so this paragraph will expend \$750,000 on cafeterias in 15 buildings. It is not a question of whether the Post Office Department deems these necessary; it is a question of whether or not a \$50,000 cafeteria in each of the 15 post offices is a part of the post-office system; and it is not, and by the most strained construction we can not make it so. We must save this \$750,000 for the people. It is a cost to the Government, and it is a cost to the taxpayer that is not authorized by law.

If you will go down here to-night to that big cafeteria on the top floor of the Government Printing Office and check up the waste and the overhead and the cost to the people of this Government because of that one cafeteria, you will see they ought to be taken out of every department of the Government. This Government should go out of the cafeteria business. I submit the point of order made by my colleague from Missouri is well taken, and should be sustained. By sustaining it there will be saved to the taxpayers of the United States the sum of \$750,000.

Mr. CANNON. Mr. Chairman, the point of order raised by the gentleman from Missouri [Mr. Shannon] is well taken. The paragraph to which he objects is unquestionably legislation and is not in order in this bill. All discussion as to expediency, as to the value of these installations and their advantage to the Government and its employees, is beside the point. Such considerations have nothing to do with the parliamentary situation. The rule is very clear. It pro-

Nor shall any provision in any such bill or amendment thereto changing existing law be in order.

Any provision here changing existing law-whether it subtracts from existing law or whether it adds to existing lawis subject to the point of order advanced by the gentleman from Missouri [Mr. Shannon].

The proposal to install permanent cafeteria fixtures and provide for extensive business establishments foreign to the purpose for which these buildings are being erected undoubtedly adds to existing law. There is no such provision in the enabling act. There is no such statutory authority in the organic law. It necessarily follows that the paragraph proposes to add to existing law. It is legislation on an appropriation bill. Otherwise, why should it be proposed here? Why would it be necessary to incorporate this provision in the bill if authority for the installation of cafeteria fixtures already existed. Patently, this paragraph is proposed here by the committee in order to authorize a program which would not otherwise be legal. The act cited by the distinguished chairman of the committee authorizes these buildings, but it includes no authorization for any construction of this nature. It is legislation, Mr. Chairman, and the point of order made by the gentleman from Missouri [Mr. Shannon] is undoubtedly well taken and should be sustained.

Mr. BANKHEAD. Mr. Chairman, unless the Chair is prepared to rule, I would like to be heard briefly.

The CHAIRMAN. The Chair is prepared to rule. The gentleman from Missouri [Mr. Shannon] makes the point of order that the appropriation proposed in the pending paragraph is not authorized by existing law. The Chair has read the statute cited by the gentleman from Tennessee, which may be found in United States Code, Supplement V, title 40, section 341. That statute, after providing for courthouses, post offices, immigration stations, customhouses, and so forth, provides that the Secretary of the Treasury shall provide for adequate and suitable buildings for the foregoing purposes—that is, for post-office purposes, customhouse purposes, and so forth. In the opinion of the Chair that authorization is not broad enough to include cafeterias. The point of order made against the paragraph is well taken, and the Chair sustains the point of order.

The Clerk read as follows:

OFFICE OF JUDGE ADVOCATE GENERAL

OFFICE OF JUDGE ADVOCATE GENERAL

The unexpended balances of the appropriations carried in the second deficiency act, fiscal year 1931, for "Expenses of administration of settlement of war claims, act of 1928," Judge Advocate General's Department, are hereby continued and made available until June 30, 1933, for every expenditure requisite for and incident to the work and duties of the War Department Commission for the Adjustment of British Patent Claims, including the authorized traveling expenses of members of the commission, commissioned officers detailed to duty therewith and employees, the employment of personal services in the District of Columbia and elsewhere, printing and binding, photographing, and such other expenses as may be necessary and proper for carrying out the duties of such commission.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. What patent claims are in process of adjustment for which the authorization is made in this paragraph? The authorization is to permit the appropriation heretofore made to be utilized for the adjustment of British patent claims, and I am curious to know what character of claims they might be.

Mr. BYRNS. Mr. Chairman, I shall read to the gentleman what Colonel McMullen, chief of the patent section in the Judge Advocate General's Department, had to say on the subject. Asked to explain the provision, he said:

Colonel McMullen. That is for the purpose of trying 16 British claims which the State Department has agreed, with the British Government, to try before the section 3 of the Dent Act tribunal. It has been pending about 12 years, and in February the State Department reached an agreement with the British Government that they would submit those to the judgment of a tribunal under

The Secretary of War has authority under section 3 of the Dent Act to settle all those war claims.

The CHAIRMAN. It is not going to take any additional appropriation?

Colonel McMullen. No.

The CHAIRMAN. How much have you?

Colonel McMullen. There is about \$15,000. There may be a few odd dollars over or under that, but it is about that amount.

The Charman. How much do these claims involve? Colonel McMullen. These claims involve claims for \$695,000, but I do not believe there will be judgments in anything like that

The Chairman. You have no money with which to go on with . this work?

Colonel McMullen. No, sir; we have not any money for the

expenses. We have the authority.

The CHARMAN. This is just a proposition to make that money available until June 30, 1933?

Colonel McMullen. Yes, sir; that is all.

Mr. STAFFORD. Then there is no question that the authority is vested in the department to adjudicate these claims under the so-called Dent Act?

Mr. BYRNS. He so states.

Mr. STAFFORD. My impression was that the Dent Act has virtually become negatived by the expiration of time.

Mr. BYRNS. These were British patents which were used by the United States during the war, and these claims are submitted, of course, for their use, and they involve \$695,000.

Mr. STAFFORD. When were they first presented? Does the evidence show?

Mr. BYRNS. No; the evidence does not show.

Mr. STAFFORD. It is rather late to be presenting claims arising out of war activities.

Mr. BYRNS. These have been pending some time. This appropriation was made a year or two ago and we are now extending it.

Mr. STAFFORD. But the authority was under the socalled Dent Act, which was passed shortly after the termination of the war.

Mr. BYRNS. I have no information as to just when they were commenced.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of the point of order.

The Clerk read as follows:

FINANCE DEPARTMENT

Pay, etc., of the Army: For an additional amount for "Pay, etc., of the Army, 1932," including the same objects specified under this head in the War Department appropriation act for the fiscal year 1932, \$1,900,000.

Mr. DYER. Mr. Chairman, I move to strike out the last word. I wish to call attention to what the committee has just done with reference to striking out a provision for \$750,000 for cafeterias in post offices, and to call attention to the condition that exists in Army posts. Throughout this country practically every Army post maintains either cafeterias or post exchanges and things like that for the purpose of furnishing food and provisions, ostensibly to the enlisted men and the officers and their immediate families. but I think it will be admitted by everyone that it is not confined to those to whom this service is supposed to be rendered, but relatives and friends and almost anybody who knows those in charge of the cafeterias and exchanges can go there and buy supplies. If the Secretary of War would issue an order telling those responsible in the posts, the commandants and others, that they must not permit this abuse, it would make unnecessary an investigation such as the House has recently authorized.

Mr. PARSONS. Will the gentleman yield?

Mr. DYER. I yield.

Mr. PARSONS. Do they furnish clothing and all family

supplies of every kind in these posts?

Mr. DYER. I think from what my colleague stated that is true. I think we all owe a great debt of gratitude to my colleague [Mr. Shannon] for bringing this matter so forcibly to the House. I think they are doing this generally, and it is harmful to private interests and to private business, and it has grown to such an extent that it is really disgraceful for the country to permit it to be carried on, and some people to be favored against others.

Mr. HORR. Will the gentleman yield? Mr. DYER. I yield.

Mr. HORR. As a matter of fact, it exists not only in the city of Washington but it extends as far west as the State of Washington. They charge very much less for the products which they sell, and in the various industries, such as laundries and the like, they charge practically one-third what is charged on the outside.

Mr. DYER. Undoubtedly that is true, and if the Secretary of War would take notice of the action of the House to-day in connection with this matter affecting post offices and would act upon it and issue an order, which is all that would be required, legislation would not be necessary as the outgrowth of the investigation which the House has

Mr. PARSONS. Will the gentleman yield?

Mr. DYER. I yield.

Mr. PARSONS. Who furnishes the initial capital to put in the stock in the first place?

Mr. DYER. I suppose the Government does. As far as I know, that is the fact.

The pro forma amendment was withdrawn.

The Clerk read as follows:

UNITED STATES MILITARY ACADEMY

For an additional amount for the preparation of drawings, plans, and specifications for mess hall, cadet store, dormitories, and drawing academy, for payment of the claim of Gehron & Ross, as successors to the Arnold W. Brunner Associates (Inc.), for extra achitectural services performed, fiscal year 1925, \$4,577.56.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph. I would like to ask the chairman if this paragraph provides for the payment of a private claim that has not heretofore been authorized by the Congress?

Mr. BYRNS. No. This is a claim which was approved by the Comptroller General in connection with some construction work at West Point and is part of the amount due the architect employed in that construction, and under contract. So it is not a private claim in the sense to which the gentleman refers.

Mr. STAFFORD. There are many claims that the Comptroller General does approve which, nevertheless, have to come to Congress for authorization to pay.

Mr. BYRNS. This claim was allowed under a contract which the Government made with an architect in connection with construction work which was being prosecuted at the Military Academy. So that it does not come under the class of claims to which the gentleman refers.

Mr. STAFFORD. If it is a legitimate claim which does not require authorization by Congress, why was not the claim paid out of the existing fund?

Mr. BYRNS. The money has been exhausted. It was necessary to come and get money with which to pay it.

I will say to the gentleman the contract was made and this gentleman was employed to render service for the usual architect's commission. The work proceeded. Then the quartermaster at the Military Academy decided to make certain changes and certain additions to the building, or, as I am reminded, to the equipment of the building. This architect was directed to proceed to submit plans and specifications, and under his contract he was entitled to his commission for the increased cost. This represents that

Mr. STAFFORD. Mr. Chairman, the gentleman from Tennessee has satisfactorily shown that it is not a private claim, but one that has been authorized by law and would have been paid if the money had been available. Therefore. I withdraw the reservation of the point of order.

The Clerk read as follows:

Monuments and battlefields: The unexpended balances on June 30, 1932, under the following appropriations are hereby continued available until June 30, 1933, for the same respective purposes, namely: Monument on Kill Devil Hill, Kitty Hawk, N. C., \$232,500, War Department appropriation act, fiscal year 1931; monument to the memory of the first permanent settlement of the West, at Harrodsburg, Ky., \$100,000, second deficiency act, fiscal year 1931; survey of battlefields in the vicinity of Richmond, Va., including the battlefield of Cold Harbor, Va., \$6,800, and survey of battlefield of Saratoga, N. Y., \$4,400, second deficiency act, fiscal year 1930, as extended by the War Department appropriation act for the fiscal year 1932. the fiscal year 1932.

Mr. SCHAFER. Mr. Chairman, I move to strike out the paragraph in order to ask the chairman of the Appropriations Committee whether it is not possible, in view of the serious financial condition of the Federal Treasury, to fail to appropriate \$232,500 for a monument on Kill Devil Hill, Kitty Hawk, N. C.?

Mr. BYRNS. I will say to the gentleman from Wisconsin that nearly all of this money has been expended. It has all been contracted for. The work is in progress, and, as I have said, nearly completed; but it will not be possible to complete the work by June 30. Therefore, it was asked that these unexpended balances, which only amount to about \$13,000, be made available during the next fiscal year. The fact that it only amounts to about \$13,000 is an indication of the fact the work is practically completed.

Mr. SCHAFER. Am I to understand that the balance of the \$232,500 for the monument on Kill Devil Hill has already been expended?

Mr. BYRNS. All except \$13,000, as I stated to the gentle-

Mr. SCHAFER. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read as follows:

CORPS OF ENGINEERS

Protective works and measures, Lake of the Woods and Rainy River, Minn.: Any unexpended balance on June 30, 1932, of the appropriation of \$375,000 for "Protective works and measures, Lake of the Woods and Rainy River, Minn., 1928–1930," made by the second deficiency act, fiscal year 1928, as authorized by sections 1 and 2 of the act approved May 22, 1926 (44 Stat. 617), is hereby continued and made available until June 30, 1934.

Mr. SINCLAIR. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Sinclair: On page 35, after line 9, insert a new paragraph as follows:

"Survey of Mouse River, N. Dak.: Not to exceed \$15,000 of the appropriation, maintenance, and improvement of existing river and harbor works, shall be available for surveying the Mouse River, N. Dak., with a view to the prevention and control of its floods as authorized by the act approved February 27, 1931."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order.

Mr. SINCLAIR. May I say, Mr. Chairman, I have no desire to occupy the time of the House. I have presented this matter to the chairman of the committee and the authorization was made for this survey under the act of February 27, 1931.

Mr. STAFFORD. Will the gentleman acquaint the committee with the reason why some appropriation has not been made heretofore for this purpose? Is it recommended by the Bureau of the Budget?

Mr. SINCLAIR. Yes; it has been recommended by the Bureau of the Budget.

Mr. STAFFORD. Why has it not been included in some regular appropriation bill?

Mr. SINCLAIR. It was deemed a supplemental appropriation and did not properly come in any of the other bills.

Mr. BYRNS. Mr. Chairman, will the gentleman yield? Mr. SINCLAIR. I yield to the gentleman from Tennessee.

Mr. BYRNS. I may state to the gentleman from Wisconsin that under the act passed in February, 1931, an appropriation of \$15,000 was authorized for the purpose of making this survey of the Mouse River. The Budget first sent up an estimate for the full amount for the pending bill. The committee felt that it was not an essential for next year and declined to recommend the appropriation and the bill carries no appropriation for that purpose.

The gentleman from North Dakota [Mr. SINCLAIR] has talked to me on the subject, and I think he talked to my friend from Indiana on the subject. It seems that this survey is to be made by the War Department for the benefit of the city of Minot, N. Dak., and that general section of the

Mr. SINCLAIR. And I may say also that two transcontinental railroads as well as two or three highways will be benefited by this survey.

Mr. BYRNS. And I understand that all costs involved outside of the survey will be borne by the local drainage commission

Mr. SINCLAIR. I believe there will be a drainage commission or some such entity organized.

Mr. BYRNS. At any rate, the United States Government will not be called upon to contribute to the cost of whatever may be done after the survey is made.

This survey is to be made by Army engineers. I have no authority to speak for the committee which did not consider an amendment of this sort, but I have said to the gentleman from North Dakota that if he would take these funds out of flood relief and river and harbor funds which have already been appropriated that I would offer no objection, provided he reduced the amount to \$10,000. It seems to me with the work to be done by the Army engineers, whose salaries are paid from other funds, \$10,000 ought certainly to be sufficient to cover any expenses incurred in the investigation. If we authorize \$15,000 it will be expended. I do not think that there is any doubt about that. I have no personal objection to the amendment.

Mr. SINCLAIR. Mr. Chairman, I should not like to reduce the amount to \$10,000 because after a preliminary examination the Army engineers stated it would require \$15,000 to do this work properly. However, in view of the statement of the chairman of the committee I will accede to his wishes and permit an amendment of the sum reducing it to \$10,000.

Mr. STAFFORD. Will the gentleman yield? Mr. SINCLAIR. I yield.

Mr. STAFFORD. When I last saw the little Mouse River at Minot, S. Dak., in the campaign of ninety-six-

Mr. SINCLAIR. Eighteen hundred and ninety-six? Mr. STAFFORD. I am not speaking of 1796 or 1996.

Mr. SINCLAIR. I judge not.

Mr. STAFFORD. I could not conceive how that river would ever overflow. How often does this small, peaceful creek up there at Minot overflow its banks?

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the time of the gentleman from North Dakota be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SINCLAIR. I will say to the gentleman from Wisconsin that it overflows on an average of once in five years. Of course, no one can tell when a disastrous flood will come. Whenever there is a heavy snow in the northwest beyond where the river rises in Canada there is liable to be a spring freshet that will inundate half the city of Minot. The last flood there destroyed something like a million and a half dollars' worth of property.

The engineers of the United States Army felt that considering the number of people involved that this is quite as important a matter for flood relief as similar projects in other parts of the United States.

Mr. STAFFORD. Mr. Chairman, I am sympathetically inclined toward having the National Government, through its Army engineers, cooperate with small localities which can not afford to employ high engineering skill, and as the provision is not subject to a point of order, I withdraw my reservation of a point of order and I shall not contest the appropriation.

Mr. SINCLAIR. Mr. Chairman, I ask unanimous consent to modify my amendment by striking out "\$15,000" and inserting in lieu thereof "\$10,000."

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

The amendment as modified was agreed to.

The Clerk read as follows:

Sec. 5. For payment of interest on amounts withheld from claimants by the Comptroller General of the United States, act

March 3, 1875 (U. S. C., title 31, sec. 227), as allowed by the General Accounting Office, and certified to the Seventy-second Congress, in House Document No. 328, under the War Department, \$1,641.90

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph. This is the last appropriation bill for this session that will come before this House. I wanted us to pause long enough to speak of the hard, strenuous, and grinding work the gentleman from Tennessee [Mr. Byrns], chairman of the committee, has done in trying to reduce the Budget estimates in all of the appropriation bills.

When you speak of having reduced supply bills \$161,000,-000, no one stops to contemplate the amount of hard work that must have been done in order to bring about those reductions. Whenever the gentleman from Tennessee decreases such an item on this floor, he must have a good reason for it. He must have the support not only of his committee but he must have the support of the membership of the House. If the House did not support him in it, he could not make the reductions. And to gain the support of the House he must be able to show a good reason for the reduction.

I want to say that our chairman of the Committee on Appropriations, in my judgment, deserves the thanks of every American citizen in this time of distress for the reductions he and his committee have made. [Applause.]

The pro forma amendment was withdrawn. The Clerk concluded the reading of the bill.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. DISNEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932. and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. BYRNS. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. Byrns, a motion to reconsider the vote by which the bill was passed was laid on the table.

H. J. RES. 396 AND H. R. 11203

Mr. CRISP. Mr. Speaker, I ask unanimous consent to address the House for five minutes relative to two Government bills which were unanimously reported from the Ways and Means Committee.

The SPEAKER. The gentleman from Georgia asks unanimous consent to address the House for five minutes touching two bills reported from the Ways and Means Committee. Is there objection?

There was no objection.

Mr. CRISP. Mr. Speaker, one of them is House Joint Resolution 396, extending for one year the time within which American claimants may make application for payment, under settlement of war claims act of 1928, of awards of the Mixed Claims Commission and of the Tripartite Claims Commission, and a similar Senate resolution, No. 97, came over to-day. The other is H. R. 11203, to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail, and a similar Senate bill. S. 4367, came over to-day.

These two bills were unanimously reported by the Ways and Means Committee. They are Government bills. One of them simply extends the time one year for American citizens to file claims before the Mixed Claims Commission for claims due them for damages done them during the war by Germany, Austria, and Italy. It does not involve any expense whatever out of the United States Treasury, but is simply protecting the rights of American citizens in permitting them to file claims for amounts due them. The United States Treasury has some funds available for this purpose, turned over to it by the foreign governments.

Mr. BLANTON. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. BLANTON. Is the time extended one year from the date of the passage of the bill?

Mr. CRISP. One year from March 12, 1932.

Mr. BLANTON. One year from March 12, 1932?

Mr. CRISP. Yes.

Mr. BLANTON. Then the expiration date has not passed.

Mr. CRISP. This extends it one year.

Mr. BLANTON. Why not extend the time for one year from the passage of the bill? Then persons who have overlooked filing their claims can still do so. They are writing me about the matter. I got some letters this week, one from Concho County and another from one other county on the Mexican border, saying they had these claims and wanted to file them.

Mr. CRISP. The Treasury thinks one year is sufficient and the Senate has passed a bill to that effect.

Mr. BLANTON. This would not help all of those who have claims to file.

Mr. CRISP. No; this gives them a year from now within which to file their claims.

Mr. BLANTON. The gentleman said a year from March. Mr. CRISP. The time is one year from March, 1932.

Mr. BLANTON. Then they will have until March, 1933, to file their claims?

Mr. CRISP. Yes.

Mr. BLANTON. That is all right.

Mr. STAFFORD. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. STAFFORD. If my memory serves me right, this extension would revive the adjudication of some claims that have been passed upon and decided by the Mixed Claims Commission. What is the real purpose of the extension of the statutory time limit?

Mr. CRISP. The law limited the time when claims should be filed, and the umpire, Mr. Boyden, died, which delayed matters. The Treasury has some money paid in that is due certain claimants. They have not been able to locate these American claimants. Certain claims have not been filed, and this extension is simply to give certain American citizens the right to present their claims.

Mr. STAFFORD. I know of one claim where the claimant did not avail himself of his privilege within the statutory limit. Is it purposed now to grant all claimants who have been neglectful in the presentation of their claims this right so that they may be paid their claims? If we extend this right to American citizens, the German claimants are going to request the same privilege against the American Government.

Mr. BLANTON. I will state to the gentleman from Wisconsin, if my colleague will permit, that some of these claimants are ignorant people living 60 miles from the railroad.

Mr. STAFFORD. And they have had three or four years in which to present their claims.

Mr. BLANTON. But they knew nothing about their rights at all

Mr. STAFFORD. I would like to examine these reports because I do not wish to open the Treasury so far as the provisions of this bill would permit.

Mr. CRISP. I told the gentlewoman from New Jersey that if I could not get these bills disposed of in five minutes, I would not stand in her way—

Mr. STAFFORD. Will the gentleman bring them up to-morrow?

Mr. CRISP. I intend, of course, to keep my promise to the gentlewoman from New Jersey [Mrs. Norton] and I shall not submit any request for their consideration. I hope the gentleman from Wisconsin will look into the matter immediately, because this is important. I will request the Speaker to recognize me to-morrow.

Mr. STAFFORD. I shall certainly examine not only the bills, but the reports that have been filed.

DISTRIBUTION OF GOVERNMENT-OWNED WHEAT AND COTTON

Mr. O'CONNOR, by direction of the Committee on Rules, presented the following privileged report, which was referred to the House Calendar and ordered printed:

House Resolution 261

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 418, a resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress.

That after general debate, which shall be confined to the resolution and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the resolution for amendment the committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and the amendments thereto to final passage without intervening motion except one motion to recommit.

INTERNATIONAL ECONOMIC CONFERENCE

Mr. BANKHEAD, by direction of the Committee on Rules, presented the following privileged report, which was referred to the House Calendar and ordered printed:

House Resolution 262

Resolved, That immediately upon the adoption of this resolution the House shall proceed to the consideration of House Resolution 247, a resolution "Approving and encouraging the efforts to hold an international economic conference." After debate in the House, which shall be confined to the resolution and shall continue not to exceed 40 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the previous question shall be considered as ordered on the resolution to its adoption or rejection without intervening motion except one motion to recommit.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate insists upon its amendments to the bill (H. R. 11267) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Jones, Mr. Smoot, Mr. Hale, Mr. Broussard, and Mr. Bratton to be the conferees on the part of the Senate.

PETITION FROM CERTAIN VETERANS OF THE WORLD WAR

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that the Clerk may read a petition of veterans of the Bonus Expeditionary Force presented to the Speaker of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

DEMANDS OF OUR "BUDDIES"

Whereas in the year of our Lord 1918 the flower of our country, young and strong, at the call of their Government, and with the cry of "Hero" still echoing in their ears, went forth upon the blood-soaked battlefields of France to sacrifice their all, their time, their fortunes and opportunities, their health, and even their lives in the service of our country, determined to liberate the nations of the world from oppressive militarism and to forever guarantee democratic governments upon earth; and

Whereas in part performance of promises solemnly given by the people and by the Government of these United States, the representatives of the people in Congress assembled enacted a law providing for soldiers' compensation certificates, varying in amount according to duration and place of service, calculated upon the lowest wage rate paid to unskilled laborers who had remained at home; and

Whereas in a country overflowing and abundant with the riches of the earth a colossal disaster has now betallen these veterans and all other workmen, rendering them jobless, evicting them from their homes, and subjecting them and their wives to hunger and to starvation and their children to the blighting diseases of malnutrition; and

malnutrition; and

Whereas the bankers and moneyed interests, through wild speculation, have caused nearly 4,000 banks to fall, depriving the workingmen of this country of \$3,000,000,000 and hurling this country to the very brink of economic disaster; and

Whereas the Government of this Nation, although deaf to the entreaties of the jobless, has lent a ready and willing ear to the wishes of these same bankers and moneyed interests and has provided for their use a fund of \$2,000,000,000 to relieve them of the fruits of their own folly; and

Whereas the soldiers' compensation certificates are the only thing of value still remaining in the possession of the jobless veterans and are valid obligations of our Government: Now, therefore, be it

erans and are valid obligations of our Government: Now, therefore, be it

Resolved by the army of jobless veterans representing the millions of jobless veterans of every section of this country:

First. That Congress provide for the immediate payment in cash
of the unpaid balance of the adjusted-compensation certificates; or
Second. That Congress provide jobs for the jobless veterans and
the other jobless of the Nation by the appropriation of \$5,000,000,000, to be raised by the issue of currency or by the issue and
sale of bonds, and to be expended for the creation of work in
public construction, including highways, public buildings, hospitals in rural districts, reforestation, flood control, and waterpower conservation. Work is the solution of all industrial and
farm problems, and be it further

farm problems, and be it further

Resolved, That a copy of this resolution be delivered by the
Rev. Father James R. Cox and a delegation of veterans to the
President of the United States, to the Vice President, as Presiding

Officer of the Senate, and to the Speaker of the House

Mr. BLANTON. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. Will the gentleman withhold that?

Mr. BLANTON. I will.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Fernandez, for five days, on account of official business.

RECONSTRUCTION FINANCE CORPORATION

Mr. POU. Mr. Speaker, I present a privileged report from the Committee on Rules for printing.

The resolution is as follows:

House Resolution 263

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee

in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 4780, as amended by the Committee on Banking and Currency of the House, a bill "to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer fallowing, during the year 1932."

After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, I understood that a tentative arrangement had been entered into by the committee and the lady from New Jersey for her to ask unanimous consent for the consideration of bills from the District of Columbia Committee. I do not desire to interpose the calling up of rules against that program.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take up and consider business on the District of Columbia calendar.

Mr. BLANTON. Reserving the right to object

Mr. O'CONNOR. Mr. Speaker, I demand the regular

The SPEAKER. The regular order is, Is there objection to the request of the lady from New Jersey?

Mr. BLANTON. I object.

DEVELOPMENT OF AMERICAN AIR TRANSPORT SERVICE OVERSEAS

Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 224, on the calendar, which is a rule for the consideration of H. R. 8681, to develop American air transport service overseas, and so forth.

The Clerk read the resolution, as follows:

House Resolution 224

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the consideration of the Whole House on the state of the Union for the consideration of H. R. 8681, a bill to develop American air transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions of the maritime law applicable to foreign commerce by airship. After general debate, which shall be confined to the bill and shall continue not to exceed ——, to be equally divided and controlled by the chalrman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit. in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the considera-

With the following committee amendment:

Page 1, line 11, after the word "exceed," insert "one hour."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, the gentleman from North Carolina, who filed a minority report, is not present. I desire to ask the gentleman from Indiana if he notified the gentleman from North Carolina that he would call up this resolution this afternoon?

Mr. GREENWOOD. We only plan to dispose of the rule this afternoon, and the gentleman from North Carolina can present his objection when the bill is taken up.

Mr. STAFFORD. It is not designed to go farther than adopting the resolution this afternoon?

Mr. GREENWOOD. That is true.

Mr. BULWINKLE. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. Does the gentleman object to the adoption of the rule?

Mr. BULWINKLE. I do.

The SPEAKER. Will the gentleman withhold his point of no quorum?

Mr. BULWINKLE. I will.

GENERAL LEAVE TO PRINT

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill passed yesterday reported from the Committee on Labor.

The SPEAKER. Is there objection?

There was no objection.

DEVELOPMENT OF AMERICAN TRANSPORT SERVICES OVERSEAS

The SPEAKER. Does the gentleman from North Carolina insist upon his point of no quorum?

Mr. BULWINKLE. Yes.

The SPEAKER. Evidently there is no quorum present. Mr. GREENWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 921

Igoe James Nelson, Mo. Nelson, Wis. Abernethy De Priest Dickstein Douglas, Ariz. Douglass, Mass. Aldrich Johnson, Ill. Johnson, S. Dak. Johnson, Wash. Owen Palmisano Allgood Beck Beedy Bloom Patterson Patterson Peavey Pratt, Ruth Rankin Rayburn Reid. Ill. Kennedy Ketcham Doutrich Bolton Dowell Drane Drewry Kleberg. Kniffin Boylan Brand, Ga Erk Estep Brand, Ohio Knutson Rogers, N. H. Brumm Lehlbach Burch Burdick Fishburne Schneider Selvig Sirovich Smith, Va. Lewis Linthicum Freeman Gambrill Chase Chiperfield Christopherson Garrett Lovette Gillen McGugin McLaughlin Snell Collier Collins Condon Cooper, Ohio Corning Crowther Stewart Golder Haines Hancock, N. C. Hartley McReynolds Maloney Manlove Stokes Strong, Kans. Sullivan, N. Y. Hawley Montet Swick Taylor, Colo. Hopkins Hull, William E. Murphy Thomason Crump

Thurston Tierney Treadway Tucker Underhill Vinson, Ga. Watson Weeks Whitley Williams, Tex. Williamson Wolfenden Woodruff Woodrum Yates

The SPEAKER. Three hundred and twenty-five Members have answered to their names, a quorum.

Mr. GREENWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER. The question is on agreeing to the amendment.

Mr. GREENWOOD. Mr. Speaker, I yield one-half the time to the gentleman from Indiana [Mr. PURNELL], and will take 10 minutes myself.

The SPEAKER. The gentleman from Indiana is recognized for 10 minutes.

Mr. GREENWOOD. Mr. Speaker, this is a rule to consider a bill reported from the Committee on Interstate and Foreign Commerce, introduced by Mr. CROSSER. There is nothing unusual about the rule. It allows one hour debate, and then the bill is to be taken up under the 5-minute rule. The bill is for the development of American transport services overseas, to encourage the construction in the United States by American capital of American airships for use in foreign commerce, and to make certain provisions for maritime law to be applicable to the foreign commerce by airship. A similar bill was introduced in the Senate, but it was to consider both classes of airplanes, the heavier-than-air and the dirigible or lighter-than-air. Under this bill the heavier-than-air class is not considered, but an attempt is being made to give certain rights to those who would develop the lighter-than-air airship or dirigible, or Zeppelin, as it is sometimes called. A great deal of money has been expended in this country under the encouragement of the Government in the development of the dirigible for military purposes. Certain companies have invested a great deal of money in experimentation. The development of the lighterthan-air machine or Zeppelin method of transportation has passed the experimental stage both in this country and in Germany. There have been voyages made that have demonstrated the safety and utility of this class of transportation.

Already the German nation has included the use of this class of airship to carry the mail and to carry passengers and expressages from the continents of Europe to South America. Certain companies in this country have spent several million dollars in experimentation and they have reached the place now where they believe they should have the encouragement, not of money, but of the administration of the law so that they can go farther with this class of transportation. The bill asks that the maritime laws which apply to vessels on the surface of the water, and which have stood for years, be applied to this class of transportation so that liability can be fixed and they may procure insurance for the passage of this class of vessels. The bill also asks that the companies that develop this class of transportation be permitted to bid for the carriage of the mail. We think the time has come when our country should go forward in this method of carrying the mail and carrying expressage and

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. PARSONS. Will there be that tendency to subsidize this proposition that there is to-day in the air mail and ocean-going mail?

Mr. GREENWOOD. That proposition is left entirely to the Postmaster General, to be considered on the same basis as vessels and airplanes that carry the mail to-day in this country. The discretion is entirely with the Post Office Department whether the contract shall be let and whether the charges are sufficient to take care of it. Of course, a higher postage charge can be made for this class of transportation than for ocean-going vessels, because an ocean-going vessel can not cross the Atlantic in less than five days.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. BRITTEN. Is there anything in the pending bill which provides for construction loan funds from the Federal Government such as apply to ships?

Mr. GREENWOOD. There is no authorization in any way of any money here to be given to any company. They merely ask for the privilege of bidding to carry the mail under contract before the Post Office Department, and the discretion is left to the Postmaster General as to whether the contract shall be let and what charge shall be made for carrying the mail in order to cover the contract. There is nothing in the bill in the way of appropriation or authorization.

I feel there are sufficient reasons why the United States should not permit foreign countries to take this class of transportation away from us. In the first place, we have men who have the capital, who have experimented and expended millions of dollars and have several hundred employees and experts who are ready to go ahead and construct these dirigibles of size sufficient to sail across the ocean without refueling. They have spent this money. They should have the same rights as surface-going vessels to bid for the carrying of the mail and to carry expressage and to carry passengers. There is no surface vessel that can cross the ocean in less than five days. These vessels can cross the ocean in slightly over two days. Much of the money used in sending cablegrams will be used in sending mail, because there will be an advantage in time. There will be encouragement to passenger traffic because of the cutting down of the time. Two days required in this service will encourage a great many to travel in this manner, who do not now make business trips. It ought to be a means of bringing more business to the United States because of the speed that is involved. I say the day of experimentation is over.

Mr. KELLY of Pennsylvania. Will the gentleman yield? Mr. GREENWOOD. I yield.

Mr. KELLY of Pennsylvania. About how long will it take if this bill is passed before it would be possible to provide a dirigible which might make such a trip?

Mr. GREENWOOD. Well, I could not give the exact time on that. The gentleman from Ohio [Mr. Crosser], the author of the bill, is more familiar with that.

Mr. KELLY of Pennsylvania. It would be several years, I imagine.

Mr. GREENWOOD. But there are companies who are ready, who have the personnel and the equipment and who are ready, if they are given the same franchise as the surface-going vessels, to at once launch into the building of this dirigible, without any subsidy from the Government, and build vessels that will make regular schedules in crossing the Atlantic as well as the Pacific.

Mr. PARSONS. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. PARSONS. Will this not, after all, cause a lot of ships to be abandoned and create more unemployment?

Mr. GREENWOOD. The report of the committee is to the effect that it will not, because the class of traffic that will use this service in a great many instances are not those who want to go by the cheaper plan of passage. They will charge more, and it will be those who want speed that will be willing to pay for it. At least, that is the report from the Committee on Interstate and Foreign Commerce.

Mr. BRITTEN. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. BRITTEN. Is it not a fact that just the contrary has occurred as applied to big ships? The more big, fast ships we get on the ocean, the more slow vessels that follow?

Mr. GREENWOOD. I think that is true.

Mr. BRITTEN. That applies to the merchant marine to-day.

Mr. GREENWOOD. Exactly. One of the men who has developed surface vessels on the Pacific coast, the late Captain Dollar, has subscribed to this theory, upon the basis that if men can send their business agents from New York to China and the Philippines and return within a period of two or three weeks, there will be a great many more representatives of our business firms who will make these trips,

and it will encourage business. Although Captain Dollar had millions of dollars tied up in surface vessels, he favored this plan, because the two services would help each other.

Mr. Speaker, I reserve the balance of my time.

I yield 10 minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, this bill which will be considered under the rule, is nothing more nor less than a subsidy. I shall vote against the rule, and I am asking the membership of the House to read the bill. If there is a single, solitary Member who is not a member of the committee, who has given any study to this bill, who can tell what it is all about, I would like to have him stand in his place and show me. The truth of the matter is that the Goodyear Co. wants to build dirigibles. While I do not care to speak much on the merits of the bill, yet I want to call to the attention of the House the fact that the Committee on Interstate and Foreign Commerce had before it for consideration one of the most meritorious bills that was introduced in this session of Congress, and that was the repeal of the recapture clause of the Esch-Cummins law. passage of that bill would do more to aid the railroads, to take from them that cloud that is hanging over them at the present time, than any other thing we could do.

Mr. BLANTON. Will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. BLANTON. What is the status of that measure now?

Mr. BULWINKLE. That was reported out of committee, and it lies there on the calendar of the House.

This bill seeks what? To permit a company to build dirigibles? They have that right. But it goes even farther than that. It permits that company to make a contract with the Postmaster General of the United States for mail pay, and when I asked the question on the hearings, "How much do you expect to get for one trip a week from this country to the Orient and return?" it amounted to the fabulous sum of \$10,900,000 a year.

We are already losing \$17,000,000 in the Post Office Department on the Air Mail Service, and this will only add to it by giving further authority to the Postmaster General to create another subsidy.

We always hear that this is good for national defense. There is no military man who will tell you that a dirigible is worth anything in military defense. If it is, then let us build our own. Let our own War Department have it. Let us not, under cover, give something to somebody else.

This is fallacy as far as the dirigible is concerned in actual service in time of war. The whole thing was shown in the hearings, and the proponents of the bill who came before the committee said that unless this clause was in the bill authorizing them to make a contract with the Postmaster General they did not want the bill at all.

Mr. CROSSER. Will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. CROSSER. Would it be surprising if they were to have a proposition that they should not be allowed to carry express or passengers either? Is it not natural they would want to have the same rights as any other citizen to carry mail, express, or passengers? Suppose they were prohibited from carrying all three; what would the gentleman say?

Mr. BULWINKLE. They have the right to carry express and passengers; but they have no right to carry mail, it is true.

Mr. CROSSER. Of course not.

Mr. BULWINKLE. But under this proposed contract you are paying about ten times as much for one trip to the Orient as you pay to an ocean vessel going to the Orient. That is what I am talking about.

Mr. MAAS. As a matter of fact, we do not know what an individual trip to the Orient is going to cost. The bill simply places a limitation.

Mr. BULWINKLE. I know what they said in the committee, and I know how much they said they expected to get, and I know upon my own figures when I asked them the question they said it figured out to \$10,900,000 a year.

Mr. MAAS. The gentleman has said that lighter-thanair ships have absolutely no value from a military standpoint in time of war.

Mr. BULWINKLE. Yes.

Mr. MAAS. Has the gentleman been in dirigibles?

Mr. BULWINKLE. No; I have not.

Mr. MAAS. Was the gentleman in balloons during the

Mr. BULWINKLE. No; but I have been in flying machines, and I know what is going to happen if you put one of these airships like the Los Angeles out with a whole flock of airplanes after it. It could not be used for defense.

Mr. MAAS. Let me tell the gentleman that I know if a flock of airplanes went after the Akron they could not shoot it down. They might riddle it with bullets, but they could not shoot it down if it was filled with helium.

Mr. BULWINKLE. Does the gentleman think it is proper to build up national defense by giving a subsidy to an individual?

Mr. MAAS. If it is necessary, certainly; if it is a cheaper way to develop national defense.

Mr. BULWINKLE. Is this the cheapest way? Mr. MAAS. We are thinking of the air mail.

Mr. BULWINKLE. We are thinking of paying enough on a year's contract to the Orient to pay for building three dirigibles, for they cost only \$3,500,000.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BULWINKLE. I yield. Mr. BANKHEAD. As I understood the hearings before the Committee on Rules, it was not a question of national defense. The matter of using this development as a part of the defense program was not developed at all. It is merely a commercial proposition, as I understood it.

Mr. BULWINKLE. That is what I understood until the gentleman from Indiana spoke of it from the nationaldefense standpoint.

Mr. GREENWOOD. I spoke only of the experimentation that had been made along that line, not of the bill.

Mr. LAMNECK. Will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. LAMNECK. Did I understand the gentleman to say the Government lost \$17,000,000 on air mail?

Mr. BULWINKLE. Yes.

Mr. LAMNECK. I think the gentleman is in error.

Mr. BULWINKLE. And the Government loses \$18,000,000 on ocean-going mail?

Mr. LAMNECK. The air mail loss is \$11,500,000.

Mr. BULWINKLE. I was reading from the report of the Postmaster General.

Mr. LAMNECK. I think the gentleman is in error.

Mr. BULWINKLE. I will take the gentleman's figures of \$11,000,000. How much is the loss suffered on ocean-going mail?

Mr. LAGUARDIA. Will the gentleman yield right there?

Mr. BULWINKLE. I yield. Mr. LaGUARDIA. We have lost money on the subsidies provided for in the merchant marine act, but it is not the fault of the law; it is the fault of measly administration of the law.

Mr. BULWINKLE. Be that as it may, I do not know; but I know that we have lost money, and I am trying to prevent the Government from losing any more.

Mr. BRITTEN. Will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. BRITTEN. Has the gentleman concluded definitely to his own satisfaction, that by proper arrangement with the Postmaster General the carriage of this mail matter could not be made to support itself and not create this \$10,000,000 or \$11,000,000 deficit he talks about?

Mr. BULWINKLE. No; I have not satisfied myself, because I know that there is always a danger of never getting it when you pay it out in subsidies.

Mr. BRITTEN. Frankly, I am for this bill, because I think it is a good bill, but I am wondering if it is not possible by ordinary business management to provide for postal rates that will care for the carriage of the mail?

Mr. BULWINKLE. All I can judge about the future is what the history of the past of the air mail service shows, and we have not been able to do it in that matter. We have had time to do it, but we have not done it.

This is the only thing this bill provides for.

Look at the bill. If you will look at the sections in it, you will find it is legislation by pure reference and nothing else. It is bad parliamentary and legislative practice to pass a bill of this kind, and I am asking you to vote against it.

Mr. PARSONS. Will the gentleman yield? Mr. BULWINKLE. Yes.

Mr. PARSONS. After this bill is enacted into law how long does the gentleman anticipate it will be before these ships will be put into operation?

Mr. BULWINKLE. They said in three years after they signed the contract, if they make the contract now.

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. PARKER].

Mr. PARKER of New York. Mr. Speaker, I am in favor of this bill. It is a subsidy, and I will accept the challenge that was made by the gentleman from North Carolina. Let me say that every mail contract is a subsidy. It does not make any difference whether it is your star route, your railroad, or your steamer. You pay to have it go whether it takes one letter or whether it takes a ton. There is no use disguising that fact. Every mail contract comes under the head of a subsidy, because you do not pay for what is carried.

What is the purpose of this bill? It is perfectly simple. The Goodyear Rubber Co. has spent millions of dollars in getting together an organization. They have built the Akron, which is the largest airship in the world. It belongs to the Navy. It has shown its air-worthiness by landing in California in one of the worst storms they ever had out there. They are now building the Macon, and it will be finished next year. The Goodyear Co. have been getting together the technicians and experts they have in this plant, the best in the world.

What does this bill do? It simply permits them, after three years, to get a contract from the Postmaster General, if the Postmaster General is willing to give it to them. There is absolutely nothing in the bill which makes it mandatory. The Postmaster General does not have to use this mode of transportation if he does not want to.

Do you not all know that speed is now one of the great factors in transportation? Why is it there is a plane going from here to New York every half hour? Simply and solely on account of speed.

Mr. STAFFORD. Will the gentleman yield?

Mr. PARKER of New York. Yes. Mr. STAFFORD. Does the gentleman justify our Government in transporting mail to South American countries at an expenditure of \$7,000,000 annually when the revenue is only \$600,000?

Mr. PARKER of New York. In answer to that, I am not on the Post Office Committee.

Mr. STAFFORD. That is a subsidy, pure and simple, an outrageous subsidy, and this is only extending the subsidy

Mr. PARKER of New York. What compensation will the lighter-than-air companies get from the Government? They will get exactly the same price they are paying steamers now.

Mr. GREENWOOD. Will the gentleman yield?

Mr. PARKER of New York. Yes. Mr. GREENWOOD. We have the right to assume that because of the increased speed this class of transportation will give, the Postmaster General will fix the rates at a point where they will more nearly cover the cost than is the case in connection with the service by vessels, because vessels can not possibly reach the speed that will be reached by this class of service.

Mr. STAFFORD. What is the basis for that assumption? Mr. GREENWOOD. Because the power to fix the rate is entirely in the hands of the Postmaster General.

Mr. PARKER of New York. There is great difference between the question that was cited by the gentleman from Wisconsin when you consider lighter-than-air ships and heavier-than-air ships. Your heavier-than-air ship will never, in all probability, be a safe ship in which to cross any body of water which has an expanse of more than a few hundred miles. You can not at present carry passengers and freight over the water in safety. The lighter-than-air ships will be able to take large loads of express and many passengers, so the mail can be carried at less expense.

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. PARKER of New York. Yes.

Mr. KELLY of Pennsylvania. The statement has been made that any payment made in this way will be lost. I would like to suggest the revenues possible under this provision. There are millions of pounds of foreign mail being carried, and one of these dirigibles will carry 10,000 pounds. There are 45 letters to a pound, and at the rate which could be fixed by the Postmaster General of 25 cents there would be revenues of \$11.25, which would bring in \$110,000 and more in payment for that one shipment, and the outside payment that could be made would be \$35 a mile, or less than

Mr. PARKER of New York. I thank the gentleman for that statement. There is not one thing in this bill that is mandatory on the Post Office Department. There is not one thing in this bill by which these companies can borrow one single dollar from the Government under any conditions. There is no provision for that, and it seems to me that in aid of progress we should allow these companies to at least try to finance their proposition and make their arrangements for foreign landings, which they are going to do with a foreign company, and have an air service over the Atlantic.

Mr. THATCHER. Will the gentleman yield?

Mr. PARKER of New York. Yes.

Mr. THATCHER. Is it not a fact that the United States has a monopoly of helium?

Mr. PARKER of New York. Yes. Mr. THATCHER, And for that reason can have a monopoly on the navigation of the air for lighter-than-air

Mr. PARKER of New York. Practically so, yes; and this is an added reason why we should encourage this mode of transportation which has been demonstrated is entirely practical.

Mr. GREENWOOD. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Speaker, I want the Members here to-day to think very seriously before they cast a vote in favor of the adoption of this rule or the passage of this bill. I am saying to you that there has never been a bill brought before the American Congress during all the time I have served here that was more vicious than the bill they are asking you to consider at this time. [Applause.]

It is a subsidy pure and simple, and a subsidy, gentlemen, for one concern, because we all know that the Goodyear Rubber Co. is practically supreme in the building of lighterthan-air craft.

Now, what does this bill do? It authorizes the Postmaster General to contract up to the rate of \$12 a nautical mile if the airship makes but 24 knots, and if it makes a speed of 65 knots or 74.85 statute miles per hour the rate may go as high as \$35 per mile for the outward trip, or \$17.50 per mile for the round trip, for carrying mail, regardless of quantity. This is a pure, unadulterated subsidy.

I can not believe the Congress of the United States, in this hour of stress, with want and misery and suffering throughout the land as they are to-day, with the condition of our Budget so precarious, and with the millions of dollars of taxes heaped upon the backs of the American people, will

turn around now and pass a bill that will give a subsidy of untold millions to the Goodyear Rubber Co. [Applause.]

Look at the bill and see what you are doing:

Compensation for airships of class 1 shall be the same as that provided in section 409 (a) (b) for vessels of class 1; the compensation for airships of class 2 shall be one-half that provided by section 409 (a) (b) for vessels of class 1.

Airships of class 1 are those capable of carrying 10,000 pounds of mail. Airships of class 2 are those capable of carrying 5,000 pounds of mail.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. SHALLENBERGER. As the gentleman has pointed out, the possibility of the contract is \$12 a nautical mile; but in the statement of the majority of the committee it is pointed out that it is possible to contract up to \$17.50, or \$5.50 more than the gentleman has pointed out.

Mr. ARNOLD. If you will refer to the merchant marine act, section 409a, you will find on page 12 of the report the rate of compensation to be paid under this title for ocean mail service shall be fixed in the contract and such rate shall not exceed—and then it goes along with the different classes of ships—vessels of class 1, \$12 per nautical mile, and in section 409b provision for increased rates based on speed of the vessel.

Of course, there is a provision in here that these contracts shall be let by competitive bidding, but where are your competitors in lighter-than-air craft?

[Here the gavel fell.]

Mr. ARNOLD. I am very sorry I have not more time. I hope you will vote down this rule; and if you do not vote down the rule, I hope you will kill the bill. [Applause.]

Mr. GREENWOOD. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. Crosser].

Mr. CROSSER. Mr. Speaker, it was not my intention to consume any time in discussing this rule, because I intend to discuss the bill at length after the rule has been adopted; but after listening to several statements of a hysterical nature, it seems proper, perhaps, that we should have a little statement of the facts.

What does this bill propose to do? First of all it provides for the application of the admiralty law to airships, just as it now applies to surface ships. If we did not have that law it would be impossible to get any insurance for an airship or its cargo, because the insurance companies would not know under what law, if any, the airships would be governed so far as their responsibilities and their rights are concerned.

Secondly, it provides that American airship lines may make mutual arrangements with foreign airship lines for the use of terminal facilities and for the staggering of their schedules. The reason for this is that it was questioned by some lawyers whether or not it would be a violation of law for American airship companies to make such a contract without such legislative authority.

Third, it provides that they may bid for the carriage of mail on exactly the same terms as those with which surface ships must now comply.

My friends, we simply apply the law relating to surface ships in this respect to airships. It is not proposed to grant to airships what has been granted to the surface ships, namely, the right to borrow three-quarters of the cost of building the ship. Those undertaking to operate airships must risk their own capital before they take one step. All this "holier than thou" talk about subsidies is without foundation. Do those indulging in such talk assume that they are the only honest, faithful people and that all the officials of the Post Office Department and all other departments will be looking for an opportunity to fleece the Government? The fact is that the airship owners must submit bids.

It is not true that they are the only concern which would be interested. As a matter of fact, there is a concern in Detroit which is planning to build ships which would come under class 2. The fact that there are not now three or four companies is no reason why we should not make it possible for them to start. Mr. WILLIAMSON. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. WILLIAMSON. This would be in competition with the surface ships?

Mr. CROSSER. Yes; it was suggested along that line that this might take away a lot of business from the surface ships, but it would not take any business that they care about. One reason why we must resort to this transportation in the future is this. The cost of building ships so as to gain another nautical mile in speed is prohibitive, to make it a profitable investment. It can not be done.

For example, inquiry was made recently to find out how much it would cost to build two ships to rival the *Europa* and the *Bremen*. It was found that it would cost \$60,000,000, and no one would risk such an investment, because it could not succeed commercially.

This provides for carrying a class of mail under the present traffic that must go fast. Germany has seen the wisdom of such service and the Government has cooperated in building the airships. They know that when they can go from Friedrichshafen to Pernambuco, South America, in 4½ days, when it takes a surface ship 16 days, it is to the great advantage of the German people.

[Here the gavel fell.]

Mr. GREENWOOD. I yield the gentleman five minutes more

Mr. CROSSER. They have already made 4 of 10 scheduled trips this season on schedule time. Germany knows that by making these trips to that commercially fertile country they will extend their trade much faster than they could in any other way.

What do you think Germany and Britain would do if they had the assurance that we have because of our monopoly of helium? You would see their airships scouting over the whole earth for trade while we sit back complacently telling how virtuous we are, how we are against imaginary subsidies, and overlooking the real interest of the American people.

After all, this bill merely authorizes, permits the Postmaster General, does not command him, to make contracts for the carrying of the mail, if he thinks it in the interest of the American people to do so.

Mr. MAAS. It does not call for any bids for at least three years.

Mr. CROSSER. It provides specifically that no contract shall obligate the Government to any expenditure thereunder until the expiration of three years after the passage of this act.

Mr. MAAS. And if business conditions are not improved by that time, of course, they will not be made.

Mr. CROSSER. They do not need to make any contract, and everyone knows that the chatter to the contrary is just so much buncombe. I think the cat was let out of the bag here in the opening statement of the gentleman from North Carolina [Mr. Bulwinkle], who complained that we had another very important bill, reported from the Interstate and Foreign Commerce Committee, namely, the recapture clause bill, which he felt should have been considered. The gentleman must remember that I did not oppose his bill in committee, and I have not made any effort to oppose its coming up now. I think there is merit in that bill. I think, however, that the gentleman's disappointment about the failure of the recapture-clause repeal to come up for consideration throws some light on the gentleman's opposition to the pending bill.

If we are ever going to make progress, if we are not going to stand by until every other country in the world establishes merchant-airship lines, if we are ready to do our part to advance the country's interests, then we must at least do the reasonable thing, pass this bill and let airship builders and owners have the same right to bid for the carriage of the mail as surface ships now have.

Why should they be denied this right? You know that they could not carry a single letter unless the Postmaster General did make some sort of a contract with them. Let me tell you what the prospects are. Nobody knows, as I

say, exactly what the receipts for mail would be until there have been experiments with rates; but I would say this, that if only one-half of the available mail space were used, namely, 10,000 pounds, and 10 cents extra for the carriage of each letter in that 10,000 pounds were charged, the Government would take in \$40,000 or \$5,000 more than the maximum that could be charged under the terms of this bill, and it stands to reason that the Postmaster General will not seek an opportunity to pay the highest figure possible. It is necessary for the Postmaster General to have the authority to say what the rate of postage would be. If it were left open, if it were in a private field, these people could work that out themselves, but figuring 40 letters to the pound, and a total of 10,000 pounds, at 10 cents a letter, you will have more than what it would cost the Government by \$5,000.

Mr. MICHENER. Mr. Speaker, I yield two minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, I hope this resolution prevails, because it is in the interest of an infant industry that is of tremendous importance to the United States. It is not a mail proposition such as was suggested by my friend, who is afraid of a subsidy of \$10,000,000 referred to by the gentleman from North Carolina [Mr. BULWINKLE]. That is based on 52 long trips across the Pacific Ocean to the Orient in one year. Of course, that is a physical impossibility that can not be and never will be done. Those of you who know something about the Post Office Department know that hundreds of thousands of letters daily are marked by business men, by citizens of the United States, with the words "Europa" or "Bremen" across the face of the envelope, because these men want to send that mail across the ocean by the very fastest way. This dirigible postal service will do more to help business that needs expedition than any other one thing that we might do. It will take away from the Europa and the Bremen and the Majestic and the other first-class ships that are faster than ours all of the important first-class mail, because instead of going in the Leviathan or some of our slower ships that mail will go by airship; and it is not natural to believe that our Postmaster General, when it comes to drawing a contract with the Goodyear people, or whoever it may be, will use ordinary everyday common sense and make a contract that will redound to the interest of the Government rather than to the detriment of the Treasury?

Mr. MICHENER. Mr. Speaker, I yield two minutes to the gentleman from Kentucky [Mr. THATCHER].

Mr. THATCHER. Mr. Speaker, I am for this rule and for this bill. I do not like subsidies myself, but as a practical matter we have to meet the competition of the world. France alone last year, I am told, spent \$37,000,000 for her air activities in one or another form. If Germany to-day had the great helium reserves of the world as we have them in the Southwest and West, mammoth German airships would to-day be filling the skies circling the globe, and no nation could compete with her in the business of operating dirigible ships. The constant demand of our people is for world trade. If we are to have world trade, we must have world contacts, and such contacts must be by ships of the air as well as by ships of the sea.

We have slept upon our opportunities too long already. Germany, dependent on hydrogen, an inflammable gas, is the only country that is making substantial progress in the matter of transoceanic airship operation. The skill and enterprise of her Zeppelins and Eckners have been of a marvelous character. Shall a nation which has produced a Lindbergh and an Earhart, and which has already constructed great ships of the air, prove less skilled and less enterprising than Germany? American business enterprise has demonstrated its capacity to build even greater dirigibles than the Graf Zeppelin. Already American business enterprise has demonstrated its capacity to produce all the helium which may be required for commercial or other operations; and our helium supplies are practically inexhaustible.

The enactment of this measure creates no actual obligation on the part of our Government, but it does open to business enterprise in our land the door of hope and opportunity. Without this incentive American commercial airships will not be built for years to come. In the meantime other countries will monopolize this great field of enterprise.

If this measure becomes a law, and American airships are thereupon constructed and placed in operation between the continents of the world, they take their chances on securing contracts for the transportation of our foreign mails under the terms of the bill. They will be permitted to qualify just as under our merchant marine laws the ships of the sea sailing under the American flag are permitted to qualify, and secure contracts for the carriage of our mails into foreign ports.

The passage of this bill will constitute a highly important milestone in the march-or may I not say the "flight"-of progress. Under the encouragement which this enacted measure will give, backed by the helium reserves which our own, and no other, country possesses, America will soon lead the world in transoceanic airship operations; and it should soon be able to dominate and control this form of air transportation throughout the earth. What country can compete with us in this unique and advanced field if we but utilize wisely and efficiently our advantages and opportunities? And if and when that day of dominance and control shall come, I am sure that American enterprise will so conduct itself as to win the favor and cooperation of all the other countries. Commercial enterprise in other lands recognizing the signal advantages which are ours, because of our exclusive and all-sufficient helium gas supply, will come into the picture with us in varying forms of operation of mutual advantage.

We must keep pace with the times. We must stay ahead of the procession or be trampled under foot. Helium constitutes, for us, a talent which, if properly employed, will yield not only the Biblical 10 talents of return, but talents one hundred thousand fold, and even more. The possibilities of the future are beyond our power to forecast.

In the pioneer stages of our commercial airship enterprises, the Government can aid, and must aid, just as it is undertaking to aid our shipping interests in building up our American merchant marine. If this measure is passed, and commercial airships are thereupon constructed, contracts must be executed by the Postmaster General for the carriage of our transoceanic air mails, and appropriations must be voted by Congress for those contracts before the operators of these ships will be able to derive any benefits under the act. Personally speaking, I believe that American business enterprise will be risking much in the earlier years, even though this bill becomes a law; but it is characteristic of the skill, the courage, and the daring of the masters of American industry to undertake and to achieve success under conditions of grave hazard and difficulty. Let us give them this chance, and the future will, I am sure, attest the wisdom of our action. The airship has come to stay just as has the automobile and the airplane. The time will come when airship operations will prove as stable. as profitable, as any other form of transportation, and as that time approaches the need for governmental encouragement and aid will the more and more decrease. Quick transit means everything in this modern age of haste. Passengers and freight will soon build up the revenues of airship operations, and the need for Federal aid-for the so-called mail subventions-will correspondingly diminish.

I am willing to trust the committee that studied, amended, and favorably reported this bill, because I know that its members have given it their best thought and judgment. It is permissive; it is not mandatory. Nature has put into our hands this great instrument of commerce and national defense—these great helium reserves.

Mr. Laguardia. Are there any in Kentucky? Mr. THATCHER. There are none in Kentucky. By means of this strange noninflammable gas, helium, these great airships may be navigated in two days across the Atlantic, two

days to Hawaii from the Pacific coast, four or five days to the Orient; and all this means quicker contacts, which will bring world trade to us if we are but wise enough to employ the wonderful talent with which our Nation has been endowed.

Why does Germany send the *Graf Zeppelin* trip after trip to South America and to other distant lands, except for the quick contacts that are made thereby and the trade which is opened up by means of those contacts? [Applause.]

The SPEAKER. The time of the gentleman from Kentucky has expired.

All time has expired.

The question is on agreeing to the amendment of the resolution.

The amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. Greenwood) there were ayes 127 and noes 62.

Mr. ARNOLD. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-seven Members are present; a quorum.

So the resolution was agreed to.

On motion by Mr. Greenwood, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 79. An act to provide for conveyance of a portion of the Liston Range Rear Lighthouse Reservation, New Castle County, State of Delaware, for highway purposes;

H. R. 2238. An act for the relief of Edward Bodeck;

H. R. 3527. An act for the relief of Berta C. Hughes;

H. R. 3724. An act for the relief of Charles Thomas;

H. R. 3951. An act to provide a preliminary examination of the Edisto River and its branches, South and North Edisto, S. C., with a view to the control of its floods;

H. R. 4144. An act for the relief of H. H. Lee;

H. R. 5052. An act to authorize the incorporated town of Juneau, Alaska, to use the funds arising from the sale of bonds in pursuance to the act of Congress of February 11, 1925, for the purpose either of improving the sewerage system of said town or of constructing permanent streets in said town:

H. R. 5940. An act for the relief of Florian Ford;

H.R. 6487. An act to authorize the incorporated town of Petersburg, Alaska, to issue bonds in any sum not exceeding \$100,000 for the purpose of improving and enlarging the capacity of the municipal light and power plant, and the improvement of the water and sewer systems, and for the purpose of retiring or purchasing bonds heretofore issued by the town of Petersburg;

H. R. 6713. An act for estimates necessary for the proper maintenance of the Government wharf at Juneau, Alaska; H. R. 7123. An act to amend the act of March 2, 1917 (39)

Stat. 983; U. S. C., title 25, sec. 242);

H. R. 7914. An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River:

H. R. 8393. An act providing for payment of \$25 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States;

H. R. 8907. An act to authorize the Secretary of the Treasury to acquire land adjoining Lawrence (Mass.) post-office site:

H. R. 9259. An act to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187);

H. R. 10585. An act authorizing the Fort Hancock-Porvenir Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Fort Hancock, Tex.:

H.R. 10598. An act to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for

other purposes;

H. R. 10926. An act to authorize conveyance to the United States of certain lands in the State of Arizona for use of the United States in maintaining air-navigation facilities, and for other purposes:

H. R. 11020. An act authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington, Miss.:

H.R. 11081. An act to extend the times for commencing and completing the construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45:

H. R. 11085. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21;

H. R. 11120. An act to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256);

H. R. 11246. An act authorizing the Boca Chica Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Boca Chica, Tex.;

H. R. 12045. An act authorizing a per capita payment of \$50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States; and

H. J. Res. 305. Joint resolution for the improvement of Meridian Hill Park.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution and bills of the House of the following titles:

H. J. Res. 305. Joint resolution for the improvement of Meridian Hill Park;

H.R. 79. An act to provide for conveyance of a portion of the Liston Range Rear Lighthouse Reservation, New Castle County, State of Delaware, for highway purposes:

H. R. 2238. An act for the relief of Edward Bodeck;

H. R. 3527. An act for the relief of Berta C. Hughes;

H. R. 3724. An act for the relief of Charles Thomas:

H. R. 3951. An act to provide a preliminary examination of the Edisto River and its branches, South and North Edisto, S. C., with a view to the control of its floods;

H. R. 5052. An act to authorize the incorporated town of Juneau, Alaska, to use the funds arising from the sale of bonds in pursuance to the act of Congress of February 11, 1925, for the purpose either of improving the sewerage system of said town or of constructing permanent streets in said town;

H. R. 5940. An act for the relief of Florian Ford;

H.R. 6487. An act to authorize the incorporated town of Petersburg, Alaska, to issue bonds in any sum not exceeding \$100,000 for the purpose of improving and enlarging the capacity of the municipal light and power plant, and the improvement of the water and sewer systems, and for the purpose of retiring or purchasing bonds heretofore issued by the town of Petersburg;

H. R. 6713. An act for estimates necessary for the proper maintenance of the Government wharf at Juneau, Alaska;

H. R. 7123. An act to amend the act of March 2, 1917 (39 Stat. 983; U. S. C., title 25, sec. 242);

H. R. 7914. An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into

a compact or agreement for division of the waters of the Yellowstone River;

H. R. 8393. An act providing for payment of \$25 to each enrolled Chippewa Indian of the Red Lake Band, of Minnesota, from the timber funds standing to their credit in the Treasury of the United States;

H. R. 8907. An act to authorize the Secretary of the Treasury to acquire land adjoining Lawrence (Mass.) post-office

site:

H. R. 9259. An act to amend section 106 of the act to codify, revise, and amend the laws relating to the judiciary (U. S. C., title 28, sec. 187);

H.R. 10585. An act authorizing the Fort Hancock-Porvenir Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Fort Hancock, Tex.;

H.R. 10598. An act to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes;

H. R. 10926. An act to authorize conveyance to the United States of certain lands in the State of Arizona for use of the United States in maintaining air-navigation facilities, and

for other purposes;

H.R. 11020. An act authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington, Miss.;

H.R. 11081. An act to extend the times for commencing and completing the construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45;

H. R. 11085. An act to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21:

H. R. 11120. An act to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256);

H. R. 11246. An act authorizing the Boca Chica Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Boca Chica, Tex.;

H.R. 12045. An act authorizing a per capita payment of \$50 to the members of the Menominee Tribe of Indians of Wisconsin from funds on deposit to their credit in the Treasury of the United States; and

H. R. 4144. An act for the relief of H. H. Lee.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 43 minutes p. m.) the House adjourned until to-morrow, Friday, June 10, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, June 10, 1932, as reported to the floor leader by clerks of the several committees:

INVESTIGATION COMMITTEE (SHANNON)

(10 a. m.)

Hearings on Government competition with private enterprise.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

607. A communication from the President of the United States, transmitting for the consideration of Congress, and without revision, a supplemental estimate of appropriation pertaining to the legislative establishment, House of Representatives, for the fiscal year 1932, in the sum of \$3,712.71

(H. Doc. No. 352); to the Committee on Appropriations and ordered to be printed.

608. A communication from the President of the United States, transmitting a draft of a proposed provision pertaining to the appropriation for fire protection for the Senate wing of the Capitol and Senate Office Building, submitted by the Architect of the Capitol (H. Doc. No. 353); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. STEVENSON: Committee on Printing. House Resolution 259. A resolution providing for the disposition of certain documents in the folding room of the House of Representatives (Rept. No. 1563). Ordered to be printed.

Mr. GILBERT: Committee on the Library. H. R. 12026. A bill to purchase and erect in the city of Washington the group of statuary known as the Indian Buffalo Hunt; without amendment (Rept. No. 1564). Referred to the Committee of the Whole House on the state of the Union.

Mr. BACHARACH: Committee on Ways and Means. H. R. 12408. A bill to reduce the rate of interest on loans upon adjusted-service certificates and to give such certificates a loan value immediately upon the issuance thereof, and for other purposes; without amendment (Rept. No. 1565). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 12499. A bill to amend the national defense act of June 3, 1916, as amended; without amendment (Rept. No. 1566). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Indian Affairs. House Joint Resolution 409. A joint resolution to carry out certain obligations to certain enrolled Indians under tribal agreements; without amendment (Rept. No. 1567). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 261. A resolution providing for the consideration of House Joint Resolution 418, a joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for relief of distress; without amendment (Rept. No. 1571). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 262. A resolution providing for the consideration of House Resolution 247, a resolution approving and encouraging the efforts to hold an international economic conference; without amendment (Rept. No. 1572). Referred to the House Calendar.

Mr. POU: Committee on Rules. House Resolution 263. A resolution providing for the consideration of S. 4780, an act to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation, including summer-fallowing, during the year 1932; without amendment (Rept. No. 1573). Referred to the House Calendar.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 10824. A bill to aid farmers in obtaining loans from the Federal Farm Loan Board or other governmental agencies; with amendment (Rept. No. 1574). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GUYER: Committee on Claims. H. R. 2920. A bill for the relief of John H. Mehrle; with amendment (Rept. No. 1568). Referred to the Committee of the Whole House.

Mr. WOLVERTON: Committee on Military Affairs. H. R. 3464. A bill for the relief of George Fletcher Brown; with amendment (Rept. No. 1569). Referred to the Committee of the Whole House.

Mr. BALDRIGE: Committee on Claims. H. R. 9775. A bill for the relief of Harry L. Haberkorn; without amendment (Rept. No. 1570). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SPARKS: A bill (H. R. 12539) to repeal the agricultural marketing act of June 15, 1929; to the Committee on Agriculture.

By Mr. ARNOLD: A bill (H. R. 12540) to place inland waterway commerce under the jurisdiction of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 12541) to place carriers by motor-propelled vehicles for compensation in interstate commerce under the jurisdiction of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. BRITTEN: A bill (H. R. 12542) to abolish the Federal Farm Board, and to authorize the Secretary of Commerce to wind up its affairs; to the Committee on Agriculture.

By Mr. STEVENSON: Resolution (H. Res. 259) for the disposition of certain documents in the folding room of the House of Representatives; to the Committee on Printing.

By Mr. OLIVER of New York: Resolution (H. Res. 260) to amend Rule XV of the rules of the House of Representatives; to the Committee on Rules.

By Mr. O'CONNOR: Resolution (H. Res. 261) for the consideration of House Joint Resolution 418, a joint resolution authorizing the distribution of Government-owned wheat and cotton to the American National Red Cross and other organizations for the relief of distress; to the Committee on Rules.

By Mr. BANKHEAD: Resolution (H. Res. 262) for the consideration of House Resolution 247, a resolution approving and encouraging the efforts to hold an international economic conference; to the Committee on Rules.

By Mr. POU: Resolution (H. Res. 263) for the consideration of S. 4780, an act to provide that advances under the Reconstruction Finance Corporation act may be made for crop planting or crop cultivation including summer-fallowing during the year 1932; to the Committee on Rules,

By Mr. BUCKBEE: Joint resolution (H. J. Res. 424) providing for the appointment of a special subcommittee of the Post Office and Post Roads Committee to investigate and report upon a revision of the postal rates; to the Committee on Rules.

By Mr. LANKFORD of Georgia: Joint resolution (H. J. Res. 425) for the relief of veterans of the World War, and for other purposes; to the Committee on Military Affairs.

By Mr. WOLCOTT: Joint resolution (H. J. Res. 426) authorizing the restoration of a limitation on the importation, free of duty, of Philippine sugar; to the Committee on Ways and Means.

By Mr. KELLER: Concurrent resolution (H. Con. Res. 34) authorizing the Secretary of War to provide tents, cots, blankets, and kitchen equipment for bonus advocates now in Washington; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUTLER: A bill (H. R. 12543) granting a pension to Capt. Wama Louie; to the Committee on Pensions.

By Mr. CHASE: A bill (H. R. 12544) granting an increase of pension to Sue A. Hyskell; to the Committee on Invalid

By Mr. CRAIL: A bill (H. R. 12545) authorizing the President to present in the name of Congress a medal of honor to Frank G. Ward; to the Committee on Military

By Mr. GREENWOOD: A bill (H. R. 12546) granting a Mass., protesting against compulsory Sunda pension to Homer A. Lewis; to the Committee on Pensions.

By Mr. GUYER: A bill (H. R. 12547) granting a pension to Milton McNab; to the Committee on Invalid Pensions.

By Mr. HARLAN: A bill (H. R. 12548) for the relief of sundry building and loan associations; to the Committee on Claims.

By Mr. HART: A bill (H. R. 12549) granting an increase of pension to Delia Felton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12550) granting a pension to Margaret S. Colf; to the Committee on Invalid Pensions,

By Mr. HESS: A bill (H. R. 12551) granting a pension to Lena K. Moran; to the Committee on Pensions.

By Mr. HOGG of Indiana: A bill (H. R. 12552) granting an increase of pension to Mary E. Gump; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12553) granting an increase of pension to Fannie L. Beams; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H. R. 12554) granting a pension to Mary E. Hilles; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Texas: A bill (H. R. 12555) to authorize Martin C. Shallenberger, major, United States Army, to accept certain decoration from the French Government; to the Committee on Foreign Affairs.

By Mr. KELLER: A bill (H. R. 12556) for the relief of George Washington Smith; to the Committee on Military Affairs.

Also, a bill (H. R. 12557) granting a pension to Ira W. Murphy; to the Committee on Pensions.

Also, a bill (H. R. 12558) granting a pension to Charley Corbishley; to the Committee on Pensions.

By Mr. KLEBERG: A bill (H. R. 12559) for the relief of David A. Trousdale; to the Committee on Claims.

By Mr. MANLOVE: A bill (H. R. 12560) authorizing the President of the United States to make a posthumous award of a distinguished-service cross to Capt. Leon E. Briggs, deceased, and present the same to Marjorie Jane Briggs, the daughter of the said Leon E. Briggs, deceased; to the Committee on Military Affairs.

By Mr. PARSONS: A bill (H. R. 12561) granting a pension to Lewis Saunders; to the Committee on Pensions.

By Mr. PERSON: A bill (H. R. 12562) for the relief of the Acme Wire & Iron Works; to the Committee on Claims.

By Mr. SHALLENBERGER: A bill (H. R. 12563) for the relief of Fred E. Nordstrom; to the Committee on Military Affairs.

By Mr. SNELL: A bill (H. R. 12564) granting an increase of pension to Laura M. Shipman; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 12565) for the relief of Lucy Brown Wentworth; to the Committee on War Claims.

By Mr. VINSON of Georgia: A bill (H. R. 12566) for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.: to the Committee on Naval Affairs.

By Mr. WITHROW: A bill (H. R. 12567) granting an increase of pension to Hannah Salts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12568) granting an increase of pension to Annie Coleman; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 12569) granting an increase of pension to Mary M. Luke; to the Committee on Invalid

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8229. By Mr. CHINDBLOM: Petition of R. W. Faupel and 85 residents of the tenth Illinois district, urging the passage of House bill 7230, providing uniform pensions to widows and children and dependent parents of certain persons who served the United States in time of war; to the Committee on Pensions.

8230. By Mr. CONNERY: Petition of citizens of Lynn, Mass., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

8231. By Mr. CRAIL: Petition of many employees of the Fireman's Fund Insurance Co. of California, urging that partisan politics and selfish interests be set aside and that nothing be allowed to stand in the way of the adoption of a constructive program for the solution of the Nation's financial problem; to the Committee on Ways and Means.

8232. Also, petition of depositors of the Guaranty Building and Loan Association of Los Angeles, requesting that the United States Government appoint a commission to conduct an independent investigation of the affairs of the Guaranty Building and Loan Association of Los Angeles failure; to the Committee on the Judiciary.

8233. Also, petition of Arthur H. Hill, of San Diego, Calif., proposing to Congress a new calendar for the world and suggesting a remedy for world-wide depression; to the Committee on Ways and Means.

8234. By Mr. HART: Petition of citizens of Gratiot, Montcalm, Saginaw, and Clinton Counties, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

8235. By Mr. LINDSAY: Petition of United States Building and Loan League, Springfield, Ill., favoring the home loan bank bill; to the Committee on Banking and Currency.

8236. By Mr. PERSON: Petition of 108 citizens of Detroit, Mich., and vicinity, favoring the enactment of legislation to curb the activities of the chain-store system; to the Committee on Interstate and Foreign Commerce.

8237. By Mr. RAINEY. Petition of Roy P. Goben and 60 citizens of Havana, Ill., favoring immediate cash payment of the bonus; to the Committee on Ways and Means.

8238. By Mr. RUDD: Petition of the Merchants' Association of New York, opposing the payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

8239. By Mr. SCHNEIDER: Petition of citizens of Forest County, Wis., favoring the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

8240. By Mr. WYANT: Petition of Kiwanis Club of Monessen, Pa., opposing salary reductions of Government employees; to the Committee on Ways and Means.

8241. By the SPEAKER: Petition of Henry Woodhouse, president of the Aerial League of America; to the Committee on Public Buildings and Grounds.

8242. Also, petition of Minnesota Taxpayers Association, protesting against the passage of huge spending bills now under consideration in Congress; to the Committee on Ways and Means.

SENATE

FRIDAY, JUNE 10, 1932

(Legislative day of Wednesday, June 8, 1932)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst Cohen Hayden Connally Hebert Austin Bailey Bankhead Coolidge Costigan Howell Barbour Barkley Bingham Johnson Couzens Cutting Dale Davis Jones Kean Blaine Kendrick Keyes Borah Fletcher Bratton King La Follette Brookhart Frazier Lewis Logan McGill Broussard Bulkley George Gore Hale Bulow Byrnes Capper Caraway Carey McKellar Harrison McNary Metcalf Moses

Norbeck
Norris
Nye
Oddie
Patterson
Pittman
Reed
Robinson, Ark.
Robinson, Ind.
Schall
Sheppard
Shipstead
Shortridge
Smith
Smoot
Stelwer
Thomas, Idaho
Thomas, Okla.

Townsend Vandenberg Waish, Mass. Wheeler Trammell Wagner Walsh, Mont. White Tydings Walcott Watson

The PRESIDENT pro tempore. Eighty-three Senators have answered to their names. A quorum is present. The Senate resumes the consideration of the conference report.

AGRICULTURAL DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the report of the conference committee.

The report, submitted by Mr. McNary April 4 (calendar day April 5), 1932, was agreed to, and it is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 41, 45, 47, 62, 63, 64, 65, 66, 74, and 75.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 7, 8, 10, 12, 18, 19, 20, 23, 24, 25, 26, 27, 28, 43, 44, 49, 50, 51, 52, 54, 55, 57, 58, 59, 60, 70, 71, 72, 73, 79, and 81, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Public Resolution No. 9, Fifty-eighth Congress, first session, approved March 14, 1904 (U. S. C., title 44, sec. 290), is hereby amended by striking out all after the resolving clause and inserting in lieu thereof the following:"

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,503,218"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$4,164,038"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,631,360"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$699,079"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$683,599"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$892,145"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,201,661"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36. and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,217,687"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37. and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$544,940"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$133,284"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$127,489"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40 and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$7,131,244"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,019,640"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46. and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$10,491,764"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$12,383,304"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

Provided further, That no part of any money appropriated by this act shall be used for purchasing any motorpropelled passenger-carrying vehicle (except busses and station wagons) at a cost, completely equipped for operation, in excess of \$750, except where, in the judgment of the department, special requirements can not thus be efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year; including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned motorpropelled passenger-carrying vehicle not used exclusively for official purposes; and 'official purposes' shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only when the same is approved by the head of the department. The limitations of this proviso shall not apply to any motor vehicle for official use of the Secretary of Agriculture."

And the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 3. No appropriation under the Department of Agriculture available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to

pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: Provided. That this inhibition shall not apply (a) to absolutely essential positions, the filling of which may be authorized or approved in writing by the President of the United States, either individually or in groups, or (b) to temporary, emergency, seasonal, and cooperative positions. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session: Provided, That such impounding of funds may be waived in writing by the President of the United States in connection with any appropriation or portion of appropriation, when, in his judgment, such action is necessary and in the public interest."

And the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 6, 13, 14, 15, 16, 17, 21, 22, 29, 30, 53, 56, 61, 67, 68-69, 76, 77, and 82.

> CHAS. L. MCNARY. W. L. JONES. HENRY W. KEYES, JOHN B. KENDRICK, Managers on the part of the Senate. J. P. BUCHANAN. JOHN N. SANDLIN, ROBT. G. SIMMONS, Managers on the part of the House.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the Board of Aldermen of New York City, N. Y., favoring the passage of legislation providing a bond issue to finance construction of public works and such other undertakings as will provide employment under the present economic conditions, which was ordered to lie on the table

Mr. DILL. Mr. President, I present petitions from sundry citizens of Bremerton, Wash., praying for the passage of legislation providing a \$5,000,000,000 public-improvement bond issue so as to relieve the unemployment situation. which I ask may be appropriately referred.

The PRESIDENT pro tempore. The petitions will lie on

Mr. ASHURST presented a telegram in the nature of a memorial from Occa Freeman, Department Auxiliary, president of Arizona U. S. W. V., Bisbee, Ariz., remonstrating against inclusion of the so-called pauper clause and the reduction of pensions of certain veterans in pending legislation, which was ordered to lie on the table.

Mr. BARBOUR presented the following concurrent resolution of the Legislature of the State of New Jersey, which was ordered to lie on the table:

THE ONE HUNDRED AND FIFTY-SIXTH LEGISLATURE OF THE STATE OF NEW JERSEY

Senate concurrent resolution adopted by the senate on February 1, 1932; adopted by the house of assembly on June 1, 1932.

Whereas the platform of the two great political parties of this Nation advocate the maintenance of an adequate system of national defense; and

Whereas the people of New Jersey have ever been in the front ranks when the safety of this Nation has been endangered; and Whereas the National Guard and Organized Reserve will, in case of a national emergency constitute by far the largest components of the Army of the United States, and should, therefore, receive

proper training and equipment; and

Whereas the National Guard Association of the United States and the Reserve Officers' Association of the United States, a patriotic body of citizens of whom the great majority have had active service in the Army of the United States during the late war, have requested the Committee on Appropriations of the House of Representatives and the Senate of the Congress of the United States to appropriate sufficient funds to carry out the training

of the National Guard and Organized Reserve for the fiscal year |

Be it resolved by the Senate of the State of New Jersey (the House of Assembly concurring), That the Congress be, and it hereby is, requested to appropriate sufficient funds to carry out the provisions of the national defense act of 1920 and its accompanying legislation so that the program of the War Department for the proper support of the Regular Army, the National Guard, and Organized Reserve may be effectively carried out;

Be it further resolved, That the secretary of the senate is hereby instructed to forward certified copies of this resolution, signed by the president and secretary of the senate and the speaker and clerk of the house to the following: The President of the United States, the United States Senate, the House of Representatives, the Senators and Members of Congress from the State of New Jersey.

State of New Jersey.

A. C. REEVES, President of the Senate.

Attest:

A. F. VAN CAMP, Secretary of the Senate. JOSEPH GREENBERG,

Speaker of the House of Assembly.

Attest:

Louis Weiss Clerk of the House of Assembly.

TARIFF ON COPPER

Mr. HAYDEN. Mr. President, I send to the desk and ask to have read a telegram from the mayors of two cities of Arizona relative to the tariff on copper recently approved by

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

GLOBE, ARIZ., June 8, 1932.

Hon. Carl Hayden,

Member of United States Senate, Washington:

Will you kindly express to Members of the United States Senate the heart-felt gratitude of the citizens of the Globe-Miami district for the action of your body in including a duty on copper in the tax and revenue bill, thereby saving this community, once the greatest copper-producing district in the world, from extinction

ARTHUR TURNER,
Mayor of Miami,
W. A. SAWYER, Mayor of Globe.

INEQUALITY OF TARIFF ON REFINED SUGAR

Mr. WALSH of Massachusetts. Mr. President, as illustrative of some of the inequalities in the Smoot-Hawley tariff bill. I would like to have a letter from the employees of the Revere Sugar Refinery, similar to many other letters from this industry, printed in the RECORD and referred to the Finance Committee. Before sending it to the desk for that purpose, however, I would like to quote two paragraphs from the letter:

Now we find, under the present law, that the duty on imported raw sugar, when applied to the finished product, is greater than the duty on sugar if imported in refined form. Quick to take advantage of this loophole, refineries have been built in the tropical countries, where wages and living conditions do not approach our own hard-won American standards, and the sugar is being dumped into the United States. In other words, the dual advantage of peon labor and lower rate of duty allows these foreign refiners to cut under the cost price of the American finished product. finished product.

These facts are substantiated by figures compiled by our Government, which show that in 1925 there was practically no refined sugar imported into the United States, and that since importations have increased until in the one week ending May 21, 1932, 25,000,000 pounds of refined were dumped into the country. If this keeps up the domestic sugar refining industry faces

I hope the United States Tariff Commission, before whom an investigation is pending, may take notice of this serious inequality.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

> MUTUAL BENEFIT ASSOCIATION OF REVERE SUGAR REPINERY EMPLOYEES, Charlestown, Mass., June 8, 1932.

Hon. DAVID I. WALSH.

United States Senator, Senate Office Building,

Washington, D. C.

Dear Senator Walsh: We are taking the liberty of addressing you on behalf of 500 to 600 employees of the Revere Sugar Refinery,

situated in Charlestown, Mass. Many of these men are residents

situated in Charlestown, Mass. Many of these men are residents of your district and your constituents.

A situation has arisen in the sugar-refining industry of the United States which is without precedent and which threatens the means of livelihood of every man engaged in the business of refining sugar in America. Peculiarly, this situation has come about through a loophole in the tariff laws of the country, which amounts practically to a subsidy for foreign refined sugars.

As you are undoubtedly aware, the bulk of the sugar supply of this country originates in Cuba. For centuries this product has been brought into the United States in its raw state and refined at strategically located refineries along the Atlantic seaboard. These refineries are models of American industry and efficiency. No finer food plants, from the standpoint of protection of the community health, can be found anywhere in the world. They employ American citizens at a wage commensurate with American standards of living and purchase American-produced supplies. The investment of capital in these plants and their equipment is colossal. Faw sugar under every tariff law has always paid a very

colossal. Raw sugar under every tariff law has always paid a very high rate of duty. high rate of duty.

Now, we find under the present law that the duty on imported raw sugar, when applied to the finished product, is greater than the duty on sugar if imported in refined form. Quick to take advantage of this loophole refineries have been built in the tropical countries where wages and living conditions do not approach our own hard-won American standards, and the sugar is being dumped into the United States. In other words, the dual advantage of "peon" labor and lower rate of duty allows these foreign refineries to cut under the cost price of the American finished product.

These facts are substantiated by figures compiled by our Government, which show that in 1925 there was practically no refined sugar imported into the United States, and that since importations have increased until in the one week ending May 21, 1932, 25,000,000 pounds of refined were dumped into the country. If this keeps up, the domestic sugar-refining industry faces extermination.

extermination.

Just for a moment let us look at the matter from a personal standpoint. Every home in the United States uses refined sugar. It is a food product which has more "good will" than any other made. You never question the quality of the sugar you habitually purchase at the store. Why? Because for centuries sugar has been refined under the most careful supervision and strictest regulation until the confidence of the public in its purity is as steadfast as is humanly possible. Sugar refined in foreign countries without the public-protecting Government health and pure food laws can not be looked upon with any such confidence.

What, then, is the answer to this problem? In order for the

What, then, is the answer to this problem? In order for the American sugar-refining industry to survive, in order for it to continue to maintain its standard of wages, in order for the men to keep above the class of peons or slaves we must have a higher

tariff on refined sugars.

We, therefore, respectfully petition you as a representative of the people of Massachusetts to initiate, foster, and aid either in Congress or before the Tariff Commission a change in the tariff with a view to immediately exterminating this menace.

Yours very truly,

THOMAS W. TIPPING.
JUSTIN B. CRONIN, Secretary.
THOMAS TIPPING, President.

POST OFFICE AT BESSEMER, MICH.

Mr. VANDENBERG. Mr. President, I present a selfexplanatory and patriotic telegram from Bessemer, Mich., which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the telegram was referred to the Committee on Banking and Currency and ordered to lie on the table, as follows:

BESSEMER, MICH., June 9, 1932.

Senator A. H. VANDENBERG,

Washington, D. C.:
Do not approve "pork-barrel" legislation appropriating moneys for Bessemer post office.

BESSEMER BUSINESS MEN'S ASSOCIATION, C. R. Duda, Secretary.

PLANT QUARANTINE

Mr. BARBOUR presented a letter from the Secretary of Agriculture relative to the matter of plant quarantine, which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE, Washington, June 7, 1932.

Hon. W. WARREN BARBOUR, United States Senate.

United States Senate.

Dear Senator Barbour: I have for acknowledgment your letter of May 5, with which you transmitted the statement on the principles and procedure in plant quarantine prepared and indorsed by the agricultural and horticultural interests of New Jersey.

The introduction to the statement indicates that the purpose of the statement is to endeavor to clarify the national policy on quarantines and to present a constructive method of operation. It is further noted that the announcement suggests that the problem

should be considered from a long-time viewpoint, and the statement is designed to lay the groundwork for a new viewpoint on the whole subject of plant quarantine.

This indication of your interest in the subject of plant quarantine is appreciated, and we very largely indorse your entire statement. It represents substantially the present practice in the department, and the principles it outlines have been frequently discussed and indorsed at meetings of scientific workers of this department and of the various States in recent years. The indorsement of these policies by the New Jersey delegation in Concrete is pleasing.

department and of the various States in recent years. The indorsement of these policies by the New Jersey delegation in Congress is pleasing.

Paragraph 1. The nature of a quarantine: Quotes from a preliminary statement on quarantine principles prepared by the National Plant Board. The statement on quarantine principles as finally adopted by the National Plant Board was prepared and approved by the plant-quarantine officials of the various States of the United States after consultation with the regulatory officials of the United States Department of Agriculture. The statement before issuance was reviewed by the Plant Quarantine and Control Administration of this department, hence is something we are in entire sympathy with. However, your delegation knows full well that it is a comparatively simple matter to compose a statement of general policy. When, however, such a policy has been outlined, the real accomplishment is to bring into harmony with that policy all the various angles and ramifications of a problem so complex as the regulation of the agricultural imports into this country from all foreign countries and the regulation of those commodities which must be regulated to prevent the spread of injurious pests in this country. This is more or less of a constant problem, but we believe it is being satisfactorily met as complications arise from time to time, as they inevitably must and will. Naturally, we bring to the solution of these problems all the advice and information available from trade interests and specialists outside the department in addition to the information available in the department.

Paragraph 2. Amendment of the plant quarantine act of August the department.

Paragraph 2. Amendment of the plant quarantine act of August

Paragraph 2. Amendment of the plant quarantine act of August 20, 1912: Proposes that the fundamental quarantine act of 1912 be amended in such a way as to require the United States Secretary of Agriculture to cause a determination to be made of the prospective benefits of the proposed quarantine and the prospective damages accruing by reason of its action and to place the said proposed quarantine only in case the prospective benefits to the country far outweigh the prospective damages.

Precisely the thing sought by the proposed amendment now exists in section 8 of the plant quarantine act. This section makes it the duty of the Secretary of Agriculture to determine the need for any quarantine; it directs him, if the public interests permit, to establish rules and regulations pertaining to that quarantine, and it requires him to give advance notice of and to hold a public hearing where all interested parties may be heard before he shall hearing where all interested parties may be heard before he shall promulgate such a quarantine.

No quarantine has been placed by the Federal Government with-out a public hearing and without fully considering the prospec-tive benefits of the proposed quarantine and the prospective dam-ages. Since the plant quarantine act, as at present constituted, provides for everything that is suggested in the proposed amendment to the plant quarantine act, it would seem that no amend-

ment is necessary

conviction that some quarantines have been laid in the past and are therefore likely to be laid in the future, which involve more injury to the country's business than any benefit derived from them." Of course, no such firm conviction could Paragraph 2 of the statement further says that "it is our firm them." Of course, no such firm conviction could prevail unless there was in mind some specific example of a quarantine which involved more injury to the country's business than any benefit derived from it, and a reference to some specific example of such a quarantine would provide an opportunity to study this paragraph with better understanding.

Paragraph 3. Restriction on interstate movement a Federal function: Expresses the belief that "where restrictions on the movement of plants and plant products are to be placed and enforced for the purpose of preventing or delaying spread of injurious insects and plant diseases, new to and not heretofore distributed in the United States, it is the firm conviction that such restriction should be placed, enforced, and financed by the Federal Government, because any attempt to restrict interstate commerce of this sort by State action is bound to be chaotic and the benefits derived from such restrictions by the Federal Government are enjoyed by that section of the United States outside of the infested zone."

This should doubtless be interpreted to mean that States should be denied the right to place restrictions on the interstate movement of products because of possible spread of insect pests and plant diseases. Irrespective of any opinion which might be held by the department on this point, the amendment of April 13, 1926, to section 8 of the plant quarantine act provides that "until the Secretary of Agriculture shall have made a determination that Secretary of Agriculture shall have made a determination that such a quarantine is necessary and has duly established the same with reference to any dangerous plant disease or insect infestation, as herein above provided, nothing in this act shall be construed to prevent any State, Territory, insular possession or district from promulgating, enacting, and enforcing any quarantine prohibiting or restricting the transportation of any class of nursery stock, plant, fruit, seed, or other product or article subject to the restrictions of this section into or through such State, Territory, District, or portion thereof from any other State, Territory, District, or portion thereof when it shall be found by the State, Territory, or District promulgating or enacting the same that such dangerous plant trict promulgating or enacting the same that such dangerous plant

disease or insect infestation exists in such other State, Territory,

District, or portion thereof."

The power to protect themselves by State quarantine was found by the courts to have been taken away from the States by the plant quarantine act. This power as to diseases and pests not covered by a Federal quarantine was restored by the amendment above quoted, which was sought by many of the States, and it is believed that those same States would vigorously oppose the surgender or abroaction and States would vigorously oppose the surgender or abroaction and States would vigorously oppose the surgender.

believed that those same States would vigorously oppose the sur-render or abrogation of that power.

It is difficult for me to believe that the agricultural and horti-cultural interests of New Jersey really intended to propose and recommend that States should be denied the right to place such restrictions on the interstate movement of products as might be necessary in order to protect their territory against the introduc-tion of insect pests and plant diseases. The State of New Jersey, in cooperation with this department, has at much expense and effort, and largely for the protection of its own forested regions effort, and largely for the protection of its own forested regions, been engaged for about 10 years in the eradication of an outbreak of gypsy moth. This work has apparently reached a successful conclusion. The insect, however, is still strongly established over large areas in New England.

large areas in New England.

If through the failure of an appropriation measure or otherwise the Federal Government at some future time should be unable to carry out the necessary protective measures in New England to prevent the spread of this pest, I am sure those responsible for the agricultural and forest interests of New Jersey would not want to find themselves helpless on account of Federal legislation and unable to take any legal measures to prevent the reintroduction of this insect into New Jersey. Should the suggestion, however, that States be denied the right to place interstate quarantines be met by favorable congressional action, it seems unlikely that Congress would deprive the States of the power to protect themselves and at the same time withhold funds to permit a similar degree

met by favorable congressional action, it seems unlikely that Congress would deprive the States of the power to protect themselves and at the same time withhold funds to permit a similar degree of protection to the States from the Federal Government.

The department is not in possession of information at this time to indicate that the existing State quarantines are unnecessary, at least from the standpoint of uninfested States. Therefore, to comply with the thought expressed in this paragraph would mean the appropriation of a tremendous amount of money. It has been the belief of the department that where one or two States, or a small group of States, may be uninfested it is more economical and just as effective and reasonable for these one or two States or few States to enforce an embargo or a restrictive quarantine against the infested States or areas of the country than it would be for the Federal Government to attempt to enforce a quarantine over a great area for the protection of a small uninfested area. Hence the department approved the amendment to the plant quarantine act which restored to the States on April 13, 1926, the power to place interstate quarantines in the absence of action power to place interstate quarantines in the absence of action by the Secretary of Agriculture. The right of States to protect themselves from pest introduction whenever such protection is not afforded by the Federal Government is an important power and one which many of the States will undoubtedly jealously guard.

guard.

Paragraph 4. Suppression as a means of preventing spread of a Federal function: Points out that, in addition to the cost of Federal quarantine enforcement when suppression measures are to be undertaken within the limit of any State for the purpose of preventing or delaying spread into outside areas, the cost of such measures should be borne by the Federal Government.

We are in full sympathy with this principle. In practice, of course, suppressive measures almost invariably benefit both the infested and the noninfested State. While a rigorous distinction can not be made between expenditures primarily directed to the protection of outside areas and those intended to benefit the infested territory, the principle of such a separation, so far as the can not be made between expenditures primarily directed to the protection of outside areas and those intended to benefit the infested territory, the principle of such a separation, so far as the amount can be determined, has been consistently followed. In the eradication of the Mediterranean fruit fly in Florida, for example, the Federal Government spent \$6,710,411, while the State of Florida spent \$378,768.68. In the eradication of the pink boilworm in sections of Texas, Louisiana, and Arizona, while the States participated in the payment of reimbursement to farmers for losses incurred through the enforced nonproduction of cotton, the Federal Government paid almost the entire cost of cleaning up the fields and suppressing the insect. In the eradication of the date palm scale in California and Arizona, until comparatively recently, the Federal Government has provided all the funds for the clean-up work. In the eradication of the Mexican fruit fly in the Rio Grande Valley of Texas the Federal Government has paid for almost all the clean-up work. In the maintenance of the Barrier Zone between the gipsy-moth-infested area in New England and New York the Federal Government has spent a large proportion of the money for cleaning up and preventing spread west of this zone. In eradicating the gipsy moth in the State of New Jersey the Federal Government contributed appreciably to the expense of eradication, although New Jersey, as a matter of protection to herself, did contribute quite heavily also to this campaign. In clean-up and control measures against the European corn borer the Federal Government has spent far more than campaign. In clean-up and control measures against the European corn borer the Federal Government has spent far more than have the States in control measures.

is assumed that this paragraph may refer to such problems as the certification of nursery stock out of the State of New Jersey in the enforcement of the Japanese beetle quarantine. The State of New Jersey contributes to this inspection of nurseries and certification of plants for movement outside the quarantined area. This paragraph may have been meant to suggest that this expense should have been borne by the Federal Government; however, we believe that it is the duty of the people in an infested area to place their products in such condition as to render

fested area to place their products in such condition as to render them not dangerous to uninfested areas in other parts of the country. Therefore the inspection and certification work being necessary to the movement of New Jersey products should be supported financially by the State of New Jersey.

Paragraph 5. Suppression as a means of protecting infested territory a State function: Announces the belief of your delegation that suppression of injurious insects or plant diseases whether new or not heretofore widely distributed in the United States or old and widely distributed in the United States, in so far as this said suppression applies to the protection of the States or infested territory, should be carried on and financed by the State itself. Certainly, there can be no quarrel on this point.

Paragraph 6. Federal quarantine and suppression efforts within a State should involve cooperative understanding: Announces that all quarantine enforcement and all suppression undertaken by the Federal Government within the limits of a State should be car-

all quarantine enforcement and all suppression undertaken by the Federal Government within the limits of a State should be carried out on the basis of a cooperative understanding between the Federal Government and the State Government.

We can agree with this principle. No other arrangement could satisfactorily prevail and no other arrangement has prevailed in the past. In many instances in which infested areas occupy only parts of certain States, the Federal Government would have no authority to enforce quarantine lines without State cooperation. Even where infestations occupy entire States and cooperation with the States might perhaps not be legally essential, the department has always worked in close direct touch with the plant-quarantine officials of the States concerned. In fact the department has no knowledge of any instance where quarantine work has been done

has always worked in close direct touch with the plant-quarantine officials of the States concerned. In fact the department has no knowledge of any instance where quarantine work has been done in a State without a full understanding with the State involved. Paragraph 7. Position with regard to present plant quarantines: States that so far as quarantines now in effect are concerned on account of insect or fungous pests, the gradual abandonment of these quarantines is favored except where it has been demonstrated that spread can be definitely controlled by regulatory measures, and such abandonment or comprehensive revision of regulations pertaining to quarantines now in effect should be carried out only upon the basis of a studied policy in the formation of which all interests affected have been consulted. This has been, is now, and will continue to be the policy of the department. Public hearings are held before a quarantine is put into effect as required by law. Public conferences or hearings are held when removal of a quarantine is contemplated at which time all interests affected are consulted and given an opportunity to be heard, not because it is required by law, but because it is only fair, just, and sensible.

Paragraph 8. Position with regard to the extermination of new pests is as follows: "When the Japanese beetle was first found in 1916 it covered an area of not more than 1 square mile. It is entirely probable that if adequate funds had been available this insect might have been wiped out and large succeeding expenditures avoided. This is only one instance, of which there have been a number in the past and doubtless will be a number in the future, where prompt action with adequate funds might have effected tremendous future savings. It is therefore our firm conbeen a number in the past and doubtless will be a number in the future, where prompt action with adequate funds might have effected tremendous future savings. It is therefore our firm conviction that measures should be taken and moneys appropriated, making it possible to exterminate the injurious insect or plant disease if when first found such procedure seems practical."

Here we are urged to immediately undertake extermination measures when an insect is first found in this country. This paragraph apparently contemplates the making available of what might be termed an emergency fund so that such action can be

might be termed an emergency fund so that such action can be promptly undertaken when necessity arises. Whereas paragraph 2 insists that the Secretary of Agriculture before placing a quaran-tine must cause determination to be made of the prospective benefits of the proposed quarantine and the prospective benefits of the proposed quarantine and the prospective damages accruing by reason of its action, and to place the said proposed quarantine only in case the prospective benefits to the country far outweigh the prospective damages, paragraph 8 insists that when an insect is found, eradication measures should be immediately undertaken if such procedure seems practical. Since eradication measures involve the promulgation and enforcement of a quarantine, it is just a little bit hard to reconcile the principle expressed in paragraph 2 with that expressed in paragraph 8. When the Japanese beetle was first found in the United States

ciple expressed in paragraph 2 with that expressed in paragraph 8. When the Japanese beetle was first found in the United States it could not on the basis of its history in Japan be classed as an especially injurious insect. The provisions of your paragraph 2 could not have been literally followed with any hope of preventing or retarding spread. So that the Japanese beetle provides a most graphic illustration of the necessity for taking immediate action, even though a pest has not been proven to be especially damaging, thereby establishing the principle that we must assume that introduced pests are potentially dangerous and that quarantine and extermination measures must be taken even though the insects have not proven themselves to be dangerous. We therefore agree fully with the principle expressed in paragraph 3. The statement concludes with the petition that the Congress and the Secretary of Agriculture develop a new procedure with reference to plant quarantine to the end that interests of economy may be served and burdens resting upon the people of New Jersey and other States similarly affected may be removed to the point consistent with the general public interest. You announce the sincere belief that any new approach to this problem should be based on the foregling principles and procedure.

May I respectfully suggest that an approach to this problem based on the principles and procedure subscribed to and submitted by your honorable delegation would not be a new approach

at all, but would be the same approach that has been used by the department throughout the enforcement of the plant quarantine act since it was passed by Congress in 1912. I am sure that a thorough study of the principles outlined in the statement which you submitted, together with a study of the procedure followed by the department in the enforcement of the plant quarantine act, would convince anyone that the statement on the principles and procedure in plant quarantine prepared and indorsed by the agricultural and horticultural interests of New Jersey constitutes a rather vigorous indorsement of the policy of the United States Department of Agriculture in the conduct of its plant quarantine effects. We releave and appreciate this evidence of interest tine affairs. We welcome and appreciate this evidence of interest in this important work.

It has been called to my attention that this statement was printed in the Congressional Record of May 5, 1932. May I request, therefore, that the same consideration be given to this

reply.

The inclosures which accompanied your letter are returned

Sincerely.

ARTHUR M. HYDE, Secretary.

REPORTS OF COMMITTEES

Mr. SMOOT, from the Committee on Appropriations, to which was referred the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes, reported it with amendments and submitted a report (No. 798) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 169) to provide information and direction to individuals and agencies concerned with relieving unemployment through finding opportunities for subsistence in rural areas, reported it without amendment and submitted a report (No. 799) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them each without amendment and submitted reports

H. R. 8548. An act authorizing the adjustment of the boundaries of the Siuslaw National Forest, in the State of Oregon, and for other purposes (Rept. No. 800); and

H. R. 10048. An act granting to the Metropolitan Water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California (Rept. No. 801).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARKLEY:

A bill (S. 4869) for the relief of Alton T. Fields; to the Committee on Military Affairs.

A bill (S. 4870) granting an increase of pension to Lou Hayes Durham; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4871) to amend the teachers' salary act of the District of Columbia, approved June 4, 1924, as amended, in relation to establishing the Wilson and Miner Teachers Colleges on a basis comparable with recognized standards for accredited institutions of like kind; to raising the trade or vocational schools to the level of junior high schools, and for other purposes; to the Committee on the District of Columbia.

By Mr. SHEPPARD:

A bill (S. 4872) authorizing the appointment of Roy M. Kisner as a captain, Dental Corps, Regular Army; to the Committee on Military Affairs.

By Mr. GEORGE:

A bill (S. 4873) for the relief of Holsey Brown; to the Committee on Claims.

By Mr. GLENN:

A bill (S. 4874) to grant a right of way or easement over lands of the United States within the Upper Mississippi River Wild Life and Fish Refuge to the Savanna-Sabula Bridge Co., a corporation, for the construction, maintenance, and operation of a highway between Savanna, Ill., and Sabula, Iowa; to the Committee on Agriculture and Forestry.

UNIFORM REQUIREMENTS AFFECTING GOVERNMENT CONTRACTS

Mr. BLAINE. Mr. President, early in the session I introduced a bill (S. 1395) to establish uniform requirements affecting Government contracts, and for other purposes. After introducing the bill there was some question respecting one feature of it which might be somewhat in dispute. I therefore desire to perfect the bill and insert in it a provision to correspond with what was in my mind at the time I introduced the bill originally.

I therefore ask unanimous consent to withdraw from the Committee on the Judiciary the bill (S. 1395) to establish uniform requirements affecting Government contracts, and for other purposes, and to introduce another bill in its stead.

The PRESIDENT pro tempore. Without objection, that

order will be made.

The bill (S. 4875) to establish uniform requirements affecting Government contracts, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

THREATENING COMMUNICATIONS IN THE MAILS

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (H. R. 96) to punish the sending through the mails of certain threatening communications, which was ordered to lie on the table and to be printed.

UNEMPLOYMENT RELIEF-AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, which was referred to the Committee on Banking and Currency.

AMENDMENT TO DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. FRAZIER submitted an amendment intended to be proposed by him to House bill 11361, the District of Columbia appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 52, line 4, to strike out article "a"; in line 5, to strike out the word "school" and insert "schools"; and in line 6, after the word "section," to insert the following: "and on a site already acquired in the Manor Park section."

PRINTING OF MANUSCRIPT "THE DEVELOPMENT OF FEDERAL TRADE COMMISSION POLICY"

Mr. WAGNER submitted the following resolution (S. Res. 225), which was referred to the Committee on Printing:

Resolved, That the manuscript entitled "The Development of Federal Trade Commission Policy," prepared by John J. Quigley, A. M., be printed as a Senate document and that 200 additional copies be printed for the use of the Committee on the Judiciary.

ENLARGEMENT OF YELLOWSTONE AND GRAND TETON NATIONAL PARKS

Mr. CAREY and Mr. KENDRICK submitted the following resolution (S. Res. 226), which was referred to the Committee on Public Lands and Surveys:

Resolved, That the Committee on Public Lands and Surveys, or any duly authorized subcommittee thereof, is authorized and directed to investigate the activities in the Jackson's Hole region, Teton County, Wyo., of the National Park Service, Department of the Interior, and the Snake River Land Co., in connection with the proposed enlargement of the Yellowstone National Park and/or the Grand Teton National Park of Wyoming, particularly with a view to determining:

(a) The methods employed by the National Park Service to dis-burage persons from making entry and settlement on public and forest reserves in said region so that the boundaries of said Yellowstone and Grand Teton National Parks might be conveniently extended, and the efforts made by the National Park Service to secure the cooperation of other bureaus and departments of the Government in discouraging, directly or indirectly, entry or residence on such public lands and in national forests; and

(b) The methods employed by the Snake River Land Co., or any of its agents, to harass residents and settlers on public lands and national forests in said region in order to bring about their removal from said lands.

The committee shall report to the Senate not later than December 1, 1932, the result of its investigation, together with its recommendations, if any, for legislation.

For the purposes of this resolution the committee, or any duly

authorized subcommittee thereof, is authorized to hold such hear-

ings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-second Congress until the final report is submitted, to employ such ciercal and other assistants, to require by subpœna or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such caths, to take such testimony, and to make such expenditures as it deems advisable. The cost of to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had passed without amendment the joint resolution (S. J. Res. 97) extending for one year the time within which American claimants may make application for payment under the settlement of war claims act of 1928 of awards of the Mixed Claims Commission and of the Tripartite Claims Commission.

HOUSE BILL REFERRED

The bill (H. R. 12443) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1932, and June 30, 1933, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

UNEMPLOYMENT RELIEF

Mr. WAGNER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 836, a bill (S. 4860) to provide for loans to States for the relief of distress arising from unemployment, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York?

Mr. BINGHAM. Mr. President, since we have the District of Columbia appropriation bill ready for consideration and are very anxious to get it through in order to send it to conference, will the Senator agree that his bill may be temporarily laid aside so we may take up that appropriation

Mr. WAGNER. I doubt whether we shall take very much time in disposing of the bill, which has been pending several days, and which I think is agreed to by practically the entire Senate. If unanimous consent is not given, I shall have to move to proceed to the consideration of the bill.

Mr. BORAH. Mr. President, is this the unemployment relief bill?

Mr. WAGNER. It is the relief bill.

Mr. BORAH. Covering what portion of the relief program?

Mr. WAGNER. Providing \$300,000,000 for relief of the destitute and needy.

Mr. BORAH. I think it ought to be disposed of. We can better dispose of that matter immediately, it seems to me, than to let it wait on appropriation measures.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request proposed by the Senator from New York?

Mr. WATSON. Mr. President, I certainly have no objection to that portion of the relief program providing for \$300,000,000 for the States to be distributed in accordance with the wishes of the authorities of the various States.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York?

There being no objection, the Senate proceeded to consider the bill, as follows:

Be it enacted, etc., That (a) to aid in furnishing relief and work relief to the needy and distressed people residing in the several States and in relieving the hardship resulting from unemployment, the Reconstruction Finance Corporation is authorized and

empowered to make loans to the several States for such purposes out of the funds made available by the Reconstruction Finance Corporation act, under the terms and conditions hereinafter set Corporation act, under the terms and conditions hereinafter set forth, and in an aggregate amount of not to exceed \$300,000,000. Such amount shall be apportioned among the several States in the proportion which their population bears to the total population of the States of the United States according to the Fifteenth Decennial Census. Such apportionment shall be made by the corporation within 10 days after the date of enactment of this act, and the corporation shall immediately certify to the governors of the several States the amount apportioned to each State. The amounts so apportioned to any State shall be available for loans to such State for the purposes of this act until the expiration of two years after the date of enactment of this act.

(b) The aggregate amount of the loans made to any State under this act shall not be in excess of the amount apportioned to such State. Each such loan shall bear interest at the rate of 5 per cent per annum. The amount of the loan or loans to each State, with interest at the rate of 5 per cent per annum upon any unpaid balance, shall be reimbursed to the Reconstruction Finance Corporation by making annual deductions, beginning with the fiscal

balance, shall be reimbursed to the Reconstruction Finance Corporation by making annual deductions, beginning with the fiscal year 1935, from moneys payable under regular apportionments made from future Federal grants in aid of the States for the construction of highways and rural post roads, of an amount equal to one-fifth of the share which such State would be entitled to receive under such apportionment, except for the provisions of this act, or of an amount equal to one-fifth of the principal of the loan or loans made pursuant to this act and all accrued interest on such loan or loans to the date of such deduction, whichever is the lesser, until the sum of such deductions shall equal the total amount of such loan or loans and all accrued interest thereon. Whenever any such deduction is made, the Secretary of the Treasamount of such loan or loans and all accrued interest thereon. Whenever any such deduction is made, the Secretary of the Treasury shall immediately pay to the Reconstruction Finance Corporation the amount so deducted. Such deduction shall not be made with respect to any State which, within a period of two years from the date of enactment of this act, shall enter into an agreement with the Reconstruction Finance Corporation for the repayment of the amount of the loan or loans to such State with interest thereon as berein provided in such install master and repayment of the amount of the loan or loans to such State with interest thereon as herein provided, in such installments and upon such terms as may be agreed upon between such State and the Reconstruction Finance Corporation, unless such State shall be in default in the performance of the terms of such agreement. Such an agreement may be made after the expiration of such 2-year period with respect to the repayment of the unpaid principal of any such loan or loans, with interest thereon as herein provided. In the case of a default in any such agreement, the agreement shall thereupon be terminated and reimbursement of the amount of the unpaid principal and interest of any such loan or loans shall be made by making deductions in the manner above

the amount of the unpaid principal and interest of any such loan or loans shall be made by making deductions in the manner above provided from moneys payable to such State under regular apportionments made from future Federal grants in aid of the States for the construction of highways and rural post roads, beginning with the fiscal year next following such default.

SEC. 2. Any State making application for a loan under this act shall, through its governor, certify the necessity for such loan, and that its own resources, including moneys then available and which can be made available by the State, its civil subdivisions, and private contributions, are inadequate to meet its relief needs. Any funds made available to a State pursuant to this act shall be administered by the governor, or under his direction, and upon his responsibility, subject to the laws of the State.

SEC. 3. The amount of any loan authorized under this act shall be paid to the State upon delivery by the State to the Reconstruction Finance Corporation of a receipt for such amount, which receipt shall state that the loan is accepted subject to the terms of this act.

terms of this act.

Mr. WAGNER obtained the floor.

Mr. HOWELL. Mr. President, will the Senator from New York yield to me?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Nebraska?

Mr. WAGNER. I will yield to the Senator for a question. Mr. HOWELL. I desire to make a statement. I ask the Senator to yield that I may make a statement and a request.

Mr. WAGNER. Very well; I yield. Mr. HOWELL. Mr. President, those who represent agriculture in the Senate have no desire to interfere with the passage of the pending relief measure, but we do desire to make a request for unanimous consent at this time, that immediately following the disposition of the pending measure, Calendar No. 780, being Senate bill 4536, to amend the agricultural marketing act, approved June 15, 1929, may be taken up and considered.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent that the agricultural relief bill named by him may be taken up for consideration immediately following the disposition of the bill which is now before the Senate. Is there objection?

Mr. WATSON. Mr. President, what was the request of the Senator from Nebraska? I was engaged for the moment and did not hear it.

Mr. BINGHAM. Mr. President, it has been the general practice-

Mr. WAGNER. I think I have the floor, Mr. President.

The PRESIDENT pro tempore. The Senator from New York yielded to the Senator from Nebraska for the purpose of proposing a unanimous-consent request, and that must be disposed of.

Mr. WAGNER. Very well.

Mr. BINGHAM. It has been the general practice to permit appropriation bills to have the right of way. They generally do not take long. It is appreciated that usually they have the right of way even over the unfinished business, the unfinished business being temporarily laid aside in order that they may be considered. I hope there will be no exception made in this case and that we may have an opportunity to pass the District of Columbia appropriation bill to-day at an early hour, so that it may go to conference.

The PRESIDENT pro tempore. Does the Chair under-

stand the Senator from Connecticut to object?

Mr. BINGHAM. I have no desire to object to the request which the Senator from Nebraska makes, but I ask him, if his request shall be granted, to permit the District bill to be taken up immediately when his bill shall come before the

The PRESIDENT pro tempore. It is within the province of the Senate to determine by a series of unanimous-consent requests what measures shall come before it.

Mr. HOWELL. I will withdraw my request for the present. The PRESIDENT pro tempore. The Senator from Nebraska withdraws his request. The Senator from New York has the floor. The bill will be read for the information of the Senate.

Mr. WALSH of Massachusetts. Mr. President, there appears to be no opposition to the bill, and I ask unanimous consent that the reading of the bill may be dispensed with.

The PRESIDENT pro tempore. Is there objection?

Mr. BORAH. Mr. President, there is no opposition to the bill, but we would like to have a chance to read it before we vote upon it.

Mr. KING. Mr. President, let the bill be read.

Mr. WAGNER. Mr. President, I wish briefly to explain the bill. I suppose there is no need of any further debate upon the measure, because the debate which we had some time ago in this body, when we had under consideration the La Follette-Costigan bill, applies to the conditions at the present time, except at that time a majority of the Senate was not ready to agree upon the relief plan proposed. I think since then conditions have become even more tragic and more serious, and I am persuaded that those who then regarded it as a foreign field for the Government to assume the responsibility of feeding the hungry and unsheltered now are convinced that the Federal Government should assume its responsibility in the task of relieving human misery. The bill is an attempt to compose the differences which divided the Senate at the time we had under consideration the La Follette-Costigan bill and the Walsh-Black-Bulkley proposal. An analysis of the vote, when we considered the former relief bill, shows that a majority of the Senate at that time was for some form of relief, but there was a difference of opinion as to the method for the distribution of the funds provided.

This bill provides that the Reconstruction Finance Corporation may loan to the States altogether a total of \$300,-000,000, which is to be apportioned among the States according to population, the loans or advances to be made upon the certification of the governor that there is need in the State for such relief and that funds both public and private available in the State are insufficient to cope with the situation. Then upon such certificate being filed, the State, up to the limit of its apportionment, is entitled to its proportion of the funds.

Mr. THOMAS of Idaho. Mr. President-

The PRESIDING OFFICER (Mr. Austin in the chair). Does the Senator from New York yield to the Senator from Idaho?

Mr. WAGNER. I yield.

Mr. THOMAS of Idaho. If it will not interrupt the Senator unduly, I should like to ask him a question regarding the \$300,000,000 which is to come from the Reconstruction Finance Corporation. I notice that under the bill \$300,000,000 may be loaned by the Reconstruction Finance Corporation. The question I want to ask is, Is that \$300,000,000 to come out of the limit of \$2,000,000,000 which the Reconstruction Finance Corporation is authorized under the law creating it to advance?

Mr. WAGNER. I think there is some question about that as the bill now reads, so I have prepared an amendment, after discussing the matter with the junior Senator from Idaho, which provides for an additional authorization of \$300,000,000 to the Reconstruction Finance Corporation to take care of that situation.

Mr. THOMAS of Idaho. Very well.

Mr. DILL. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. DILL. As I understand, this bill provides only for loans to the States; it does not make any provision for loans to cities or municipalities?

Mr. WAGNER. Under the bill the States, after they receive funds as provided, are to make such disposition of them as may be required by the municipalities in the respective States. For instance, in New York to-day the State government contributes a portion of its funds to take care of the needy within the city of New York. So, under this bill, when funds are advanced to a State they are subject to disposition under the laws of the State, and that is not our affair, except that the purpose must be to take care of the needy and destitute.

Mr. DILL. Then the Reconstruction Finance Corporation will give no consideration to appeals from the cities but only to those from the governors of States?

Mr. WAGNER. Yes; that is what the bill provides.

Mr. DILL. Did the committee consider the fact that there are great cities that are in such need that they ought to be loaned money on the basis of their own security without involving the remainder of the State?

Mr. WAGNER. That raises an entirely different question. I may say to the Senator that we have attempted to confine the use of this \$300,000,000 to take care of the needy, the hungry, and the unsheltered. When we get into the domain of lending to municipalities upon their bonds a different situation is presented.

Mr. DILL. No; I am not speaking of that, Mr. President; I am speaking of loaning to cities in order to feed their

Mr. WAGNER. That will be done through the State administration. It will be assumed that the money will be distributed among the municipalities by the State governments as the needs are made manifest. That is being done now all over the country. State appropriations are made to help municipalities. It was attempted even in Illinois, but the difficulty there was that they were not able to sell their bonds. However, the money which the State bonds were to provide was to be used to take care of the needs of the city of Chicago. Now the State will be able to get funds under this bill to enable it to take care of such needs.

Mr. DILL. Mr. President, on reading the bill I am impressed with the provision that the money is to be repaid by the States by deduction from future allocations of road funds, and I suppose that there is not any method whereby money could be loaned to the cities on the same basis. However. I can foresee a most difficult situation in some States, where the governor, representing the rest of the State, may be unwilling to bind the State for the sake of a single town or city.

Mr. WAGNER. I do not know of any case, I may say to the Senator, where the State government has not been willing to cooperate with any municipality where people were starving or were unsheltered. To refuse to do so would be such an act of inhumanity that I can not conceive of such a situation; and, as a matter of fact, throughout the country, the States are cooperating with their municipalities to take care of the needy.

Mr. PITTMAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nevada?

Mr. WAGNER. I yield. Mr. PITTMAN. In reference to the question the Senator from Washington has asked, as to whether or not the committee which joined with the Senator in drafting this bill took into consideration the question raised as to direct loans to cities and municipalities, I should like to say that it was taken into consideration, and it was determined that there were probably several thousand towns and cities that would apply and that the corporation would have to have a very large body of employees or agents to determine whether they were entitled or not entitled to advances, and to attempt to apportion the amounts. Under this proposition a State is not going to borrow money and pay interest on it unless it knows that it is going to be needed and also knows how much is going to be needed. The State will determine that question by the appeals from the various communities in the State setting out, respectively, how much they need. Then the State, in turn, will lend to the municipalities and will get the proper security from the municipalities before it will let them have the money.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator vield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Arkansas?

Mr. WAGNER. I yield.

Mr. ROBINSON of Arkansas. In addition to what has been so clearly stated by the Senator from Nevada, if the States and municipalities were authorized to make application for loans, there would be such a confusion and overlapping of demands for loans that it would greatly embarrass the administration of the act. If the governor of a State decides there is no condition in his State that would justify the use of a portion of this fund, I think the Congress may well rely on that decision. I believe the provision of the bill makes for clarity and efficiency of administration.

Mr. WAGNER. And removes all danger of possible duplication.

Mr. ROBINSON of Arkansas. Yes.

Mr. BORAH. Mr. President-

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Idaho?

Mr. WAGNER. I yield.

Mr. BORAH. I notice on page 2, line 1, there is a provision which reads:

Such amount shall be apportioned among the several States in the proportion which their population bears to the total popula-tion of the States of the United States according to the Fifteenth Decennial Census.

Did the committee not take into consideration that the fund ought to be distributed according to the need rather than according to population?

Mr. WAGNER. Mr. President, we were trying to arrive at an apportionment which would take care of the needs of the States and would be as nearly as possible in conformity with those needs. There are only two ways of which I know of apportioning this fund, unless we give some bureau here in Washington the discretionary power to determine whether a State shall have any funds at all or not. Those two methods would be, on the one hand, an apportionment according to population, and, on the other, an apportionment according to the census of unemployment.

Originally when the La Follette-Costigan bill was before the Senate for consideration, I proposed an amendment that we change the method of apportionment from the basis of population to that of the census of unemployment, and, as I recall, the Senator from Idaho was one of those who opposed that method of apportionment as being less accurate than to base it upon population. However, if we do not provide some method of apportioning the fund among the States, then we have got to constitute some bureau in Washington to determine, after a governor certifies to the needs, to how much that particular State shall receive. The committee did not think that was the proper way to deal with the sovereignty of States.

Mr. BORAH. Mr. President, I do not recall the details of the amendment which the Senator offered to the Costigan-La Follette bill: but I certainly did not oppose the proposition of apportioning this money in accordance with the need rather than in accordance with the population. There are some States which would not require any assistance from the National Government. It does seem to me that we ought to provide some method by which we can distribute this money according to the actual demands of the different parts of the

Mr. WAGNER. Of course, if a community does not need assistance, it will not ask for it; but with the widespread suffering and unemployment now, I think myself that an apportionment according to population is about as accurate an apportionment as can be made at this time to provide for the needs of the different communities.

Mr. BORAH. I have great respect for the Senator's judgment, because I know he has studied this matter; but, on the face of it, it seems to me not in accord with the actual

Mr. WAGNER. There is only one other way of doing it, and that is to constitute some board down here to sit as a judge, with all the red tape that is involved in inquiring into the financial condition of the State, the needs of the State, and all the other factors that have to be taken into consideration in determining need. It seems to me the governor of a State is in a better position to know the needs of his community than some bureau set up here in Washington.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. WAGNER. Certainly.

Mr. ROBINSON of Arkansas. The plan in the bill is necessarily somewhat arbitrary. May I point out to the Senator from Idaho that to undertake to incorporate a different provision, such as he has suggested, would involve an almost endless investigation and inquiry on the part of a central board in Washington. Manifestly, hearings would have to be had, surveys would be required, and great expense would be incurred in the administration of the act, with the result that the conclusion probably would not be greatly different from that which would be based on population.

It was argued during the course of the hearings referred to by the Senator from New York on the Costigan-La Follette bill that, after all, the basing of apportionment on the unemployed population would not make a very great difference from the apportionment that would be made on population itself. To require a central board to be created to look into the subject of needs would be to handicap the administration, and necessarily involve discrimination.

So I think that while there is much that can be said in criticism of the plan in this bill, and it is in a measure arbitrary, after all it is the most practical plan if we wish to get results, and get them quickly, and secure them without discrimination.

Mr. WALSH of Montana. Mr. President, I desire to submit an observation.

When this matter was last before the Senate upon the amendment proposed by the Senator from Connecticut, I called attention to the fact that in all reasonable probability the statistics of unemployment found in the census take into consideration only unemployment in industrial centers, and do not take into consideration at all the needs of the farming population of the country.

Take the State of Kansas, for instance: In all reasonable probability the number of unemployed in the State of Kansas will be relatively small, whereas there may be in the rural sections all manner of need for relief. That certainly is the condition in my State, and I dare say in the State of the Senator from Idaho.

So I contend that a distribution upon the basis of unemployment as reported in the census would be manifestly unjust and unfair to the rural sections.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator permit one more interruption?

Mr. WAGNER. Yes. Mr. ROBINSON of Arkansas. Also, it may be stated that such statistics on this subject as are available have, by the progress of events, become more or less obsolete. Changes are constantly occurring. Many communities are now in need that were experiencing no immediate necessity a few months ago or were able to meet requirements from local resources; and certainly if we go back to the time of the census we will find that unemployment statistics are a wholly unreliable standard upon which to proceed at this time.

Mr. WAGNER. We shall have to adopt one or the other of the two standards. I am quite ready to agree that an unemployment census would be a better method.

Mr. ROBINSON of Arkansas. That means that a survey of unemployment would be required now; and, as I stated a few moments ago, it would add to the complexities of administration.

Mr. BORAH. Mr. President, I appreciate the difficulties on both sides of the proposition; but may I ask a question, in order to understand the import of the bill?

The bill says:

Such amount shall be apportioned among the several States in the proportion which their population bears to the total population of the United States.

That would require the authorities to withhold the money that any State might be entitled to according to population. whether it made application for it or not.

Mr. WAGNER. A State can not get an amount in excess of the amount which is apportioned to it. This is only for the period until December. If the situation gets more serious, we probably will have to appropriate more funds; but New York, for instance, under this bill, would have \$30,000.-000 assigned to it. It can not borrow in excess of that \$30,000,000; but within that \$30,000,000 it may borrow such a sum as the governor certifies.

Mr. WALSH of Massachusetts. Mr. President, what would the smallest State get?

Mr. BORAH. Mr. President, that is not exactly the point I had in mind. The fund would have to be kept intact as to those States which did not make application?

Mr. WAGNER. Yes.

Mr. ROBINSON of Arkansas. That is right.

Mr. BORAH. So that that part of the fund could not be drawn upon for those States which did need it. It would have to be held intact for those which had not made application?

Mr. WAGNER. That is true.

Mr. COUZENS. Mr. President-

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Michigan?

Mr. WAGNER. I do. Mr. COUZENS. The very question raised by the Senator from Idaho was raised in the committee; and the Senator from New York will remember that the committee took a vote as to the means of distribution, whether it should be by need or by population. Some of the Senators said that their States in all probability would not apply for any of the funds. It has been said that perhaps 40 States all together would not apply. Then, in effect, we are appropriating or permitting the use of \$300,000,000 for the aid of the unemployed and at the same time proposing to tie up most of it by apportionment to States that do not need it or will not ask for it.

Mr. WAGNER. Mr. President, assertions have been made every little while that this State does not need assistance and that State does not need it. I have not heard of a State that is not apprehensive that within a very few weeks it will be unable to cope with the situation unless its moneys are supplemented by some aid from the Federal Government; and that includes New York State.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. WAGNER. I believe that eventually New York will have to take advantage of this act; and I do not think these statements that are made have any other basis except |

Mr. COUZENS and Mr. HEBERT addressed the Chair. The VICE PRESIDENT. To whom does the Senator vield?

Mr. WAGNER. I yield to the Senator from Michigan.

Mr. COUZENS. I want to point out to the Senator that during the discussion some Senators made the very definite statement-I do not want to name the Senators, because it might embarrass their States-that their States would not apply for any money; and some of the Senators said that they would be ashamed if their States did apply. I submit that if that be the case, we are tying up on an allotment plan a lot of money or prospective money that will not be

For example, there is no State that is worse hit than Michigan as a result of the concentration of the motor-car industry. Its allotment under this program would be some twelve and a half million dollars, which is wholly inadequate, almost useless so far as Michigan is concerned; and yet Michigan is not going to ask for any money that is not supported by either the surrender of its road funds or the deposit of municipal securities that are adequate.

For example, Detroit is perfectly able to take care of itself if it can finance its securities. Detroit has probably \$32,000,-000 of maturing securities that it is unable to renew, because of a lack of market; and yet they could be used, under proper arrangements, as security for a loan from the Recon-

struction Finance Corporation.

So what is the use of fixing the amount at \$300,000,000 when we are going to tie up a lot of it, according to the reports, by allocation to States that do not need it, and yet find that we have made wholly inadequate provision for communities like Michigan, for instance, where they need more than twelve and a half million dollars to finance themselves alone, if they do not need it for any other purpose?

Mr. WAGNER. Mr. President, in the first place, I think the need is universal at this time; and the question which the Senator raises is a fundamental question so far as the consideration of this bill is concerned. We will have to decide to do one of two things: Either to adopt the plan of the bill or to create a bureau here in Washington which will determine the needs of a State irrespective of what the governor may certify are its needs. Then will come all this red tape, which was so clearly pointed out by the Senator from Arkansas-the investigation into what the State itself has been doing, as to its fiscal situation, as to whether it has properly distributed its funds, and so forth. It is, I think, the worst kind of bureaucracy and invasion of States' rights by a Federal bureau. Since this money is being borrowed, and the State is going to pay it back, I should think that its certification as to what the needs are ought to be final, because, after all, it is only an advance or a loan.

Several Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from New York yield; and to whom?

Mr. WAGNER. I yield to the Senator from Kentucky. Mr. BARKLEY. Mr. President, the suggestion just made by the Senator from New York seems to me one that we ought not to lose sight of.

In the first place, remarks made in the committee by Members of the Senate as to whether any State would apply, or whether they would be ashamed for their States to apply, have no bearing on this question. This bill does not put on a Senator the responsibility of applying for this fund. It puts it on the governor,

Another thing: This is no gift of the National Government. If it were a direct gift out of the Treasury for unemployment relief, there might be some force in the suggestion that it ought to be distributed from Washington; but this is a loan. This whole bill is based on the theory that the Federal Government is not to interfere with the State in its capacity to take care of its local situation, but is merely to aid it in taking care of it. Therefore, this is a loan to the State, to be granted on the application of the governor.

If we provide that this money shall be distributed according to the need, we might very well imagine a situation where the governor of a State, acting in his capacity as chief executive of one of the Commonwealths of the Nation, might certify to the need in his State, and yet some bureau in Washington might decide that he had misrepresented the conditions and deny the relief which he himself, on his responsibility, had certified to the National Government.

Another thing: Of course, if a provision is to be inserted here that the money should be distributed according to need, the first to come would be the first to be served, according

to the old standard of country milling.

Another thing, this money is to be repaid to the Federal Government by a deduction in advancements to the States, which are based now upon population and rural-routes mileage. In other words, the repayment of this fund to the Treasury is to be based in part upon the same standard upon which we propose to distribute it among the States; and, certainly, looking upon it from the standpoint of a loan to a State which is promising to repay it to the Federal Government, or if it is not repaid, then to be deducted from any money to be advanced by the Treasury to the State for roads or other purposes, if we can not depend on the integrity and the good faith and the intelligence of the governor who asks for the loan to distribute it according to the needs in the State, we ought to consider very seriously whether we would make any advancement to the State at all.

Mr. HAWES. Mr. President, will the Senator yield to me?

Mr. WAGNER. I yield.

Mr. HAWES. Possibly Missouri is a typical State. Its limited borrowing capacity is controlled by the constitution. Our leading city is St. Louis, and there is a limit on its borrowing capacity. So that a constitutional amendment would be required to enable the State to borrow any of this money, or an act of the city of St. Louis to secure some of the money. That would, in either case, mean long delay: and I am informed that our people have generously and spontaneously contributed for months and months to the unemployment situation, but they have reached their private limits and something must be done. It may happen that there will be an unequal distribution of this money if we consider State after State, but the passage of this bill will afford means of meeting the immediate necessities of the situation which can be rectified when Congress meets in December.

I understand there would be an option between two or three different ways by which the money could be secured. If a State found itself in the embarrassing situation in which my State is, then the governor would have the option of borrowing the money, and the Government would hold as its security money which might be allocated to the State for road purposes, and any governor who has a choice between starvation and hunger and misery as against the building of roads must, if he is a capable governor, decide in favor of borrowing the money in this way.

I do not see any other method for getting the relief so much needed. My State is a prosperous State. It has bled itself white in borrowing money and taking money from private individuals. There is no return upon that, but there is a limit upon it, and the chief effect of this bill would be to tide over an immediate necessity with various ways of repayment afforded.

Mr. WAGNER. Free from red tape, I may say to the Senator.

Mr. HAWES. As to the matter of dealing with municipalities, it is inconceivable to me that the United States could think of such a thing. If it thought of dealing with counties, there are 3,000 counties in the Union. So it has placed the exercise of proper judgment in the hands of the governor of the State, it being understood, of course, that the representatives of the municipalities and the different volunteer organizations will be called into conference by the governor and the fund allocated where it is most needed.

Mr. COSTIGAN. Mr. President, may I ask the Senator from Missouri a question?

Mr. WAGNER. I yield for that purpose.

Mr. COSTIGAN. The Senator from Missouri has indicated certain constitutional difficulties with reference to loans to Missouri. For the information of the Senate, may I ask the Senator to explain to the Senate how the governor of that State will justify lending the credit of the State to a loan, even under the provisions of the bill, for repayment through deductions from future Federal road funds? The question is not dictated by hostility to relief legislation. No one more strongly indorses the objective of this proposal. If improvements are not obtainable, I shall, of course, vote for the measure. Personally, however, I see no escape from the definite obligation resting on the Federal Government to make safeguarded grants to the States rather than loans.

Mr. WALSH of Montana. Mr. President, will the Senator from New York yield to me a moment?

Mr. WAGNER. I yield.

Mr. WALSH of Montana. Touching the matter just now raised by the Senator from Colorado, although the bill uses the word "loan," there would be absolutely no obligation upon a State at all in the ordinary sense. The bill simply provides that if any of this money shall be paid to a State at this time, it will not be paid to the State in the future. That is all there is to it. I can not think that if the Government of the United States sued a State in the Supreme Court of the United States to recover the amount of such a loan, it could prevail in its suit, because the bill expressly provides the way in which the thing is to be paid, if "payment" is the proper word at all. It is simply an advance. The money would be given to a State at this time instead of being given to it at some future time, and if the State does not return it, it will be taken out of the State's allocation of funds in the

Mr. COSTIGAN. The learned Senator from Montana is doubtless right in his interpretation of the purpose of the legislation. If so, however, the Senate is asked to put its seal of approval on a grant to a State, designating the grant as a loan.

The constitution of Missouri provides, in part:

The general assembly shall have no power to give or lend, or to authorize the giving or lending of the credit of the State in aid of or to any person, association, or corporation * for the payment of liabilities, present or prospective.

Under that provision it would appear that the State of Missouri is barred from pledging its credit for a loan of this sort. If we proceed upon the theory suggested by the Senator from Montana that no suit at law or in equity could be based upon the advance of funds under this measure as drafted, the credit of the State would nevertheless be pledged either through legislative action or through the express or implied agreement of the governor of the State.

Mr. WAGNER. Mr. President, may I make this appeal to the Senate? I hope we shall not get into the legalistic arena, in the discussion of this bill, that we got into in December when the La Follette-Costigan bill was before the Senate. Unfortunately, at that time we got into a discussion, but not on the question of the necessity of relief, because, as I analyze the vote, a majority of the Senators of this body said there should be relief. They were persuaded of the necessity by the effective arguments made by the two Senators who sponsored the legislation. But we got into a legalistic argument as to the method to be employed in the distribution of the funds.

I was on the bench long enough to know how lawyers can get into legalistic discussions and forget the main and substantive question involved. Let us not be so concerned with technical language or precedent but let us think of the people we have to feed now.

There is, as the Senator from Montana has said-and I do not suppose there is a more reliable authority upon these questions than he-the thought that at most there is no constitutional prohibition on a State. It can not interfere with the transmission of this money. It is a responsibility which the Federal Government assumes. It says to the State, "Here, you may have this money to feed your people, and if you do not make provision for its return under some

borrowing power that you have we will liquidate the debt by subtracting from your future appropriations, by one-fifth of the appropriation each year until the sum is liquidated."

I think it is a plain, simple proposition, which is enforceable in law, and certainly the necessities of the occasion require it. Time is of the essence in this case.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. WAGNER. I yield.

Mr. REED. Take the position of the Governor of Pennsylvania. Our constitution forbids the State of Pennsylvania from borrowing money unless two successive legislatures shall authorize it and direct the submission of the question to the people. After the action of two legislatures it must then come to a popular vote, and any other loan by the State in excess of \$1,000,000 temporary accommodation is absolutely invalid. Pennsylvania is typical of a dozen other

Suppose the United States Government did hand over some of this money to the Governor of Pennsylvania. It could not be a loan under our constitution. It would therefore have to be regarded as an advance of Federal aid for highway construction, and our governor would be confronted with the alternative of doing nothing, or of misappropriating highway money to feed people in distress. That would be the predicament in which we would place him. How could his situation be helped? The same thing is true of Michigan.

Mr. WAGNER. The governor would not be in that predicament. The Federal Government would assume the responsibility of advancing to the State moneys for a State as well as a Federal purpose, namely, taking care of the needy, and the Federal Government would place a condition on the transmission of that money, which would be that in the future it should deduct an equal sum from the appropriations to come to the State.

Mr. REED. In other words, it would be an advance out of its expected highway grants.

Mr. WAGNER. It would not be a loan prohibited under the State constitution.

Mr. GEORGE. Mr. President, if the Senator will yield, I find these words in the bill:

Any funds made available to a State pursuant to this act shall be administered by the governor, or under his direction, and upon his responsibility, subject to the laws of the State.

I do not see how the governor of my State could use any of this fund for general relief purposes, or could apportion it among the municipalities of the State, because whether he called it a loan, an advance, or an allotment, it would be received by the governor, there would be a promise to pay interest or to allow an interest charge against the advance. and there is an express limitation that all funds received by the State pursuant to this act shall be administered by the governor or under his direction, upon his responsibility, subject to the laws of the State.

Mr. WAGNER. That is as to the distribution of the fund to the needy. I think almost every State has created under the law an unemployment relief agency or welfare agency which distributes such funds among the needy.

Mr. GEORGE. I had the impression that the money might be used by the State for direct relief purposes or in

Mr. WAGNER. In relief work, yes; but it is to be done as the State directs that it be done.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. WAGNER. I yield. Mr. HEBERT. I shall respect the wishes of the Senator from New York and shall not indulge in any legal discussion of this problem. I have my own ideas upon it, but for the time being I shall not enter into any such discussion.

I merely rose to say that so far as Rhode Island is concerned, I know of no misapprehension there about taking care of our people. The Senator stated a short while ago that he knew of no State where there was not apprehension. The fact is that in our State we have provided for loans to all of our municipalities out of State funds. We are making these loans at an interest rate of 3 per cent. I have had no information that any needs on the part of any municipality of our State had not been met. I merely wished to make that statement so the record might be clear.

Mr. WAGNER. I congratulate the Senator and his State.
Mr. HEBERT. I think the State is entitled to congratulations.

Mr. HARRISON. Mr. President-

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Mississippi?

Mr. WAGNER. Certainly.

Mr. HARRISON. I want to ask a question of the Senator, who is so familiar with this legislation. Suppose in my State we do not want to borrow any money or get this advance for some relief work, but that we are short of funds necessary to pay the teachers and the schools are going to be closed unless we could get money, that it is found that the State can not float bonds to do that and they were then to apply to get a part of this fund to be used to pay the school teachers. Could they get the money for that purpose?

Mr. WAGNER. I doubt it. I think it is confined to the care of the destitute and needy in the State. It would be of course a matter of interpretation by the State itself as to whether that would be a case of caring for the destitute

and needy.

Mr. HARRISON. Suppose, because of the condition of the bond market, the State was unable to sell its bonds and as a result some charitable hospitals are going to close, sanitariums for tubercular patients are going to close, and many men be thrown out of employment because of the closing of those institutions. Could the State get any money under this plan of the Senator from New York?

Mr. WAGNER. Under a reasonable interpretation they

might be cared for.

Mr. HARRISON. Does the Senator contemplate following this legislation with something else that would permit a State making an honest effort to sell their bonds in order to carry on some of the State institutions, to borrow money from the Reconstruction Finance Corporation?

Mr. WAGNER. I hope very soon to have up for consideration the so-called construction bill, which will involve the question which the Senator has raised here. Undoubtedly he will raise that question when that legislation is before the Senate for consideration, and he may want to attempt to broaden the scope of the power of the Reconstruction Finance Corporation in financing State and municipal

projects

Mr. HARRISON. May I say to the Senator that I have had many letters from my State expressing a desire to amend the Reconstruction Finance Corporation act in order to enable the State to sell, at a reasonable rate of interest, some bonds to that corporation, so that the State can carry on agencies of the State, which is more preferable than to get the money in this way to take care of some relief down there. In the consideration of the matter I hope something can be worked out that at least will permit them to go to the Reconstruction Finance Corporation and sell some bonds and get some financial aid for that particular work.

Mr. WAGNER. The opportunity will undoubtedly be offered when the construction bill is before the Senate.

Mr. BLAINE. Mr. President-

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Wisconsin?

Mr. WAGNER. I yield.

Mr. BLAINE. I do respect the Senator's suggestion regarding the discussion of the legalistic phase of the measure, but this is going to become a law. In the first instance, it is for the Congress to place its own interpretation and construction upon it. The Senator will recall that during the consideration of the bill before the committee I invited attention to the fact that whenever the Reconstruction Finance Corporation makes a loan or an advance to the States the amount of such loan will go into the State treas-

ury. It must go there under the constitutions and laws of most of the States.

In most of the States there is a constitutional provision that no money shall be taken out of the State treasury except pursuant to an appropriation made by the legislature, so, in all those States it will be necessary to have an act of the legislature to appropriate the money for the purposes for which it was designed, unless the State has anticipated or contemplated that this kind of relief was going to be afforded and has passed a general law providing that all funds payable into the State treasury for the purposes set forth in this bill shall be distributed as the particular State legislature might have provided. In any event, except in those rare cases where the State had anticipated this kind of legislation, it will be necessary to await the convening of the respective legislatures or for the governor to call the legislature in special session for the purpose of making the necessary appropriation of the specific funds obtained under

Is not that the Senator's view?

Mr. WAGNER. The Senator, I think, is correct. If there is no general provision already to take care of funds of this type, an extraordinary session of the legislature would have to be called to take care of that matter; but after all that is not an impossible thing.

Mr. BLAINE. I was not raising the point in opposition

to the Senator's measure.

Mr. WAGNER. I agree with the Senator.

Mr. President, may I at this time offer an amendment to the bill?

The VICE PRESIDENT. The bill is open to amendment. The Senator from New York offers an amendment, which will be stated.

The CHEF CLERK. On page 1, lines 8 and 9, strike out the words "made available by the Reconstruction Finance Corporation act" and insert in lieu thereof the words "hereinafter made available."

The VICE PRESIDENT. Without objection, the amendment is agreed to. The clerk will state the further amendment offered by the Senator from New York.

The CHIEF CLERK. On page 4, after line 19, insert the following additional section:

Sec. 4. For the purpose of providing funds for carrying out the provisions of this act, the Reconstruction Finance Corporation is authorized and empowered to issue its notes, bonds, debentures, or other such obligations, in an aggregate amount not to exceed \$300,000,000. Such notes, bonds, debentures, or other such obligations shall, so far as practicable, be issued in the same manner and be subject to the same terms and conditions as the notes, bonds, debentures, or other such obligations issued pursuant to section 9 of the Reconstruction Finance Corporation act.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York.

Mr. KEAN. Mr. President, I would like to amend the amendment, if the Senator from New York will accept it, by providing that the bonds or notes issued by the Reconstruction Finance Corporation shall not carry a greater rate of interest than the States pay the United States.

Mr. WAGNER. This does not deal with the interest question at all.

Mr. KEAN. It provides that they shall issue their notes, bonds, and so forth.

Mr. WAGNER. There is another section of the bill which deals with the question of interest. This simply empowers the Reconstruction Finance Corporation to issue its notes, and so forth, up to \$300,000,000.

Mr. KEAN. Very well.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York.

Mr. LOGAN. Mr. President-

Mr. COUZENS. May I point out to the Senator-

The VICE PRESIDENT. Does the Senator from New York yield, and if so, to whom?

Mr. WAGNER. I yield the floor.

Mr. LOGAN. Mr. President, before the Senator yields the floor, I desire to ask him a question for information. Mr. WAGNER. Mr. President, the amendment has not been disposed of.

The VICE PRESIDENT. The Chair understands that the Senator from Michigan desires to discuss it. The Senator from Kentucky is recognized to propound a question to the Senator from New York.

Mr. LOGAN. Mr. President, the Senator from Pennsylvania a while ago suggested that it is impossible for his State to incur any obligation to the United States Government. The same thing is true in my State and in many others. In response to that the Senator from New York said that if the arrangement could not be made to pay the money back it would be repaid by deducting one-fifth of future appropriations to the States for road-building purposes.

I desire to call the attention of the Senator from New York to the fact that one-fifth of the State aid granted to the States will not pay the interest on this loan we are talking about; and if that be true, what would become of the principal?

Mr. WAGNER. In no case is more than one-fifth of the State-aid appropriation to be deducted. It may be it will take 10 years to liquidate the debt, but in no case is more than one-fifth of the appropriation deducted and charged against the State.

Mr. LOGAN. But if one-fifth will not pay the annual interest that accrues, then the debt will keep on growing and will never be paid; and if the State can not pay it, it will have to be repudiated.

Mr. WAGNER. Does the Senator know of such a case?

Mr. LOGAN. I do. I think it will be true in almost every State. Take the State of Kentucky, for instance. We have about \$1,500,000 in State aid each year. One-fifth of that would be \$300,000. If the State of Michigan receives \$12,500,000 under this bill, then Kentucky will receive about one-half that sum, or about \$6,000,000. Five per cent interest on \$6,000,000 would be \$300,000; so it would take our one-fifth to pay the interest, and the entire principal would remain unpaid. The State can not bond itself to pay it. What would become of that debt if the interest amounts to more than the amount provided to be deducted each year?

Mr. WAGNER. I would want to know whether we are talking about an academic question or a real question. I went into these figures some time ago and I know of no such case.

Mr. BARKLEY. Mr. President-

The VICE PRESIDENT. Does the Senator from New York yield to the senior Senator from Kentucky?

Mr. WAGNER. I yield.

Mr. BARKLEY. I suggest to my colleague that if that situation should develop the State would have no complaint. Only the Federal Government could complain, because if the Federal Government did not take out enough for the repayment of the loan each year, but only enough to pay the interest each year, then the State would not have anything to complain about.

Mr. WAGNER. What would happen would be that it would take a longer time to liquidate the debt.

Mr. LOGAN. The debt would be like the frog that jumped up 2 feet and fell back 3 feet trying to get out of the well. It never would be liquidated. My colleague says the State would have no reason to complain. The State would have reason to complain because it would be forced to repudiate the debt, and it would have that debt standing over its people, which they could not pay because it was illegally contracted and could not pay because the plan providing for its repayment in the bill will never repay it. My suggestion to the Senator from New York is if the rate of interest of 5 per cent will take more than the one-fifth which the State would get out of the road-building aid plan, then the rate of interest should be reduced until there may be a repayment.

Mr. WAGNER. The Senator is anticipating a request I was going to make. I think the rate fixed by the committee is entirely too high. I am going to propose a rate of 3 per cent. But I will satisfy the Senator before the day is over

that the question he raises is academic. I do not think in reality it can arise.

There is another provision in the bill by which a State may meet its obligations by amending its constitution if the constitution prohibits a loan, or by passing the necessary legislation if the loan may be acquired without amending the constitution, so we have the other method of payment by the State. I do not believe that any State will deliberately repudiate its debt to the United States.

Mr. LOGAN. I do not either.

Mr. WAGNER. I have that confidence in the integrity of our States.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New York. The Chair understood that the Senator from Michigan [Mr. Couzens] desires to be recognized on the amendment.

Mr. COUZENS. Mr. President, I would like to ask the Senator from New York just why the necessity for section 4 which he has just offered as an amendment, in view of the fact that the corporation has authority now to issue up to \$2,000,000,000?

Mr. WAGNER. Because I did not want to interfere with any prior act of Congress. Congress gave the power to the Reconstruction Finance Corporation to issue debentures up to \$1,500,000,000 for the purposes included in that particular legislation. I did not want to invade that particular territory, but to deal with it as a separate proposition. That is what I had in mind.

Mr. COUZENS. When the Senator from New York comes to take up his other bill with respect to lending to States for the purpose of enabling them to undertake the financing of self-liquidating projects, if the Reconstruction Finance Corporation act shall be amended so that that corporation may loan up to \$3,000,000,000, as he proposes, then I ask whether or not the point he has in mind would not in that way be taken care of? What I am trying to suggest is that we are going to have many series of issues apparently for specific purposes, and I think that that is undesirable.

Mr. WAGNER. We are dealing here with a separate proposition. I assume that the Congress wanted to deal with it separately. I have no pride about this matter. If, when the other bill is under consideration the Senate prefers to consider the question of conferring increased power on the Reconstruction Finance Corporation to issue additional debentures and to extend credit, I will not quarrel with that, but I think that as we deal with the subject we ought to deal with it completely. That is what I had in mind.

with it completely. That is what I had in mind.

Mr. COUZENS. I thought that the Reconstruction Finance Corporation ought not to have out more than one kind of security. It seems to me, from reading this proposed amendment contained in the added section 4, there would be different kinds of securities out, securities under this section, securities under the original act, and securities under the act which is going to be proposed later on for the self-liquidating corporations, and I wondered why this should not be withdrawn.

Mr. WAGNER. I think now we are talking of form and not of substance. We are talking of a question of bookkeeping, which I do not regard as very important. If the Senator wants to propose an amendment to the amendment which I have offered so as to make the type of securities universal in their character, I shall not object to that. I repeat, however, we are talking about form, which does not interest me very much.

Mr. COUZENS. I am not so much interested in form, but I see no necessity for the amendment; that is what I am trying to demonstrate. I see no necessity for this amendment, in view of the fact that the Reconstruction Finance Corporation already have authority to issue \$2,000,000,000 in the aggregate; and if we pass the other legislation, most of which I favor, they would then have authority to loan up to \$3,000,000,000. So my query is, Why continue giving authority piecemeal to issue more securities? I am merely speaking against the amendment, not as to a matter of form, but I see no necessity for the amendment.

Mr. WAGNER. I am quite willing to let the Senate dispose of the question.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk, which I should like to have stated for the information of the Senate. I ask the attention of the Senator from New York to it.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. On page 4, line 14, after the period, it is proposed to insert:

Nothing in this act shall be construed to authorize the Reconstruction Finance Corporation to refuse to make an advance to any State because of existing constitutional inhibitions upon the State or because the State has borrowed to the full extent authorized by State law. The amount for which application is made shall be immediately payable to the State upon the filing of the application and delivery to the Reconstruction Finance Corporation of the receipt required by section 3.

Mr. WAGNER. Mr. President, I make no objection to that amendment, and I accept it.

Mr. LA FOLLETTE. Mr. President, I should like to say just a word or two in explanation of the amendment. I am still concerned in my own mind as to the situation which will confront the States that have constitutional prohibitions against incurring debt. I am apprehensive, I am frank to say, that there may be difficulty even though the legislature of such a State should meet in special session and authorize the governor to make use of these funds, to be deducted out of future Federal-aid highway appropriations. What I seek to accomplish by this amendment is to prevent the Reconstruction Finance Corporation itself from passing on that question. I appreciate the attitude of the Senator from New York, who is the author of the bill, in not interposing any objection to the amendment.

Mr. VANDENBERG. Mr. President, will the Senator vield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield. Mr. VANDENBERG. Does the Senator's amendment virtually negative the requirement for a certification of need?

Mr. LA FOLLETTE. No; it has no such intent, I will say to the Senator.

Mr. VANDENBERG. I thought, as I listened to its reading, that it required merely the automatic distribution of the funds on a population basis.

Mr. LA FOLLETTE. Oh, no. The only thing which the amendment seeks to accomplish, Mr. President, is to provide that the Reconstruction Finance Corporation shall not decline to make an advance to any State because of any constitutional provision in the State's organic law; and, secondly, it seeks to make directory the payment of advances upon the filing of the receipt provided for in section 3. It has no relation to section 2, may I say to the Senator from Michigan, which is one of the conditions that must be complied with by any governor before his State would be eligible either to a loan or to an advance.

Mr. WAGNER. Mr. President-

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. LA FOLLETTE. I yield.

Mr. WAGNER. I am persuaded that the bill as it now reads does exactly what the amendment proposes to do; but if there should be any doubt, it would be cleared up by this amendment. It does not, I may say to the Senator from Michigan, interfere with the provision requiring certification by the governor.

Mr. WATSON. Mr. President, I should like to ask the Senator a question.

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Indiana?

Mr. LA FOLLETTE. I am glad to yield to the Senator from Indiana.

Mr. WATSON. Does the Senator's amendment negative altogether the idea of the money advanced being a loan? the proposed loans payable from Federal-aid highway ad-

Could it not by the terms of his amendment be converted into a straight gift to the State?

Mr. LA FOLLETTE. No; it does not do any such thing. May I say to the Senator from Indiana that this amendment will apply only to States which have constitutional inhibitions against the incurring of debt? If this amendment shall be agreed to, I intend to offer another amendment which in each instance in the bill will insert after the word "loans" the words "or advances." In other words, as I understand, the intent of this measure as reported is that, first, those States which desire to make agreements for loans with the Reconstruction Finance Corporation may do so, in which case the money advanced will be regarded purely as a loan and will be repaid according to such agreement as may be entered into between such States and the Reconstruction Finance Corporation.

Mr. PITTMAN. Mr. President, may I ask the Senator from Wisconsin a question?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. LA FOLLETTE. I will yield in just a moment. The second method-provided, as I understand, to take care of States which are not permitted under their constitution to incur debt—is that the State may receive money in advance from the Reconstruction Finance Corporation which shall be paid back out of future Federal highway-aid grants. Therefore I merely wish to make perfectly clear in this proposed act that the legislative intent is that there are these two methods and to provide that the Reconstruction Finance Corporation shall not raise the issue as to whether a State is in a position under its constitution to incur a loan or debt. I now yield to the Senator from Nevada.

Mr. PITTMAN. Mr. President, as I understand the amendment, as it now reads, it is designed to prevent the Reconstruction Finance Corporation from passing upon the constitutional authority of the States receiving an advance.

Mr. LA FOLLETTE. The Senator is correct.

Mr. PITTMAN. I think the Senator's amendment would have been understood much better if he had first offered his amendment proposing to insert in various places the words or advances." As that portion of this bill was originally prepared by the Senator from New York and those who assisted him, the word "loans" was not used; the money distributed through the Reconstruction Finance Corporation was treated solely as an advance because the committee had under consideration the legal questions that have been discussed here.

Mr. LA FOLLETTE. I think the word "grant" was used in the original bill.

Mr. PITTMAN. The word "grant" was used. However, I think the word "advance" is the proper word. I can not conceive how there can be any legal question if we treat it as an advance, because the Federal highway act is the authority for the Federal Government to advance the money to the States; the Federal Congress has the right to repeal that act any time they see fit, and they have then the right to reduce that amount any time they see fit. What they are doing is to make the States distributing agents for the Federal Government, and at the same time they are modifying the Federal aid highway act by saying, "At a certain date, if you accept this trusteeship, we are going to reduce that advance." So I really think the word "loan" ought to be stricken out of this measure all the way through and the word "advance" substituted in its place; and where reference is made to the interest rate the provision as to the interest rate should be stricken out, and we should authorize the deduction from future advances of road funds, not only of the principal but whatever interest may be agreed on.

Mr. COUZENS. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. COUZENS. I should like to ask the Senator from Nevada as to whether there is any real security in making vances? In other words, those advances have to be matched by the States, and at any time that a State refuses to appropriate or feels that it has built sufficient roads and does not desire to build any more roads and just stops matching the Federal appropriation, of course, there is not any money coming to that State from the Federal Government.

Mr. PITTMAN. I will say to the Senator that there will be very few States during the next 20 years that will not be getting advances of money for highway construction. It will be understood that the act was passed in the first place on the theory that, after a road was built, from that time on the State should keep it in order; but the interpretation of the act has gone to the point of covering the rebuilding of roads at certain periods. As a matter of fact, every road now is rebuilt about every five years, and between the 5-year period it is kept up by the States at their own expense.

The committee, in talking over the matter with the Bureau of Federal Roads and after investigating this whole question, came to the conclusion that it was certain that there would be advances for a sufficient length of time to pay back this money with interest. That was our information.

Mr. COUZENS. But there is no legislation to that effect now.

Mr. PITTMAN. No; and Congress can legislate itself out of this loan.

Mr. COUZENS. Not only that but the States can legislate themselves out of paying back the loans.

Mr. PITTMAN. Undoubtedly they can legislate them-

Mr. COUZENS. In other words, any time a State refuses to match the Federal money there is no money from which we can deduct these loans.

Mr. LA FOLLETTE. Oh, Mr. President, may I interject a suggestion at that point? If a State does not appropriate any money to match the Federal aid, then it will not be a deduction of one-fifth; it will be a deduction, so far as the net effect on the Treasury of the United States is concerned, of the entire amount to which the State would ordinarily be entitled.

Mr. COUZENS. Oh, no; that is not so, because the State would not have any money coming from the Federal Government until it had matched it; so that there would not be any sum from which to deduct.

Mr. LA FOLLETTE. But the point is we are interested, so far as the Federal Government is concerned, in the amount that is paid out.

Mr. COUZENS. Oh, no! In other words, the Federal Government's interest is in building roads and not in saving any money that might be coming due to the States. We do not enter this cooperative plan of road building for the purpose of either loaning money to the States or for the purpose of saving money for the Federal Government, but rather for the purpose of building roads; so that any time a State says, "We have all the roads we need; we are not going to match any more Federal funds," of course there would be no way of liquidating their loan.

Mr. PITTMAN. Mr. President, will the Senator let me answer that and sit down?

Mr. LA FOLLETTE. I confess I do not see the point made by the Senator from Michigan. I am glad to yield to the Senator from Nevada.

Mr. PITTMAN. I think the Senator from Wisconsin has practically answered what I had in mind, that the best advice we can get from the Federal Government is that there would be no question about the security; but I will say this: If there was a question about the security, then we find ourselves in the position that the distinguished Senator from Michigan raises in his own mind a legal question against the loan that makes it impossible, and then he turns around and raises a legal question against the advance that makes it impossible, when right now I venture to say that the President of the United States is being flooded with demands for immediate relief, and practically all of these questions have come down to some technicality by which we can do nothing.

I contend as a lawyer—I may be wrong, but I have a right to contend—that while on the loan theory under certain conditions this money might not be available, under the advance theory it is absolutely legal, because we simply make the State the distributing agent for this amount of money, and we deduct it in the future.

Mr. GEORGE. Mr. President, will the Senator from Wisconsin permit me to move to strike out the word "loans," on page 2, in line 10, and insert in lieu thereof the word "advances"?

Mr. LA FOLLETTE. Mr. President, I stated before the Senator rose that I had an amendment which I intended to offer following the action upon this amendment, which in each instance throughout the bill would insert, after the word "loans," the words "or advances."

Mr. GEORGE. I was asking to make that amendment because there was one other that I wished to propose before the amendment which the Senator now offers is voted upon; but if he prefers to have a vote upon his amendment, very well.

Mr. LA FOLLETTE. Mr. President, responding to the suggestion made by the Senator from Nevada, I think I shall withdraw this amendment temporarily, and offer an amendment to insert the words "or advances," and let us pass on that question first. I have no desire, however, to interfere with any amendment which the Senator from Georgia thinks should be acted on prior to this one. Therefore, I will not offer it at the moment.

The VICE PRESIDENT. The Senator withdraws his amendment.

Mr. GEORGE. Mr. President, I am quite willing for the Senator from Wisconsin to offer it; but I had in mind offering the amendment in this form—that beginning on page 2, at line 10, the words "or advances" be inserted following the word "loans."

Mr. LA FOLLETTE. I have an amendment which will do that all the way through the bill.

Mr. GEORGE. But will the Senator permit me to ask him if his amendment strikes out the word "loans," or does it merely insert "or advances"?

Mr. LA FOLLETTE. No; it inserts "or advances" after the word "loans."

Mr. GEORGE. I am quite willing for the Senator's amendment to be acted upon, then.

Mr. LA FOLLETTE. I offer the amendment.

The VICE PRESIDENT. The Senator from Georgia withdraws his amendment, and the Senator from Wisconsin proposes the amendment stated by him.

Mr. JOHNSON. Mr. President-

Mr. LA FOLLETTE. I yield to the Senator from California.

Mr. JOHNSON. Why not strike out the word "loans" altogether?

Mr. LA FOLLETTE. If the Senator will look at the printed amendment, that is what I intended to do; but after conferring with the Senator from New York and the Senator from Nevada and the Senator from Michigan, they convinced me that it was desirable to leave the word "loans" in for the purpose of permitting States that desired to do so to enter into an agreement with the Reconstruction Finance Corporation to make loans which will not be deducted from future highway funds.

Mr. JOHNSON. Could they not enter into such an agreement just as well regarding advances, or if the money were extended in any other form than by a loan? The use of the word "loan," as the bill now stands, is a mere protective coloring, it strikes me, and is of no value at all.

I do not press the question. It is a mere question that I asked.

Mr. WALCOTT. Mr. President, I agree with the Senator from California that the word "loans" is a rather slim protective coloring; but it may add a little bit to the dignity of some of the States, because there are a good many States that would prefer to look on this whole transaction as a collateral loan. The word "collateral" is in no sense

expressed in the bill, but it may be implied by reading here on page 3, commencing with line 6:

Whenever any such deduction is made the Secretary of the Treasury shall immediately pay to the Reconstruction Finance Corporation the amount so deducted. Such deduction shall not be made with respect to any State which, within a period of two years from the date of enactment of this act, shall enter into an

This is the important point, and this implies a definite loan and might be construed to imply even a collateral loan_

shall enter into an agreement with the Reconstruction Finance Corporation for the repayment of the amount of the loan or loans to such State with interest thereon as herein provided, in such installments and upon such terms-

And at the appropriate time I should like to offer an amendment to insert the words, "and at such rate of interest," because, in my opinion, if it is going to be a loan, the rate of interest stated in the bill, 5 per cent, is too

as may be agreed upon between such State and the Reconstruction Finance Corporation.

The PRESIDING OFFICER (Mr. REED in the chair). The amendment of the Senator from Wisconsin is pending; so the amendment suggested by the Senator from Connecticut would not be in order at this time.

Mr. WALCOTT. No, Mr. President; I said that at the appropriate time I would offer that amendment. I am speaking to the amendment of the Senator from Wisconsin.

I see no objection to using the words "or advances"; but I believe it is quite important to keep the word "loan" or "loans" wherever they may appear in the bill, because of the feelings of certain States, and because of the particular clause which I have just read, which distinctly implies a loan rather than an advance.

Mr. LEWIS. Mr. President, I should like the attention of the Senators who have given definite study to this bill.

I beg to say that in the State of Illinois, which I have the honor to represent in part, we have a number of institutions which are themselves incorporated, separate municipalities, some of which are in the city of Chicago, some of which are in different parts of the State. I am moved to note that under this bill the loan is fully administered by the governor, under his direction or upon his responsibility; but I see a complete absence in the bill of any authority on the part of the governor to advance any part of the loan to any of the political subdivisions of the State or of the cities in the State.

I take the liberty to suggest, for the consideration of the gentlemen having charge of the management of the bill, that on page 4, line 14, following the phrase "Any funds made available to a State pursuant to this act shall be administered by the governor, or under his direction, and upon his responsibility, subject to the laws of the State," there be added the following words:

Nothing herein forbids the governor of any State advancing a portion of the loan to any department or separate political organivation of the State.

Mr. WAGNER. There is no objection to that. Mr. LEWIS. If that is acceptable, I will put it in a little more definite form.

The PRESIDING OFFICER. The amendment can not be offered at this time, because there is an amendment pending.

Mr. LEWIS. I was unconscious that I was intruding upon that. Then at the proper time I will return to the question and present the amendment anew.

Mr. LOGAN. Mr. President, I think the amendment of the Senator from Wisconsin is very important. At least, it affects my State, because I am quite sure that Kentucky would have no desire to accept any money when it knew it would not be able to repay it; and I believe the Reconstruction Finance Corporation would be justified in refusing to make any loans to any State when there was an inhibition in its constitution against its burdening itself with further indebtedness.

While I have the floor, however, I desire to take a few minutes' time to express my views about this entire legislation.

This bill has been prepared by Senators in whose judgment I have great confidence. They are leaders on this side of the Chamber, and I assume they have been assisted by some of the leaders on the other side of the Chamber; and, after all, I might well be guided by their judgment. But there are some things so fundamentally wrong in the entire proposal that I beg to state my opinions about the questions involved in this legislation.

I think it would be far better if we proposed to make a donation to the States, and did not attempt to conceal our act in verbiage and by provisions which do not mean very

I am not unmindful that there is more suffering in the Nation to-day than at any time since its foundation. I am not unaware that millions of children are crying for bread while the mothers, pale and wan, can only pray, although more than half believing that God has turned His face away. I can but hear the tramp of millions as they vainly seek for work, with downcast eyes and lagging steps, wondering why men must suffer and women must weep, while their children starve

Indeed, the situation is one calling for the best thought of the best minds of all the people of the Nation; but withal there must be sober judgment. It is better that great fortunes disappear, that industry vanish away, that hunger prevail, than that the Nation be destroyed, or its life greatly endangered

Natural laws can not be created, repealed, or modified by legislation. Congress should know there are many things which it can not do. It can not legislate prosperity into the Nation. About all that it can do is to regulate the relationships of the people the one toward another under rules that are fair, and allow them to work out their own salva-

It is now proposed to make the Federal Government the guardian of its citizens. If that should be done, the Nation soon must perish. There can only be a free nation when the people themselves are free and administer the government which they have set up to protect their rights. Where the general government must provide work, and incidentally food and clothing for its citizens, freedom and individuality will be destroyed and eventually the citizens will become serfs to the general government. They are no longer free and they no longer support the government when they look to the government to support them. The government then becomes an absolutism. It can support its citizens only by going into private business for profit, with the resulting destruction of all private profits.

The General Government has fallen into hard lines. Its citizens can not support it easily, so it is proposed to reverse laws formerly thought to be sound and go into the business of supporting citizens apparently with little understanding that the Government is but a collection of all the people. If the people, therefore, at this time can not support the Government, how can it be reasonably said that the Government can support the people?

It is proposed that the Government embark upon a great program to give aid to the unemployed. This sounds well when so stated, but it will not work. It can not work, because it is an effort to reverse the operation of a fundamental law. The plan admits that the Nation is burdened with debts and it is attempting to make the debts less irksome by creating more debts. The States, counties, and municipalities are now indebted beyond their ability to pay, so the plan is that they shall cure their ills by heaping up more debts. Debts must be paid or repudiated. If they are paid, the burden must rest upon those least able to pay. many must pay because they have no way to protect themselves from the exactions in the form of taxes.

We have recently talked much about taxes and taxation. There are wise men who believe that the rich and powerful can be taxed and the poor may be allowed to escape. Their belief is a delusion. Taxes always sift downward until they

find lodgement on those least able to bear them. That is one reason why the many stay poor and the few are rich. The poor largely support the Government. A great blessing will come into the world when they are made to understand that the people but add to their own misery when they induce their Government to make appropriations of money supposedly for their benefit.

The plan now before us for the relief of a distressed people and to bring prosperity to a prostrate Nation is like unto a farmer who finds that he can not pay his interest, his bills for necessaries, or the expenses for the education of his

children, and says:

I am broke and bankruptcy seems just around the corner, but I know how to remedy my condition. I will pull down my old barns and build new ones. I will place a third mortgage on the old homestead, obtain more money, increase my interest charge, hire more men to till the farm, and erect new buildings.

The intention of such a farmer may be good, but his neighbors would say of him that he was crazy.

Or the plan is like unto a certain railroad which found that it could not earn anything available for betterments, interest, or dividends. Its board of directors decided that it would increase wages, employ more men, double track its system, and pull down its old depots and build new ones. Such a board of directors would be deservedly censured by the angry stockholders of the corporation.

Or the plan before us is like unto a certain merchant who found that his sales had fallen off until he could not pay his bills, and who said:

I will buy more goods and put up a new storehouse, and I will sell more goods on credit.

His end would soon be in the bankruptcy courts.

The Senate of the United States has greater responsibilities than any like number of men in the world. No plan or chart for the Nation can be devised without the approval of a majority of the 96 men who constitute the Senate. The happiness and prosperity of the people of the Nation depend upon what the Senate does, and the happiness and prosperity of the world depend largely on how we chart the course of our own Nation. The responsibility of a Senator is, therefore, great. He should never fail to act as one having upon him large responsibilities. With these vast responsibilities resting upon the Senate, what is the real problem confronting us? The revenues of the Nation have dried up as the streams in a great drought. The prospects are that we will derive no more revenue in the years of the immediate future than is necessary to pay those charges which can neither be reduced nor eliminated. The interest and amortization of the public debt and the obligations to veterans already incurred aggregate about \$2,000,000,000. If it takes all of our revenue to discharge these obligations there will be nothing left with which to pay the ordinary running expenses of the Government. The Nation, therefore, is in the plight of the farmer, the railroad, and the merchant I have mentioned. The wisdom of the Senate may determine that we should do that which in the business world would cause those acquainted with our acts to regard us as unfitted for the high trust which has been vested in our hands. What I am saying will not be popular, but it is the truth. Believing that I am right, I dare to stand alone if necessary. I would prefer to follow the right course alone than to follow error with a multitude.

I would not have it understood that I am unwilling to vote for a measure that will aid in bringing relief to those who are suffering through no fault of their own. If we must relieve distress, and I think we should, let us do it boldly, and make such a donation out of the Treasury as the necessities of the occasion may require.

It is true that we may carry on a great program of public works by selling bonds, but with failing revenues interest rates will have to be increased if the bonds are not to fall far below par. Even with increased interest rates we can not continue to sell bonds indefinitely. I have heard it suggested that because of our vast values represented by the assets of the people of the Nation there is almost no limit to the amount of money we can raise through the sale of bonds.

That is a fallacy. We can maintain the credit of the Nation only so long as we can meet all of our obligations by reasonable tax rates. When we are forced to go above rates that are reasonable, then comes confiscation, and a nation can not long exist when it must confiscate the property of its citizens to pay its debts.

There is a greater reason however, why the proposed legislation is dangerous. Centralization of power is the greatest danger that confronts any republic. The downfall of free governments, if I understand history aright, has been caused by the centralization of the power of administration. Generally the greater the power placed in the hands of the administrators the less the power of the people, with a necessarily corresponding reduction of rights, or the limitation thereof. With every step in centralization of power there must be the surrender of rights by the people, and if the process is carried far enough government by the people ceases and government for the people becomes supreme. It is then that free government, as we understand it, ceases to exist.

The downfall of free nations in the past may have been contributed to by lack of the federal principle and the failure to divide the powers of government into branches, each acting as a check upon the other; but the prime cause has ever been the centralization of power in the hands of officials who, through errors, shortcomings, or corruption, have trespassed upon the rights of the citizens until disaster came, bringing with it ruin.

That which has happened to free nations of the past will recur when the same or similar conditions prevail. Centralization of power eventually brings its ruthless exercise, and always to the detriment of the public welfare, resulting in injustice, inequality before the law, the creation of poverty, misery, and unhappiness, and when pressed too far will bring violent revolution and the destruction of all functions of government. At such a time it is not a dictator we need, whether he be an Alexander, a Cæsar, a Napoleon, or a Mussolini, but the need is for the decentralization of power and the restoration of rights to the people. Those who have been favored with power, position, or wealth should not forget these first principles of statecraft.

The makers of our Constitution were men not unacquainted with the history of nations. It has been said that there is little new in that instrument other than the federal principle. It was the application of age-old principles to new problems. Knowing the weaknesses of the free governments of the past, the makers of our Constitution sought to guard against these same weaknesses. It was in their minds that they must build bulwarks against the centralization of power in the hands of the officers of the Federal Government. It was therefore provided that the powers of government should be divided into three coordinate branches. and that, in so far as possible, each should be independent of the other. The powers of the Congress were limited and strictly defined, as were the powers of the judicial and executive branches. It was thought unwise to allow the President to do more, so far as legislation was concerned, than to point out to the Congress the state of the Nation from time to time, leaving it wholly to the Congress to find solutions for the problems needing attention. When a solution was found and expressed in an act, the President was given power to show his disapproval by a veto.

It may be that it was well that the makers of our Constitution could not lift the veil that shut out a view of the future, else in looking down the aisle of time to the present day they might have desisted from their noble work, believing it would be nullified by the centralization and abuse of power.

The makers of our Constitution provided in it that certain powers should be conferred upon the general Government. It was given the power to raise revenue to carry on the affairs of the Government within constitutional limits; to regulate commerce; to declare war or make peace; to provide an Army and Navy; to coin money, and to regulate the comity and intercourse of the several States. These powers were hedged about with restrictions, and the Federal Gov-

ernment was given no other power through any of its branches. All other powers were reserved to the States. The reservation of those powers was safeguarded with jealous care. It was expected that the States would function as sovereigns, fully exercising every power and right save those surrendered to the General Government. It was intended that the weight of the Federal Government should bear lightly on the States. The States delegated to the Federal Government certain functions that it could best berform for the common good of all of the States. All other matters were to be looked after by the States.

The Constitution was not adopted without a struggle between those, on the one side, who believe that centralization of powers in the General Government was highly essential and those, on the other side, who believe that the powers of the General Government should be severely restricted. Those who favored the former view did not succeed in the convention, and the states ratified the Constitution as submitted, at the time believing that the reserved powers should be more clearly defined. Hence the submission of the first 10 amendments by the First Congress. Each of those amendments conferred powers and rights upon the people. In fact, no amendment has ever been adopted taking rights from the people and conferring them upon the general Government save one, the eighteenth.

The shades of Jefferson and Hamilton have continued their fight over the theories of government that divided them when they lived. Jefferson's theories prevailed for more than three-quarters of a century, and generally during that period the people were ever vigorous in defense of the rights vested in them by the Constitution. But the rights of man can be maintained only by eternal vigilance, and the sentinels on the watchtowers finally slumbered. Gradually at first, and with more rapidity later, the Hamiltonian theories replaced those of Jefferson, until the theories of Hamilton largely prevail at this time. The reserved powers and rights have been invaded and almost entirely swept away. The sad part of the story is that the States have consented to their own ravishment. They have, in a large measure, surrendered their sovereignty in consideration of gold appropriated out of the Federal Treasury, and in their eagerness to obtain it they have increased taxes and debts until they are deluged with evils which they at one time thought were blessings. The powers of the States have become paralyzed because of their failure to exercise them. They have tasted the fleshpots of the Nation's Capitol and year after year they return and, like Oliver Twist, they hold out their porridge bowls and ask for more.

And the voice of Jefferson is stilled. His spirit walks no more. The Hamiltonians, like Jeshurun, have waxed fat and kicked.

A Member of Congress is too often judged back home by what he has been able to obtain in money from the Federal Treasury for distribution among his constituents. If he gets much, he is an able Member; if he gets little, he is weighed in the balances and found wanting. Neither should the Members be blamed too harshly for their activities in securing appropriations for their constituents. Many Members must abhor it, but when it rains money they would be subject to censure if they did not turn their plates right side up.

We have followed wrong theories of government until we have brought about the conditions which destroy free governments. The Nation will struggle along for a while with its ever-increasing burdens, but unless we chart a different course and sternly walk therein the Nation will fall as others have fallen. Decentralization of power and the exercise of their sovereignty by the States is the remedy whereby salvation must be found. The Federal Government should look after Federal matters and the States should look after their own affairs. That is the road back to the place where we lost the way.

When the Israelites had forsaken their laws and thereby brought great tribulations upon themselves; when they were eating of the bread of adversity, as we are now, and had lost the way, as we have, the old prophet said to them:

And thine ears shall hear a word behind thee saying, "This is the way, walk ye in it; when ye turn to the right hand and when ye turn to the left!"

So should it be with us in this dark hour. The word of our fathers is behind us. They knew the way. All along the road there are voices—deceptive voices—calling us to turn to the right or to the left and follow in a new way. When we consider a turning, let us listen to the word behind us, because it contains the wisdom of the ages.

We need to consider at this time the problems that confront us fairly and dispassionately. It is useless to discuss the party responsibility that has brought this evil day. Our great task is to solve the problems and talk about blame or credit thereafter. It is enough to say that during the past few years we have sailed the ship of state in a sea of glory—dreaming the while rainbow-tinted dreams. But the dreams are ended, we have awakened, and there is a gray mist on the sea's face and a gray dawn breaking.

There has been much talk about the departments, establishments, bureaus, boards, and commissions. Indeed, there are far too many of these; but I do not rail at them. Congress created them. There is no denying that as long as they function they must be supported by appropriations. Many of them exist because of the centralization of powers in the Federal Government. We should gradually withdraw all appropriations now made to the States and make no new ones. If we follow that plan we will be able to reduce the expenses of government by abolishing the instrumentalities now engaged in rendering aid to the States.

The Congress has been making appropriations conditioned upon the matching of the appropriation by State legislatures for this, that, and the other project. As a result, the States have incurred indebtedness and increased taxes, believing that they would lose their part if they neglected to take advantage of the offer made them by the Congress. The carrying out of the joint enterprise has been the chief cause of the many bureaus now in existence at Washington, and bureaus are always certain evidence of the centralization of power.

Some vote for these appropriations to the States on the ground that a few of the richer States pay the greater part of the taxes, and that the appropriations for the building of roads and other State-aid projects is a justified redistribution of wealth. It would be far better if the laws should be such as to prevent any groups receiving, in the first place, more than a fair proportion of the earned wealth of the Nation. If it has been through the favoritism of law that the citizens of certain States have acquired great wealth it does not seem to me that the distribution of wealth by making appropriations to the States can therefore be justified. It is true that some of the States receive more money from the Federal Treasury than they pay into it, and it may be admitted that it is difficult for some of the States to take care of the governmental expenses incident to the conduct of their governmental affairs. None of these things justify the appropriation of money directly to the States and the resultant creation of bureaus to look after its expenditure.

The cost of all government in the United States has grown to such immense proportions that everyone agrees that there must be a reduction. The people in the smaller units of government are clamoring for a great reduction in the expenses of operating the Federal Government. No doubt the expenses of operating the Federal Government should be very greatly reduced, but relief can not come to the people solely through the reduction of the expenses of the Federal Government. The people need to economize in the local units. In 1923 the cost of local government—that is, counties, townships, and municipalities—was \$4,793,000,000. That cost increased every year until 1932 when it was \$8,292,000,000, or an increase of \$3,499,000,000, which means that the expenses of local government for the 10-year period increased 73 per cent. In 1923 the cost of State government was \$1,242,000,000. That cost steadily increased until 1932 when it was \$2,364,000,000, or an increase of \$1,122,000,000, which means an increase of 90 per cent during the 10 years. In 1923 the cost of the

Federal Government was \$3,885,000,000, which had increased to \$4,434,000,000 in 1932, or a net increase of \$549,000,000, which means an increase of 14 per cent for the 10-year period.

Mr. WALSH of Massachusetts. Mr. President-

The PRESIDING OFFICER (Mr. George in the chair). Does the Senator from Kentucky yield to the Senator from Massachusetts?

Mr. LOGAN. I yield.

Mr. WALSH of Massachusetts. In connection with the figures the Senator has just presented, may I remind him that I introduced in the Record yesterday a letter from the Secretary of the Treasury showing that the interest payments made by local governments annually now amount to a trifle over \$1,000,000,000, and the interest payments on loans of the United States Government, State governments, and local governments, approximate \$2,000,000,000 annually?

Mr. LOGAN. That is true. I am very glad the figures were placed in the Record, because we ought to make the people of the United States realize that we can not relieve them of very much of their tax burdens even if we abolish all the departments and bureaus in Washington. It is not possible. The heavy burden is in the local governments and the State governments.

Mr. WALSH of Massachusetts. Incidentally, it might be added that all of that interest which is being distributed annually passes practically untaxed.

Mr. LOGAN. Yes; nearly all of it.

So far as tax burdens are concerned and the cost of Government, it will be seen at a glance that it is the local and State governments that have increased their cost most rapidly. The cost of all government for the present fiscal year will aggregate, according to the figure given above, \$15,090,000,000. If the entire expenses of the Federal Government should be eliminated, the cost per capita of local and State governments would be above \$88. It is well for the people to insist that Congress cut down expenses, but they ought to be told that the tax burdens can not be greatly lightened if nothing more is done than to reduce the expenses of the Federal Government. They must commence at home and see to it that reduction is made in the cost of local government and State government.

It must be admitted, however, that the example of the Federal Government in distributing its funds with a prodigal hand has encouraged State and local governments to increase their expenses. High income-tax rates have contributed much toward the cost of these governments. In seeking for tax-exempt securities encouragement has been offered to States, counties, cities, and municipalities to embark on the expenditure of money for projects in many instances not absolutely necessary. The ability of these governments to sell bonds at a low interest rate has contributed greatly to their present unfavorable condition. The favorable terms on which the bonds could be sold has been brought about largely by reason of high income taxes which have caused those seeking a way to avoid them to search diligently for securities exempt from such taxes.

It is now proposed that we go farther than we have ever gone before in assuming the functions of the State and local governments. I do not think we should take this further step. It is a violation of fundamental principles, and however great the need the evil which will flow from it will be greater than any good that can be derived.

It may be well argued that the people must have relief. That may be admitted; but it would be a lesser evil if, representing all the taxpayers of the Nation, Congress should make a donation, through proper channels, to help relieve suffering. Individuals are called upon to do so, and their contributions have not been sufficient; and while it may be wrong in principle, yet with the needs so great an appropriation for direct relief might be justified.

Mr. WAGNER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from New York?

Mr. LOGAN. I yield.

Mr. WAGNER. I take it the Senator's attitude is that the whole appropriation should not be in the form of a loan or an advance, but a direct gift to the States?

Mr. LOGAN. I will say to the Senator from New York that under the great emergency which exists, the need makes it imperative that we shall violate some fundamental law of government, and instead of covering matters up by making it appear that it is a loan to the States, when in truth it is not a loan to the States, because it is not expected the States will ever pay it back unless the Government gives them the money to return, the proper thing to do would be to make a direct appropriation and allow the governors, through the State agencies, to distribute the money to suffering people as a gift.

Mr. WAGNER. The reason why I ask the question is not because I am quarreling with the Senator's philosophy. I voted for the direct-gift plan when we had up that pro-

posal.

Mr. LOGAN. So did I.

Mr. WAGNER. Yes; I know the Senator did. In analyzing the vote I decided that a majority of the Senators were opposed to a gift and in favor of some form of a loan. It was for the purpose of composing the difference which divided us here that this proposal was advanced.

Mr. LOGAN. I realize, may I say to the Senator from New York, that the man who has a goal out in front of him and wants to get there sometimes must walk a tortuous path, because he must take into consideration conditions as they exist and not as he would have them. I fully understand that.

We have read through the newspapers and heard through many public speeches the words "dole, dole" until Congress has become afraid and Senators, I think, apprehend that they might have some difficulty in explaining that they had voted for that which is called a dole. Indeed, it would not be a dole. It would be a donation, just as the Senator makes a donation to welfare out of his pocket. We represent the people. When the people are unable to feed the hungry, then, instead of having these voluminous plans which will absorb much of the money that ought to go to feed the hungry, let us give it direct, boldly admitting that it is fundamentally unsound, but that events justify it.

Mr. LEWIS. Mr. President, permit me to say to the Senator from Kentucky [Mr. Logan] and to the Senators who have listened, I am sure, with admiration to the Senator from Kentucky, that the Senate expresses a legitimate obligation for the historical and fundamental treatise of the eminent Senator from Kentucky. I might say, sir, harking us back to those fundamentals of governments, ancient and modern, fulfilling at this time the necessity of complying with the sacred doctrine and admonition of the fathers crying out now unto us, "Remove not the ancient landmark thy fathers have set."

But I wish at this moment, sir, to ask if the amendment which I offered is timely now, or has the Senator from Wisconsin disposed of his amendments, which would make this the appropriate time for me to offer my amendment?

Mr. LA FOLLETTE. Mr. President, I have not yet had action on the amendment pending, and as soon as that is disposed of I desire to offer the other amendment which I have printed and lying on the table.

Mr. LEWIS. I must admit, sir, that my amendment is subordinate in time to the two amendments of the Senator from Wisconsin. I bide my time until he has concluded.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that the amendments now pending may be considered and voted on en bloc.

The PRESIDING OFFICER. The Senator from Wisconsin asks unanimous consent to have the amendments considered and voted on en bloc. Is there objection?

Mr. BULKLEY. Mr. President, I ask that the amendments be stated.

The PRESIDING OFFICER. The amendments of the Senator from Wisconsin will be stated for the information of the Senate.

The legislative clerk again read the amendments.

quest of the Senator from Wisconsin to vote on the amendments en bloc? The Chair hears none.

The amendments were agreed to.

Mr. LA FOLLETTE. Mr. President, I now offer the following amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. On page 4, line 14, after the period insert the following:

Nothing in this act shall be construed to authorize the Reconstruction Finance Corporation to refuse to make an advance to any State because of existing constitutional inhibitions upon the State or because the State has borrowed to the full extent authorized by State law. The amount for which application is made shall be immediately payable to the State upon the filing of the application and delivery to the Reconstruction Finance Corporation of the receipt required by section 3.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. COSTIGAN. Mr. President, the amendment of the Senator from Wisconsin furnishes as good an opportunity as any other for brief reference on my part to the subject now before the Senate. It was not my purpose to speak on this occasion. My interest in the main subject, however, is of such a character and was evidenced so early in the present session that I do not feel warranted in voting without indicating some serious defects, which, in my judgment, inhere in the proposed legislation and the true legislative path Congress should now pursue.

In so saying, as already stated to the Senator from Missouri [Mr. Hawes], I have no disposition to halt or interfere with any reasonable effort which will extend relief in this critical hour to the stricken people of the United States. The emergency is so great, the necessity for the relief of suffering so compelling, and the obligation resting on the Government of the United States so primary, that no one here is justified in delaying even for a moment on purely technical ground any effective Federal relief. Certainly we all rejoice that legislation which was taboo in January is sanctified in June. However, in fairness to the permanent reputation of some Members of this body, it should be emphasized as already in some measure suggested by various tendered amendments, that the bill sponsored by the able Senator from New York [Mr. WAGNER] and his colleagues lacks both adequacy and safeguarding administrative features.

Senators on this floor to-day have properly pointed out the subterfuge resorted to by provisions in the pending bill for "loans." when in essence it must be the underlying intention of Senators who are behind this proposed legislation really to authorize grants, with a view, no doubt, to ultimate cancellation of such obligations as are for the time being to be imposed on future Federal highway funds of the several States.

Mr. KING. Mr. President, will the Senator from Colorado yield to me?

Mr. COSTIGAN. I yield to the Senator from Utah.

Mr. KING. I have been present during the entire discussion, and I am somewhat amazed at the statement made by the Senator, because I had supposed that it was fully understood that the advances to be made under the proposed legislation were to be regarded as loans which ultimately must be paid by the States, either in direct appropriations or to be subtracted from the road funds which might be allocated to them. If this bill provides for a direct gift to the States, and we are guilty of a subterfuge, to use the Senator's language, I should be disposed to vote against it. At any rate, I should find very great difficulty to reconcile with my judgment and my conscience the approval of a bill that called for direct gifts to the States, because it must be evident that the money is to come from the people of the various States; we have a dual form of government, and there are obligations resting upon the States. I see no reason, if ample time shall be given to the States and ample opportunity shall be afforded to them to make payment to

The PRESIDING OFFICER. Is there objection to the re- | the Government, why we should say the money to be advanced under this bill is a gift to the States. Therefore I inquire of the Senator whether he interprets the bill to provide for gifts and whether he thinks that back of it is the intention to cancel any obligation whatever upon the States to make return to the Government?

Mr. COSTIGAN. Mr. President, the Senator from Utah must and doubtless will follow his judgment and conscience as a legislator, but anyone who has observed the course of the arguments this morning, together with amendments already approved, must conclude that, so far as practicable. the Senate is now engaged in the task of separating itself from the announced Federal purpose of this bill to make loans by substituting "advances" to the States. Indeed, the absurdity and injustice of the loan proposal have not been made manifest for the first time on this floor this morning. Months ago the constitutional inhibitions barring many of the States of the Union from contracting indebtedness by way of loans for the relief of individuals were demonstrated to the Senate. Constitutional clauses of State after State of the Union have been drawn to our attention. As a practical matter loans of the character provided for in the bill are idle gestures toward some of the States, except on the assumption that the loans are grants in aid and that deductions from future road funds will ultimately be forgotten.

A State presumably does not escape its constitutional obligation with respect to loans by agreeing to future deductions from a road fund or any other property interest of the Commonwealth. The loan is still a loan. Indeed, if I correctly gathered its meaning, the purpose of the amendment of the Senator from Wisconsin, now pending before the Senate, is to remove from the States which have such constitutional restrictions as have been mentioned the duty of pledging the credit of the State for unemployment relief purposes.

I come back, therefore, to my original suggestion that we have here an effort on the part of the framers of this proposed legislation under the form of loans to make, in substance, grants of Federal funds to the States. In any event, in the long run I have no doubt, if the course now mapped out shall be followed, and certain States take what are termed loans, while other States receive what they consider unconditional gifts, however camouflaged, such unequal conditions will be created that Congress, if only under the pressure of equity, will ultimately feel constrained to cancel all obligations so initiated. Nor do some of us who for six months have urged national remedies for a national economic calamity, comparable to the scourge of pestilence or war, shrink in the slightest from a frank advance acceptance of the realities.

By way of further comment, if we adopt literally and seriously the policy of providing for deductions from future Federal highway funds, we are destined to do serious damage to combined Federal and State road-building programs in various sections of our country. It goes without saying that such a development would be unfortunate.

Some other features of the measure fall short of desirable legislation. For example, the amount now sought to be appropriated, however, determined under presidential guidance, falls far short of the needs of the country. Even more unfortunate, there are no safeguards in the bill insuring that the appropriated funds will be distributed where most needed, with full utilization of the knowledge, experience, and efficiency of trained social workers. Emphasis on the view that the States are to receive loans from the Federal Government without Federal guidance, supervision, and restraint customary in laws authorizing Federal aid to States suggests to the States freedom to do as they see fit with funds so contributed by the Federal Government. Moreover, the pending bill unfortunately allocates all appropriated funds on the basis of population, ignoring the crying importance of a reserve fund available for human need in regions without resources and for the army of transient and homeless wanderers for whom local communities are disposed, wherever possible, to deny responsibility.

Mr. DAVIS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Pennsylvania?

Mr. COSTIGAN. I yield.

Mr. DAVIS. I am in receipt of a letter from the Governor of Pennsylvania which sets forth that the attorney general of the State has advised the governor that there are but two methods by which the appropriation contemplated in the Wagner bill may be rendered available for work relief in Pennsylvania, because our constitution prohibits the making of loans without a vote of the people. As to these two methods the letter states:

They are-

1. To have the Federal Government itself construct in Pennsylvania projects self-liquidating in character, instead of lending the money to Pennsylvania to construct such projects; or

2. To have the Reconstruction Finance Corporation itself con-

struct these projects.

Only by amending our constitution could the State be authorized to borrow money from the Federal Government or otherwise, and amendments can not come before the electors of this State earlier than the election to be held the first Tuesday after the first Monday in November, 1933.

So, under the provisions of the Wagner bill, the State of Pennsylvania would be prevented from borrowing money from the Reconstruction Finance Corporation.

Mr. COSTIGAN. Mr. President, the Senator from Pennsylvania was out of the Chamber prior to the adoption of certain amendments offered by the Senator from Wisconsin [Mr. La Follette] designed so far as possible to correct the objection raised by the attorney general of Pennsylvania. The words "or advances" have been added to the word "loans" in the bill of the Senator from New York, and there is now pending before the Senate an amendment offered by the Senator from Wisconsin designed, as I interpret it, to relieve the States, if and when they accept Federal aid, from the State constitutional ban against pledging State credit.

Mr. DAVIS. I want the Senator to understand that I am friendly to this measure; and what I wanted to do was to have it so framed that Pennsylvania might enjoy under it the same benefits that will accrue to other States.

Mr. COSTIGAN. Doubtless the humane Senator from Pennsylvania is seeking what other Members of the Senate desire at this time; and my own criticisms of the bill are directed solely to establish that, though the purpose of the pending bill is meritorious, it is highly desirable that adequate and far better safeguarded legislation be enacted than is here presented.

I shall say little more concerning standards of administered relief which ought to be supported in this projected legislation. Those standards were fully maintained in bills, subsequently combined, presented to the Senate last January by my friend the Senator from Wisconsin and myself and discussed at that time in much detail. Too many of those safeguards are lacking in the bill now submitted.

The Senator from Pennsylvania, of course, need feel little concern, I assume, so far as his Commonwealth is involved, because the governor there, whose disinterestedness is known, will doubtless turn the funds wisely toward human relief; but it is entirely conceivable that in other parts of the country urgent needs of individual groups of citizens for financial assistance may outweigh the needs of the unemployed. I venture, therefore, to urge the attention of the Senate while there is time to the lack of safeguards with respect to the State distribution and use of these funds.

Such distribution, so far as possible, should be through established and trusted State public welfare agencies, yet the bill is silent in that respect.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. COSTIGAN. With pleasure.

Mr. DAVIS. When the funds are turned over to the State, does not the Senator think it would be advisable for the governor, where there are relief agencies in the several communities, to turn over the money to them?

Mr. COSTIGAN. Without question, in my judgment, the funds, wherever practicable, should be distributed through established welfare agencies under the administration of trained social workers.

Mr. DAVIS. I am in hearty accord with the Senator.

Mr. COSTIGAN. For the reasons assigned, sir, without further elaboration of my views—with which the Senate has long been familiar—it is my intention before the bill of the Senator from New York is submitted to the Senate, to offer for consideration, by way of substitute and for the sake of the permanent Record, another bill now pending before this body.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. La Follette].

Mr. THOMAS of Oklahoma. Mr. President, may we have the amendment stated?

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. On page 4, line 14, insert the following:

Nothing in this act shall be construed to authorize the Reconstruction Finance Corporation to refuse to make an advance to any State because of existing constitutional inhibitions upon the State or because the State has borrowed to the full extent authorized by State law. The amount for which application is made shall be immediately payable to the State upon the filing of the application and delivery to the Reconstruction Finance Corporation of the receipt required by section 3.

Mr. THOMAS of Oklahoma. Mr. President, in my State we have a constitutional prohibition against the State's borrowing funds in excess of \$400,000 save through and after a direct vote of the people. In other words, the legislature must propose the form of loan, it must be referred to the people at an election, and the electors must express themselves in favor of the loan before it can be legally made. Therefore the terms of this bill would make available the sum of only \$400,000 to my State as its provisions are now formed.

I think I understand the provisions in the form of the amendment submitted by the Senator from Wisconsin. To the end that my interpretation may be stated, I submit the text of an amendment and ask that it be stated for the information of the Senate. After it is read, I desire to ask the Senator from Wisconsin whether or not, in his opinion, my amendment would do the same thing in effect as his pending amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to add to the end of line 14, page 4:

Provided, That where constitutional or legal limitations or prohibitions exist against the incurring of obligations by any State, the said Reconstruction Finance Corporation, relying upon the self-liquidating provisions of this act and the future act or acts of such State receiving such loan to protect the financial power and credit of such State, is authorized to make such loan as provided herein, notwithstanding such limitation or prohibition.

Mr. LA FOLLETTE. Mr. President, I think I can assure the Senator from Oklahoma that the objective which he seeks to accomplish by his amendment is fully accomplished by the one which is now pending. In other words, what is desired here is not to give any discretionary power to the Reconstruction Finance Corporation to withhold loans or advances to States because of the constitutional provisions or the statutory provisions of any State against incurring loans; and once a State has filed its application through its governor, and filed its receipt as provided in this bill, it is then made directory upon the Reconstruction Finance Corporation to pay out the sum allocated to the State.

Therefore I can assure the Senator that this amendment fully protects the State of Oklahoma and other States which may have constitutional provisions against the incurring of indebtedness.

Mr. THOMAS of Oklahoma. Mr. President, may I submit a similar inquiry to the author of the bill, the Senator from New York?

Mr. WAGNER. I concur in everything that the Senator from Wisconsin has said. Of course, I have contended that the original bill amply protects the States.

Mr. THOMAS of Oklahoma. My purpose in suggesting this amendment was to have an interpretation; and, relying upon the answers given me by the author of the pending amendment and likewise the author of the bill, I shall not urge the amendment, and content myself with having it printed in the Record.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin [Mr. La Follette].

Mr. BULKLEY. Mr. President, the pending amendment is exactly in accord with the purpose of the authors of the bill. Strictly speaking, I do not think it is necessary; but as it tends to clarify the intent of the bill, I sincerely hope it will be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was agreed to.

Mr. BINGHAM. Mr. President, I desire to offer an amendment. I desire to call the attention of the Senate to the fact that, apparently through an inadvertence, one of the elements in this Government that is a very large tax-payer and a very large contributor to the Federal Government has no opportunity of receiving any benefit under this bill, although it must share its financial responsibilities. I refer to the Territory of Hawaii, which contributes over \$10,000,000 a year of internal-revenue taxes, or as much as 10 or 12 States that might be mentioned.

I am not at all sure that the Territory will apply for relief any more than that some of the States, like the State of Rhode Island or the State of Connecticut, will do so; but it seems to me that in fairness the bill should be amended by including, after the word "States," the word "Territories."

Therefore, in line 4, page 2, I move that, after the word "States," the words "and Territories" be inserted.

Mr. BULKLEY. That is fair.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut.

The amendment was agreed to.

Mr. BINGHAM. Now I ask unanimous consent that the clerks may insert at the proper places in the bill, wherever the word "States" or "State" is used, the words "Territories" or "Territory."

The VICE PRESIDENT. Without objection, that order will be made.

Mr. LEWIS. Mr. President, the amendment which I am tendering was discussed by me for a moment this morning; and the Senators who are in charge of the bill, understanding its purpose, announced their willingness to accept it, recognizing its propriety.

I would only say this, sir: I do not wish to disguise from the generous Senators, nor from anyone, that in placing in this measure something of an inverted order of consent that the governor of the State may advance a loan to the local political bodies within the State if, in his judgment, it is proper; I am referring to the school board of the city of Chicago, whose school-teachers have gone for so many months without pay and without the necessities of life, and suffering under hardships indescribable; the police of the city, with the risks of life they are compelled to assume every hour of the day, due to conditions in my city, and the surrounding country; the firemen, and such other organizations as there are, 39 in number; particularly the pressing needs of the drainage district.

I deplore to say that a great State such as Illinois, a wondrous imperial municipality such as Chicago, should still remain under that archaic form of government with 39 taxing bodies within its principal municipality.

This measure, may I say to the Senator, sensitive that I am taking more time than necessary, is with a view of allowing the governor to advance any loan that may be extended to the governor to any one of these departments which he may feel has conditions and circumstances justifying the advance.

I beg that the amendment be stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. In line 14, page 4, following the word "State," insert:

Nothing herein forbids the governor of any State advancing a portion of the loan extended to the State to any department or separate political organization of the State.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Illinois.

Mr. SMOOT. Mr. President, I should like to ask the Senator whether, in case the amendment is adopted, the Government would still hold the State of Illinois responsible for any advance that she may make to any subdivision or agency within the State.

Mr. LEWIS. I think it is so provided, as the amendment, if my able friend from Utah will note, merely says that it does not forbid the governor. The governor can not extend that loan, however, excepting to those whose security he is willing to take in the fulfillment of the obligation imposed on him for the kind of security he must extend before he can get a loan at all.

Mr. SMOOT. I have no objection whatever to the bill allowing the State of Illinois to make the loan; but under the wording of the amendment I was a little fearful whether technically the Government of the United States would have to look to the subdivision or the parties to whom the State might loan the money.

Mr. LEWIS. I think my friend at my right had that in

Mr. BULKLEY. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I do.

Mr. BULKLEY. On that subject I have consulted with the Senator from Montana [Mr. Walsh], and he thought that the bill would not be subject to that objection; but the very fact that the Senator from Utah has some doubt about it renews in my mind the suggestion that, perhaps, some limitation might be desirable.

Mr. LEWIS. Will the Senator from Utah suggest a phrase which he thinks would cover the matter? I am anxious not in any wise to disturb the harmony of this whole arrangement.

Mr. SMOOT. Will the Senator let the amendment lie on the table a moment and call it up later?

Mr. LEWIS. At the pleasure of the Senator from Utah. Mr. WAGNER. Mr. President, if I may intrude, I think that under the proposed act as it is now the governor would have the right to do exactly what it is here suggested that he may do; and for that reason the amendment in no way affects the power of the governor to loan part of this money to municipalities, provided it is for the purposes contemplated by the act.

Mr. SMOOT. What was in my mind, Mr. President, was this: The bill itself, I think, specifically allows that very thing to be done, but if we put this amendment into the bill, then the question will arise, Why is that language in the bill? If the amendment should be agreed to, and it were found that Congress had put in authority for loans to the States, and then qualified it with this amendment, in my opinion, it might be construed that that amendment would authorize the lending of the money through the State to the different agencies, and the Government would have to look to the agencies.

Mr. LEWIS. Mr. President, it will be observed that the amendment merely says that there is nothing in the act which forbids the governor, in the distribution, from choosing some of these organizations which may be representing the poor and the miserable and the depressed by some form of organization or as political organizations. It does not forbid him advancing the money directly to them to carry out the purposes of the loan.

Mr. SMOOT. There is nothing in the bill, in my opinion, which would prevent the governor from doing it now.

Mr. LEWIS. On the other hand, with great respect for the opinion of my able friend from Utah, suppose with perfect silence that language goes into the bill and these different organizations seek relief, and it should be decided that there was nothing in the bill authorizing the governor to make an advance to the organization, right then and there would there be obstruction, and no chance of rescue would come.

Mr. BULKLEY. Mr. President, when the Senator from Illinois first suggested this amendment I made to him practically the same suggestion that has been stated by the Senator from Utah. But after private consultation with the Senator from Montana it developed that he thought there was no danger in that direction, and I therefore withdrew the suggestion. But, as I have said, the very fact that the Senator from Utah finds the same doubt makes me feel that a limitation ought to be added, and I am sure the Senator from Illinois will not object.

Mr. LEWIS. No; whatever words meet the approval of Senators I will agree to.

Mr. BRATTON. Mr. President, will the Senator from Utah yield?

Mr. SMOOT. I yield.

Mr. BRATTON. It seems to me that when we keep in mind the following language, on page 2, beginning at line 16—

The amount of loan or loans to each State, with interest at the rate of 5 per cent per annum upon any unpaid balance, shall be reimbursed to the Reconstruction Finance Corporation by making

from its allocations of Federal-aid highway money, and so forth, we must agree that that carries a definite commitment on the part of the State either to pay the money or to have it deducted from its annual allocation of Federal-aid highway funds, and the Government is amply protected for the repayment of the money in that way. I do not anticipate any difficulty and have no fear that the bill could be construed as absolving the State of its obligation to repay the money, either in cash or by deduction from its annual allocations of Federal-aid highway money. Let me call the attention of the Senator from Utah to the fact that the language is that—

The amount of such loan or loans to each State, with interest at the rate of 5 per cent per annum * * * shall be reimbursed to the Reconstruction Finance Corporation by making annual deductions.

Mr. SMOOT. That is true, as far as that is concerned, but those words are in the measure as it will be passed, if there is no amendment. It seems to me that that virtually would give the States the authority to lend or do whatever they wanted to with the money.

Mr. BRATTON. So it would; but it would not absolve a State of its obligation to see that the money was repaid or have it deducted from its Federal-aid highway money.

Mr. SMOOT. I agree with the Senator; but if an amendment such as that offered by the Senator from Illinois should be added to the measure, I think the question would be, Why was that put into the law? The measure itself is plain—that the money shall be loaned to the States. I think a State, after it got the money, could do just as it pleased with the money without any act of Congress; but when we begin to qualify the measure then the question will arise. Why was that put in?

Mr. BRATTON. Simply to free the State in the use to which the money might be devoted, but it would not absolve the State, in whole or in part, of its obligation to see that the money was repaid, nor would it limit it in any wise.

Mr. SMOOT. If that is the opinion of the attorneys in the Chamber, I shall not say another word; but it struck me just as I have stated. I know the Senator from Illinois did not want to accomplish anything such as that suggested.

Mr. LEWIS. No. I would prefer that there be harmony, but my two able friends from my right consoled me with the thought that the amendment did not disturb the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New York [Mr. Wagner].

The amendment was agreed to.

Mr. JOHNSON. Mr. President, I want to commend the gentlemen who have introduced this bill. I want to congratulate them upon recognizing our emergency and presenting finally to the Senate the particular mode of distribution of funds of the United States Government in that emergency.

I want particularly to congratulate the Senator from New York [Mr. Wagner]. The Senator from New York, with a pertinacity, a perseverance, and an ability which do him infinite credit, with a statesmanlike vision possessed by few of us, in season and out, ever since the emergency arose for aid to the unemployed in this country, and ever since there was need for governmental action as this bill contemplates, has done ably, not only his full duty but has labored in a fashion, sir, that has endeared him to those of us who believe in human beings as the greatest asset of this Nation, and those of us, too, who can appreciate statesmanlike efforts by a Member of this body.

In passing, I wish, as well, to compliment the Senator from Colorado [Mr. Costigan] and the Senator from Wisconsin [Mr. La Follette] for so well pioneering the way in the last session in the matter of emergency relief.

The principal thing I rose for to-day, Mr. President, at this moment was to say that at last, at last, after three years of depression, after three years such as this Nation never before has known, after three years of suffering of our people, after three years of unemployment in this country, which the wildest imagination never would have conjured up, after three years, sir, the administration of the Government of the United States finally recognizes the emergency that exists and finally reaches a conclusion, after having had 62 other conclusions upon the subject, that relief is essential from the Government of the United States unto its suffering citizens.

At last, sir, we have reached the time now, in this bill, however it may be written, however I may think that it be filled with gaps which ought to be in some fashion filled up, however uncertain it make be in some of its terms—at last, Mr. President, we have reached the stage in this country, after three years of hell, when the administration finally bows its head and admits the conditions which exist and is ready to relieve our people in their dire distress.

I recall, sir, when I presided over the Committee on Commerce during March and April, 1930, how there came before us then three bills designed to aid the unemployed in this country, three bills, sir, which had a vision in them as to how to deal with the problem of depression, bills introduced by the Senator from New York [Mr. Wagner].

I recall the testimony that then was taken before the Committee on Commerce. I remember the difficulty we had in putting out upon the floor the bills which were then presented by the Senator from New York, and I am proud of the fact that I contributed, in very small degree, to that particular consummation.

I recall that when we were taking the testimony, and those from New York, from Philadelphia, from Chicago, and from other parts of the United States, came before our committee, at a time when it might have been possible for us to have halted the awful situation which now confronts us, how they testified to the necessity for action upon the part of the Government of the United States. I remember the testimony then of the president of the American Federation of Labor. I remember he said there were 3,000,000 unemployed in this Nation then-now there are three times that number-and how he sounded the warning before our committee; how the officials of New York State, of Illinois, and of Pennsylvania, sounded the warning, too-and I remember, sir, when those bills of the Senator from New York were before our committee and we were considering them. how every statement of necessity and emergency was denied publicly and officially by the administration which now recognizes both and the results of the unpardonable delay and how every obstacle then was put in the way, in March and April, 1930, of the Senator from New York and the Committee on Commerce, which was endeavoring to act, by

the present administration, and every effort made to prevent any kind of amelioration, any kind of relief, and to thwart every endeavor to meet the situation which then was presented.

I recall, sir, how in the ensuing days and the ensuing years every time the endeavor was made, either upon this floor or elsewhere, to lay bare the situation which existed and presented it to our people, we were met with statements which had to be recalled a few days after they were made, how every single suggestion of a remedy or means of relief was met with an opposition it was impossible to overcome. Until finally, now, sir, when we are in the depths as we have never been before, finally, let us thank God that even finally it has come; the administration has recognized the situation that is presented, and the administration concedes that it is essential that there should be accorded direct relief to the States of this country and relief unto those who are shelterless, those who are hungry, and those who are unemployed.

It is a glorious day, Mr. President. I do not care for the specific provisions in the bill. Some of them seem to me so bizarre from a legal standpoint that I would not attempt to discuss them in any degree whatsoever. I do not care that they may not meet the technical requirements of some of the constitutions of the States, or that they may meet only in small degree the requirements of a particular locality. That is not the point. The principle has been recognized now after nearly three years of denial of it by the administration.

Finally, sir, we have come to know that Government has an obligation; an obligation not only unto one class, not only, unto those who have and those who represent great institutions, but an obligation unto plain men and women and children, and that that obligation must be fulfilled so far as Government is able to fulfill it.

The bill, sir, is a mere drop in the bucket. The bill, in the amount appropriated, even if it were doled out—oh, what a terrible word that was! I beg your pardon for using it, sir. What a terrible word that was only a few months ago! Even if it were doled out to the States of the Union and given to those who are entitled to it, all of it upon the proportions that are proposed in the bill to be given, even then it will not accomplish great results. I recognize that fact. I recognize as well that in order to call this thing by some name that will make it sweeter to those who have to swallow it, a very nauseous dose, we use the word "loan" in the bill.

There is not any such thing and there will not be after we pay the money out under this bill. We may pretend it and, like God has furnished some of the birds of the air and the beasts of the field, we may give to the bill its protective coloring by asserting that loans are made to the States and that loans ultimately will be repaid by the various States under the United States Government.

I do not care whether it is one sort or another, that it contains this kind of a provision that I do not like or that kind of a provision that I think unworkable. This marks the day of the principle! It is the triumph to-day, sir, of the principle for which the Senator from New York [Mr. WAGNER] has contended, for which the Senator from Colorado [Mr. Costigan] made his glorious fight in conjunction with the Senator from Wisconsin [Mr. LA FOLLETTE] last year. It is the principle that after all, when we have done our duty by the great financial institutions and have taken to the utmost the resources of the Nation that the banks may enjoy some measure of freedom and success, and that railroads may continue in the fashion in which they have continued in the past-it recognizes the principle finally, sir, that we owe an obligation, too, to what is called the under man, the man indeed who after all is the backbone of the citizenship of the Nation and upon whom this Nation must depend in every time, whether of prosperity or adversity. So it was, sir, that at this day when finally has triumphed a great principle of recognition of the obligation of government and a response to that obligation, that I rose, sir, merely to compliment all those who have been engaged in the endeavor and all those who have pioneered the way.

Mr. GORE. Mr. President, I desire to have read at the desk a passage from a letter which I have just received from a citizen of my State, a former member of the legislature of the State and a former candidate for governor. I do not care to disclose his name.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

Of course, the Government has not so far done anything for them, and as far as the average man is able to discern the Government has no intention of trying to do anything in the immediate future, unless it might appropriate some more wheat from the quantity in the hands of the Farm Board. This will only make more parasites looking to the Government for charity. Each time the State has tried to aid by way of charity it has definitely made the parasitical group larger, and the recent wheat appropriation and flour distribution have just increased that group. The people do not need charity, but they need work and a living wage.

Mr. GORE. Mr. President, I submit that passage for whatever it may be worth. I make no comment upon it. I make no comment upon the pending legislation. Neither shall I undertake to forecast its consequences.

On a previous occasion I made some comments upon the effect of free wheat, free pork, free wine, and free shows in ancient Rome. They changed the Roman character. They destroyed the Roman Republic. They destroyed the liberties of the Roman people. It is an old saying, it is an old warning, that no man and that no people should calculate that he or they will constitute an exception to a general rule. I see many footsteps in the past leading in this direction. I see few footsteps returning. I think that this Congress should converge its efforts to change existing conditions and to counteract the causes which have brought these conditions upon us. I regard this as a palliative, not a cure—fortunate if it be a palliative and not a poison.

Mr. BINGHAM. Mr. President, I have been very deeply impressed with the words just spoken by the distinguished Senator from Oklahoma [Mr. Gore]. I agree with everything that he has said. I have also been deeply impressed with the eloquent address just made by the senior Senator from California [Mr. Johnson]. I realize that with his long experience he has a keen perception of legislative matters. In view of what he has said and the statement he has made I shall vote against the bill.

Mr. President, in my opinion this Government was formed to take care of the general welfare of the States and not of the people therein, that being the duty of the States and the municipalities themselves. In the opinion of the people whom I have the honor to represent on this floor, it is the duty of the State and the municipalities and the localities to look after the poor and unfortunate. It is being done in the State of Connecticut and will continue to be done. I can assure those within the sound of my voice that my State, although it has to bear a portion of whatever charges may come from this bill, will not ask for any loan or advancement under it, preferring to believe in State rights, preferring to believe in State responsibility for its own citizens. We believe that when a great Government like that of the United States, with 125,000,000 people, attempts to look after the interests of the individual citizen and to relieve the States of the responsibility to look after their citizens, we face the turning of the ways, as the Senator from California has said.

If it is true, as he said, that the word "loan" is a protective coloration, and that this is a gift to the States to be given to the people for their relief—if it is true, as he said, that this is a recognition on the part of the Federal Government that it will use its power in taking money away from the taxpayers of the States and turning it back through channels to those who can not pay taxes and who are in an unfortunate condition, then, Mr. President, I believe it is true that this is a most momentous occasion. I regret that this bill, obviously, is going to pass. I regret that some States are in such difficulties that they find it impossible to look after their own people. I am proud of the fact that the people in my State propose to look after

their own poor and unfortunate in the best way they can. I believe that is safety in government.

I believe in State rights. I believe in local self-government. I believe that the money of the taxpayers, when it is used to relieve the poor and distressed, can be better and more safely used when it is controlled closely by those who are in touch with the taxpayers, namely, the officials of the States and municipalities concerned. Therefore, Mr. President, regretfully, and hoping that my motives will not be misunderstood, I shall find it necessary to vote against the bill.

Mr. BANKHEAD. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. At the proper place insert:

All or any parts of such grants may be disbursed in aid or furtherance of any program or programs of unemployment relief based on the location of those deemed entitled to relief on farm lands either in such State or elsewhere, and either by direct expenditure or by loans to any approved agency or to groups or individuals.

Mr. BANKHEAD. Mr. President, without attempting in any way to answer the speeches by the Senator from Oklahoma [Mr. Gore] and the Senator from Kentucky [Mr. Logan], I only wish to say that in the face of human distress, misery, and starvation I am ready to disregard many principles which I have always nurtured; I am ready, as I have been for many months, to disregard the form of the measure presented and to look to its substance and to contribute my vote toward procuring the enactment of legislation for the relief of the destitute in those localities, at least, where the States and their local agencies have come here and stated to the Congress that they are no longer able to go forward with relief benefits.

Having stated that, Mr. President, I want to address myself to the amendment which I have just proposed and which has just been read at the desk.

The plan embodied in the pending bill provides means with which, in large part, our great emergency may be temporarily cared for. From the funds to be made available it seems to me that we should provide, as far as we can, for permanent relief.

I have offered an amendment to the bill which does not require any additional appropriation and does not make its application compulsory, but it does specifically authorize a State to use money made available to it for putting into execution the program stated in the amendment.

The amendment is as follows:

All or any part of such grants may be disbursed in aid or furtherance of any program or programs of unemployment relief based on the location of those deemed entitled to relief on farm lands, either in such State or elsewhere and either by direct expenditure or by loans to any approved agency or to groups or individuals.

The plan proposed involves a reappraisement of social and economic conditions, and also planning for permanent relief for a large number of families who are now in the destitute class. I pretend no originality in conception of the suggested program. It has had wide consideration by students whose minds have tried to rebuild an enduring social and economic structure and who entertain no satisfactory reassurance that temporary aid for the unemployed will permanently solve the most important of all the problems confronting our country.

Food and shelter for all who are willing to work and for all who can not secure gainful employment is the paramount slogan in the heart of every true American. I have no formula for a full and complete solution of our ills. The backto-the-soil plan is tendered as a partial solution only, but one under which the credit extended will pro tanto permanently solve the problem of present peril for many people.

It is evident that our social and economic life is now in the process of readjustment. The machinery and gasoline age and the World War brought about a general shift in the affairs of men.

In former days there existed a balance between the number engaged in agriculture and industry. The necessities

of the World War, followed by a period of excessive inflation, brought the era of mass production. A great draft of farmers and their sons to industry followed.

Inventive genius produced new machinery to displace man power. Production was thereby increased and gross earnings of the working class correspondingly decreased. Then came the crash of 1929, since which time the wheels of industry have constantly slowed down. The number of workers unemployed has constantly increased. With millions now unemployed and their accumulations exhausted, everyone is asking: "What can be done?" "When will business improve so that the unemployed can have work?"

It is likely that it will be too long to wait for a sufficient revival of business to engage all the men drawn into industry during the last decade. For some years we have had a degree of production and business activity never before witnessed. Can we reasonably expect an early return of such conditions and the early reemployment by industry of the great army of the unemployed? It takes great optimism to generate much confidence in such a happy result. Some people seem to think that it is the duty of the Government to provide employment for all who want to work. Without entering into a discussion of the principles of government involved, the suggestion may be disposed of now with the statement that under prevailing conditions it is impossible to carry out the suggestion. While it may not be the duty of the American Government to furnish employment, it has a direct responsibility for legislation and actions which result directly or indirectly in unemployment. As I am considering remedies for our unhappy plight, I shall not give expression to my views on unwise legislation during recent years which may be responsible for prevailing conditions.

Everyone with a normal heart is grieved when he witnesses distress being suffered by his fellow men. Generosity in helping the needy by those who have a surplus beyond their actual requirements stirs us with emotions higher than mere admiration. Much of that sort of helpfulness is now necessary, but in my opinion such aid hereafter will be entirely inadequate to care for the destitute.

A large public-works program will, of course, be helpful. It is doubtful if such a plan, however, can be financed on a scale commensurate with the requirements of the unemployed in all sections of the country. Such public works must of necessity be carried on in selected spots. Additional employment will be provided in the fortunate localities. That will be helpful; but when the work shall be finished what then will be the situation? Those furnished employment will again find themselves unemployed, and the program may not be repeated indefinitely. It seems to me that it would be wiser to devote some part of the available credit of the Government to some plan which looks to permanent, rather than temporary, relief, if such a recourse may be found.

How many years lie ahead of us before industry can again employ all the idle workers? What is to be done before that time comes if it arrives during the present generation? Can a more evenly balanced coordination between the number engaged in industry and agriculture be reestablished? Can society be readjusted to normal conditions which prevailed before the orgy of industrial production held out false hope of permanent employment to so many who were otherwise employed and to so many farmers and sons of farmers?

When America was establishing itself on the firm basis of growth which brought it to the forefront of nations, there were few industrial workers. An overwhelming proportion of our population tilled the soil or engaged in business directly related to agriculture. It can be done again. It seems inevitable that many who were raised upon the farm must return to the soil. If employment can not be found in the cities and towns, a living can be dug out of the earth. Unfortunately for many people, prevailing conditions do not present a free choice of occupations. Dire necessity decrees for many for a time at least that any honorable work, urban or rural, should be accepted that will keep the family

together and the wolf from the door until something more suitable can be found.

A picture of the shift from rural to urban population may be had by reviewing the census reports on rural and urban population. The last four census reports showed the percentage of rural population as follows:

	Per	cent
1900		60
1910		54.2
1920		48.6
1930		43.8

Towns with less than 2,500 population are counted as rural. Using 123,000,000 as the total population for 1930, it appears that if the same ratio had been maintained between rural and urban population, there are now in the cities 6,000,000 people who, under the 1920 ratio, would be in the rural classification. Based on the ratio of 1910, there are 12,500,000 people who would now be in the rural classification. Based on the ratio of 1900 there are 19,700,000 people now in the cities who would have been in the country. These figures present a startling shift from rural to city life. The census reports for 1920 and 1930 separate the rural population into rural farm and rural nonfarm population, thereby separating the population in the small towns and in the country not engaged in farming. In 1920 the rural farm population was 29.7 per cent of the total. In 1930 it was 24.6 per cent. It is significant that lacking only one-tenth of 1 per cent the entire shift to urban from rural population from 1920 to 1930 was from the rural farm population, numbering 6,000,000 people, according to the ratios, if they had been maintained.

Mr. President, it may be suggested that there is now an overproduction of farm commodities. With staple cash products, such as cotton and wheat, that may be true from the standpoint of the ability of consumers to buy. The farmers' trouble is not the absence of home necessities. He has food and feeds in abundance. His problem is keeping the sheriff from his door because of debts incurred when one bale of cotton would pay as much on his debt as four bales will now pay, or one bushel of wheat would buy as much as four bushels will now buy. If the average farmer could forget his old debts he would not be prosperous but he would not be destitute.

The question arises, How can the unemployed go to the farm when he has no farm, no work stock or implements, no food and no feed?

If 1,000,000 men now unemployed could be financed under a back-to-the-soil program, an improvement in business conditions would more quickly afford work for others unemployed, and would remove several million people from the ranks of the very large number who are anxiously thinking of food for to-morrow.

Farm leaders for years have urged the establishment of a large fund to buy surplus commodities out of the market. For more logical and stronger economic and humane reasons a large fund to lift the surplus of unemployed workers out of the industrial market and from the domain of benevolence can be sustained.

If a fund of \$1,000,000,000 should be applied to aiding unemployed who desire to return to the farm or to a subsistence home, it could probably be so used as to place 1,000,000 or more men with their families on productive land. It should not be forgotten that there are millions of acres of improved farm lands which under present conditions can be rented at small costs. With the acreage-reduction program under full swing there will be more millions of acres of improved lands which could be rented. Work stock, farming tools, and supplies are cheaper than they have been for years. Many farms can be bought for a very small initial payment. Land can be bought for little more than current taxes.

Would this addition to the 11,000,000 men now engaged in agriculture aggravate their present plight? It will not if farmers become convinced that their main business should be producing "a living" at home and some cash commodity as a side line. They were in much better condition when a larger proportion of our population was rural.

The money furnished should not be a gift; it should be a loan with installment payments over a reasonable time, and secured by continuing liens on crops and stock and land. The difficulties of private capital doing the financing are recognized. Profits would be limited to interest, and there would be losses of invested capital. The attractions of industry lured countless thousands from the farms. The lure not being sustained, industry should support a program to help get them back to the farm. A large movement from congested urban centers to the vast spaces of rural opportunity would to that extent aid in readjusting an economic unbalance between workers and jobs in industry. Under this plan, decentralization would be and should be accelerated.

It should not be forgotten that rural life has in recent years been vastly changed. With good roads, rural mail delivery, improved school facilities, consolidated schools with free bus service, free transportation to high schools, rural telephones, and many other advantages, country life from a social standpoint is in large measure comparable to suburban opportunities.

A large back-to-the-farm revolving loan fund would be a source of relief to worthy, good citizens, farmers by training, who are anxious to engage in any honorable work that will preserve their home circle and provide a way for them to embark upon an enterprise which may be temporary or permanent according to the unfolding of the future for each individual.

If it may be a long time before all who have been engaged in industrial work can get work again in industry—white collars and overalls—why not bridge over the chasm, and help those who desire to do so to establish themselves in self-supporting work?

The immediate helpful effect of the expenditure of such a sum of money, distributed largely among farmers in the purchase of farming outfits, is a consideration not to be ignored.

To buy a million cows, a million mules and horses, a million sows and millions of pigs, a million broods of chickens, millions of bushels of corn and hay and potatoes, and all the other things necessary to establish a family on a farm, would put most of the money in circulation where it is sorely needed, and provide present farmers who sell to the new farmers additional debt-paying power. A new market would thus be provided where there is now no market. Farm prices would be stimulated, and land values made firmer. In the construction of many small homes the building trade would greatly benefit, and work would be afforded for many now unemployed.

The suggestion of aiding former ruralists to get back to the soil does not involve the idea of placing all of them in the business of farming, nor of the acquisition in all cases of large acreage. For those who now live in large industrial centers, and who prefer to remain in close proximity to openings for industrial employment, a few acres of land with a very modest home would serve the purpose. The principal object is to provide a place where with thrift, frugality, and industry they can work out from the soil a subsistence for themselves and their families, and as a side line find employment here and there, now and then, until a better day dawns.

Those who conceive that few would, in good faith, take advantage of a back-to-the-soil movement must not know the heartburns of millions now drifting without chart or compass and with hope fading away; they do not realize the ardent craving for some humble place to call home, where the family circle may be kept inviolate, and where there exists the assurance that nature, with the cooperation of the family, will furnish the necessities for actual subsistence.

Mr. President, there will be no paucity of applications if this Congress shall pass a bill providing financial aid for acquiring country homes by purchase or lease for those who formerly engaged in farming. The great problem will be taking care of the large number of jobless men, now walking the streets in despair and desperation, who want to return to "nature's storehouse." With a cow and a sow, a hoe, a spade and a plow, and with food and feed supplies for a season, those who will can thereafter produce and preserve the food and feed necessities for the home, and be permanently removed from the large mass of the unemployed. Prospects for luxury? No; but removed from the bewildered and heart-bleeding mass of the unemployed, and with pride, confidence, and self-respect reasserted. Every one so removed from the ranks of the unemployed will not only lessen the requirements now resting so heavily upon State and city, and upon the charity of the public, but will also make room at the employment gate when industry can use more men.

I have outlined the effect of assisting a million or more families to get reestablished in subsistence homes in the hope that in any further legislation for unemployment relief, the suggested plan may secure further recognition.

In my State, if specific authority is given, I am assured that the State agencies intrusted with the administration of the money allotted to Alabama will lead the way for other States.

Plans are now being worked out, with the governor and business and public-spirited and charitable citizens taking the lead, to put into prompt operation the removal of former farmers to subsistence farms. The plan includes a comprehensive survey for locating units in colonies, and also in individual homes, in the communities, if desired, where the destitute formerly resided.

I am informed that in setting up organized units the State will make available its road machinery and, if found feasible and desirable, will supply convicts to open roads, dig drainage ditches, and help erect houses.

The fact should not be overlooked that probably a majority of the destitute in southern industrial centers are colored people who were raised on farms. I speak with knowledge of Birmingham. Our white people, with big hearts and great generosity, have been providing for them, in addition to the heavy burden of aiding the destitute of our own race.

I ask you to agree to the amendment I have offered. It merely gives each State the option of applying the plan.

I sincerely hope that the Senator from New York, who has done such valuable work on this entire program, will agree to the incorporation of this amendment in the bill. It leaves it purely optional with each State to put it into application and effect.

Mr. REED. Mr. President, naturally one votes against a bill of this nature in a very sober spirit. A man would be very insensitive who did not realize the amount and degree of distress that now prevails in the United States.

I know that this bill is going to pass. I have no intention of delaying it by making a lengthy speech; but I want the RECORD to show, in brevity, my reasons for voting against it.

I believe that the historian of the future who writes, perhaps, upon the decline and fall of the American Republic, will point to to-day as one of the milestones upon the road to disintegration of this Government.

These are not loans that we are providing for the States, and we might just as well be frank enough to acknowledge that no one of us thinks they are loans. Not one penny of this fund will ever be repaid to the National Treasury.

Mr. WALSH of Montana. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. WALSH of Montana. The Senator from Michigan [Mr. Couzens] has been particularly solicitous of having the bill provide specifically, if it does not so provide in general terms—we have convinced him that it does in general terms—that any State may go to the Reconstruction Finance Corporation, and, by pledging with it proper securities, secure a loan; and that, of course, would be repaid in order to redeem the securities thus pledged.

Mr. REED. I had not overlooked that, Mr. President. I know that a State will have the option of making a loan with security; but, on the other hand, it will have an option

of accepting this grant in effect as a prepayment of the Federal aid toward highway construction. If 10 years in Congress has taught me anything, it has given me a moral certainty that when the time comes for repayment by deductions from those Federal-aid appropriations for highways Congress will increase the amount to be appropriated so that, after making the deductions, the States will get as much as they otherwise would, and we will have repaid ourselves by the gesture of increasing those appropriations.

Certain States of the United States are unable, under their constitutions, to borrow. I think some 12 or 13 States have that constitutional prohibition. That was the outcome of long, sad experience in borrowing. The voters of those States had learned that, given the authority to borrow without limitation, State bankruptcy lay ahead; and the long and disgraceful history of repudiated State bonds illustrates the wisdom of the precautions they took.

Mr. WAGNER. Mr. President, will the Senator yield?
The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. REED. I yield.

Mr. WAGNER. If the Senator is persuaded that there is need for this supplemental aid by the Federal Government to cope with the situation of distress in the States, how would he provide that the Federal Government shall discharge its obligation in that regard?

Mr. REED. But I am not persuaded of it. I believe that the States have a wider taxing power than the Federal Government has, and that they themselves, if they are faced with the necessity, and can not pass over the responsibility to us in this fashion, can just as well raise from the human beings who constitute their population an adequate relief fund as we can raise it from those same human beings; because the populations of the several States constitute the populations from which we will raise the money to create this fund.

What we are doing here, in effect, is to toss to the winds those prohibitions against State indebtedness which experience had shown to be wise. We are turning a fund of \$300,-000,000 over to the governors to spend as they see fit, without one syllable requiring them to account to us or to anyone else. We are turning it over to those governors because we have not the courage to specify the manner in which the largesse shall be distributed, and we are setting no rule whatever to guide them. As surely as that the sun will rise to-morrow, some one or more of those 48 governors will apply that fund in such strange manner as to create a national scandal, and it will be our fault. Let us face that responsibility.

Mr. ROBINSON of Arkansas. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Arkansas?

Mr. REED. I yield.

Mr. ROBINSON of Arkansas. Mr. President, I shall be compelled to leave the Chamber for a while, and, with the permission of the Senator from Pennsylvania, I should like to register now my dissent from the correctness of the assertion the Senator has made that the proposed advance or loan will never be reimbursed in any part.

There is, of course, the possibility that losses may result, but I do not believe that the Senator would wish to stand upon the proposition that when a State accepts a fund of the nature contemplated for the purpose of supplying the immediate wants of its citizens, which the State, by reason of previous expenditures for such purposes, is unable to meet, that State will resort to processes of evasion; or that the Congress will nullify the agreements and arrangements entered into and release from all liability.

It is all right to say that the States have the taxing power and that they can levy such tributes upon their own people as may be required to meet the necessities of their citizens. It is also true, and proper to observe at this point, that for almost two years there has been a constant drain on local institutions and resources, which, according to all the evidence before the Senate, has about exhausted those re-

The Senator has said that this measure marks a milepost on the way to the disintegration of our Government. I wonder whether, in making that declaration, he has taken into consideration the conditions which exist in almost every part of the Republic. I wonder whether it is his proposal that the National Government shall take no action whatever and shall refrain from any assistance, in this time of very great necessity, to the local authorities and agencies charged primarily with the responsibility of meeting the demands of the needy. There is danger of the gravest consequences if no action is taken by the National Government

Mr. REED. Mr. President, I was within three minutes of concluding. I did not understand, when I yielded, that the Senator meant to make a speech in my time.

Mr. ROBINSON of Arkansas. Certainly I shall discontinue, if the Senator desires.

Mr. REED. Mr. President, I am perfectly well aware that nothing that I say to-day can in the least avail to change the determination of any Senator. Every one of us has made up his mind as to how he is going to vote and has satisfied himself as to the reasons for his vote.

I speak with the utmost solemnity of which I am capable. I believe that this appropriation is only the beginning of a series which will grow and grow until it breaks the back of the Federal Treasury. I believe that to-day we are lifting the lid of Pandora's box, and we will never be able to close it again, and that the troubles that will come from it will overwhelm us. I would be false to myself if I did not rise to voice my belief that that is what will happen.

I believe this is the first step toward making mendicants of our people and making mendicants of the sovereign State governments upon which this Government is built. I believe the pressure for further advances of this sort will be utterly irresistible, and that Congress will never be able to withstand the demands which will come to us when we meet again in December.

I shall vote against this bill if for no other reason than that history may know that at least one voice was raised against this step which we are taking toward that chasm to which the Nation seems to be hurrying.

Mr. BORAH. Mr. President, I do not see in this situation the question of State rights. I do not see how that is involved. Here is a national emergency, a national problem, a national disaster. Indeed, it is international in many of its aspects, and it does not seem to me that the proposal before us is a digression from sound principles with reference to the relationship of the National Government to the States. The problem of caring for the unemployed, like the problem of aiding business, calls for the cooperation of the State and the National Government, for the cooperation of the thought and purpose of all the people in all walks and stations of life. Are State lines to disappear when private business in the States is in distress and to stand as a barrier when the people in the States are hungry? I readily admit that the first duty is with the State but when the State can no longer meet the situation the duty of this Government is plain and imperative.

After more than two years, this depression is as inexplicable as it was in the beginning. In its scope and resistless force it has the impartiality and the appalling horror of divine wrath-none escape and no words can tell of the agony of mind and heart which accompanies it in its remorseless course. It hovers over and envelops the whole vast domain of human activities and darkens and endangers and confuses the purposes and the plans of the great as well as the humble. We have now reached the point when its effect no longer encompasses the fortunes of individuals merely but when the whole social structure seems threatened. No one has been able accurately to tell why it is here; at least, there has been no agreement among people as to why, and certainly no one has been able to devise a method by which we can escape

sources and the power of those institutions to meet the | from it. It is a calamity which is apparently not understood by those who are ablest to solve such problems.

In the midst of that condition of affairs our own people are overtaken with this disaster, and in many places are on the verge of hunger and starvation. It is my opinion that this will continue for some time to be a national question.

We have from the beginning been disposed to treat this economic breakdown as a thing of no great moment, something that would pass in a few weeks or months. We have stubbornly, and in the face of fearful facts, refused to regard this depression as different from other depressions. Men of wisdom and men in authority have insisted that it is all a matter of mentality, that we are the victims of fright, that we are lacking in confidence. But certainly this view must now be disregarded. Nearly three years have passed, fortunes have been dissipated, profits in business have disappeared, 70,000,000 people, including dependents, in the different countries out of work-it is no ordinary depression. The causes which lie at the bottom of it all are no ordinary causes. There is more to this situation than want of confidence, than an ungrounded fear.

This condition came upon us at a time when we were possessed of all kinds of courage and all kinds of initiative, when all fear, all timidity, had been banished from the business world. It came when men were at work, full of hope; when business was big with vast plans for the future. It fell like a night upon noon. Let us, therefore, be rid of the thought that this fearful catastrophe is not a reality. It is the result flowing from the violation of the most salutary principles of humanity, of justice, and of economic sanity, by the leaders of the nations of the world. We are compelled by events to put aside our first theories and meet the depression as a great national and international problem. These citizens hungry and on the verge of starvation are a part of our great national assets and national wealth which we are undertaking to take care of and preserve. It has passed beyond the power of the States to control or meet it.

It has been said several times in this discussion that we are repeating what took place in old Rome. To my mind, there is as wide a difference between the two as there is between night and day. The forces which led to the fall of the Seven Hill City and which gathered in the people from the colonies into the great city were wholly different; the influences upon the citizens were wholly different from anything which has been intimated or indicated in the United States. We are taking care of a people overtaken by a fearful calamity. We are not feting and flattering the people in the interest of a Cæsar but feeding them that they may not die. We are caring for a people overtaken by disaster, not buying a retinue of retainers for an ambitious general. And last but not least in importance, we are extending aid to men and women just as loyal to these institutions and to the principles of free government as the men who sit in this Chamber. No government ever forfeited the respect or loyalty of its people by standing between them and a consuming disaster for which they were not to blame.

If we should approach the 8,000,000 people who are to-day out of employment and their dependents, constituting perhaps 30,000,000 people, and offer them an inducement, political or otherwise, such as was offered in Rome, or offer them an opportunity to earn their daily bread by toil as American citizens, they would turn to their job and thank you for the other hollow compliment.

These people are not idle because of any desire to be idle; they are not out of employment because they refuse to work; they are not disloyal in any sense to the principles of the American Government, nor are they shirking the responsibility which rests upon American citizens. They are, like the greatest of the land, the ablest of the country, unable to understand the cataclysm which has overtaken them, but ready at any moment, when any avenue of escape is offered, through work or otherwise, to accept it.

Mr. President, in my opinion if we could devise here some method by which to give these people employment, they would reject any assistance from the States or the National Government without hesitancy. But so long as we are unable, as leaders, as men in authority, to lead our people out of this distress, can we complain of them if they themselves are unable to find a solution of the problem? No solution being at hand, we are under obligation, as counties, cities, States, and Nation, to help bridge over the condition which now confronts us.

The Senator from Pennsylvania [Mr. REED] says, with a great deal of earnestness and solemnity, that in his opinion this bill would mark, in the eyes of the future historian, the beginning of the fall of the American Republic. If this were the first instance of the kind, the Senator might be justified in his gloomy prognostication. But things similar to this have been done over and over again. The effects were not serious. Beginning far back in the history of the country, the Nation has over and over again gone to the aid and help of those who were in distress in the States. When a great calamity has overtaken them, we have not considered State lines. We have not considered that the duty rested upon the State alone and not upon the National Government, and the present, in my judgment, is no different in principle from instances to the number of 25 or more which might be cited.

Let me say further to the able Senator from Pennsylvania, I do not believe that this is marking the beginning of the fall of the American Republic, nor do I believe that the American Republic is going to fall. The reserve power of the Anglo-Saxon race in every difficulty and every depression and every distressful period through which it has passed has always been equal to the emergency.

One of the unsolved mysteries of history is the capacity of the people, after an unspeakable scourge, to come back. The people, regardless of what the depression or what the distress might have been, have finally recovered their posi-

tion and gone forward in the same old way.

Let me say to the able Senator from Pennsylvania that the Anglo-Saxon race has never yet retreated from or abused free government when it has once taken possession of it. I do not feel uneasy so long as no more unwise thing is done than that of extending help when the people are in distress.

England has gone through depressions or through conditions infinitely worse than anything we have experienced. Look at that great country after the Napoleonic wars when there was distress upon every hand, when it seemed that the physical and moral fiber of the people was being eaten out. But they came through and established the principles of free government upon a firmer basis than they had ever been before. It belongs to the race to do these things.

There is infinite reserve power in the people of the United States. They are a moral people, they are an intelligent people, they are a patriotic people, and they can endure hardships as well as any people on earth. I do not know how long this depression will last. I do not know to what condition it will bring us. I do not know how much we will have to suffer. But I venture to say to my able friend from Pennsylvania that, while I may not, he will live to see the American people as independent, as self-helping, as resourceful, as self-reliant in the future as they have been in the past. To help them when they are on the verge of hunger, when they are starving, when their families are being separated is not to undermine character. It is to implant in them the belief that they have a Government which looks after their interests when they are unable to look out for themselves, though doing the best they can to meet the situation. Our experience may yet be a bitter one, but even in this bitter experience there may be compensation. A common sacrifice, common hardships, common suffering, will at last bind us to a common purpose and strengthen us for a common and triumphant victory over our misfortunes. I do not believe we are on the way to ruin. The greatest period in American life is before us. The most sublime triumph of this Republic is ahead.

Mr. BROOKHART. Mr. President, the theory seems to have grown up in the Senate that the Government of the United States deals only with the States themselves. We have heard two or three times to-day, especially from the Senator from Connecticut [Mr. BINGHAM], that the general

welfare which the United States should promote is the welfare of the States. It seems to me that no consideration has been given to the very soul of the Constitution itself. It seems to me if the Senator from Connecticut would read the first words of the Constitution, he would never again say that on the floor of the Senate. It starts out, "We, the people of the United States." Does that mean State organizations? Does that mean that we are considering only these organizations set up in the various States of the Union?

We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States of

To "secure the blessings of liberty to ourselves and our

Does that mean the States? There is no warrant for such a conclusion anywhere in the great American declaration of the Government of the United States or its preamble which states its purpose in terms that can not be misunderstood. Then to-day we are told that if this relief goes to the folks themselves, if it goes to the people, it is unconstitutional, and we are laying the foundation for the overthrow of the Government itself.

Mr. President, last year, in 1931, the year of the great depression, we had a national income of \$60,000,000,000. That was the gross income. That was \$2,500 for each average family in the United States. But the net income, the portion of that which was saved, went mostly to Connecticut, to Pennsylvania, to New York-in fact, to only 10 different States. There was no net income in most of the States of the Union, but there was a great net income of billions to the few States whose enterprises reach out over the whole United States and take profits from all the people everywhere. Therefore, as a matter of justice, the Federal Government owes it to the people of the United States, when any portion is in distress, to tax the other portions which take the earnings of those people in excess profits, and relieve them from that distress.

This particular bill provides for loans to the States and then provides for repayment of those loans by cancellation of a portion of their Federal aid for public roads. I want to discuss the public-road feature just a moment.

The Federal Government started the plan of building the hard roads of the United States. It started by providing for payment of 50 per cent of that expense. It was to be a 50-50 proposition between the States and the Federal Government. But the big-income taxpayers of those States that now see the overthrow of government in a bill like this did not like that plan because they pay most of the income taxes into the Federal Government. In my own State of Iowa there is about \$10,000,000 of income taxes paid by 27,000 people. There are 2,273,000 people in the State who do not pay any income tax at all.

The total Federal expense of the State, the allotment of tariff and excise taxes and all, is about \$20,000,000. If the State paid taxes in proportion to its population, if these Federal taxes were levied per capita instead of per income, the State of Iowa would pay about \$80,000,000 into the Federal Treasury. Twenty million dollars is paid in the State and the other \$60,000,000 then is paid by income taxpayers outside of the State, and those are in the 10 fortunate States which have these nation-wide enterprises that reach out with their business into all the States and take profits from all the people of the United States. Therefore it is only just that they should pay into the Federal Treasury taxes greater than the proportion of their population. It is an economic equality that is certainly desirable if we want to preserve the American Union at all.

Recurring now to the road question, the Government started that plan by paying 50-50 of the expenses. The bigincome taxpayers did not like that situation because they must pay half of it into the Federal Treasury and many of the States, because they have no net income, pay but a small share. So they went out into the States and organized roadbooster associations and they boosted for gasoline taxes and county bonds and State bonds, and immensely increased the local expense of the building of hard roads. In fact, in 1930 the total expense was, I believe, \$910,000,000 for all the States, but the Federal appropriation was only \$125,000,000. Therefore the Federal Government failed to pay any considerable portion even of its half of that expense. In 1931, I believe, the expense on behalf of the States was \$1,000,000,000 and the Federal Government again contributed only \$125,000,000. Then the economy wave came into this session of the Congress, and the appropriation was cut down to \$106,000,000. Therefore, Mr. President, the Federal Government has wholly failed to contribute its share toward the construction of those roads.

In the State of Iowa in 1930 the expense rose to about \$33,000,000 and the Federal aid was a little over \$3,000,000 toward the construction of hard roads, every one of which was an interstate road, every one of which was a post road, every one of which was a military road.

Therefore, I not only favor the making of this loan but I hope before the time comes for repayment that, instead of deducting it from Federal aid to the States, that portion of the law will be amended and canceled and that the Federal Government will thereby contribute a little more toward its just share in the building of the hard roads of the country. In fact, the Federal Government, instead of spending \$300,-000,000 as this bill provides, ought to have spent \$500,000,000 each year for the last two or three years for that purpose in order to pay its share of this road construction.

Therefore, Mr. President, I am in favor of the pending bill. The only regret I have is that it is about one-tenth of what it ought to be. Congress fails all the time to do its duties. It just takes a little bite out of the apple and leaves the proposition then to fall down because it has no adequate support. I think one surmise of those gentlemen who are predicting the overthrow of the Government is possibly correct, and that is if we start this thing we can not stop. It is a principle which I believe will push us forward and instead of overthrowing the Government it will save the country. The Government of the United States is overthrown now. The Government of the United States is now under the dictation of these same financial forces which are seeking to avoid the payment of these taxes in their just share to the Federal Treasury.

Mr. WALCOTT. Mr. President, I regret exceedingly to find myself speaking in opposition to my colleague and my intimate friend the senior Senator from Connecticut [Mr. BINGHAM] and the senior Senator from Pennsylvania [Mr. Reed]. I find myself agreeing entirely with the eloquent Senator from Kentucky [Mr. Logan] in his address on the fundamentals of government, and with the distinguished and eloquent Senator from Idaho [Mr. Borah] in his impassioned address to show that relief at this time will not make beggars but a stronger people. Of that I am convinced, and I hope to be able to convince some of the Senators, because I have had, perhaps, a unique experience for an American in seeing what wholesale starvation is.

While I dislike to take the time of the Senate and thus postpone a vote on the bill, I think it may be worth while to spend a few minutes viewing a picture such as I know or hope we shall never see in this country, but which we might see if we do not come to the front now with courage and generosity.

Mr. President, we talk quite loosely at times about hunger and starvation. We have several million people in the country out of work, perhaps 8,000,000 jobless, perhaps more. If you Senators will put yourselves in the position of any one of the poorer of those men who are out of work, particularly those who have families, who have wives and children to support, children to educate, unless you have actually been a working man on a low daily wage and realize that every week of your life you are not more than two or three or four weeks away from hunger if your job stops, you may be able to realize the feelings of the man who is in that position to-day.

In the hearts and minds of the men and women who are sleeve for bringing to-day without jobs and who are only two or three weeks stage of starvation.

from actual shortage of food even when they are employed—and there are millions of those people in the country as there are in every country—there is absolute despair. Those people who are confronted with that nightmare must be helped and helped promptly. It is amazing to me that these men and women have shown such wonderful resistance and fortitude, so much good nature, and so little disposition to riot or make their demands by force.

When we talk about hunger, we mean going without food, with no prospect of getting food in the near future; in other words, when we talk about serious hunger among the unemployed, we are talking about facing starvation.

Now, Mr. President, let me tell you what starvation is. I have seen it. I was in Warsaw at the beginning of 1916. The Germans had driven the Russian Army back through Poland into White Russia, so-called, beyond Brest-Litovsk. In the trail of that march the Poles had gathered by the thousands to follow the Russians, fearing the German Army would devastate the country. The Russians in their retreat had burned most of the buildings and had destroyed all the crops and foodstuffs they could not take with them. There were possibly half a million refugees, poor peasants living on the farms along the highway which stretched for about 200 miles from Warsaw to Brest-Litovsk, near the border line of Russia. It was estimated by General Falkenhayn, who was then Governor General of Poland, the man who took Antwerp, a great artillery expert who gave me these figures, that probably 300,000 refugees, caught between these two armies, the one retreating, the other advancing, died of starvation along that roadside over a period of about four weeks.

Going over that road by motor with a German colonel, we tried to count the little wicker baby baskets which were along the roadside. Those were the baskets in which young children are placed; the baskets swing by a rope from the rafters of the peasant's cottage over the dirt floor, swinging back and forth, rocking the baby to sleep. The fleeing peasants took those little wicker baskets with the babies inside of them and carried them along with what few household goods they could take, using perhaps a horse and a cart, others on foot. When we left Warsaw we began counting the baby baskets, with the little bones inside, but we gave it up within a few miles after the count had run into the hundreds. Three hundred thousand people died of starvation along a 200-mile road.

On the northern road, which passes through the Polish swamp, it was estimated that 200,000 troops, who had been driven into the swamp by the aggressive German army, had died. That, however, is another story; that was a direct result of war, while starvation is the indirect result. Starvation in the particular case to which I have referred was the result of a great retreat by one army and the advance of a conquering army. This was followed by a food shortage as a result of the allied blockade, so that hundreds of thousands of innocent men, women, and children were undernourished for the next two and a half years until the war was over.

Let me say further, Mr. President, that, going out into the streets of Warsaw every evening after dinner, we would fill our pockets with everything we could obtain from the table in the way of rolls, crusts of bread, whatever we could pick up, knowing that just outside the doors, sitting on the curb or in the doorways, there would be rows of children from 5 to 6 years old up to as old as the pages sitting below the Vice President's chair. It was in the middle of winter, in January, in a climate like that of New York State. The children would be there huddled up, almost unconscious, some of them quite unconscious, and practically all of them so far gone that they could not lift an arm to take a crust of bread; some of them could, but most of them could not. It was necessary to get the arm of the child limbered so that he could feed himself or wait until he became a little more conscious.

The first act of that child almost invariably would be to take hold of your coat sleeve, draw it to his lips and kiss the sleeve for bringing that little relief. That was just the first stage of starvation.

Then over in the public buildings were to be found hundreds of children, segregated, with little or nothing to eat, with straw on the floor on which to sleep or perhaps nothing but the bare stone floor, with no blankets, with rags covering their emaciated bodies. There we found the second stage of starvation. These little fellows, boys as big as our pages, and in many cases grown people, had reached the stage which is known as "starvation bloat," when the abdomen becomes frightfully distended by gas and the gnawing pains become excruciating; then comes a state of coma, and then death. That, Mr. President, is starvation. That is a spectre that follows a man who has seen it all his life; and I have seen it in hundreds and thousands of cases, and Mr. Hoover also has seen it as I have.

God forbid that we should ever approach even serious hunger in this country. We have a country which according to recent statistics has approximately half of all the wealth of the world. We have approximately 47 per cent of all the copper above ground ready for sale, and we have 50 per cent of all the cotton; we have 40 per cent of all the gold in the world; we have foodstuffs enough to keep us going for a year and a half or two years, most of which is in warehouses, elevators, and granaries. Its maldistribution may be a monetary problem, but I believe that we are going to be wise enough to solve it before more serious conditions confront us.

I believe sincerely that we are at the bottom; and, while we may bump along on the bottom for a while, I am not willing to admit that we in this country are not smart enough to distribute our riches so that there will be no hunger, so that there will be an average prosperity in due time; but, Mr. President, I am not willing to sit here in the Senate and see a measure of this character defeated if I can do anything to help secure its passage.

The bill as a legislative measure may be entirely unsound, as the Senator from Kentucky has said. I do not dispute that; and I may add that a great many other measures we have passed during the last three months are, in my opinion, unsound in principle during normal times; but we are not in normal times; we are in the most violent, the deepest, the most serious depression that we have ever known. The whole world is stumbling along, groping for some remedy, and it is up to us to find remedies because we have the wealth; we should be able to distribute it properly, and we will eventually, in my opinion, lead the other civilized nations of the world that are suffering very much as we are out of this morass.

We know and there is not a man in this country who dares dispute this statement—that we are in the midst of real and very great suffering on the part of hundreds of thousands of people. The mental suffering is perhaps just as serious as is the physical suffering; it may be even more serious, because a very large part of it is dread of the future, the dread of hunger; and the dread of hunger is almost as bad as hunger itself. This bill provides relief to the extent of \$300,000,000, which is a vast sum of money, almost as much as we debated 10 or 12 years about and finally put into the Panama Canal; and I can see this bill bringing not only mental but physical relief to hundreds of thousands of people who have been waiting for something of this sort. If we have not the courage to stand up like men and pass this bill to-day, the Senate will rightly be accused of being cowardly; and we can not stand that. It is wrong to say that we can not afford, under the circumstances, an expense of this kind.

Mr. President, let me say just a word about the method of distribution, and then I am through. I happened to be a member of the subcommittee that discussed the details of this bill; we considered them at great length, and I feel that our decision was wise. The question was whether the Reconstruction Finance Corporation officials should take the responsibility of distribution in the States or whether, being loaned to the States, the whole responsibility for the distribution of the funds should be put upon the States. We decided in favor of the latter course, because it is obviously impossible in the time allowed—and this is an emergency

measure, and time is of the essence-to create a Federal organization sufficiently large to reach out into every State, to determine the necessities in the various States and the cities and rural districts in the respective States, and then allocate the correct amount for each district, with the needs radically changing every week and every month. It would be an impossible task, and in the work of such an organization there would be many mistakes; countless delays would result which would cause apprehension everywhere; and, in the long run, the distribution would be no more effective than would that made by the States themselves. So the committee decided unanimously that the governor of each State should be held solely responsible. We thought of adding other officials, such as the secretary of state and the attorney general, to act with the governor and divide the responsibility with him, but we finally decided to center the entire responsibility upon one man, the governor, the certificate of necessity and the problems of the distribution of supplies, whether or not in the form of money, to a local organization such as the Red Cross in some of the large cities or to some charitable organization to be distributed by them according to the conditions they might find. So, it seemed wisest and best to lodge full responsibility in the governor.

Now, as to the question of loans. In every case we wanted the amount advanced by the Federal Government to be a loan, believing that the States would pay; but that is obviously impossible, because the laws of many States do not allow borrowing by the State without a special act of the legislature. So we have accepted the La Follette amendment and added the words "or advances" wherever the word "loans" appears, so that it is optional whether it is a loan or whether it is an advance.

We retain in the bill certain drawback provisions so that the Federal Government may get back at least a portion of its money by taking from the States in the future funds available under the Federal roads act, and such a provision is in the bill.

I do not think any of us are fooling ourselves as to the liberality of this bill. It is not a business proposition. It is an emergency relief measure for real destitution. State wishes to treat this money as a loan, it may and it should pay back the loan. It can offer State bonds, if they are worth anything. It can offer municipal bonds. There are some States in this country, however, which are perhaps the hardest hit by destitution, which can not borrow, which can not raise any money by the sale of their bonds, and they need immediate relief. There are many municipalities that are in the same situation. I can speak thus freely because I happen to come from a State which is entirely independent, with a substantial surplus to-day; and, so far as I know, my State, Connecticut, would not think of borrowing from the Federal Government for this purpose. We are in a fine condition, relatively speaking, and so are many other States that have been thrifty, that have conserved their resources, that have believed in and practiced the pay-as-you-go policy, which we have been following in Connecticut for many years.

So I am not speaking from the want of my State. I am speaking from an absolute conviction as to the danger of what we are facing, and the positive necessity of relieving it quickly, both mentally and physically.

I hope the bill will pass.

Mr. JONES. Mr. President, I desire to ask the Senator a question.

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Connecticut yield to the Senator from Washington?

Mr. WALCOTT. I do.

Mr. JONES. I am heartily in favor of this measure. I confess, however, that I was really shocked when I read in the bill, in view of the character of the measure, that 5 per cent interest is charged upon the money that is to be given to relieve the distress of the people of the various States.

The Senator from Connecticut helped to prepare the bill. I know there must have been some good reason why that

provision was put in the bill, and I should be very glad if | an advance, in the case where a loan could not be made, the Senator would explain it.

Mr. WALCOTT. I shall be very glad to do so.

The 5 per cent applies to the drawbacks only. That is, the money carries with it a charge of 5 per cent interest, on the assumption that the provision for drawbacks is going to be valid and that we can withdraw this money by failing to appropriate Federal funds for Federal-aid roads. That carries a charge of 5 per cent. I should like to offer an amendment, which I think answers the Senator's question entirely.

On page 3, line 15, after the words "upon such terms," insert the words "and at such rates of interest"; and then it goes on, "as may be agreed upon between such State and the Reconstruction Finance Corporation."

Then, if the Reconstruction Finance Corporation sees fit, it can put a premium on the State funding its obligations. Suppose, for instance, drawbacks carry 5 per cent interest. A State, however, which is able to fund its loans by its bonds, municipal or State bonds, may then go to the Reconstruction Finance Corporation and agree upon such terms and such rate of interest as may suit the corporation; and the corporation certainly would be willing to put a premium on the loan being refunded by the State. They could say, "We will accept your refund on a basis of 3 per cent from the beginning of the loan," or 31/2 per cent, or whatever the prevailing rate at that time for Government money might be.

Mr. JONES. Does not the Senator really think that under the conditions that confront us-under the conditions that make it necessary, I think, for the National Government to take some action along these lines-we really ought to apportion this money to the States without asking for any interest at all, and of course let it be paid hereafter from the general Treasury of the United States; let it become a part of the national debt, if you please, to be repaid hereafter by all the people of the country in such manner as we may raise money?

Mr. WALCOTT. Mr. President, of course it is a matter of opinion as to how generous we should be, and to what extent we should forsake all business principles; but we must not fool ourselves about this. We must remember that the Government has not this money now. The Government will have to raise it by taxes or by the sale of bonds. Therefore, although it is a lending and not a spending corporation, the Government ought to be able to charge as much as the money costs it, which would not be less than 31/2 per cent, and at the present time it would be 4 or 41/4 per cent.

Mr. LA FOLLETTE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Wisconsin?

Mr. WALCOTT. I do.

Mr. LA FOLLETTE. I wish to direct the Senator's attention to the amendment which he has just suggested.

The Senator's amendment, as I understand it, would take care of the States that are able to enter into an agreement to borrow this money from the Reconstruction Finance Corporation; but it would not take care of the situation of the 12 or 13 States which have constitutional inhibitions against incurring debts, and which will have to take this money as a result of advances made, to be deducted from the future highway funds.

I see no reason in equity why a State, merely because it has that constitutional provision, should be charged a rate of interest of 5 per cent, while a State which has not that constitutional provision will be able to get this money at a lower rate of interest.

I wanted to suggest to the Senator, although I do not know that the amendment is properly worked out, that if an amendment were inserted on page 2 (if the Senator will refer to a copy of the bill), line 18, after the word " of " to insert "not to exceed," and after the word "annum" to insert "but in no case shall the interest rate exceed the average rate of interest paid upon the outstanding obligations of the Reconstruction Finance Corporation," that would result, or at least the intent of the amendment would be to provide that the rate of interest charged either upon a loan or upon

should not be in excess of the average rate at which the Reconstruction Finance Corporation obtained the money which it was thus loaning or advancing to the several States.

Mr. WAGNER. Mr. President, the original bill as we proposed it provided for no interest. We followed rather the philosophy of the Senator from Washington [Mr. Jones] that in a matter of this kind, in which we were dealing with a humanitarian question, the matter of interest should not enter; but the majority of the committee thought otherwise. I suggest, however, that we fix a definite rate of interest, and that whether the State borrows under its constitutional power or whether it borrows by taking an advance and having it liquidated by reductions from the Federal aid to State highways, the rate ought to be uniform. Otherwise, I think it would leave it open, perhaps, to unintentional favoritism; or, at any rate, different States might be dealt with differ-

Mr. NORRIS. Mr. President, I agree with the Senator that in my judgment it would be a great mistake not to have a uniform rate of interest. I do not believe we ought to have a different rate in one State than we charge another State; but this is the point to which I wanted particularly to call the Senator's attention:

These obligations of the Reconstruction Finance Corporation are, for all practical purposes, Government obligations. The Government guarantees the interest and the principal: so it would seem as though the Reconstruction Finance Corporation, on the bonds that it issues to get money, would not have to pay any higher rate of interest than the Government itself would pay if it were borrowing the money directly. Was there any contention in the committee that the Government would have to pay 5 per cent interest to borrow this money?

Mr. WAGNER. No.

Mr. NORRIS. Then, assuming that the States would pay back all they got, the Government would make a profit out

Mr. WAGNER. That may very well be. I see that the Senator from Michigan is on his feet.

Mr. COUZENS. Mr. President, if the Senator will

Mr. WALCOTT. I yield the floor. Mr. COUZENS. I should like to say in this connection that I was in the committee when this rate was fixed. It was generally stated, as I recall, that the banks and the railroad were paying 51/2 per cent upon loans made by the Reconstruction Finance Corporation; and it was also pointed out that there is considerable expense incurred in operating the Reconstruction Finance Corporation, which should be taken care of out of the earnings of the corporation, so as not to be an expense upon the taxpayers.

Many of us have said, on the floor and in correspondence. that the operation of the Reconstruction Finance Corporation was not a burden upon the taxpayers; that all that was used was the taxpayers' credit and not the taxpayers' money. So, while I do not desire to mention the name of the Senator who made the motion in the committee to fix this rate at 5 per cent, I think it was generally agreed that it would require that rate of interest not only to reimburse for the borrowing of the money but to pay the operating expenses of the Reconstruction Finance Corporation.

Mr. WAGNER. I intended, I may say to the Senator. upon my own responsibility, to move an amendment making the rate of interest lower; but, if I may make this suggestion, since the work which the Reconstruction Finance Corporation has to perform under this act is of a very simple character-upon the certification of the governor, automatically the fund is given to the State-I do not think it will involve any very great additional expense of operation.

Mr. NORRIS. Mr. President, it would not be a serious matter if the Government lost money on this operation. It is almost the same thing to take this money and give it to the States as though we did it directly. In fact, if we had the machinery, or could get it together without any great expense, I would prefer to do it that way myself.

money out of one pocket and putting it in the other. A Senator says it would not balance the Budget. That may be true; but if the Budget can be balanced by a mere shifting of bookkeeping, the importance of its balancing fades into insignificance.

I do not believe that we ought to make any profit out of this thing, take it from the States, and give it to the Federal Government. It is not a business proposition that we are going into. It is not profit that we want. On the other hand, suppose the Federal Government loses the money. If it loses it, it is because the States do not pay it; and if we paid it out directly in charity and lost it, it would not be any greater burden. It might be divided just a little bit differently; but perhaps some of the States would not borrow up to their proportionate share and others would, so it would not be serious.

Why should the Government insist on what I believe would result in making a profit? The greater additional expense that is to come to the Reconstruction Finance Corporation on account of this bill, if it is passed and becomes a law, will be very slight as compared with the amount of money involved. A very small per cent, a fraction of 1 per cent, will much more than pay all the expense that this adds to the financial burdens of the Reconstruction Finance Corporation. They exist anyway; and on this large amount of money a rate of interest that is perhaps 2 per cent higher than the Government will have to pay for the money would mean an additional burden that must be paid by the people who get the money, really, to help the unemployment situa-

I think well of the suggestion made by the Senator from Washington that we could do it without any interest. It would cost something, and the Federal Government would lose it; but it is to save the situation, it is to improve the business conditions of the country; and if it will do that, and get rid of a large share of the unemployment, we could

well afford to let it go that way.

I hope the Senator from New York, or some other Senator connected with the committee, will make the motion. The interest ought to be very materially lowered, it seems to me.

Mr. HATFIELD. Mr. President, a German mathematician has recently observed that the World War resulted in casualties of 11,000,000 killed and 19,000,000 maimed, with an expenditure of more than \$500,000,000,000, a sufficient amount of money to buy a \$2,500 home in a 5-acre plot, with \$1,250 worth of furniture, for each and every family in the United States, Canada, Australia, England, Belgium, France, Russia, and Germany, and in addition a hospital, university, and schools, including the salaries of teachers, nurses, doctors, and professors, for every group of 20,000 inhabitants.

With this enormous sacrifice of human lives and wealth it is no wonder the world is now experiencing a reaction and is in a distressed condition, and even in this glorious country the need of relief is keenly felt and must be met.

Mr. President, I favored this kind of relief legislation many, many months ago. When I was fortunate enough to be on the subcommittee with the distinguished Senator from Wisconsin [Mr. La Follettel which considered a relief measure I did not feel that I could support the measure being considered in its entirety. I offered an amendment to the bill of the distinguished Senator from Wisconsin and the distinguished Senator from Colorado in the way of a substitute. That substitute carried an appropriation of \$300,000,000 to be used by one group of States in this Union which could negotiate for a loan of this character, and \$200,000,000 to be used by another group of States, those which had no borrowing clauses or restrictive clauses in their constitutions, and an additional \$110,000,000 to take care of the public buildings which have been allocated but not appropriated for, making a sum total of \$610,000,000.

Mr. President, I am glad of the opportunity which will be presented to me soon to cast my vote in favor of relief legislation, so that the 48 States in this Union will have an opportunity, through the Treasury of the United States, and

So suppose we do lose something: It is only taking the | by means of the instrumentalities of the Reconstruction Finance Corporation, to assist needy and distressed people. It will afford them a facility, in the way of a credit, of which they are deprived at the present time due to the inability of the States, in many instances, to sell gilt-edged bonds upon the markets of this country.

I feel that this relief legislation should have come a long time ago and that it will bring great help to the families in

the respective States of the Union.

I offer for the RECORD a copy of the amendment which was proposed by me on this floor when the relief bill was introduced by the Senator from Wisconsin and the Senator from Colorado, to show to this body that I was in sympathy with the effort to grant relief then as I am in sympathy with the movement at this time. There is no piece of legislation which this honorable body has considered at this session that will give to each governor and each group of States a greater lift, a greater support, than the bill which the distinguished Senator from New York [Mr. WAGNER] is championing at the present time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the substitute bill formerly submitted by Mr. HATFIELD was ordered to be printed in the RECORD, as follows:

the Record, as follows:

Amendment in the nature of a substitute intended to be proposed by Mr. Hatfield to the bill (S. 3045) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

"That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$300,000,000, one-third of which shall be immediately available, for loans by the Secretary of the Treasury to the several States in the manner hereinafter provided. Not more than \$100,000,000 of this amount shall be loaned during the fiscal year ending June 30, 1932.

"Sec. 2. (a) Out of the amounts appropriated pursuant to section 1 the Secretary of the Treasury is authorized and empowered to make loans to the several States in the manner hereinafter provided and in such amounts as the Secretary shall determine.

"(b) Each application for a loan under the provisions of this act shall be made by the governor of the State. Loans to the States in the amount hereinbefore authorized shall be made by the Secretary of the Treasury, but no loans shall be made to any State until the governor of the States in the secretary of the Treasury.

States in the amount hereinbefore authorized shall be made by the Secretary of the Treasury, but no loans shall be made to any State until the governor has furnished the Secretary of the Treasury, under rules and regulations prescribed by the Secretary of the Treasury, notes, debentures, bonds, or other obligations of the State in an amount equal to the amount of the loan. Such loans shall bear interest at not more than 5 per cent and shall mature not more than five years from the date of the loan.

"(c) If any loan made to a State under the provisions of this act has not been repaid at the expiration of five years from the date of the loan, there shall be deducted in each year thereafter, and applied to the discharge of the principal and interest of such loan, an amount equal to one-tenth of the sum that would otherwise be paid to such State by virtue of allocations from any appro-

loan, an amount equal to one-tenth of the sum that would otherwise be paid to such State by virtue of allocations from any appropriation or appropriations that may be made pursuant to or to carry out the purposes of the Federal highway act, as amended.

"Sec. 3. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$200,000,000, of which \$75,000,000 shall be immediately available, for grants by the Secretary of the Treasury to the several States, in the manner hereinafter provided. Not more than \$75,000,000 of this amount shall be advanced during the fiscal year ending June 30, 1932.

"(h) The amount authorized by this section shall be available."

year ending June 30, 1932.

"(b) The amount authorized by this section shall be available for grants to any State which by reason of the inhibition of its constitution can not, under its existing law or by an act of its legislature, authorize an application by the State for a loan under section 2 of this act, or any State which has already borrowed to the full extent authorized by its constitution and laws, and can not under its constitution increase the authorization by act of its legislature. Grants made to any State under this section shall be in such amounts as the Secretary of the Treasury shall determine. Requests for grants under this section shall be made by the governor of the State and shall be accompanied by a statement that the amount requested is necessary for emergency the governor of the State and shall be accompanied by a state-ment that the amount requested is necessary for emergency relief in such State and can not be obtained either from public or private sources. At the time of making any such request the governor shall agree that he will recommend to the legislature of his State and also to the people thereof such action as may be necessary and appropriate to insure the repayment to the United States of all amounts received by the State pursuant to such

request.

"(o) If any grant made to a State under the provisions of this section has not been repaid at the expiration of five years from the date of the grant, there shall be deducted in each year thereafter an amount equal to one-tenth of the sum that would other-

wise be paid to such State by virtue of allocations from any appropriation or appropriations that may be made pursuant to or to carry out the purposes of the Federal highway act, as amended. The amount so deducted shall be applied toward the discharge of the amount of such grants to the State.

"SEC. 4. There is also hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated the

of any money in the Treasury not otherwise appropriated, the sum of \$110,000,000 for expenditure by the Secretary of the Treassum of \$110,000,000 for expenditure by the Secretary of the Treasury for the construction, enlarging, remodeling, or extension of public buildings under the control of the Treasury Department in cities for which allocations have heretofore been made, but for which estimates have not been submitted to Congress. Such amount may be expended without regard to the provisions of section 4 of the public buildings act of May 25, 1926, as amended, requiring the submission of estimates to the Bureau of the Budget, and the Secretary of the Treasury is hereby authorized to fix the limit of cost for each of such projects. Expenditures for professional services may be made from such amount without regard to any act limiting expenditures for outside professional regard to any act limiting expenditures for outside professional services. Such amount shall be in addition to any amounts here-tofore authorized under such act of May 25, 1926, as amended, and except as herein otherwise provided shall be expended in accord-

ance with existing law.
"SEC. 5. The Secretary of the Treasury is authorized to make all rules and regulations necessary to carry out the provisions of

this act.

Mr. WALSH of Montana. Mr. President, I take a sympathetic view concerning the proposition advanced by the junior Senator from Alabama [Mr. BANKHEAD] in the amendment which is pending. I think the movement it suggests is one which merits very general approval. If we got these people off on to farms or little patches of ground which they could cultivate, they would at least be assured of something to eat. There would be a social advantage to it which it is impossible to measure in dollars and cents, and it would undoubtedly be of very great value.

I hope, however, that the Senator from Alabama will not press his amendment to this particular bill. This bill has for its purpose the immediate relief of pressing want, of want which needs relieving immediately, whereas to utilize any of these funds for the purpose of making what might be regarded in the nature of a capital investment, the acquisition of farm or garden properties, or the leasing of farm or garden properties, with the necessary tools and equipment for the purpose of operating them, a house to live in, and the buildings appropriate to the vicinity, would be, it seems to me to utilize the fund for a purpose entirely apart from that contemplated by the pending bill.

I call the attention of the Senator from Alabama to the fact that the subject was not without consideration by the committee from which the bill originated, and in its bill, which it is expected the Senator from New York will press for consideration at the very earliest possible date, provision is made for just exactly that kind of thing. I call the Senator's attention to section 2 of Senate bill 4755, which reads as follows:

The Reconstruction Finance Corporation is further authorized and empowered to make loans (1) to States, municipalities, and political subdivisions of States, public or quasi-public corporations, and public or quasi-public municipal instrumentalities of one or more States to aid in financing projects authorized under State or municipal law and which are self-liquidating in char-

The Senator has in mind projects which are self-liquidating in character. The moneys invested in them will eventually, it is hoped, be returned so as to satisfy the loans. The moneys provided by the pending bill are not expected to be utilized in projects of that character, except as is indicated in the opening paragraph of the bill, which provides that the funds shall be used in furnishing relief and work relief. That is rather remote from the idea of acquiring lands upon which to settle persons who might cultivate them.

If the Senator from Alabama is not convinced that the provision of Senate bill 4755 to which I have called his attention will meet the cases he has in mind, I am very sure that those of us whose names are appended to the bill as sponsors for it will be very glad to make such amendment of it, or to accept an amendment tendered by the Senator from Alabama to it as would seem to meet the situation. But it does seem to me that it is quite apart from the purpose of the bill before us.

Mr. BANKHEAD. Mr. President, I greatly regret the position taken by the eminent Senator from Montana, for whom I have the highest regard, especially as he is in sympathy with the program outlined in my amendment. Here is a bill which we all really believe will promptly pass the Congress and will have the approval of the President. It apportions to each State an amount of money based upon the population of the State. It leaves to each State in a general way the manner of the distribution or apportionment within the State.

The Senator from Montana, for whom I have both affection and the highest respect, suggests that while the purpose of the amendment I have offered meets his approval, and in the very face of an opportunity to incorporate it in a bill which will doubtless become law, this provision be deferred, to be put into a controversial bill, a bill which we have no assurance will pass Congress and be approved by the President.

Mr. WALSH of Montana. Mr. President-

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Does the Senator from Alabama yield to the Senator from Montana?

Mr. BANKHEAD. I yield.

Mr. WALSH of Montana. Let me say to the Senator from Alabama that I am in exactly the same situation in which he finds himself. There are provisions in the other bill to which I am very particularly wedded. I believe that the best possible relief we can extend to those people who are without work is to give them work.

Mr. BANKHEAD. I agree with the Senator.

Mr. WALSH of Montana. I am very much in earnest in supporting the provisions of the other bill, which provides for loans for self-liquidating projects and loans for public works, but I do not feel as if I ought to try to inject into the pending bill those particular provisions of the other bill to which I am particularly attached.

Mr. BANKHEAD. Mr. President, it has been suggested to me that under the general provisions of the bill specific authority for the purposes indicated in my amendment is not necessary because it is already granted. I hear the further suggestion that the power is not incorporated and that it ought to be put into some other bill. I do not know just which conclusion or construction is right; but if any State, such as my State, is apportioned under the pending bill a fixed sum of money for relief, I can not understand why Senators should object if we are given merely the option of administering the fund in a way which we think will produce not only temporary relief but in large measure permanent relief, so that those to whom we now give the relief will be removed from the list of those who are from time to time requiring emergency relief.

Mr. WALSH of Montana. Mr. President, that is exactly the objection I have made to the bill. To use any of the funds for purposes such as suggested by the Senator will, of course, in the long run, afford relief, but it will afford no immediate relief. It does not help a man just now to give him a farm upon which he can work and get a crop which will be produced a year from now and sold 18 months from now.

Mr. BANKHEAD. Mr. President, it does him a world of good if you take him and establish him on a little farm, and make a sufficient advancement of money for supplies and feed and food to sustain him until he does make a crop.

Senators talk about getting relief for these individuals from the Reconstruction Finance Corporation. That may be all right for what are commonly known as self-liquidating construction programs, where financiers come and present their plan, with their statements of probable receipts and disbursements, so as to convince the hard-boiled members of the Reconstruction Finance Corporation that there will be sufficient returns, including profits from the project, to liquidate their investment.

I would like to know what chance the farmer in Alabama or Florida, who is destitute, who left his farm as the result of the lure of industry and went to the industrial centers, would have before the Reconstruction Finance Corporation here in Washington to secure a loan to establish a little subsistent home upon the idea that the loan was placed upon a self-financing proposition?

As I said earlier in the day, in the city of Birmingham, the greatest industrial city in our State, 60 per cent or more of the people—and I hope Senators will mark this statement—are colored, colored men with their families, who have been drawn away from the farms into that city to work in industries there.

The white people of that section have been just as good and generous and kind to them as they can be. They have been given the same attention as the white people from the community chest. But the time has come there, as it has come elsewhere in the United States, when they are unable to go forward continuously with their program. In advance of this legislation, in anticipation of it, in the hope that in some way the plan may be worked out, the industrial leaders, the community chest, the Red Cross leaders, in cooperation with the Governor of Alabama, have already developed plans to aid these poor former farmers, both white and black, but mostly colored, to go back into the country on little subsistent homes and to take care of them until they are able to dig out of the ground a vegetable crop and another kind of crop of some kind to keep their families together, and to have an opportunity to earn at least a bare living of some kind in the old line of occupation in which they were raised—that of tilling the soil.

If we want to use part of our money in that way—and it is our money if Congress distributes it to us—why should any Senator object? It is proposed to leave in large measure to the discretion and judgment of the governor or the administrative board of each State the manner of distributing these funds, and while it is my real thought that it could be done under the general provisions of the bill, still a strict constructionist governor or administrative board might think otherwise. The only purpose of my amendment is to give each State, at its own election, the right, without challenge, without being questioned, to use such part of this fund as it sees fit for that purpose, which is not only temporary but I submit in large measure will furnish permanent relief for those who are given that temporary relief.

What objection could anyone have to it? No objection has been made except that we ought to wait and put it in another bill. It does not in any way increase the appropriation in this bill. It does not in any way change the purposes of the bill. It is absolutely consistent with the purposes of the bill because it carries immediate and temporary relief. If the bill is passed, according to my advices from my home State, within the next two or three weeks large numbers of these destitute families will be placed under the provisions of the bill. It is not intended as a self-liquidating proposition. If the money is given to the States, they may use it as they see fit, but of course it is better in placing these people upon farms to remove them from the thought of a gratuity or a gift, to let them buy these little places and give their obligations for them. If the State authorities ever get back the money, they are just that much ahead in the matter of the reduction of these loans. If they do not get it back, then I submit they have performed a real act of charity and mercy, and connected with it have done it in a long-time planning system of removing that number of people possibly from the gratuity of Congress at some subsequent session.

So I appeal to Senators to incorporate the amendment in the bill. It can have no injurious effect. In each State we have to entrust State officials with the proper administration of the fund. I insist that this is purely an option, which I hope the Senate will give to the States with the assurance that my own State stands ready to put it into prompt execution to relieve destitution among the colored and the whites.

Mr. WHEELER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BANKHEAD. I do.

Mr. WHEELER. I notice the Senator's amendment states that—

All or any part of such grants may be disbursed in aid or furtherance of any program or programs of unemployment relief based on the location of those deemed entitled to relief on farm lands either in such State or elsewhere.

Mr. BANKHEAD. The thought in the use of that language was that we adjoin the State of Florida where the climate is fine and the soil suitable for the cultivation of quick crops and winter crops. If some of our citizens prefer and desire to establish a colony just across the line on the bay, then we would be authorized to do it. That is the only object. I have no objection to having that expression "or elsewhere" stricken out, but that is the purpose of the language.

Mr. WHEELER. It is doubtful whether the governor of the State would have a right to loan money for any purpose whatsoever outside of his own State.

Mr. BANKHEAD. Since the question is raised, I am content to strike out the words "or elsewhere."

The PRESIDING OFFICER. The Senator modifies his amendment as stated.

Mr. WHEELER. The Senator's amendment further provides "either by direct expenditure or by loans to any approved agency or groups or individuals." It seems to me that last provision would give the governor authority and power to make a loan to any corporation.

Mr. BANKHEAD. No; it does not say corporation. Mr. WHEELER. It says "to groups or individuals."

Mr. BANKHEAD. The agency which we have in mind is the Red Cross, whose officials there are already on the ground and in full accord with this plan.

Mr. WHEELER. I would not have any particular objection, but I think frankly under the terms of the bill that the governor of the Senator's State would have authority in his discretion to make any kind of a loan he wanted to make for the relief of the unemployed.

Mr. BANKHEAD. I have frankly stated that I entertain the same view. The question has been raised by the Senator's very able lawyer colleague the senior Senator from Montana [Mr. Walsh]. We all have complete confidence in his judgment. If there is any question about the absolute right, although many Senators think it is proper, I will make that language specific so as to give full assurance of protection to the administrative agencies in those States that see fit to use it as a part of their relief program.

Mr. ROBINSON of Arkansas. Mr. President, let me say just a word about the amendment of the Senator from Alabama. The language of the bill is quite broad. It does not expressly include such disposition of the funds by a governor as is contemplated by the amendment, but nevertheless on the whole the amendment is an alteration of the primary purpose of the bill, and if it should be agreed to and any governor should carry it out, it would result in limiting—mark my statement in this particular—the benefits of the bill to a very small number of persons.

Mr. BANKHEAD. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Alabama?

Mr. ROBINSON of Arkansas. I yield.

Mr. BANKHEAD. I think the Senator ought to recognize that that depends entirely upon the number to whom the benefit is to be given. I can not see why the Senator makes that statement.

Mr. ROBINSON of Arkansas. I will explain to the Senator from Alabama. Assume that \$10,000,000 is available for any State under the provisions of the bill for relief work and that it is all expended in accordance with the amendment proposed by the Senator from Alabama. How much would it be necessary to advance to each individual in order to transport him from the congested centers, procure for him a farm or the necessary land, and place him in a position to cultivate those lands? Estimating the figure at \$2,000, then \$10,000,000 would afford relief to 5,000 persons.

Mr. BANKHEAD. Mr. President-

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Alabama?

Mr. ROBINSON of Arkansas. I yield.

Mr. BANKHEAD. A gentleman here a few days ago, one of our outstanding men, said that the Red Cross and the business interests there had estimated that they could place a very large number of families on such farms at a cost of \$250 each.

Mr. ROBINSON of Arkansas. Of course, anyone who has had any experience in farming knows that he can not for \$250 buy land adequate to support a family, equip it with the stock and implements necessary to cultivate it and with the supplies essential to carry on the farming activities. The fact that the amendment is based on that kind of an estimate is to my mind a conclusive argument against its adoption.

The purpose of the bill is to afford immediate emergency relief to those who are in such distress that they can not procure food, clothing, and other absolute necessities of life. To enter upon a program such as is contemplated by the amendment of the Senator from Alabama would be to divert the use of the fund from its primary purpose. Without doubt, it is desirable that some arrangement should be made for a "back to the farm" movement. It is a very helpful movement. But much more credit will have to be provided than the \$300,000,000 carried in the bill. The plan will have to be worked out with some degree of caution and should not, in my humble judgment, be entered upon in this way. It is an important movement and a proposal that deserves consideration by itself. It should not be injected into this so-called emergency relief measure.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Alabama.

The amendment was rejected.

Mr. COSTIGAN. Mr. President, I send to the desk and now offer an amendment to strike out all after the enacting clause and substitute certain language.

Mr. GEORGE. Mr. President, before the Senator offers that substitute I desire to offer an amendment so as to perfect the text of the original bill. I was advised that the Senator from Montana [Mr. Walsh] had prepared an amendment which perhaps includes the amendment which I wish to offer. I shall be glad to yield to him to offer his amendment.

Mr. COSTIGAN. Mr. President, if it is the desire of other Members of the Senate that their amendments shall be considered before my substitute is offered, that course is entirely agreeable. I simply do not wish to lose the opportunity to present my substitute.

Mr. WALSH of Montana. This will be, of course, for the purpose of perfecting the text. I was impressed, Mr. President, as I am sure every Member of the Senate must have been, by the observations made by the Senator from Wisconsin [Mr. BLAINE] and also those advanced by the Senator from Georgia [Mr. George], to the effect that if these funds went into the State treasury in many States, I dare say in most of the States, it might be urged that they could be withdrawn from the State treasury only in pursuance of an appropriation made by the legislature of the State. Provisions of that kind are found in the constitutions of most of the States as a similar provision is found in the Constitution of the Federal Government. I am not sure that the situation can be adequately met, but I now offer an amendment, which perhaps will accomplish the purpose of freeing the funds from the strictness of the constitutional provisions to which I have adverted. The amendment reads as follows:

Any sum received by any State under this act shall be held as a special fund to be applied as herein provided by the governor thereof without regard to the restrictions applicable to the ordinary revenues of the State.

In order words, we segregate this fund from the funds to which the constitutional provisions would be applicable.

Mr. President, I offer this amendment in connection with the language on page 4, to strike out all after the comma in line 14, so that that portion of section 2 will read:

Any funds made available to a State pursuant to this act shall be administered by the governor, or under his direction, and upon his responsibility.

Then I propose to insert:

Any sum received by any State under this act shall be held as a special fund to be applied as herein provided by the governor thereof without regard to the restrictions applicable to the ordinary revenues of the State.

The PRESIDING OFFICER. The Senator from Montana offers an amendment which will be stated.

The CHIEF CLERK. On page 4, line 14, it is proposed to strike out all after the comma, following the word "responsibility," and to insert:

Any sum received by any State under this act shall be held as a special fund to be applied as herein provided by the governor thereof without regard to the restrictions applicable to the ordinary revenues of the State.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Montana.

Mr. GEORGE. Mr. President, I am quite satisfied that that amendment meets the difficulty which I wished to indicate, particularly in connection with the State of Georgia and no doubt as to other States.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Montana.

Mr. McKELLAR. Mr. President, I wonder if the Senator from Montana will accept an amendment to his amendment? I will read the amendment I propose:

Provided, That in States where there is a State board constituted for controlling the financial affairs of the State such board shall distribute, under the supervision of the governor, the amount allotted to any such State.

Mr. LEWIS. Mr. President, may I be so bold as to suggest to the Senator that I think that an amendment tendered by myself a little earlier in the day, providing that separate bodies of the kind referred to shall have the right to administer the fund, under the governor, covers the thought he has in mind.

Mr. McKELLAR. Has that amendment been adopted? Mr. LEWIS. Yes, sir.

Mr. McKELLAR. If such an amendment as that has been adopted, I will examine it, and I will withdraw my proposed amendment for the present.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Montana.

The amendment was agreed to.

Mr. WALSH of Montana. Mr. President, in view of the discussion of the subject of interest, I desire to offer two amendments. In line 16, page 2, I move to strike out "5" and to insert "3," and I also propose the same amendment in line 18 on the same page.

The VICE PRESIDENT. The amendment proposed by the Senator from Montana will be stated.

The CHIEF CLERK. On page 2, line 16, it is proposed to strike out the numeral "5" and to insert the numeral "3," and on the same page, in line 18, to strike out the numeral "5" and insert the numeral "3."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I call the attention of the Senator from Montana to the fact that the amendment of the Senator from Illinois [Mr. Læwis], which I have just read rather hastily, does not seem to cover what I think should be embodied in this bill. Therefore I will offer my amendment, and I do not see how there can be any objection to it. I will read it again so that Senators may understand it. It is as follows:

Provided, That in States where there is a board constituted for controlling the financial affairs of the State such board shall distribute, under the supervision of the governor, the amount allotted to any such State.

Mr. WALSH of Montana. I see no objection to that amendment.

Mr. McKELLAR. I offer that as an amendment to the amendment of the Senator from Montana.

The VICE PRESIDENT. In that event it will be neces- amendment offered by the Senator from Colorado provides sary to reconsider the vote whereby the amendment of the Senator from Montana was agreed to.

Mr. McKELLAR. Then I move to reconsider the vote by which the amendment of the Senator from Montana was agreed to.

Mr. WALSH of Montana. Mr. President, there can be no objection to the amendment of the Senator from Tennessee and he can offer it as an amendment to follow the amendment adopted on my motion.

Mr. WALCOTT. Mr. President, I do not understand the amendment.

Mr. McKELLAR. Mr. President, I will ask the clerk to read it again. I am quite sure there will be no objection to it.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK, On motion of the Senator from Montana [Mr. Walsh] the following amendment was adopted:

Any sum received by any State under this act shall be held as a special fund to be applied as herein provided by the governor thereof without regard to the restrictions applicable to the ordinary revenues of the State.

To which the Senator from Tennessee offers the following

Provided, That in States where there is a State board constituted for controlling the financial affairs of the State such board shall distribute, under the supervision of the governor, the amount allotted to any such State.

The VICE PRESIDENT. The amendment offered by the Senator from Tennessee may be considered as a separate amendment and it is not necessary to reconsider the vote whereby the amendment of the Senator from Montana was adopted. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

The VICE PRESIDENT. The question now is on the amendment in the nature of a substitute offered by the Senator from Colorado [Mr. Costigan], which the Secretary will state.

The CHIEF CLERK. The Senator from Colorado offers a substitute to strike out all after the enacting clause and insert what is known as Senate bill 4592.

Mr. WALSH of Montana. Mr. President, I should like to inquire of the Senator from Colorado if the amendment he has offered in the nature of a substitute is what is known as the Costigan-La Follette bill.

Mr. COSTIGAN. It is in substance, with slight modifications, the same as the bill introduced be me on May 4 (calendar day, May 6), 1932.

Mr. WALSH of Montana. And the amendment, in substance, embodies the general provisions contained in the bill

Mr. COSTIGAN. As originally introduced, it provided for a bond issue of \$500,000,000, which, to meet the present mind and mood of the Senate, has been reduced in this amendment to \$300,000,000. The funds are to be administered by a Federal board consisting of four members of different political parties, appointed by the President and confirmed by the Senate. Sixty per cent of the appropriated amount would be distributed among the States according to population. The remaining 40 per cent would go into a reserve fund, to be applied on the basis of need, as urged by the Senator from Idaho [Mr. Borah] this morning. Furthermore, the safeguards incorporated in the bill introduced by the Senator from Wisconsin and myself in January, with respect to the handling of the funds, are contained in the amendment now offered.

Mr. WAGNER. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from New York?

Mr. COSTIGAN. Certainly.

Mr. WAGNER. The fundamental difference between the amendment the Senator is offering as a substitute and the for a direct grant to the States, whereas the bill which is now under consideration provides for a loan, to be liquidated in one of two methods?

Mr. COSTIGAN. It is my understanding that the bill of the Senator from New York, in effect, provides for grants to the States. So the real distinction, as I view it, is one of administrative safeguards thrown around expenditures.

The amendment offered by me also explicitly deals with certain problems which are ignored in the bill of the Senator from New York. For example, we have in this country, as the Senate well knows, a large migratory population. Most transients, as they drift over the country, are outside the specific protection of the relief laws of the various States. This bill directs special attention to the migratory problem and provides that a portion of the funds shall be applied to the protection of the mounting flood of workers now shifting up and down this land, homeless and penniless, looking for Work

The most striking contrast, as I view it, between the bill of the Senator from New York and the amendment I propose as a substitute, outside of differences already stated, relates to the manner in which funds are to be distributed. Under the bill of the Senator from New York the funds committed to the charge of the governors of the respective States may be disbursed within the States largely within the discretion of the various governors. It is to be feared that part of the funds may not be applied to the purposes for which advanced by the Federal Government. So wasteful extravagance and misapplication are easily possible under the measure which is so generally sponsored here to-day, and serious charges of diversion may easily follow the legislative carelessness here sanctioned.

Mr. WAGNER. Mr. President, will the Senator yield? The VICE PRESIDENT. Does the Senator from Colorado yield further to the Senator from New York?

Mr. COSTIGAN. Certainly.

Mr. WAGNER. The Senate just adopted an amendment offered by the Senator from Tennessee [Mr. McKellar]. which provides that where there is an agency created by a State for the distribution of funds of this type, such agency shall distribute the funds. So there is that safeguard, in addition to the responsibility of the governor for the proper administration of the funds.

Mr. COSTIGAN. Of course, I do not wish to enter into controversy with the able Senator from New York, for whom I have great regard, but it is my judgment that, notwithstanding the clause to which the Senator calls attention and which appears to have only limited application, the funds distributed under the Senator's bill may in part fail to reach the field in which they ought to be applied.

Knowing the mind of the Senate and changing economic conditions hurrying its judgment at this hour, I have no reason to suppose that the substitute I intend to offer will be approved. In that event I will, of course, vote for the next best available form of relief. However, I feel that in justice to the Senate, to sound standards of administered relief which this country for years has indorsed, and having regard for relief which ought to be extended on the basis of need, even more than population, particularly at this hour of special distress of the migratory homeless in America, the Senate would render a much finer service to humanity and our country by supporting the substitute measure I have proposed.

Mr. WALSH of Montana. Mr. President, in view of the statement made by the Senator from Colorado, would there be any objection to an agreement to dispense with the further reading of the substitute?

Mr. COSTIGAN. Not at all. If there is any Senator who desires the reading, of course it can be read.

The VICE PRESIDENT. Without objection, the further reading will be dispensed with.

The amendment of Mr. Costigan is as follows:

Strike out all after the enacting clause and insert:

bill which is now under consideration is, is it not, that the states in providing temporary emergency relief from the hardship

resulting from unemployment, there is hereby created a special fund in the Treasury to be known as the emergency relief fund and to be administered by the Federal Emergency Relief Board created by section 2. For the purpose of providing funds to carry out the provisions of this act the Secretary of the Treasury is authorized and directed to borrow from time to time on the credit of the United States not to exceed \$300,000,000, and to issue bonds therefor, to be known as emergency relief bonds, in such form as he may prescribe. Such bonds shall be in denominations form as he may prescribe. Such bonds shall be in denominations of not less than \$50, shall mature 10 years from the date of their issue, and shall bear interest at such rate as may be fixed by the Secretary of the Treasury, but not to exceed 4 per cent per annum. The principal and interest of such bonds shall be payable in United States gold coin of the present standard of value, and such bonds shall be exempt, both as to principal and interest, from all taxation (except estate, gift, and inheritance taxes, and surfaxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

"(b) Such bonds shall be first offered at not less than par, as a popular loan, under such regulations to be prescribed by the Secretary of the Treasury as will give all citizens of the United States an equal opportunity to participate therein. Any portion of the bonds so offered and not subscribed for may be otherwise disposed of by the Secretary of the Treasury at not less than par. No commissions shall be allowed or paid in connection with the sale or other disposition of any such bonds. All amounts de-

sale or other disposition of any such bonds. All amounts derived from the sale of such bonds shall be paid into the emer-

gency relief fund.
"(c) All moneys

gency relief fund.

"(c) All moneys in such fund are hereby authorized to be appropriated for allocation to the several States by the Federal Emergency Relief Board, and for other expenditures as provided in section 3 (b).

"Sec. 2. (a) There is hereby created a Federal Emergency Relief Board (hereinafter referred to as the board), which shall consist of four members to be appointed by the President, by and with the advice and consent of the Senate. No more than two members of the board shall be of the same political party. The board shall have full power of allocation of funds under the provisions of this act, and shall exercise the functions provided for in this act. The members of the board shall elect their own chairman, and shall receive no compensation for their services as members, except that the members shall be paid a per diem compensation and shall receive no compensation for their services as members, except that the members shall be paid a per diem compensation of \$25 for time devoted to the work of the board, and necessary traveling and subsistence expenses, within the limitations prescribed by law for civilian employees in the executive branch of the Government. The board shall cease to exist upon the expiration of two years after the date of enactment of this act, and upon the termination of the board's existence all unexpended moneys held by it shall be covered into the Treasury as miscellaneous receipts. receipts

The Chief of the Children's Bureau in the Department of Labor shall be the executive officer of the board and, with the approval of the board, may appoint and fix the compensation of such experts and, subject to the provisions of the civil service laws, appoint, and, in accordance with the classification act of 1923, as amended, fix the compensation of such other officers and employees as are necessary to carry out the provisions of this act; and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere and for printing and binding) as are necessary to carry

where and for printing and binding) as are necessary to carry out the provisions of this act.

"Sec. 3. (a) Sixty per cent of the amounts appropriated pursuant to this act shall be apportioned among the several States and the District of Columbia in the manner hereinafter provided, in the proportion which their population bears to the total population of the States of the United States and the District of Columbia according to the Fifteenth Decennial Census. Payments made in any year out of the amount of the appropriations apportioned to any State or to the District of Columbia on the basis of population shall not be in excess of two-thirds of the amounts appropriated or otherwise made available for such year by the appropriated or otherwise made available for such year by the State, by the civil subdivisions thereof, and/or by private contributions from within the State, to be expended for emergency relief as defined in section 10 of this act.

"(b) The balance of the amounts appropriated under this act shall be available (1) for administrative expenses of the Federal agencies under this act, and (2) as a reserve fund for emergency allotments, as provided in section 8, to the States where the amounts apportioned on the basis of population are insufficient

to meet the need.

to meet the need.

"(c) The amounts apportioned or allocated to any State under this act shall be available for payment to and expenditure by such State, for the purposes of this act, until the expiration of two years after the date of enactment of this act; except that at two years after the date of enactment of this act; except that at the expiration of the fiscal year 1933, if the amount certified prior to the expiration of such year for payment to any State out of amounts apportioned on the basis of population under this act in the manner hereinafter provided is less than one-half of the total amount apportioned to that State on the basis of population, the difference between the amount so certified and one-half of the total amount apportioned shall be added to the reserve fund and shall be available for allotment to the several States on the basis of need.

the basis of need.

"(d) So much, not to exceed \$350,000, of the appropriations set aside in the reserve fund, as the Chief of the Children's Bureau with the approval of the board shall estimate to be necessary for administering the provisions of this act, shall be deducted for that purpose, to remain available until expended.

"(e) If the State agency designated or created in accordance with section 4 of this act shall certify to the board that it is without the funds necessary to obtain the information specified in section 5 of this act as a basis for State plans, the board may authorize immediate payment to such State of not to exceed

authorize immediate payment to such State of not to exceed \$5,000, and the amount of any such payment shall be deducted from the apportionment to such State on the basis of population. "SEC. 4. (a) In order to obtain payments out of the appropriations authorized in section 1 of this act a State, through its legislative authority, shall designate or create a State agency to cooperate with the board; except that if the legislature of any State is not in session and has not made provision to that end, the governor of such State may designate or create an agency to cooperate with the board. In any State having a State department of welfare or charities such department shall administer the provisions of this act, except that in any State in which, in accordance with the law of the State, there has been set up a special emergency organization for the administration of relief, such special State agency may be the administrative agency of the State under this act. the State under this act.

"(b) Relief shall be administered within each State under rules and regulations adopted by the State authorities.
"Sec. 5. Any State making application for funds under this act "SEC. 5. Any State making application for funds under this act shall, by the agency designated or created to cooperate with the board, submit at such times and for such periods as may be prescribed by the board plans for carrying out the provisions of this act within such State. The plans shall include (1) information as to the amounts actually expended for relief by public and private agencies in the State for such periods as the board may prescribe; (2) estimates of the amounts appropriated or otherwise made available; (3) amounts necessary to meet the emergency relief needs in the State in the fiscal year ending June 30, 1933, and, upon call of the board, in the fiscal year ending June 30, 1934; and (4) shall make provision for adequate administrative personnel, and for securing the benefits contemplated by this act to persons within the State, irrespective of the period of residence within the State. When such plans are in conformity with the provisions of this act and reasonably appropriate and adequate to carry out its purposes, they shall be approved by the board, and

to carry out its purposes, they shall be approved by the board, and due notice of such approval shall be given to the State agency.

"SEC. 6. Within 10 days after an appropriation has been made under authority of this act, the Chief of the Children's Bureau as the executive officer of the board shall make the apportionment on the basis of population provided in this act, shall certify to the Secretary of the Treasury and to the treasurers of the several States the amount apportioned to each State on the basis of popu-

States the amount apportioned to each State on the basis of population, and shall certify to the Secretary of the Treasury the amount estimated to be necessary for administering the provisions of this act. Such estimate shall be subject to subsequent review and revision by the board.

"Sec. 7. Within 30 days after an appropriation has been made under the authority of this act, and as often thereafter while such appropriation remains available as conditions may warrant, the board shall certify to the Secretary of the Treasury, as to each of the several States, (1) whether the State has designated or created an agency to cooperate with the board in compliance with the provisions of this act; (2) the amounts, if any, which have been made available by such State, including funds made available by civil subdivisions thereof and private contributions from within by civil subdivisions thereof and private contributions from within the State; (3) whether plans have been submitted and accepted pursuant to the provisions of this act; and (4) the amount of the payments, if any, to which the State is entitled under the provisions of this act. Such certificate unless revoked as provided in section 9 of this act shall be sufficient authority to the Secretary of the Treasury to make payments to the State in accordance therewith

"SEC. 8. (a) Whenever, from the statement furnished by the State agency and verified by the board, it appears that the combined moneys available from local and State funds within the State, supplemented by any moneys paid or to be paid to the State from the apportionment on the basis of population, will fall below the estimated needs for emergency relief in any State, the board shall consider the State eligible for allotment of the reserve funds to be allotted to the several States on the basis of need; but no such allocation shall be made to any State unless the board is satisfied that the State or its political subdivisions have made reasonable efforts within their resources to provide for emergency relief expenditures.

"(b) The board is authorized either in connection with the

"(b) The board is authorized, either in cooperation with the several States, through special grants or otherwise, or by such other means and agencies as it may determine, to make payments out of the reserve fund for the purpose of extending relief to migratory workers and their families, who are not obtaining relief

under State plans.

"Sec. 9. Each State agency cooperating with the board under the provisions of this act shall make such reports concerning its operations and expenditures as shall be prescribed or requested by the board. The board may revoke any existing certificate or withhold any further certificate provided for in section 7 whenever it shall determine, as to any State, that the State agency has not properly expended or supervised the expenditure of moneys paid to it in accordance with the plans approved under this act. Before any such certificate shall be revoked or withheld from any State the board shall give notice in writing to the State agency stating specifically wherein the State has failed to comply with such plans.

"Sec. 10. The term 'emergency relief,' when used in this act with respect to State expenditures, means relief in the form of

money or commodities furnished by the State or its civil subdivisions or by private contributions from within the State, to persons in their abode or habitation, or in shelters for the transient and homeless, or in the form of wages or other compensation for work furnished on the basis of need, and made necessary by reason of the emergency growing out of unemployment, over and above the usual and ordinary expenditures for such relief, but not including old-age pensions under special acts, or public aid under special acts to mothers for the care of dependent children, or relief to veterans under special acts; and the term 'relief,' when used in this act with respect to the allocation of funds by the board, shall be construed to include the same purposes as those included in emergency relief, and expenditures for such purposes are hereby authorized. In either case the decision of the board as to the purpose of any expenditure shall be final.

"SEC. 11. This act shall be construed as intending to secure to the several States control of the administration of this act within their respective territorial limits, subject only to the provisions and purposes of this act.

SEC. 12. The term 'State' as used in this act shall include the District of Columbia; and in the case of the District of Columbia acceptance of the terms of this act by the Commissioners of the District of Columbia shall entitle the District of Columbia to share in the benefits hereof."

The VICE PRESIDENT. The question is on the amendment, in the nature of a substitute, offered by the Senator from Colorado.

The amendment, in the nature of a substitute, was rejected.

Mr. LA FOLLETTE. Mr. President, I shall not detain the Senate long before it votes on this measure; but inasmuch as I have given a great deal of time and thought to this subject. I do not wish the vote which I am about to cast to be misinterpreted.

I have maintained from the beginning of this depression that unemployment relief was a joint responsibility of the local, State, and Federal Governments. There are no logical arguments to support the contention, reiterated again on this floor to-day, that unemployment relief is solely a problem of local and State governments. The Senator from Idaho [Mr. Borah], said this afternoon that we are in the midst of a nation-wide economic breakdown. The innocent victims of this depression are not responsible for the desperate situation in which they have been for two and a half years, nor is the State government nor the municipal government responsible for having created the depression that has overtaken the country.

If any governmental entity is solely responsible-which I do not claim—then certainly it is the Federal Government; for it is the Federal Government which enacts the laws that affect the fiscal policy, the credit policy, the fariff policy, and all the other great economic questions which influence and control either adversely or favorably, the economic trends that prevail in this country.

Mr. President, I do not think that the future historian, as suggested by the Senator from Pennsylvania [Mr. REED], will look upon this act-taken two and a half years after this major economic cataclysm swept over this countryas a milestone on the road to the disintegration of this Republic. On the contrary, I venture the assertion that future historians will be amazed that a representative Government could have been so blind and so callous during these long, weary months to the suffering, the hardship, the want, the hunger, the disease that have taken their heavy toll from millions of innocent citizens of this Republic.

Mr. President, in view of the testimony presented to the Senate last February, when the Costigan-La Follette relief measure was taken up for consideration by this body, and in view of the subsequent testimony gathered by the committees of the Senate, it seemed to me an amazing thing that any Senator could rise in his place on this floor and contend that there was no necessity for Federal action to meet the unemployment relief problem.

The remarks made by some of the Senators to-day are as shocking to me as was the statement made in the address of the Secretary of the Interior when he spoke in Philadelphia to an informed audience, namely, the social workers of this country gathered at a meeting. There the Secretary of the Interior said:

Personally, and speaking broadly, I think that unless we descend to a level far beyond anything that we at present have known, our children are apt to profit rather than suffer from what is going on.

Mr. President, that statement was made in the presence of social workers from the city of Philadelphia, in which this gathering was held. Shortly prior to the time the Secretary's address was made, the funds for relief in the city of Philadelphia had been exhausted for 11 days. On May 9 there appeared before the subcommittee of the Committee on Manufactures, considering the substitute bill which has just been rejected by the Senate, Mr. de Schweinitz, who has been secretary of the relief organization in the city of Philadelphia. I want to direct the attention of the Senate, for the sake of the record, to the testimony given by this well-informed individual, whose authority can not be impeached by anyone. He said:

I want to tell you about an experience we had in Philadelphia when our private funds were exhausted and before public funds became available.

On April 11 we mailed to families the last food order which they On April 11 we mailed to families the last food order which they received from private funds. It was not until April 22 that the giving of aid to families from public funds began, so that there was a period of about 11 days when many families received nothing. We have received reports from workers as to how these families managed. The material I am about to give you is typical, although it is based on a small sample.

We made an intensive study of 91 families to find out what happened when the food orders stopped.

Mark this, Mr. President:

In a little less than 9 per cent of these families there were pregnant mothers, and in a little more than one-third of the families children of nursing age.

This is how some of these families managed:

One woman said she borrowed 50 cents from a friend and bought stale bread for 3½ cents per loaf, and that is all they had for 11 days, except for one or two meals.

With the last food order another woman received she bought dried vegetables and canned goods. With this she made a soup, and whenever the members of the family felt hungry they just ate some of the soup.

Here is a family of a pregnant mother and three children. They had only two meals a day and managed by having breakfast.

They had only two meals a day and managed by having breakfast about 11 o'clock in the morning and then advancing the time of their evening meal. Breakfast consisted of cocoa, bread, and butter; the evening meal of canned soup.

one woman went along the docks and picked up vegetables that fell from the wagons. Sometimes the fish vendors gave her fish at the end of the day. On two different occasions this family was without food for a day and a half. One family had nothing the day the food orders stopped until 9 o'clock at night. Then the mother went to a friend's home and begged for a loaf of bread.

This woman finally got two days' work at 75 cents a day. She bought a little meat and made a stew from vegetables picked up which they cooked over and over again each day to prevent its

which they cooked over and over again each day to prevent its spoiling.

Another family's food consisted of potatoes, rice, bread, and coffee, and for a period of a day and a half they had no food at all.

Here is another family which for two days had nothing to eat but bread, and during most of the rest of the time they had only two meals a day. Their meals consisted of bread and coffee for breakfast and bread and raw or cooked carrots for

Another family did not have food for two days. Then the husband went out and gathered dandelions, and the family lived on them.

Here is another family which for two and one-half days went without food.

Still another family, thinking to get as much as possible with their last food order, bought potatoes, and for 11 days lived only on them.

Mr. President, how shocking it is that a Cabinet officer could claim that the depression was good for children in the face of these facts!

Mr. President, in Philadelphia there were 238,000 unemployed in December. There were 298,000, estimated, on the 9th of May, in contrast with forty to fifty thousand in normal times. In December, 43,000 families were receiving relief. On the 9th of May 55,000 families were receiving relief. Per family, they were receiving \$4.39 in December. In May they were getting \$4.23 per family, of which \$3.93 was for food, about two-thirds of the amount needed to preserve health.

In view of those conditions, how can any Senator contend that unemployment relief is the sole responsibility of the local and State governments? How any Senator can maintain that there is no need for action on the part of the Federal Government is more than I can understand in the face of this uncontroverted evidence of the terrific human need in this country, beyond the ability of any man to describe in words.

Mr. President, I wish to direct the attention of the Senate to the record taken on the 9th day of May by the committee to which I have referred.

Few cities are providing shoes, or clothing to destitute families, according to Mr. H. L. Lurie, who is the director of the Bureau of Jewish Social Research, a national survey and research organization. No money is available for necessary medical or dental care. No payment is made for gas or electricity, and increasingly public and private relief agencies are unable to pay rents. Relief has been continuously and gradually reduced, so that whole families are getting an average of \$2.39 a week relief in the city of New York, the richest city in the United States, with \$3 and \$4 and at most \$5 a week per family in other cities. A number of quotations from reports which follow indicate the desperate straits in which relief agencies are finding themselves in attempting to supply some aid, even if meager, to families without other resources.

Here is a report from Houston, Tex.:

Following earlier reductions there has been a reduction in the weekly grant of from 20 to 30 per cent.

From Pittsburgh:

Relief averages from \$5 to \$6 a week per family, but a further reduction of 50 per cent is contemplated, since relief funds are low.

From St. Paul:

We are merely trying to prevent hunger and exposure.

From Cleveland:

The payment of gas and light has been discontinued except in health cases.

From Toledo:

Conspicuous reductions in relief standards until at present there is only a commissary available for most families which is distributing the cheapest grades of food. They are only able to allow 2.14 cents per meal per person per day.

From Scranton:

We are holding taxes down and spreading relief thin.

From Cleveland:

Rents are paid only when families are evicted when only 25 per cent of the rent is offered for one month only.

From Syracuse:

No more than a minimum of \$15 rental is paid. Housing congestion is being intensified, and there is a gradual lowering of housing and living standards.

From Scranton:

As rents are paid only upon eviction, and then only for one month or a part of the month, many families have experienced eviction two, three, and many more times during the year.

From Omaha:

Relief has seen a 40 per cent decrease in adequacy during the past winter.

From Dallas:

There has been a 40 per cent increase in applications with only 10 per cent increase in funds available.

From Chicago:

Some families are being separated, husbands being sent to the men's shelter and wives to the women's shelter.

Mr. President, in the city where the national conventions of the two old parties will meet this month there is one of the most critical unemployment situations that exists anywhere in the United States to-day. In April, 1930, there were 167,000 unemployed in Chicago. By January, 1931, there were 448,000 out of work. By October, 1931, there

were 625,000 out of work. In May of this year there were 700,000 persons out of work in the city of Chicago.

For the State as a whole, as in Pennsylvania, one-third of the workers usually gainfully employed are out of work.

In March, 1930, there were 12,984 families receiving aid. In March, 1932, two years later, 130,000 families were receiving aid in the city of Chicago.

Other resources were completely exhausted on February 1, after most generous response to charitable drives and other efforts made to raise funds.

Then the State provided \$20,000,000 through tax anticipation bonds or warrants in order to meet the crisis. There was virtually no money for rent, none for clothing, none for medical and dental care, only money to pay for food, gas, and electric bills, and similar absolutely unavoidable costs. Relief expenditures in Chicago are now at the rate of \$3,250,000 a month. If rents were to be paid in that city, another \$756,000 a month would be required.

In addition to the 130,000 families, an average of about 13,000 single men and transients are given shelter, lodging, and food in shelter buildings.

No need for Federal action, Mr. President? I wish to direct attention to the situation concerning the children of this country, the future citizens of this Republic, upon whom its security will rest in the next generation.

On July 1, 1931, there were 284,000 children in institutions or foster homes in this country. Eighteen months later—that is, on the 1st day of January, 1932—there were 400,000 children in these same institutions, an increase of 40 per cent in two years' time.

What do those statistics show? If we look back to them, we see a picture of misery and distress which should arouse a sympathetic response in the heart of any Senator or any other person charged with the responsibility for governmental policy in this crisis. The 40 per cent increase in the number of children in institutions means that families have been broken up, homes destroyed, ambitions of a lifetime wiped out. All sacrifices having been made to hold the family together as a unit, finally overwhelmed by this economic disaster, the parents have been forced in their extremity to give up their children to these institutions rather than to see them starve to death before their very eyes.

Mr. President, my first criticism of this measure is that it comes belatedly, from a grudging Government, instead of sound legislation enacted at a time when it could have afforded relief to millions of families in this country and have prevented their being broken up.

My second criticism is that it does not recognize the principle which I believe indispensable to a sound and just solution of this problem, namely, a joint responsibility on the part of the Federal Government with the cities, counties, and States in meeting the terrific problem of unemployment relief.

I also criticize the measure because it does not provide an intelligent method of dealing with the problem which confronts us. It proposes to apportion the entire fund on the basis of population, without regard to varying needs which exist in the several States.

It does not create any emergency fund to be used to meet emergencies which may occur in the respective States after the funds apportioned to them have been exhausted and before the Congress shall meet next December.

It provides no supervision over the expenditure of these funds, and, in so far as the Federal Government is concerned, it can not assure that a single dollar of this money will be expended for the purposes for which it is given.

Also, may I point out that in case there is a misappropriation of these funds, in case they are wastefully or extravagantly used or otherwise misused, there is no opportunity, under this measure, for the Federal Government to insist that the plans under which those funds are being expended shall be altered so that the relief will reach those who need it with as little waste as possible.

Mr. President, I am confronted with a legislative situation. This measure, inadequate in amount and wrong in prin-

ciple, is the only one which can be passed at this time to meet the enormous problem of human need in the United States to-day. Therefore, so far as I am concerned, I shall at this time waive my own convictions as to its lack of adequate administrative safeguards and its failure to embody the principles which should be recognized by the Congress.

I serve notice now, however, that I have not waived those principles permanently; and when the time comes to discuss the question whether or not the States shall be required to repay the loans which they have sought, or when the time comes to require them to have their advances taken from future highway funds, I shall feel free again to contend on this floor, as I contended last February, and as I contend to-day, that it is a disgrace for the Federal Government to seek shelter behind a technicality in the face of a national emergency which is a responsibility of all governmental

Why do we tolerate government? We tolerate it because we must band together in an organization in order that we may do as a group what we can not do as individuals; and for any man to say that in the face of national disaster affecting millions of our citizens the Federal Government has no responsibility is, in my judgment, to admit that the individuals who compose the Government have no responsibility to their fellow citizens in a national disaster.

For the reasons which I have briefly outlined, I shall vote for the pending measure on its final passage.

Mr. BARBOUR. Mr. President, nothing is further from my desire than to delay the vote on this important measure; and I realize, as I am sure every other Senator realizes, that there is no necessity that I should add to the testimony which has been put before this body by the able Senators who have spoken before me with respect to the need for emergency relief at this time.

I simply want to say, and very briefly, that I am wholeheartedly in favor of the pending measure. I feel that I have, in a humble way, contributed in certain respects toward its development; and I mention that without taking away in any degree the credit due the illustrious junior Senator from New York [Mr. WAGNER] and his colleagues.

Mr. President, I hope very much that in an entirely bipartisan way we may all join in speeding the passage of this legislation, so needed at this particular time.

Mr. HAWES. Mr. President, it is not my intention to detain the Senate more than one moment, but I can not allow to pass unnoticed the observation which has been made here to-day that the States which may receive the benefit of the money proposed to be appropriated would not repay their obligations. I can speak only for the State of Missouri, which, because of its constitution and because of limitations in the charter of St. Louis, can not immediately raise relief funds; but our citizens have gone the full limit that is permitted them by their private pocketbooks. But I state now with full confidence, knowing the people of my State, that every dollar which is advanced for their benefit at this time will be repaid. I think that can be relied upon with full confidence. I would feel ashamed did I not make this statement in view of the insinuations that these loans would never be repaid.

Mr. President, there are here to-day representatives of the governor of my State, the mayor of my city, the comptroller of my city, financial representatives of the State, who have within the last moment handed me a statement on this subject which I would like to have placed in the RECORD at this point in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

STATEMENT ON RELIEF SITUATION AS PRESENTED BY SPOKESMEN OF ST. LOUIS, MO.

We present our views on program of Federal relief as the spokes-men of our own community, St. Louis and St. Louis County, Mo. While we are quite conscious that such representation is not only our privilege but our responsibility, we realize at the same time the tremendous difficulty which confronts the Congress in its legislative task because of the many conflicting interests and opinions presented.

Just because of this difficult situation we know that the interests we represent go far beyond those of our own community. We know that they are the interests of hundreds of thousands of Americans who, through no fault of their own, to-day find themselves in a desperate struggle for mere existence—and that para-

doxically enough in the very midst of plenty.

The people of St. Louis and of St. Louis County fully share the traditional Missourian attitude that the relief of needy families is primarily the responsibility of the local community. The public opinion of St. Louis goes even beyond this attitude, since it holds that family relief should, whenever possible, be kept outside of governmental activities.

governmental activities.

St. Louis, therefore, only with every reluctance, determined in November, 1930, that voluntary effort was not strong enough to meet the increasing needs for family relief created by the growing unemployment situation. In November, 1930, the mayor of the city appointed a citizens' committee on relief and employment to unite the strength of government and of private effort to meet the city's unemployment situation in as far as it concerned relief. The result was a plan of relief worked out jointly by representatives of the city government, the relief agencies within the community, and the general public. The entire community got together for a common cause and as a community has, until now. met within its own resources the distress problems growing out of unemployment.

unemployment.

unemployment.

The problem has now grown beyond local and State resources; it has reached the point of demand on our National Government. It appears that the National Government now is in exactly the same situation which confronted the municipal government in St. Louis in the fall of 1930 and which confronted hundreds of American municipalities at one time or another during the past 18 months. Together, these many communities have until now met their problems without the aid of the National Government. We believe that the time has come for the Nation to face the situation, as local governments have already faced it, squarely and courageously. It is time, we believe, to lay aside our reluctance to have the Federal Government enter what heretofore has been considered as the field solely of the local community. It is time, we are sure, to recognize that in the final analysis the common welfare, the right of the citizenship to at least the minimum necessary for bare existence, is paramount to and supersedes tradition and fear.

The St. Louis situation is no doubt typical of the country-wide

sedes tradition and fear.

The St. Louis situation is no doubt typical of the country-wide development and will serve to make clear the basis for our contentions and our views.

The number of families in need of public relief and who are receiving it increased from 5.314 in January, 1930, to more than 25,000 in May, 1932, and this number is on the increase. Our local resources, in spite of all efforts made to keep pace with the demand, have now been exhausted to the point that within six weeks from June 15, unless additional resources are somehow provided, relief will have to be withdrawn from approximately 15,000 families, with, of course, no additional applications being received.

The planning of the St. Louis committee was done with a view to conserving resources with the utmost care and with a view to insuring to its needy families the necessities of life and at the same time a service calculated to safeguard privacy and home. The committee has used existing agencies, and thus has taken advantage of trained workers and experienced leadership. This arrangement also insured economy, since it required the creation of very little new machinery.

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By means of, and through the medium of, the citizens' committee St. Louis pooled its financial relief resources, spending both tax and voluntary funds under one central directing body.

Because of this close control, which is shared by the participating agencies and, therefore, quite fully accepted, St. Louis has been able to exercise an effective selection of needy families, as well as foresee from month to month what its obligations were likely to be

likely to be.

During the calendar year 1931 the number of relief families increased steadily, each month showing an increase of from 87 per cent to 219 per cent over the corresponding month in the year 1930. The number reached in December, 1931, the total

figure of 20,434.

Our total relief expenditure for 1931 was \$1,732,457, of which Our total relief expenditure for 1931 was \$1,732,457, of which amount the participating agencies spent from their own budgets as received from the community fund, invested endowment funds, and other sources, \$734,624, and from citizens' committee funds, \$997,833. Of this latter amount, the city appropriated from tax funds \$539,958, the balance, \$457,875, being secured through special campaigns for unemployment relief.

Reference has already been made to the increase in case load which continues from month to month, until in May the combined agencies were caring for more than 25,000 families, or more than 100,000 individuals.

From January through April the citizens' relief committee

than 100,000 individuals.

From January through April the citizens' relief committee spent a total of \$959,516, or just under the amount spent for the whole of 1931 (this expenditure again is over and above the amount spent by the participating agencies from their own budgets). March, 1932, showed a 50 per cent increase over the estimate made for that month in January, and April an increase of 100 per cent over the estimate made for that month. April took us far enough into the year to indicate clearly that there was not the slightest hope of even a seasonal summer decline and that our the slightest hope of even a seasonal summer decline and that our January estimates were quite out of line with reality.

We made a careful analysis of the entire load of relief families, and on this basis, in the light of known trends in employment and

wage decreases, arrived at a new month-by-month estimate which totals for the period May 1 through December, 1932, \$2,631,250.

Over against this our resources as of May 1, estimated throughout the balance of the year, are as follows:

\$108,601 Bank balance. Spring campaign collections due up to and including 482, 939 December campaign collections due up to and including 264, 415 December ______City appropriation_____ 20,000 County appropriation ___

1, 135, 060 Total cash resources ___. This amount falls short of the amount needed by \$1,496,190.

Over against the imperative need of continuing to take care of all family problems that come to our attention and can be met by means of relief, we are confronted with the following

met by means of relief, we are confronted with the following difficulties:

1. The city must levy special taxes for relief funds, and this procedure meets not only with the usual resistance from special interests affected but threatens the loss of certain local enterprises because of such opposition.

2. Contributors are now paying to the voluntary fund monthly installments on two campaign pledges and can hardly be induced to pledge for a third series of monthly payments.

3. Our income is on a monthly basis, except for tax funds, and can not be anticipated, either by loan or discount.

The first and second difficulties obviously make the securing of additional local funds exceedingly difficult, if not impossible.

The third difficulty, since the citizens' committee can neither borrow nor incur a deficit, forces tapering off the relief work to the extent of our monthly income, with the result that on June 15 the case loads will have to be pared down by a gradual elimination of families now under care, so that within six weeks' time a total of approximately 15,000 families will be without relief recourse, though their need will continue. All this for the want of \$1,496,190, and in the fact of the obvious calamity to the individual family and the almost equally obvious dangers to community and country.

It should be represent that relief money as it can come only

a total of approximately 15.000 families will be without relier recourse, though their need will continue. All this for the want of \$1,496,190, and in the fact of the obvious calamity to the individual family and the almost equally obvious dangers to community and country.

It should be repeated that relief money, as it can come only from the Federal Government, is needed; not in 60 or 90 days but at once, for our shortage of funds begins in the present month. Our estimates are minimum needs only. We now have less than 35 per cent of the total number of families affected by unemployment under care. Even a speedy economic recovery, which is not at all likely, would not prevent a large proportion of those we do not now know from reaching the end of their resources before employment opportunities can possibly reach them. No one can doubt, excepting by a process of deliberate self-deception, that the present need is desperate and that it will inevitably increase.

Conditions in St. Louis are typical of conditions esisting in other cities. Indeed, they are very likely a bit better than those found in most other communities. Without question, the great difficulty met elsewhere, as well as in St. Louis, in the face of the constantly mounting need, is in the effort to discover new forms of taxation which do not impose new burdens on those who are already overburdened or which do not drive out industries on which the community depends.

Any property tax levied is bound to fall most heavily upon that class of property which for one reason or another is already carrying vastly more than its fair share of the tax load, namely, real estate. Local sales, luxury, and occupational taxes become trk-some because in many instances they are duplicated by similar taxes carried by other governmental agencies. Where they are not uniform in a given territory, they frequently cause industries to move out of one community into another in order to escape the tax, thus causing a double loss of revenue.

Moreover, because of lack of adequa

"self-liquidating" projects of public interest. These bills are good so far as they go, but for various reasons their provisions do not meet anything like the whole situation.

One fundamental objection to these bills is that as drawn all States are not able to take equal advantage of their provisions, so that from the very outset there is bound to be discrimination in the distribution of the funds made available. While the terms upon which the money may be advanced to the States or through the States to their subdivisions are in themselves liberal enough, all the bills provide for repayment in one of three ways—either by the assumption of the obligation on the part of the State or the political subdivision sought to be benefited; by directly withholding from the State, beginning with the fiscal year 1937, a proportionate part of the Federal grant for highway construction until the debt is repaid; or by withholding such highway aid only in the event that the State or its political subdivisions shall have failed to arrange for repayment within a given time.

Another feature common to all legislation at present proposed is that the States are to be the units through which relief is granted.

is that the States are to be the units through which relief is granted.

The objections to this feature in the plan of relief are that:

1. Many States and many cities by reason of constitutional, charter, or other legal restrictions are not able to take advantage of a loan without a delay of months and a popular vote, if at all.

2. Where it is provided that a loan may be made on the assurance of the governor that the question of repayment will be presented to the proper legislative authority at the earliest opportunity, this imposes upon the governor a grave responsibility, especially when the alternative to repayment is the withholding of funds necessary for important road-construction work.

3. The need for assistance in proportion to population is greater in some States than in others, so that where the allotment of loans is proposed to be made to each State on the basis of its population, this will not afford all the relief required.

4. The acceptance of loans by States, in which there is legal obstacle to such acceptance or in which the governor is willing to give the required assurance will, in view of the possibility or perhaps even probability of repudiation or cancellation of the debt, give to some States what is in effect an out and out donation, and will result in unfair discrimination against the needy in those States which because of the restrictions in their laws or because of conscientious scruples on the part of the governors are not able to accept a loan.

5. The problem of unemployment is nation-wide and results. accept a loan

conscientious scruples on the part of the governors are not able to accept a loan.

5. The problem of unemployment is nation-wide, and results from causes which are national in their scope. Neither the extent nor the character of the relief required is in any sense determined or determinable by State boundaries. For this reason and because of the proportions the need has assumed, the problem of administering relief has become essentially a national one.

6. Aside from such obligations as arise out of the situation looked upon from the standpoint merely of effectiveness and uniformity in the administration of relief, it can not be questioned that with the facilities it has at hand and those available in the form of local relief organizations, the Federal Government is in a better position than the States or their subdivisions are to devise and to execute a practical plan with a central directing body, as it is in a better position by a uniform system of taxation to place the burden of the relief fairly and without unnecessary duplication upon all those by whom the burden should be borne.

Therefore, speaking for the citizens of St. Louis, we recommend that a national plan for direct relief be immediately devised and a central agency established to administer such relief under Federal control wherever need for such relief may be found to exist, with the aid of such local agencies as may now be operating satisfactorily, but without regard to State boundaries and upon such terms as may be deemed advisable so long as they are applicable throughout the Nation.

Julius T. Muench,

JULIUS T. MUENCH, City Counselor, St. Louis, Mo. ARTHUR C. MEYERS, City Auditor, St. Louis, Mo. E. G. STEGER,

Director Relief and Employment, St. Louis, Mo. Washington, D. C., June 10, 1932.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is on the passage

Mr. HOWELL. Mr. President, I rise to ask unanimous consent that after the vote is taken upon the passage of the pending bill, Calendar No. 780, a bill (S. 4536) to amend the agricultural marketing act, approved June 15, 1929, may be made the order of business.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nebraska?

Mr. BINGHAM. Mr. President, I regret very much that I shall have to object to the request, as it is very necessary to get the next District appropriation bill before the Senate. It is my intention to call it up just as soon as the measure now before us is passed.

The VICE PRESIDENT. Objection is made.

Mr. HOWELL. Mr. President, out of order I move that Calendar No. 780, the bill to which I have just referred, be made the order of business at the close—

The VICE PRESIDENT. That motion is not in order at this time. The only motion that could be made would be to

displace the pending measure.

Mr. HOWELL. Mr. President, after the vote has been taken, I shall then ask for a vote upon my motion to make Calendar 780 the order of business. I want to say to the Senate that we are now considering urban relief. We have been talking for months about farm relief. I believe it is fitting and proper that the farm relief bill should follow the urban relief bill.

The VICE PRESIDENT. The question is, Shall the bill

Mr. JOHNSON. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. Glass]. Not knowing how he would vote, I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN], who, if present, would vote as I intend to vote, and therefore I am at liberty to vote. I vote "nay."

Mr. WAGNER (when Mr. Copeland's name was called). My colleague, the senior Senator from New York [Mr. Copeland], is unavoidably absent on account of illness. He has a general pair with the senior Senator from Ohio [Mr. Fess]. If my colleague were present, he would vote "yea."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. Morrison]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. Swanson]; who is necessarily absent. I have been unable to arrange a pair, and so withhold my vote. If at liberty to vote, I would vote "yea."

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. Davis]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. COSTIGAN (when Mr. NEELY'S name was called). The Senator from West Virginia [Mr. NEELY] is unavoidably absent. He is paired. He has authorized me to state that if present, he would vote "yea."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. I am informed that if he were present, he would vote as I expect to vote. Therefore I vote "yea."

Mr. SCHALL (when his name was called). I am paired with the senior Senator from Alabama [Mr. Black]. I have been informed that he would vote as I intend to vote, and therefore I am free to vote. I vote "yea."

The roll call was concluded.

Mr. SHEPPARD. I desire to announce that the senior Senator from Virginia [Mr. Swanson], the junior Senator from Virginia [Mr. GLASS], the senior Senator from North Carolina [Mr. Morrison], and the junior Senator from Louisiana [Mr. Long], are necessarily detained from the Senate.

Mr. BARKLEY. I am paired with the junior Senator from Iowa [Mr. Dickinson], who is absent on account of necessary business. I transfer that pair to the Senator from West Virginia [Mr. Neely] and vote "yea."

Mr. BANKHEAD. My colleague the senior Senator from Alabama [Mr. Black] is necessarily absent. If present, he would vote "yea."

Mr. JONES. I am advised that the Senator with whom I am paired would, if present, vote as I intend to vote and therefore I am at liberty to vote. I vote "yea."

Mr. HATFIELD. I find that I can transfer my general pair with the senior Senator from North Carolina [Mr. Morrison] to the junior Senator from Maryland [Mr. Goldsborough], which I do, and vote "yea."

Mr. McNARY. I wish to announce that the senior Senator from Illinois [Mr. GLENN] has a general pair with the junior Senator from Louisiana [Mr. Long].

I also wish to announce the necessary absence of the Senator from Ohio [Mr. FESS] and the Senator from Iowa [Mr. Dickinson]. Their general pairs have been stated. I am not advised how they would vote on this question.

Mr. SCHALL. My colleague the senior Senator from Minnesota [Mr. Shipstead] is necessarily absent. Were he present, he would vote "yea."

The result was announced—yeas 72, nays 8, as follows:

Sheppard
Shortridge
Smith
Smoot
Steiwer
Thomas, Idaho
Thomas, Okla.
Townsend
Trammell
Tydings
Vandenberg
Wagner
Walcott
Walsh, Mass.
Walsh, Mont.
Watson
Wheeler
White
新聞記思問題
Moses
Reed
Shipstead
Stephens
Swanson
Waterman

So the bill was passed.

The title was amended so as to read: "A bill to provide loans or advances to States and Territories for the relief of distress arising from unemployment, and for other purposes."

DEDICATION OF REPLICA OF FORT NECESSITY—INVITATION TO MEMBERS OF SENATE

The VICE PRESIDENT laid before the Senate a resolution adopted by Fort Necessity Chapter, No. 12, Pennsylvania Society Sons of the American Revolution, Uniontown, Pa., unanimously extending an invitation to the Members of the Senate to be present on July 3 and 4, 1932, at the dedication of the replica of Fort Necessity, the unveiling of tablets, and other memorials of various patriotic organizations, which was ordered to lie on the table.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting a list of documents and papers on the files of the Washington Quartermaster Depot (1917–1920) which are not needed in the conduct of business and have no permanent value or historical interest, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. REED and Mr. FLETCHER members of the committee on the part of the Senate.

ADDITIONAL PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from Elmer R. Murphey, of Pasadena, Calif., praying for the passage of the so-called Dies bill, providing for the deportation and barring of alien communists from the United States, which was referred to the Committee on Immigration.

He also laid before the Senate a petition of sundry citizens of Waupaca, Wis., praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the Woman's Christian Temperance Union, of Dwight, Ill., opposing the resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the City Council of Evanston, Ill., protesting against the passage of legislation for the expenditure of several billion dollars for public improvements, such as post offices, highways, etc., not productive of revenue, and particularly against the expenditure of public funds in the city of Evanston, Ill., which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the council of the city of Staunton, Ill., favoring the passage of legislation authorizing a bond issue in amount not to exceed \$5,000,000 to aid in financing municipal public improvement projects, so as to aid unemployment, which was ordered to lie on the table.

He also presented a resolution adopted by Col. John Jacob Astor Camp, No. 6, United Spanish War Veterans, Washington, D. C., signed by Lewis H. Forsyth, camp commander, protesting against the "findings and recommendations of the Senate Economy Committee pertaining to veterans' legislation," except that part with reference to appointing a joint committee of Congress to investigate and report concerning veterans' legislation, which was ordered to lie on the

He also laid before the Senate a concurrent resolution of the Legislature of the State of New Jersey, favoring the appropriation of sufficient funds to carry out the provisions of the national defense act of 1920, etc., which was ordered to lie on the table. (See concurrent resolution printed in full when presented to-day by Mr. BARBOUR.)

He also laid before the Senate a letter from Henry Woodhouse, president of the Aerial League of America, New York City, N. Y., inclosing copy of suggested legislation proposing "that the National Capital Park and Planning Commission be, and is hereby, authorized to acquire by purchase, condemnation, or otherwise, on such terms as may be most favorable to the Government of the United States, the land embracing the properties known as Washington Airport and Hoover Field and any other lands within the area situated adjacent to the right of way of the Washington & Virginia Railway on the south and east, the Boundary Channel on the north, and the United States Agricultural Experimental Farm and the right of way of the Rosslyn branch of the Philadelphia, Baltimore & Washington Railroad on the west, for the purpose of converting said lands into part of the park, parkway, and playground system of the National Capital," etc., which, with the accompanying paper, was referred to the Committee on the District of Columbia.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. BINGHAM. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes.

Mr. KING. Mr. President, does the Senator expect to proceed further this evening with the bill?

Mr. BINGHAM. I hope we may proceed until 6 o'clock. I shall not ask the Senate to remain in session longer than that, However, if the Senator from Oregon [Mr. McNary] desires to ask for an executive session, I am willing to suspend the consideration of the appropriation bill sufficiently before 6 o'clock to afford time to have an executive session.

Mr. KING. I wish the Senator would not take up the bill to-night. Many of us have had no opportunity to read the bill at all.

Mr. BINGHAM. I do not believe it will be possible to complete its consideration to-night.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Connecticut.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. BINGHAM. Mr. President, in order to save time, I make the usual request that the formal reading of the bill may be dispensed with and that the committee amendments may be first considered.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. REED. Mr. President, will the Senator from Connecticut yield to me?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Pennsylvania?

Mr. BINGHAM. I yield.

COST OF MEAT CHOPPERS, OPTICAL AND DRAWING INSTRUMENTS

Mr. REED. Mr. President, a few days ago, at my request, the Senate adopted a resolution calling for certain information about the cost of production of meat choppers, optical instruments, and fire-control instruments. I find now that the language of the resolution as adopted would require more work of the Tariff Commission than it was intended to place upon them. Its language was too broad, and would require the ascertainment of the cost of a great many optical instruments that have nothing to do with fire control. I therefore should like to offer another resolution to take the place of the one heretofore agreed to so as to cut down the list of the subjects as to which the Tariff Commission is called upon to make inquiry.

Mr. HARRISON. Mr. President—
The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Mississippi?

Mr. BINGHAM. I yield.

Mr. HARRISON. I will say to the Senator from Pennsylvania [Mr. REED] that the other day at a meeting of the Finance Committee, when the Senator was not present, and this general question was taken up, though not this particular resolution, it developed that the sentiment of the members of the Finance Committee who were present was that all resolutions calling on the Tariff Commission to make investigations should first be referred to the Committee on Finance so that they might be properly framed.

Mr. REED. I was well aware of that decision.

Mr. HARRISON. It seems to me, and I am sure the Senator from Pennsylvania will agree, that it is a pretty wise course that resolutions calling for such investigations should first be referred to the Finance Committee.

Mr. REED. I agree with the Senator as to that, but the resolution I now intend to offer merely proposes to relieve the Tariff Commission from a part of the work that has been imposed upon them.

Mr. HARRISON. I shall not raise any objection to the Senator's resolution, but hereafter I hope some member of the Finance Committee who is present will object to any such resolution being adopted without it first being referred to the Committee on Finance.

Mr. REED. I am inclined to agree with the Senator from Mississippi. I now offer the resolution.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 227), as fol-

Resolved, That Senate Resolution 219, Seventy-second Congress,

Resolved, That Senate Resolution 219, Seventy-second Congress, first session, is hereby restinded; and

Resolved further, That the United States Tariff Commission is hereby directed to investigate, for the purpose of section 336 of the tariff act of 1930, the differences in the cost of production between the domestic articles and the foreign articles, and to report, at the earliest practicable date, upon the following articles:

"1. Meat or food chopping or grinding machines, and parts thereof, designed for hand operation and used as kitchen utensils and composed wholly or in chief value of metal."

"2. Optical instruments of a class or type used by the Army, Navy, or air force for fire control and parts thereof,"

"3. Precision drawing instruments, and parts thereof, wholly or in chief value of metal."

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution submitted by the Senator from Pennsylvania?

There being no objection, the resolution was considered

and agreed to.

REPORTS ON INVESTIGATION OF CHAIN STORES

Mr. BROOKHART. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Iowa?

Mr. BINGHAM. I yield.

Mr. BROOKHART. Out of order, I send a resolution to the desk, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 228), as follows:

Resolved, That the reports which may hereafter be filed with the Secretary of the Senate, pursuant to Senate Resolution No. 224, Seventieth Congress, first session, relative to the investigation by the Federal Trade Commission of chain stores, be printed, with accompanying illustrations, as Senate Documents.

The PRESIDENT pro tempore. The Senator from Iowa having been granted unanimous consent to submit the resolution, now asks unanimous consent for its present consideration. Is there objection? The Chair hears none, and, without objection, the resolution is agreed to.

RECOMMITTAL OF A JOINT RESOLUTION

Mr. THOMAS of Oklahoma. Mr. President—
The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Oklahoma?

Mr. BINGHAM. I yield.

Mr. THOMAS of Oklahoma. Mr. President, on yesterday, on behalf of the Committee on Indian Affairs, I reported favorably the joint resolution (S. J. Res. 167) to carry out certain obligations to certain enrolled Indians under tribal agreement. At the request of the author of the resolution, my colleague, the junior Senator from Oklahoma [Mr. Gore], I now ask unanimous consent that the joint resolution may be recommitted to the Committee on Indian Affairs.

The PRESIDENT pro tempore. Without objection, that order will be made.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. BINGHAM. I yield to the Senator from Missouri. Mr. HAWES. Mr. President, in 1930 the Senate held long and exhaustive hearings on the question of Philippine independence, and the committee reported to the Senate favorably a bill designed to settle the issue. Beginning with the present session of the Congress, hearings lasting for some weeks were held by a committee of the House of Representatives, and for a week or 10 days by a committee of the Senate. Of the 21 members of the House committee all but 1 or 2, as I am informed, voted to report favorably the bill providing for Philippine independence.

When the House voted upon the Philippine independence bill, the vote in favor of its passage was 306; the total vote against it was 47; not voting, 79; number of votes paired for the bill, 20; number paired against it only 10; number of Democrats in favor of the bill, 186; number of Republicans in favor of the bill, 119; and the Farmer-Labor Representative voted for it. Of the 79 absentees at least 46 have since that time stated that if present they would have voted for the bill.

Mr. President, 306 is an unusual number of votes for any controversial bill to receive in the House of Representatives, and it indicates beyond dispute that in that body, numbering 435 Members, there were less than 65 votes in opposition to Philippine independence.

On April 4 of this year the House passed the Philippine independence bill, and it came to the Senate. The Senate

committee considered the measure and amended the House bill by substituting the Senate bill for it. That bill is on the calendar. The friends of Philippine independence, realizing, of course, that revenue measures, relief measures, and other measures of great importance deserving the first consideration of the Senate, have occupied very little of its time, they have contented themselves with trying to get into the Record all the facts that relate to this important subject.

Now, it is stated that in a short while the Congress will adjourn. If so, there will be left a most peculiar situation. The House of Representatives passed the bill granting independence to the Philippines by an almost unanimous vote, and the Senate committee, by unanimous vote, have brought that measure before the Senate for our consideration—not a Senate bill, but a House bill which was passed on April 4—and it has remained upon our calendar, and it has remained there without action.

Senators talk about passing bills for the relief of the farmer and say that such measures should have priority. Well, Mr. President, if there is any bill that is of great interest to the farmer, it is the Philippine independence bill. Senators also talk about union labor. Union labor, with its 5,000,000 votes, is asking for the consideration of this bill. The American Legion is asking for it. We may call such interests selfish, if you please, Mr. President, but there are 17 beet-growing States that want this question decided; there are 5 cane-producing States that want it decided; the Pacific Coast States, without exception, want it decided; all Representatives and all Senators want the immigration problem determined.

In the meantime, Mr. President, the Filipino people can not adjust their domestic affairs; they are in confusion politically and economically; they can make no advance; they are waiting for the Senate to consider and to come to a determination of the question upon which the House of Representatives has acted and to give them an assurance as to the future of the islands. Now their status is uncertain. Our interests in the Philippines likewise are uncertain.

The two great parties are about to hold their conventions. The Republican Party, in its 1924 platform, declared that this was a nonpartisan question; but how can we prevent it from becoming a partisan question if, with this record before us, with a Democratic House having passed an independence bill, we pass it over until December because a Republican Senate refuses to consider the bill that came from the House last April?

Mr. President, I do not want to interfere with the consideration of any proposed relief legislation or with any of the other great bills which must be passed. I do not want to interfere with the bill of the Senator from Virginia [Mr. Glass], nor with the Muscle Shoals bill of the Senator from Nebraska [Mr. Norris]. I recognize the great importance of both bills.

Now, I propose a unanimous-consent agreement, which, if agreed to, will not interfere with the orderly procedure of the Senate, which will not occupy the time of the Senate to any undue degree, but which will give three or four evenings to a discussion of this subject, so that it may be settled, so that the Filipino people may know and the American people may know what is the determination of the Congress.

I know of no great bill during my service in Congress which has been allowed to remain upon the desk without any consideration so long as has the Philippine independence bill, which has been on the calendar since early April. It may be due to some modesty upon the part of the friends of Philippine independence; it may have been modesty on their part, but I think that we have put the necessities of the American people above those of the Philippines. However, if we are to adjourn within the next two or three weeks, it seems to me in the interest of labor, in the interest of the farmer, in the interest of the dairy industry, in the interest of numerous States, and especially, Mr. President, in the interest of these 13,000,000 wards of ours we should at least give some opportunity during night sessions for a discussion of this question.

I send to the desk and ask to have read a proposed unanimous-consent agreement.

Mr. CUTTING. Mr. President, may I ask the Senator a

The PRESIDENT pro tempore. The Senator from Connecticut has the floor. Does he yield to the Senator from

Mr. BINGHAM. I yielded for the purpose of having the unanimous-consent agreement offered, Mr. President; but I am perfectly willing to yield to the Senator from New Mexico.

Mr. CUTTING. The Senator from Missouri said that we were going to adjourn in two or three weeks. I wonder why the Senator from Missouri makes that statement. Is there any reason why we should adjourn until we have accomplished the work which is lying before us?

Mr. HAWES. Personally, I hope we will do what the Senator suggests.

Mr. BINGHAM. Mr. President, I hope we will not get into a discussion of adjournment now. I yielded for the purpose of having a unanimous-consent agreement presented

The PRESIDENT pro tempore. The unanimous-consent request will be read.

The Chief Clerk read as follows:

I ask unanimous consent that the Senate be in session on Friday, the 17th day of June, from the hour of 8 p. m. until 10.30 p. m., and that at said hour of 8 o'clock any unfinished business then before the Senate, except a conference report, be temporarily laid aside and that the Senate proceed to the consideration of the process of the consideration of the process of the consideration. tion of H. R. 7233; and that if a conference report is pending at said hour, that said H. R. 7233 be taken up upon the final disposal of such conference report, and that such consideration of sald bill continue between said hours on said 17th day of June, unless final action on said bill is taken prior to the completion of such period; and that if final action is not taken on said bill (H. R. 7233) at such time that under the same terms and conditions it be taken up at the same hour and for the same period of time on the 18th, 20th, and 21st of June unless final action is taken on said bill prior to the expiration of such time.

The PRESIDENT pro tempore. The Chair will be compelled to hold that inasmuch as the unanimous-consent agreement looks to a final vote upon the bill, it will require the calling of a quorum.

Mr. DILL. Mr. President, I object.

The PRESIDENT pro tempore. Objection is made.

Mr. HAWES. Mr. President, I call the Chair's attention to the proposed agreement. It does not provide for a final

The PRESIDENT pro tempore. The Chair so understood it; but, at any rate, objection has been made.

Mr. HAWES. May I ask who made the objection? The PRESIDENT pro tempore. The Senator from Washington [Mr. DILL].

Mr. DILL. I made the objection, Mr. President. I objected, because I am opposed to tying up the Senate a week or 10 days ahead.

PAY OF LABORERS AND MECHANICS ON PUBLIC BUILDINGS

Mr. SMITH obtained the floor.

Mr. METCALF. Mr. President-

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Rhode Island?

Mr. SMITH. For what purpose does the Senator rise?

Mr. METCALF. I desire to call up a bill which is on the desk. It will take only a moment. It is a bill that has passed the Senate.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings, which was to strike out all after the enacting clause and insert:

That the act entitled "An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors or subcontractors, and for other purposes," approved March 3, 1931, is amended to read as follows:

That the advertised specifications for every contract in exc of \$5,000 for construction, alteration, and/or repair, including

painting and decorating, of public buildings or public works, except shipbuilding, in the District of Columbia, the Canal Zone, or in any city, town, village, or other civil subdivision of any State or Territories to which the United States or the District of Columbia, the Canal Zone, or in any city, town, village, or other civil subdivision of any State or Territories to which the United States or the District of Columbia, the Canal Zone, or in any city, town, village, or other civil subdivision of any State or Territories to which the United States or the District of Columbia. or Territories to which the United States or the District of Columbia is to become a party and which requires or involves the employment of mechanics or laborers shall contain a provision stating the prevailing rate of wages as determined by the Secretary of Labor for various grades of mechanics and laborers for work of a similar nature in the District of Columbia, the Canal Zone, or in the city, town, village, or other civil subdivision of any State or Territories in which all or the principal part of the particular contract work is located; and every contract for the construction of public buildings or public works, except shipbuilding, to which the United States, the District of Columbia, or the Panama Canal shall become a party shall contain a stipulation that the conshall become a party shall contain a stipulation that the contractor and his subcontractors shall pay the mechanics and laborers employed directly on the site of such work at not less than the rate of wages stated in the advertised specifications. The books and pay rolls of the contractor and his subcontractors shall be see kent as the show the actual wages read mechanics and be so kept as to show the actual wages paid mechanics and laborers, and shall be open to inspection by an authorized officer or employee of the United States or the District of Columbia, respectively.

SEC. 2. Any contractor or subcontractor who fails to pay not "Sec. 2. Any contractor or subcontractor who fails to pay not less than the rate of wages stated in the advertised specifications and made a part of the contract, or who, after making proper payment, requires a laborer or mechanic to refund any part of the wages so paid, shall forfeit to the United States the sum of \$10 per day per laborer or mechanic for every day any laborers or mechanics are paid less than such prevailing rate of wages, and for each such refund required from any mechanic or laborer, shall forfeit to the United States a sum not less than five times the value thereof. Any laborer or mechanic employed on any such the value thereof. Any laborer or mechanic employed on any such work who accepts a rate of wages less than that prescribed in the advertised specifications, or who makes any refund to the contractor or subcontractors shall, within 10 days after such payment or refund, file a sworn statement with the Secretary of Labor or the Commissioners of the District of Columbia, respectively, setting forth the facts, and any amounts to be forfeited as provided in this section shall be deducted by the Comptroller General or the Commissioners of the District of Columbia, respectively, from any sums due the contractor from the United States or the District of Columbia, respectively, or if nothing remains due the contractor, such amounts may be recovered by the United States or the District of Columbia, respectively, as a debt in a suit at law against either the contractor and his surety or his subcontractors. The amounts so forfeited or recovered shall be applied, first, to

against either the contractor and his surety or his subcontractors. The amounts so forfeited or recovered shall be applied, first, to the payment to the laborers and mechanics of any difference between the amounts found by the Comptroller General or said commissioners, respectively, to have been paid them and the prevailing rate of wages, or of the amounts which such laborers and mechanics were required to refund, and the balance shall be covered into the Treasury as miscellaneous receipts, if the contract be with the United States, or to the credit of the District of Columbia if the contract be with the District of Columbia.

"Sec. 3. When any of the departments or independent establishments of the United States, including the District of Columbia, perform work by Government plant and hired labor which could have been performed under contract, but not including work in arsenals or navy yards or work performed by the Panama Canal, such departments and establishments, including the District of Columbia, shall also pay not less than the prevailing rate of wages as established by the Secretary of Labor at the time the work is undertaken: Provided, That in case of national emergency the President is authorized to suspend the provisions of this act."

Sec. 2. If the provisions of section 1 of this act, or the application thereof to any person or circumstances, shall be held invalid, the act of March 3, 1931, or the application thereof to any such person or circumstances, as the case may be, shall not be affected by the enactment of this act.

Sec. 3. This act shall take effect 30 days after its passage, but shall not affect any contract them existing or any contract that

Sec. 3. This act shall take effect 30 days after its passage, but shall not affect any contract then existing or any contract that may thereafter be entered into pursuant to invitations for bids that are outstanding at the time of the passage of this act.

Mr. KING. Mr. President, the bill has just come over from the House. We have had no opportunity to examine the amendment. I shall have no objection to its being taken up the first thing in the morning.

Mr. METCALF. Mr. President, will not the Senator withhold his objection? This bill has already passed the Senate once, and has passed the House. The House cut out one part of it, and in order to make it correct I have had two amendments proposed to cut out some of the language in the other parts of the bill. The same thing has passed the Senate, and also the House.

Mr. KING. The matter is one of great importance. I was familiar with the Senate bill; but it does seem to me that the Senator ought to wait until to-morrow morning. I will join him in asking that it be taken up the first thing to-morrow morning.

The PRESIDENT pro tempore. Objection being made, the matter will go over.

THE COTTON CROP

Mr. SMITH. Mr. President, on account of conditions over which I have no control, after to-morrow I shall be indefinitely absent from this body. I desire to take this occasion, here and now, to call attention to what seems to be a matter of more or less indifference to some persons, but which is actually a fundamental matter, to the relief of which we must give attention, if we are to emerge from this terrible depression. I am speaking of the agricultural condition in this country.

Immediately after Congress convened an S O S cry came from organized business. We promptly responded by taking up the time of this body with and passing a \$2,000,000,000 relief bill. In that measure we specifically stated what character of business would receive the benefits of the taxpayers' money in the form of the bonds that were authorized in that act.

The act has been in operation for more than a month. I do not deny, nor do I detract from, the good work it has done in the specified field of its operation. It has been of benefit in keeping certain financial institutions from going into the hands of receivers, or failing.

Subsequently to the passage of that act, we have discussed bills every one of which is for the benefit of the creditor class. No bills have been introduced here, save one or two—and they have not been discussed—that take cognizance of the frightful condition in which twenty odd million American citizens now find themselves.

We underwrote, or prepared to underwrite, the frozen assets of the railroads, the insurance companies, banks, and trust companies; and not one dollar have we appropriated or made available for the frozen assets of the farms of this country.

No man on this floor will dispute the fact that the products of the farm are the fundamental necessities of this country, and not the stocks and bonds of our industrial institutions. We have accepted or authorized the acceptance of certain securities which, by the very nature of the progress of modern affairs, may be of less value, no matter if prosperity should come back, than they are to-day.

Yesterday, wheat and cotton reached a level lower than ever before in the history of the trading in those two commodities. The price of wheat has fallen so inordinately low that those who produce the bread that the nations eat are bankrupt and ruined. The cotton crop of this year will bring to the farmers of the South and of America \$871,000,000 less than the cost of production.

We accepted the bonds and securities of these corporations as security against a loan on the part of the Government. There have been produced by the faithful yeomanry of the South 12,000,000 bales of cotton which will be available on the 1st day of August, 1932, this cotton having been made in 1930 and 1931. In other words, we have a year's supply of cotton already on hand. Another crop added to that spells absolute glut and destruction of the cotton market.

The cotton that is on hand to-day is now being sold around 4½ cents a pound, as against 20 cents three years ago. That means that cotton now, according to the Department of Agriculture, is selling for anywhere from \$20 to \$25 a bale lower than the cost of production.

I ask the Senate and ask the Nation at large if it is not the part of wisdom and economy and the part of statesmanship for the Government to purchase this cotton now at this ridiculously low price. Ten million bales of it can be bought for \$250,000,000, as against \$800,000,000, which is the cost of production. That cotton could be bought now and allocated to the growers. Every grower in the country could be given the opportunity of substituting this cotton, already made, for that which is growing in his field. The cost of picking and ginning and the bagging and ties that go on it will almost equal the price of a bale of cotton to-day.

I have introduced a bill appropriating \$200,000,000 to enable the Government to buy this surplus, \$20 a bale below the cost of production, and then, through the agencies al-

ready set up by the Agricultural Department under the appropriation I got for crop production, to take the contract of the grower that he will not produce this year in excess of 50 per cent of the 1931 crop, and the Government will substitute the other 50 per cent out of this cotton that is already on hand, thereby giving him an equity in the frozen asset that he has produced, so that by reducing the production of this year and at the same time reducing the surplus the farmer will get the benefit of what now threatens to be his destruction.

I went before the Agricultural Committee with this bill. The Secretary of Agriculture did not agree to it, on the ground that it was not practicable. I submit to any man, if here is an agricultural product that is indestructible as long as it is kept from fire and water, and if that cotton can be bought from \$15 to \$20 a bale cheaper than the farmers can produce it, why can not the Government appeal to the common sense of the cotton grower and say, "We will substitute your next year's supply, which is already in existence, if you will agree not to produce this year within 50 per cent of what you produced last year"?

The commissioner of agriculture of the State that makes one-fifth of the cotton made in America said that if this bill was passed he was perfectly willing himself to graze his cattle on his cotton fields, even though the cotton was produced.

The bill I introduced included both wheat and cotton. The wheat people have a different problem; but I submit, Mr. President, that cotton can not be shipped to any spot in the world without satisfying some demand and resulting in a lowering of the price.

I charge now that those of us who represent the cottongrowing States have been derelict in our duty. No voice is lifted here; nothing is said here that will result in succor to those who are losing their homes, who are being turned out into the roads, after they have produced the raw material out of which the clothing of the nations of the earth is made.

We can stand here and grow eloquent over feeding the hungry; we can grow eloquent over going to the rescue of the railroads and trust companies; we can grow eloquent over a tax bill which in its last analysis will rest upon the shoulders of these very destitute farmers; we can pass an economy bill which in its ramifications will subtract from the small wage earner; oh yes, we can pass a bill to balance the Budget, and unbalance the budget of every home in the United States. Had we been possessed of proper statesmanship and the proper attitude, we would first have balanced the budgets of the people, and then they would have balanced ours.

I feel that I myself have been derelict in my duty in not every day and every chance I got standing on this floor and demanding the recognition to which those who feed and clothe this country were entitled. Not a word has been said along that line.

Cotton is a commodity which is imperishable when any care is taken of it, a commodity which has held the balance of trade in favor of the United States for 70 years and has no competitor, but the producers of it are reduced to beggary and to abject poverty, and not a word is being said in their behalf or a measure being introduced for their relief.

America's monopoly of cotton is no more jeopardized to-day than it was before the war. We heard much about the sale of Russian cotton. Russia has not been making as much cotton since the war as she made before the war.

Mr. CONNALLY. Mr. President, will the Senator yield to

Mr. SMITH. I yield.

Mr. CONNALLY. The Senator said a moment ago that no relief measure had been introduced. I want to call his attention to the fact that I have a bill pending to direct the Reconstruction Finance Corporation to use \$250,000,000 of its assets to aid in exporting wheat and cotton by lending to exporters and lending to foreign interests which may desire to buy. Does not the Senator think that would be helpful?

Mr. SMITH. I do not know about wheat; but I do know that we could not export cotton now, with another crop coming in, without doing the very thing we are trying to avoid, namely, deflate the price. We have to reduce the surplus, and the only way to reduce the surplus is to prevent cotton being reproduced on the farms. If we can reduce the present crop to some five or six or, say, eight million bales, and then let the cotton that is purchased by the Government be carried into 1933 and then amortized on the same terms, within two years we can get rid of the surplus for the benefit of the grower without the Government losing a cent.

Mr. President, I do not know whether it is indifference, or whether it is ignorance of the subject; but I do know that, so far as this calamity that is facing my State and every cotton State, including the State of the Senator from Georgia [Mr. George] is concerned, unspeakable in its result, no helpful measure has been enacted. The calamity can not be averted by furnishing the exporter with money to send cotton abroad because the surplus, plus the incoming crop, will be too great for the world to absorb. We have to make provision for reducing the total by not duplicating the surplus from the fields this year and next year.

I am glad to say that the leading economists of this country have indorsed the proposition I have advanced. Members of the Senate and the House, in the room of the Committee on Agriculture of the Senate, indorsed it. For nearly three years we begged the Farm Board to adopt the plan of financing cotton for the benefit of the farmer, and holding it in trust for him upon his enforceable contract that he will not duplicate it.

What man having sense enough to keep out of an asylum would not rather have his crop sold for him at the present price and held for him until the crop season is past than to make a crop which he knows, after his labor and the gathering and the marketing, will not give him back as much as it cost him to make it?

It is a simple proposition. You can buy it cheaper than you can make it, and as I said a moment ago and repeat, citizens of Arizona were in my office, as well as citizens of New Mexico, Texas, and Oklahoma, and said that if this bill could be passed, they would graze their cattle on the growing crop, because they would have one already guaranteed to them by the Government cheaper than they could make it, and they could at least have the extra crops of whatever character they could plant between now and when the season is too late.

I have introduced a bill to grant some relief, but I have to leave the city, and I do want my colleagues from the South and from the other cotton-growing States to take that measure up and see if it is not possible to get the relief that would come from it.

Bills are pending before the Committee on Agriculture to buy the Farm Board wheat and to distribute it through the Red Cross and other agencies in order to reduce the surplus. On March 1 we had 500,000,000 bushels of surplus wheat. We have something like 400,000,000 bushels now, with the Nation starving and another crop coming in, both winter and spring wheat. How can we expect farmers to get a living out of the price of wheat when there is a year's supply brought over from other years?

Senators sit here and say, "Well, it is not practical," but it was very practical to run and take the doubtful securities of the great trusts of this country. It was all right to put a billion four hundred million dollars on the backs of those who were already penniless and bankrupt. Oh, yes; you could do that; that was very practical.

We heard that miserable slogan, which nobody had ever heard of before this good year of our Lord 1932, "Balance the Budget." A lot of those who cried out to balance the Budget now wish to God they had not said anything about it, because part of the balancing will come out of their own budgets, which are also unbalanced.

Senators here were stampeded by a miserable propaganda which meant nothing. Through the power of eminent domain this Government, our Federal Government, is the proud possessor, so far as taxes are concerned, of every

piece of property in America. She will never go bankrupt. never default on a payment, because she can cash in whenever she sees fit. But under the sinister influence of forces that you and I know were at work the slogan was sent throughout this country, "Balance the Budget," and we fell for it and imposed on the backs of our suffering and helpless people \$1,400,000,000 of extra burden. The crop of the very people I have described this evening, which, up until last year, brought into America every year from \$750,000,000 to \$800,000,000 in gold that is kept out, and the producers are bankrupt and ruined. There is the golden grain of the West, which has been the great granary of America, feeding from Florida to Canada and from New York to San Francisco abundantly the 120,000,000 people of the country, the producers of which necessity of life are to-day bankrupt and ruined and losing their homes, while we, with tender solicitude, are taking care of the corporations.

Who stood here and said let us save the wheat farmer, let us give him a royal living, as he has fed us all; let us take care of the wool and the cotton producers, as they have loyally clothed us all? No. We say, "Oh, no; oh, no; he is not organized; he can not concentrate and make himself felt at the ballot box. Therefore he is the Chinese of American economy, greater in number than all the balance, but disorganized."

Mr. President, if I had been talking about getting some money for a bank or making a provision to go down and help out some institution, those things which are organized, many more Senators would have been here honoring me with their attention.

Mr. SHORTRIDGE. I am here.

Mr. SMITH. I want to state for the Record that I believe as sympathetic a man as there is in this Chamber toward the cause of the farmers of this country is the junior Senator from California [Mr. Shortridge]. They always get a sympathetic reaction from him.

I do not know just what is going to be the result of this frightful condition that has gradually grown until at last it has reached the point where wheat and cotton are cheaper than they ever were before in the history of the production of those two commodities.

Mr. SHORTRIDGE. Mr. President-

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from California?

Mr. SMITH. I yield.

Mr. SHORTRIDGE. First thanking the Senator for his kindly words, he will not overlook the fact, which I never overlook, that California has become a great cotton-producing State, wherefore I have been intensely interested in the thoughtful remarks of the Senator from South Carolina.

Mr. SMITH. I want to say to the Senator from California that the production of cotton in California was such that when they first tried the seed of the Egyptian cotton they produced a cotton equal, both in length of staple and character, to the parent cotton from which it was derived.

Mr. President, I am now about through. I took the bill which I introduced before the Committee on Agriculture and Forestry. The question was asked, How much does it cost to put in the fertilizer? How much does it cost to plant it? How much would it cost up to the present time? Being told, it was said that is about a quarter of its general cost. Picking and ginning and harvesting would cost about how much? "If you would go and buy this cotton, you would run the risk of paying insurance and storage, and we do not think it is a practical thing." God help us! Here is cotton that some one is talking about producing. When we pay for fertilizer, cultivation, picking, and ginning and selling at the present time, it is now selling \$25 or \$30 a bale below the cost of actual production. Then talk about remedying it by sitting down and talking about shipping it to some market where American products do not penetrate. Where does anyone suppose any such place is? Where in the world could we send our surplus bales of cotton where American products have not penetrated?

If I were not forced to leave the Chamber, I would, now that all the balance of the American world has been accom-

modated, everybody has been handed out a gift, Santa Claus has passed around his gifts to the railroads and the banks and all those institutions, and even to the urban population that is starving, and God knows I would help them—

Mr. BARKLEY. Mr. President-

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Kentucky?

Mr. SMITH. I yield.

Mr. BARKLEY. When the Senator rose to talk he said because of circumstances over which he had no control he would have to leave. We all hope that before he returns he will have resumed control of the circumstances which take him away. [Laughter.]

Mr. SMITH. I thank the Senator.

Mr. President, I wish we were in as intimate touch with the lonely farm home as we are in touch with the urban home. I wish we knew just what terror is facing that farm life which has been so happy through all these years and a majority of whose sons sleep under the poppies on Flanders field. Leave them alone! They have no voice here. Our lobby, as we all know, has been crowded by those interested in every bill that we have brought up here.

Mr. LEWIS. Mr. President-

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Illinois.

Mr. SMITH. I yield.

Mr. LEWIS. I wish to assert for myself that I am able to say that which has been the experience of many other Senators, that if it be true I have not been keeping in touch with my constituents in the State where I live, I never fail to feel the touch when my constituents arrive here. [Laughter.]

Mr. SMITH. Yes; but those who touch the Senator, I am very confident, do not touch the plow handles.

Mr. President, I do not know whether during this session of Congress any practical effort, any common-sense effort, is going to be made to reduce this surplus through Government agencies. Those who do not know a cotton stalk from a Jimson weed have no right to set themselves up as judges of what would be practical for the cotton grower.

Mr. NORBECK. Mr. President-

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from South Dakota?

Mr. SMITH. I yield.

Mr. NORBECK. I am much interested in the discussion of the Senator from South Carolina. I realize and appreciate his sincere interest in the problem of his people and other farmers. While we know very little about cotton, we understand it is largely an overproduction problem. I just want to state that with wheat it is somewhat different. While the wheat farmer has been suffering the same as the cotton farmer from overproduction, the fact of the matter is that we produce less wheat per capita than we did 30 years ago or 20 years ago. Of course, a surplus has developed in some other countries and has depressed the world market. The solution seems to lie along different lines. While our export of wheat is only one-twentieth of the world consumption, the South sends into the world market more than one-half of the world's consumption of cotton. Therefore the American crop dominates the world market in cotton and has a very slight influence on the world market in the case of wheat.

I wanted to make that observation so the impression shall not go out that the agricultural problems have come to us mainly as a result of increased production.

The problem is alike both North and South. Production costs are high. The exchange value of the farmer's commodity is low. Both cotton and wheat are sold at less than cost of production. Almost everything the farmer buys is high. It actually takes most of the crop to pay the interest on the mortgage. We need not only a fair exchange for our commodities but we are sadly in need of a lower interest rate on farm mortgages. Unless we can get a substantially better price the mortgages can not be paid, and they will not be paid. A few years ago the creditor class was sitting pretty. The issue is now one which also concerns the

creditor, and it better be his concern. His unwillingness in the past to give agriculture a square deal will yet prove to be his own loss. He has been shortsighted. We are reminded of the man who killed the goose that laid the golden egg. He wanted the gold; he was not willing to wait, so he destroyed his own chance.

Mr. SMITH. Mr. President, the overproduction, so called, is having a material effect in this depression. In 1926, 1927, and 1928 the consumption of American cotton was more than 15,000,000 bales. The depression came on, the purchasing power of the world, both in America and abroad, was destroyed, and the consequence was there was a surplus accumulated out of what before that was just a normal crop. Of course, in the last year we did produce an abnormal crop. We produced perhaps 2,500,000 bales more than the average.

Mr. GEORGE. Mr. President-

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. SMITH. I yield.

Mr. GEORGE. The Senator will bear me out in the statement that during the last marketing season he and I worked very faithfully with the Farm Board and with the reserve bank system, in fact, all the governmental agencies, trying to persuade them that 1932 production of cotton could be completely controlled or adequately controlled by doing what the Senator has outlined in the bill which he has offered to the Senate.

Mr. SMITH. That is true. May I say to the Senator from Georgia that as I look back on it now I think we were somewhat derelict in our duty. We ought to have paid no attention to those departments, who either do not know or are indifferent to the circumstances. The Senator was convinced, as every representative of a cotton State was convinced, and we were waiting to get the opinion of those who knew nothing about it. What we ought to have done was to enact the law. Our friends here would have listened to us. We should have formulated the bill and enacted it into law and made it mandatory, and ourselves assumed the responsibility of success or failure.

As I have said, we have handed out relief to everybody else, and now we are about ready to adjourn and go home. Have we discharged our duty? We have taken care of everything that can contribute to a campaign fund, to those who can go around and manipulate things, so why worry? If these fellows die, there will be that less number to consume. Leave them alone and that is exactly what will happen. Senators from the South and Senators from the West, are we going to adjourn and go home and leave this unspeakable condition resting upon those who feed and clothe us?

Mr. President, I want in conclusion to say that I hope the Senators from the South will take up this bill, or one that will accomplish the same purpose. I am going to call them together to-morrow morning before I leave Washington and ask for an honest expression of opinion as to whether an honest effort is going to be made to start a reduction of production and a diminution of the surplus.

Mr. McNARY obtained the floor.

Mr. JONES. Mr. President-

Mr. McNARY. I yield to the Senator from Washington to present a conference report.

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT Mr. JONES submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 19, 33, 34, 36, 38, 42, and 43.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 10,

11, 12, 13, 15, 16, 17, 20, 21, 25, 26, 27, 28, 29, 30, 31, 32, 35, 37, 39, 40, 41, and 44; and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended as follows: In lieu of the sum named in said amendment insert "\$3.500"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended as follows: In lieu of the sum named in said amendment, insert "\$150,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$67,500"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$58,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$170,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$76,000; in all, \$210,800"; and the Senate agree to the same.

The committee of conference have been unable to agree on amendments numbered 46 to 168, inclusive, to Part II of the bill

W. L. Jones,
Reed Smoot,
Frederick Hale,
E. S. Broussard,
Sam G. Bratton,
Managers on the part of the Senate.
John N. Sandlin,
Louis Ludlow,
Guy U. Hardy,
Managers on the part of the House.

Mr. JONES. This is a report on the first part of the legislative appropriation bill. There is no disagreement of any consequence between the House Members and the Senate conferees. The House receded on practically all the amendments we put into the bill. We receded, I think, on about seven minor amendments. They expect to appoint new conferees on the economy part of the bill, and that is the reason why I report this partial disagreement. After this report is adopted I want to ask that our disagreement be insisted upon, that conferees on our part be appointed, and then the House will appoint a new set of conferees. I ask for the adoption of the report.

Mr. BLAINE. Mr. President, there is a very small attendance here at this late hour.

Mr. JONES. This report simply deals with the first part of the bill, the legislative feature. There is no difference of any considerable moment at all. The House receded on practically all of the amendments we put into the bill.

Mr. BLAINE. But there is a disagreement on the bill as a whole?

Mr. JONES. Yes; there is disagreement on the other part of the bill.

Mr. BLAINE. I inquire if it is not a very unusual proceeding?

Mr. JONES. The proceeding on the part of the House to appoint a new set of conferees for another part of the bill is a very unusual proceeding. I never before knew it to

have been done. We do not expect to appoint different conferees ourselves, but I understand that is what the House will do. We report a disagreement on the second part of the bill, and I understand they are going to appoint a new set of conferees; but of course that rests with them.

Mr. BLAINE. I am not familiar with that unusual proceeding. The Senator suggests that this is probably the first time that it has been done. In view of that fact and that the Senate has to act on the conference report, unless there is a quorum called so Members of the Senate who are absent will have an opportunity to consider the matter, I think it should go over until to-morrow. I am not interposing any objection to the conference report itself.

Mr. JONES. Mr. President, I want to say that there is no possible objection to the first part.

Mr. BLAINE. If there is not, why not let it go over until to-morrow morning?

Mr. BINGHAM. Mr. President, if the Senator will permit me, I should like to say that it has been a frequent occurrence that a conference committee on the part of the Senate reported an agreement as to some of the amendments to a bill and a disagreement as to the others. There is nothing unusual about that. May I say to the Senator from Wisconsin that all the Senator from Washington is asking is that the Senate agree to that portion of the report where the House has practically not disagreed at all to what the Senate desires.

Mr. JONES. And that the Senate agree to the disagreement as to the other portion.

Mr. BLAINE. If the Senator will yield, may I suggest that the matter go over until to-morrow morning? There will be no delay then.

Mr. JONES. I thought it would save us a day or two. The House can not consider the report until it has been printed for a day. If we were to act now, of course, they could act on it to-morrow, and then the new conferees could be appointed, if they want to appoint them.

Mr. BINGHAM. As a matter of courtesy to the House, they should be permitted to follow what seems to them a desirable procedure.

The PRESIDENT pro tempore. The Senator from Oregon has the floor and yielded for the purpose of having the conference report, which is a privileged matter, presented. The question of agreeing to the conference report is debatable. The Chair wishes to say, if he may, for the information of the Senate, that while it is true that conferees frequently report a partial agreement and then continue their labors, it is a most unusual proceeding for new conferees to be appointed in connection with a single portion of any bill which is in disagreement. However, the Chair wishes to know what is the will of the Senate.

Mr. JONES. Mr. President, I want to suggest that the fact that the House may appoint new conferees is not a matter for us to consider; it is none of our business what they may do in regard to the amendments in disagreement; but, as Senators want this question to go over, however insignificant these matters are, I am perfectly willing that that be done.

Mr. McNARY. I suggest to the Senator that he allow it to go over until to-morrow. We do not want a roll call now; it is pretty late.

Mr. JONES. I withdraw the report for to-night.

The PRESIDENT pro tempore. Why may not the Senator present the report now and have it printed in the Record and call it up to-morrow? It is a privileged matter.

Mr. JONES. It would then be in a different status from what it now is if it were ordered printed in the RECORD.

The PRESIDENT pro tempore. Very well. The Senator from Washington withdraws the report.

CONSIDERATION OF AGRICULTURAL RELIEF MEASURE

Mr. HOWELL. I ask unanimous consent that, following the disposition of the District of Columbia appropriation bill, Calendar No. 780, being Senate bill 4536, to amend the agricultural marketing act approved June 15, 1929, may be made the unfinished business.

The PRESIDENT pro tempore. Is there objection?

Mr. COUZENS. Mr. President, before consent is given, I think we ought to have a quorum, because I think it is unusual to ask for consent of that kind with so few Members present.

Mr. BINGHAM. Mr. President, I know some members of the Appropriations Committee who are not present who have appropriation bills they desire to bring up, and on their behalf I feel constrained to object.

The PRESIDENT pro tempore. Objection is made.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

POSTMASTER AT PRESCOTT, ARIZ.

Mr. ASHURST. Mr. President, under Rule XXVI, I respectfully move to discharge the Committee on Post Offices and Post Roads from the further consideration of the following subject, to wit, the nomination of Miss Helen A. McNutt, to be postmaster of the city of Prescott, Ariz.

I make this motion because the nomination has been before the committee for more than 50 days; no charges have been filed against the nominee, but for some reason I have been unable to secure a report from the committee. If I understand the rule correctly, the motion must lie over for one day. Am I correct in that, I inquire of the Chair?

The PRESIDENT pro tempore. Not necessarily unless some Senator objects, but the present occupant of the chair, in his capacity as a Senator and in the absence of the chairman of the committee, would feel constrained to object. So that the motion will go over for one day, anyway, until the next executive session.

Mr. ASHURST. I wish to serve notice that just as soon as another executive session of the Senate is held I shall ask for action upon my motion.

The PRESIDENT pro tempore. The motion will be entered in accordance with the rule.

Mr. McNARY. Mr. President, I can assure the Senator from Arizona that we will have an executive session on Monday.

REPORTS OF THE POST-OFFICE COMMITTEE

The PRESIDENT pro tempore. Reports of committees are in order.

Mr. McNARY (for Mr. McKellar), from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. SCHALL, from the Committee on Post Offices and Post Roads, reported favorably several nominations of post-masters.

The PRESIDENT pro tempore. The reports will be placed on the calendar.

TREATIES-REGULATION OF WHALING

The PRESIDENT pro tempore. If there be no further reports of committees, the calendar is in order.

Executive A (71st Cong. 3d sess.): Protocols concerning adherence of the United States to the Court of International Justice, transmitted by the President of the United States on December 10, 1930, was announced as first in order.

The PRESIDENT pro tempore. In the absence of the chairman of the Committee on Foreign Relations, the Chair assumes that all treaties on the calendar may go over.

Mr. NORBECK. Mr. President, I inquire of the Chair if the chairman of the Foreign Relations Committee asked that the treaty regarding the regulation of whaling go over? I know he is very much interested in having that treaty ratified, and he is not here.

The PRESIDENT pro tempore. The Chair will say that he acted on his own initiative because, noticing the absence of the chairman of the committee, and being himself a

Mr. COUZENS. Mr. President, before consent is given, I member of the committee, he assumed that the treaties link we ought to have a quorum, because I think it is ought to go over.

Mr. NORBECK. The chairman of the committee requested me to explain it if it came up. That is the reason I asked the question. I do not think there is any objection to this treaty. Twenty-seven nations have signed it. It is simply for the protection of whales; to prevent the killing of immature whales, and it will become effective as each country passes the appropriate laws.

The PRESIDENT pro tempore. If the Chair may still function as a Senator, he will state that everything the Senator from South Dakota has said about the particular treaty is absolutely accurate, and the Chair merely entered the request because the chairman of the committee is not present. There was absolutely no difference in the Committee on Foreign Relations regarding the treaty, and, in view of what the Senator from South Dakota has said, the treaty Executive A and the treaty Executive K will be passed over and the treaty Executive J will be considered.

The Senate, as in Committee of the Whole, proceeded to consider the treaty Executive J (72d Cong., 1st sess.), a multilateral convention for the regulation of whaling, signed by the United States at Geneva, on March 31, 1932, which was read, as follows:

CONVENTION FOR THE REGULATION OF WHALING

His Majesty the King of the Albanians; the President of the German Reich; the President of the United States of America; His Majesty the King of the Belgians; His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India; the President of the Republic of Colombia; His Majesty the King of Denmark and Iceland; the President of the Government of the Spanish Republic; the President of the Republic of Finland; the President of the French Republic; the President of the Hellenic Republic; His Majesty the King of Italy; the President of the United States of Mexico; His Majesty the King of Norway; Her Majesty the Queen of the Netherlands; the President of the Polish Republic; His Majesty the King of Roumania; the Swiss Federal Council; the President of the Czechoslovak Republic; the President of the Turkish Republic; His Majesty the King of Yugoslavia have appointed as their Plenipotentiaries the following:

His Majesty the King of the Albanians:

M. Lec Kurti, Resident Minister, Permanent Delegate accredited to the League of Nations.

The President of the German Reich:

M. Hans Hermann Völckers, Consul-General at Geneva. The President of the United States of America:

Mr. Hugh R. Wilson, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council.

His Majesty the King of the Belgians:

M. P. Hymans, Minister for Foreign Affairs.

His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India: For Great Britain and Northern Ireland and all parts

of the British Empire which are not separate Members of the League of Nations:

The Right Honourable Viscount Cecil of Chelwood, K. C.

For the Dominion of Canada:

The Honourable Hugh Guthrie, P. C., K. C., M. P., Minister of Justice and Attorney-General.

For the Commonwealth of Australia:

Mr. James R. Collins, C. M. G., C. B. E., Official Secretary and Financial Adviser in the Office of the High Commissioner in London.

For the Dominion of New Zealand:

Sir Thomas Mason Wilford, K. C. M. G., K. C., High Commissioner in London.

For the Union of South Africa:

Mr. C. T. te Water, High Commissioner in London. For India:

Sir Brojendra L. Mitter, Kt., Law Member of the Viceroy's Executive Council.

The President of the Republic of Colombia:

Dr. A. J. Restrepo, Permanent Delegate accredited to the League of Nations.

His Majesty the King of Denmark and Iceland:

M. William Borberg, Permanent Delegate accredited to the League of Nations.

The President of the Government of the Spanish Republic:

M. Alejandro Lerroux García, Minister of State.

The President of the Republic of Finland:

M. Evald Gyllenbögel, Counsellor of Legation, Permanent Delegate a. i. accredited to the League of Nations.

The President of the French Republic:

M. Louis Rollin, Deputy, Minister of Commerce and Industry.

The President of the Hellenic Republic:

M. R. Raphaël, Permanent Delegate accredited to the League of Nations.

His Majesty the King of Italy:

M. Augusto Rosso, Minister Plenipotentiary, Substitute Delegate to the Council of the League of Nations.

The President of the United States of Mexico:

M. Salvador Martínez de Alva, Head of the Permanent Office accredited to the League of Nations.

His Majesty the King of Norway:

M. Birger Braadland, Minister for Foreign Affairs.

Her Majesty the Queen of the Netherlands:

Jonkheer F. Beelaerts van Blokland, Minister for Foreign Affairs.

The President of the Polish Republic:

M. Auguste Zaleski, Minister for Foreign Affairs.

His Majesty the King of Roumania:

M. Constantin Antoniade, Envoy Extraordinary and Minister Plenipotentiary accredited to the League of Nations.

The Swiss Federal Council:

M. Giuseppe Motta, President of the Swiss Confederation, Head of the Federal Political Department.

The President of the Czechoslovak Republic:

M. Zdeněk Fierlinger, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council, Permanent Delegate accredited to the League of Nations. The President of the Turkish Republic:

Cemal Hüsnü Bey, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council.

His Majesty the King of Yugoslavia:

M. Voislav Marinkovitch, Minister for Foreign Affairs. Who, having communicated their full powers, found in good and due form, have agreed on the following provisions:

ARTICLE 1

The High Contracting Parties agree to take, within the limits of their respective jurisdictions, appropriate measures to ensure the application of the provisions of the present Convention and the punishment of infractions of the said provisions.

ARTICLE 2

The present Convention applies only to baleens or whalebone whales.

ARTICLE 3

The present Convention does not apply to aborigines dwelling on the coasts of the territories of the High Contracting Parties provided that:

(1) They only use canoes, pirogues or other exclusively native craft propelled by oars or sails:

(2) They do not carry firearms;

(3) They are not in the employment of persons other than aborigines:

(4) They are not under contract to deliver the products of their whaling to any third person.

ARTICLE 4

The taking or killing of right whales, which shall be deemed to include North-Cape whales, Greenland whales, southern right whales, Pacific right whales and southern pigmy right whales, is prohibited.

ARTICLE 5

The taking or killing of calves or suckling whales, immature whales, and female whales which are accompanied by calves (or suckling whales) is prohibited.

ARTICLE 6

The fullest possible use shall be made of the carcasses of whales taken. In particular:

1. There shall be extracted by boiling or otherwise the oil from all blubber and from the head and the tongue and, in addition, from the tail as far forward as the outer opening of the lower intestine.

The provisions of this sub-paragraph shall apply only to such carcasses or parts of carcasses as are not intended to be used for human food.

2. Every factory, whether on shore or afloat, used for treating the carcasses of whales shall be equipped with adequate apparatus for the extraction of oil from the blubber, flesh and bones.

3. In the case of whales brought on shore, adequate arrangements shall be made for utilising the residues after the oil has been extracted.

ARTICLE 7

Gunners and crews of whaling vessels shall be engaged on terms such that their remuneration shall depend to a considerable extent upon such factors as the size, species, value and yield of oil of whales taken, and not merely upon the number of whales taken, in so far as payment is made dependent on results.

ARTICLE 8

No vessel of any of the High Contracting Parties shall engage in taking or treating whales unless a license authorising such vessels to engage therein shall have been granted in respect of such vessel by the High Contracting Party, whose flag she flies, or unless her owner or charterer has notified the Government of the said High Contracting Party of his intention to employ her in whaling and has received a certificate of notification from the said Government.

Nothing in this article shall prejudice the right of any High Contracting Party to require that, in addition, a license shall be required from his own authorities by every vessel desirous of using his territory or territorial waters for the purposes of taking, landing or treating whales, and such license may be refused or may be made subject to such conditions as may be deemed by such High Contracting Party to be necessary or desirable, whatever the nationality of the vessel may be.

ARTICLE 9

The geographical limits within which the articles of this Convention are to be applied shall include all the waters of the world, including both the high seas and territorial and national waters.

ARTICLE 10

- 1. The High Contracting Parties shall obtain, with regard to the vessels flying their flags and engaged in the taking of whales, the most complete biological information practicable with regard to each whale taken, and in any case on the following points:
 - (a) Date of taking;
 - (b) Place of taking;
 - (c) Species;
 - (d) Sex;
- (e) Length; measured, when taken out of water; estimated, if cut up in water;
- (f) When fœtus is present, length and sex if ascertainable:
- (g) When practicable, information as to stomach contents.
- 2. The length referred to in sub-paragraphs (e) and (f) of this article shall be the length of a straight line taken from the tip of the snout to the notch between the flukes of the tail.

ARTICLE 11

Each High Contracting Party shall obtain from all factories, on land or afloat, under his jurisdiction, returns of the number of whales of each species treated at each factory and of the amounts of oil of each grade and the quantities of meal, guano and other products derived from them.

ARTICLE 12

Each of the High Contracting Parties shall communicate statistical information regarding all whaling operations under their jurisdiction to the International Bureau for Whaling Statistics at Oslo. The information given shall comprise at least the particulars mentioned in Article 10 and: (1) the name and tonnage of each floating factory; (2) the number and aggregate tonnage of the whale catchers; (3) a list of the land stations which were in operation during the period concerned. Such information shall be given at convenient intervals not longer than one year.

ARTICLE 13

The obligation of a High Contracting Party to take measures to ensure the observance of the conditions of the present Convention in his own territories and territorial waters, and by his vessels, shall not apply to those of his territories to which the Convention does not apply, and the territorial waters adjacent thereto, or to vessels registered in such territories.

ARTICLE 14

The present Convention, the French and English texts of which shall both be authoritative, shall remain open until the thirty-first of March 1932 for signature on behalf of any Member of the League of Nations or of any non-member State

ARTICLE 15

The present Convention shall be ratified. The instruments of ratification shall be deposited with the Secretary-General of the League of Nations, who shall notify their receipt to all Members of the League of Nations and non-member States indicating the dates of their deposit.

ARTICLE 16

As from the first of April 1932, any Member of the League of Nations and any non-member State, on whose behalf the Convention has not been signed before that date, may accede thereto.

The instruments of accession shall be deposited with the Secretary-General of the League of Nations, who shall notify all the Members of the League of Nations and non-member States of their deposit and the date thereof.

ARTICLE 17

The present Convention shall enter into force on the ninetieth day following the receipt by the Secretary-General of the League of Nations of ratifications or accessions on behalf of not less than eight Members of the League or non-member States, including the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland.

As regards any Member of the League or non-member State on whose behalf an instrument of ratification or accession is subsequently deposited, the Convention shall enter into force on the ninetieth day after the date of the deposit of such instrument.

ARTICLE 18

If after the coming into force of the present Convention the Council of the League of Nations, at the request of any two Members of the League or non-member States with regard to which the Convention is then in force, shall convene a Conference for the revision of the Convention, the High Contracting Parties agree to be represented at any Conference so convened.

ARTICLE 19

- 1. The present Convention may be denounced after the expiration of three years from the date of its coming into force.
- 2. Denunciation shall be effected by a written notification addressed to the Secretary-General of the League of Nations, who shall inform all the Members of the League and the non-member States of each notification received and of the date of its receipt.
- Each denunciation shall take effect six months after the receipt of its notification.

ARTICLE 20

- 1. Any High Contracting Party may, at the time of signature, ratification or accession, declare that, in accepting the present Convention, he does not assume any obligations in respect of all or any of his colonies, protectorates, overseas territories or territories under suzerainty or mandate; and the present Convention shall not apply to any territories named in such declaration.
- 2. Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to all or any of his territories which have been made the subject of a declaration under the preceding paragraph, and the Convention shall apply to all the territories named in such notice ninety days after its receipt by the Secretary-General of the League of Nations.
- 3. Any High Contracting Party may, at any time after the expiration of the period of three years mentioned in Article 19, declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates, overseas territories or territories under suzerainty or mandate and the Convention shall cease to apply to the territories named in such declaration six months after its receipt by the Secretary-General of the League of Nations.
- 4. The Secretary-General of the League of Nations shall communicate to all the Members of the League of Nations and the non-member States all declarations and notices received in virtue of this article and the dates of their receipt.

ARTICLE 21

The present Convention shall be registered by the Secretary-General of the League of Nations as soon as it has entered into force.

In faith whereof the above-mentioned Plenipotentiaries have signed the present Convention.

Done at Geneva, on the twenty-fourth day of September one thousand nine hundred and thirty-one, in a single copy which shall be kept in the archives of the Secretariat of the League of Nations and of which certified true copies shall be delivered to all the Members of the League of Nations and to the non-member States.

Albania:

LEC KURTI

Germany:

Dr. HANS HERMANN VÖLCKERS

United States of America:

HUGH R. WILSON

Belgium:

HYMANS

Great Britain and Northern Ireland, and all parts of the British Empire which are not separate Members of the League of the Nations:

CECIL

Canada:

H. GUTHRIE

Commonwealth of Australia:

JAMES R. COLLINS

New Zealand:

THOMAS M. WILFORD

Union of South Africa:

C. T. TE WATER.

India:

B. L. MITTER

Colombia:

A. J. RESTREPO

Denmark (with reservation, until further notice, as regards Greenland):

WILLIAM BORBERG.

Spain:

A. LERROUX

Finland:

EVALD GYLLENBÖGEL.

France:

LOUIS ROLLIN

Greece:

R. RAPHAËL

Italy:

AUGUSTO ROSSO

Mexico:

S. MARTÍNEZ DE ALVA

Norway:

BIRGER BRAADLAND.

The Netherlands (for the Kingdom in Europe and the Netherlands Indies):

BEELAERTS VAN BLOKLAND

Poland.

AUGUSTE ZALESKI

Roumania:

C. ANTONIADE

Switzerland:

MOTTA.

Czechoslovakia:

ZD. FIERLINGER

Turkey:

CEMAL HÜSNÜ

Yugoslavia:

Dr. V. MARINKOVITCH

Certified true copy.

For the Secretary-General:

J. A. BUERO

Legal Adviser of the Secretariat.

The treaty was reported to the Senate without amendment, ordered to a third reading, and read the third time.

The PRESIDENT pro tempore. The resolution of ratification will be read.

The resolution of ratification was read and agreed to, as

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive J, Seventy-second Congress, first session, a multi-lateral convention for the regulation of whaling, signed at Geneva,

UNITED STATES SHIPPING BOARD

The legislative clerk read the nomination of T. V. O'Connor, of New York, to be member, United States Shipping

Mr. McNARY. In the absence of the Senator from New York and the Senator from Tennessee, I ask that that nomination go over, and also that the same order be made on the next call of the calendar.

The PRESIDENT pro tempore. The nomination will be passed over.

B. B. MONTGOMERY

The legislative clerk read the nomination of B. B. Montgomery to be United States marshal, northern district of

The PRESIDENT pro tempore. That nomination will be passed over on request.

ASSOCIATE JUSTICES, PHILIPPINE SUPREME COURT

The legislative clerk read the nomination of Carlos A. Imperial, of the Philippine Islands, to be associate justice, Supreme Court of the Philippine Islands.

The PRESIDENT pro tempore. The nomination just read and the one following it on the calendar, being Calendar No. 4675, will be passed over at the instance of the junior Senator from Utah [Mr. KING].

Mr. BINGHAM. Mr. President, did I understand the Chair to say that the junior Senator from Utah objected to the nominations of judges of the Philippine Supreme Court?

The PRESIDENT pro tempore. The junior Senator from Utah, being under the obligation to leave the Chamber, asked the Chair to request that the nominations of Philippine judges should go over.

Mr. BINGHAM. Mr. President, there is very great need for their prompt confirmation, in view of the fact that the next session of the court is about to be held, and there is no quorum present, and so the court is unable to function. I hope very much that in the very near future the nominations of these judges may be taken up, and that they may be confirmed.

The PRESIDENT pro tempore. The Senator from Oregon has announced that there will be another executive ses- Donald to be secretary, Diplomatic Service.

sion on Monday, and the Chair suggests to the Senator from Connecticut that he communicate with the Senator from Utah, and in the meantime-

Mr. BINGHAM. I shall not be able to be present at that

Mr. McNARY. I will say, Mr. President, that probably we can accommodate the Senator by having an executive session to-morrow afternoon.

Mr. HASTINGS. Mr. President, for the reason stated by the Senator from Connecticut, there was great pressure upon the Judiciary Committee to get these nominations before the Senate; they are unanimously recommended; and I was wondering whether it would be unusual to permit them to be voted upon, with the understanding that the Senator from Utah may move to reconsider if he should desire to do so?

The PRESIDENT pro tempore. The present occupant of the chair was merely acting in conformity with senatorial courtesy in saying that the junior Senator from Utah wished the nominations to go over, and the Chair will hold that they go over.

CECIL H. CLEGG

The legislative clerk read the nomination of Cecil H. Clegg, of Alaska, to be judge, district of Alaska, division No. 3.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

ROBERT E. MATTINGLY

The legislative clerk read the nomination of Robert E. Mattingly to be judge of the municipal court, District of Columbia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

STERLING D. BENNETT

The legislative clerk read the nomination of Sterling D. Bennett to be United States attorney, eastern district of

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

ARTHUR ROGERS

The legislative clerk read the nomination of Arthur Rogers to be United States marshal, western district of Tennessee. The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

HENRY C. W. LAUBENHEIMER

The legislative clerk read the nomination of Henry C. W. Laubenheimer to be United States marshal, northern district of Illinois.

Mr. LEWIS. Mr. President, my colleague [Mr. GLENN] is absent. I have been informed of objection on account of matters which have been introduced in connection with Mr. Laubenheimer. May I be permitted to say that upon investigation-and I am able to speak both for my colleague and myself-the record shows the complete fitness and qualifications of Mr. Laubenheimer, and I move the confirmation of his nomination

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

FEDERAL BOARD FOR VOCATIONAL EDUCATION

The legislative clerk read the nomination of Perry W. Reeves to be member, representative of labor, Federal Board for Vocational Education.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES TARIFF COMMISSION

The Chief Clerk read the nomination of Edgar Bernard Brossard to be member, United States Tariff Commission.

Mr. COSTIGAN. Mr. President, I request that that nomination go over.

The PRESIDENT pro tempore. On request, the nomination will be passed over.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of George K.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Morris N. Hughes to be secretary, Diplomatic Service.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of John A. Hammer to be passed assistant dental surgeon, with grade of passed assistant surgeon.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Fritz R. Jackson to be passed assistant dental surgeon, with grade of passed assistant surgeon.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ODDIE. Mr. President, I ask unanimous consent that nominations of postmasters on the calendar may be confirmed en bloc with the exception of Calendar No. 4722, Willard Gabhart, of Harrodsburg, Ky. The senior Senator from Kentucky has requested that that nomination be recommitted to the committee, and I make that request.

The PRESIDENT pro tempore. Without objection, with the exception of the nomination mentioned by the Senator from Nevada, all other post-office nominations on the calendar are confirmed en bloc, and the nomination referred to will be recommitted to the Committee on Post Offices and Post Roads.

THE ARMY

The legislative clerk proceeded to read the nominations of sundry officers in the Army.

Mr. McNARY. I move that the Army nominations may be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read the nominations of sundry officers in the Navy.

Mr. McNARY. I make the same request regarding the naval nominations.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc. That completes the calendar.

The Senate resumed legislative session.

POSITION OF EX-PRESIDENT COOLIDGE ON WAR DEBTS

Mr. TOWNSEND. Mr. President, at the request of the Senator from West Virginia [Mr. HATFIELD], I ask unanimous consent to have inserted in the RECORD an article from the Journal of Commerce of June 10, entitled "Congress Indorses Coolidge in Holding Europe to War Debts."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Congress Indorses Coolidge in Holding Europe to War Debt—"IF We Do not Collect It," He Says, "We Must Collect from Taxpayer"—Senators, Congressmen Support Ex-President— Curtis, Borah, Watson, Wagner, Smoot, Bingham, Snell, Crisp, Robinson of Indiana Back Stand

By Clarence L. Linz

Washington, June 9.—Repayment of European war debts to the United States under the terms of existing funding agreements will be expected by Congress.

Such was the sentiment expressed by leading Members of both Houses commenting upon an article by former President Calvin Coolidge in the current issue of Cosmopolitan Magazine out tomorrow.

morrow.

"The money we furnished we had to borrow," suggested Mr. Coolidge. "If we do not collect it from Europe, we must collect it from our own taxpayers."

Wrestling to-day with the problems incident to the balancing of the Budget, made intricate by manipulation of the Government economy measure. Senate leaders have shown some irritability over suggestions that Europe would not make anticipated interest and principal payments as they become due in December.

DEBT TIED TO BUDGET

The whole program of Budget balancing is predicated in part upon receipt of such payments from all war debtor countries that it may not be necessary to "collect it from our own taxpayers." The Coolidge statement, giving opportunity for Members of Congress to express themselves on the subject of war debts, is seen as having an important effect upon both the attitude of the administration in that respect and in the drafting of the War Department plant by the Republican National Congression. partment plank by the Republican National Convention. Further it would appear to give assurance that Congress will decline to ratify any agreement that the President might undertake with foreign governments for extension of the life of the present moratorium.

It is recognized that there is a great deal of sentiment in the East and in certain sections of the Middle West favorable to further aid to Europe. Much has been said in Congress also that it was a foregone conclusion that foreign governments would repudiate their debts in some way or another. Nevertheless, the legislators, nearing the end of the session, tired and harassed by importuning constituents and lobbyists to do all sorts of things, plainly are out of patience with the talk of war debt revision, much less cancellation.

DEMOCRATS ARE PROVOKED

Democratic Members are rather provoked over the Alfred E. Smith proposal recently made that war debtors be forgiven a portion of their debt upon the consummation of purchases of American products in stated amounts. They look upon this as impracticable and undesirable.

impracticable and undesirable.

The Government economy bill was sent to conference to-day in a form estimated to save only about \$120,000,000 at the outside, which is less than half of what President Hoover would like accomplished by this particular piece of legislation.

Reductions to be effected under Budget estimates for various Government activities also are likely to fall short of the goal.

The revenue revision law, just enacted, will not yield all of the additional funds originally hoped for.

To add to these deficits the loss of the whole or any part of the \$258,000,000 which will otherwise be paid by the war debtors in interest and principal, plus something like \$25,200,000 in an installment upon deferred payments of the present fiscal year, would further throw the Budget out of balance.

There are to be heard in Congress expressions of apprehension that President Hoover will act to aid European nations after Congress adjourns.

Congress adjourns.

PRESSURE TALKED OF

There is declared to have been pressure brought to bear upon the Chief Executive and his advisers to make further representations to Congress. It is recalled that influential persons in private conferences, particularly one at the home here of former Secretary of the Treasury Mellon, had urged upon Mr. Hoover at the outset to seek a two or a three year moratorium, a proposal which Congress would not heed.

posal which Congress would not heed.

An unfortunate situation may arise in the event that leading debtor nations fail to make stated payments. It was related to-day by Representative Crisp, of Georgia, who has been acting as chairman of the House Ways and Means Committee during the illness of Chairman Collier, that foreign governments literally had to be forced into settling their debts by an implied threat of having proposed private loans discouraged.

While there is dislike on the part of certain leading Members of Congress, outstanding among whom is Senator Carter Glass (Democrat, Virginia), to State Department supervision of private loans to foreign nations, nevertheless, there is likelihood that such action would officially be fostered if foreign debtors fail to observe their obligations.

to observe their obligations.

CURTIS AGAINST CANCELLATION

"I always have been against cancellation of the war debts," asserted Vice President Curris. "I have repeatedly held that the war debts should be repaid."

Senator Borah, chairman of the Foreign Relations Committee, is very positive and outspoken in his views.

"The key to the European situation, good or bad, is the reparations proposition," asserted Borah. "If Europe can not solve the reparations problem it is useless to talk to the American taxpayer about aiding Europe by canceling the debts, or to the American banker about aiding Europe by loaning it more money." "Who said cancellation?" inquired Senate Republican Floor Leader Watson. "The way for scaling down the debts is for them to pay them down."

"I am not a recent convert in opposition to the cancellation of

"I am not a recent convert in opposition to the cancellation of the war debts," suggested Senator Reed Smoot, chairman of the Senate Finance Committee. "I have been opposed to that from the very beginning.'

WAGNER INDORSES COOLIDGE

"Standing by itself it is a very sound, logical statement," asserted Senator Wagner (Democrat, New York).

asserted Senator Wagner (Democrat, New York).

"The statements of Mr. Coolidge are sound, New England common sense—exactly the kind you would expect from him," commented Senator Bingham (Republican, Connecticut). "I particularly like his expression that if we want to go into the subsidy business we can form concerns of our own and find governments outside of Europe where we could make the operation much more profitable."

"Mr. Coolidge is right," concluded Representative SNELL, House Republican floor leader. "I am unalterably opposed to any reduction, cancellation, or war-debt moratorium."

"I, too, am in accord with former President Coolidge," said Representative Crisp, who was a member of the World War Foreign Debt Commission which negotiated the funding agreements. "Foreign nations easily can make these payments."

"These nations were entirely content to pay the debt, with interest, at the time they contracted for the money," suggested Senator Robinson (Republican, Indiana). "Mr. Coolidge is very conservative—they not only were willing to accept the obligation for payment but insisted upon it as a right."

Mr. McNARY. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon.

The motion was agreed to: and (at 6 o'clock and 26 minutes p. m.) the Senate took a recess until to-morrow, Saturday, June 11, 1932, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 10 (legislative day of June 8), 1932

SECRETARIES IN THE DIPLOMATIC SERVICE

George K. Donald to be secretary in the Diplomatic Service.

Morris N. Hughes to be secretary in the Diplomatic Service.

DISTRICT JUDGE, DISTRICT OF ALASKA

Cecil H. Clegg to be district judge, district of Alaska, division No. 3.

JUDGE OF THE MUNICIPAL COURT, DISTRICT OF COLUMBIA Robert E. Mattingly to be judge of the municipal court, District of Columbia.

UNITED STATES ATTORNEY

Sterling D. Bennett to be United States attorney, eastern district of Texas.

UNITED STATES MARSHALS

Arthur Rogers to be United States marshal, western district of Tennessee.

Henry C. W. Laubenheimer to be United States marshal. northern district of Illinois.

MEMBER OF THE FEDERAL BOARD FOR VOCATIONAL EDUCATION Perry W. Reeves to be a member of the Federal Board for Vocational Education, representative of labor.

PUBLIC HEALTH SERVICE

John A. Hammer to be passed assistant dental surgeon. Fritz R. Jackson to be passed assistant dental surgeon.

APPOINTMENT BY TRANSFER IN THE REGULAR ARMY Capt. Raymond William Bryant to Quartermaster Corps.

APPOINTMENT BY PROMOTION IN THE REGULAR ARMY Carl Weston Pyle to be captain, Air Corps.

Noble Theodore Haakensen to be first lieutenant, Coast Artillery Corps.

Chester Raymond Haig to be lieutenant colonel, Medical

William Eugene Hall to be lieutenant colonel, Medical Corps.

Hew Bernard McMurdo to be lieutenant colonel, Medical

Thomas Ward Burnett to be lieutenant colonel, Medical

Robert Morris Hardaway to be lieutenant colonel, Medical Corps.

Thomas Ewing Scott to be lieutenant colonel, Medical

Thomas Everett Harwood, jr., to be lieutenant colonel, Medical Corps.

Philip Barry Connolly to be lieutenant colonel, Medical

Samuel Jay Turnbull to be lieutenant colonel, Medical Corps.

John Cocke to be colonel, Cavalry.

Henry Wallace Hall to be lieutenant colonel, Cavalry. William Francis Heavey to be major, Corps of Engineers. Homer Barron Chandler to be captain, Air Corps. Oliver Wolcott van den Berg to be first lieutenant. Field

Artillery.

Ralph Eugene Rumbold to be first lieutenant, Infantry. Michael Andrew Dailey to be lieutenant colonel, Medical

John George Ingold to be lieutenant colonel, Medical Corps.

Alvin Charles Miller to be lieutenant colonel, Medical Corps.

William Archer Squires to be lieutenant colonel, Dental Corps.

Arnett Percy Matthews to be lieutenant colonel, Dental Corps.

John William Scovel to be lieutenant colonel, Dental Corps.

PROMOTIONS IN THE REGULAR ARMY

William Henry Menges to be colonel, Finance Department. John Hutchison Hester to be lieutenant colonel, Infantry. Franklin Langley Whitley to be lieutenant colonel, The Adjutant General's Department.

Alfred Harold Hobley to be lieutenant colonel, Air Corps. Elmer Cuthbert Desobry to be lientenant colonel, Infantry. Robert Marks Bathurst to be major, Field Artillery. Daniel Noce to be major, Corps of Engineers.

Willis Edward Teale to be major, Corps of Engineers (sub-

ject to examination required by law).

Clark Kittrell to be major, Corps of Engineers. Charles Everett Hurdis to be major, Field Artillery. William Day to be captain, Quartermaster Corps. Frederick Eugene Coyne, jr., to be captain, Finance Department.

John Myers McCulloch to be captain, Air Corps. Richard Kemp Le Brou to be captain, Air Corps. Charles Wesley Sullivan to be captain, Air Corps. Paul Harter Leech to be captain, Quartermaster Corps. Paul Arthur Ridge to be first lieutenant, Cavalry James William Andrew to be first lieutenant, Air Corps. Charles Arthur Ross to be first lieutenant, Air Corps. George J. Eppright to be first lieutenant, Air Corps. Frank Dunne Klein to be first lieutenant, Air Corps. William Vance Davis to be first lieutenant, Coast Artillery Corps.

William Crawford D. Bridges to be first lieutenant, Corps of Engineers.

John Wesley Sherwood to be lieutenant colonel, Medical Corps.

Guy Logan Qualls to be lieutenant colonel, Medical Corps. James Ernest Baylis to be lieutenant colonel, Medical Corps.

Douglas Wiltz McEnery to be lieutenant colonel, Medical Corps.

John William Meehan to be lieutenant colonel, Medical

Charles Moore Walson to be lieutenant colonel, Medical Corps.

REAPPOINTMENTS IN THE OFFICERS' RESERVE CORPS GENERAL OFFICERS

Clinton Goodloe Edgar to be brigadier general, Auxiliary Reserve.

George Edmund de Schweinitz to be brigadier general, Auxiliary Reserve.

APPOINTMENTS BY TRANSFER

Lieut. Col. Emmet Roland Harris to Finance Department. Second Lieut. Joe Clifton East to Coast Artillery Corps. PROMOTION IN THE PHILIPPINE SCOUTS

Herbert Lee Merritt to be captain, Philippine Scouts. PROMOTIONS IN THE NAVY

To be commanders

Morton L. Devo. Harry G. Patrick. Alfred E. Montgomery. To be lieutenant commanders

Albert R. Myers.

Francis R. McDonnell.

To be lieutenants

John W. Price, jr. Robert M. Morris. Wells L. Field. Harry A. Dunn, jr.

To be medical inspector

Charles S. Stephenson.

To be surgeon

Howell C. Johnston.

POSTMASTERS

ALABAMA

Hugh H. Dale, Camden. Odies M. Carr, Dawson. Harry E. Marshall, Orrville.

ARKANSAS

Glaucus P. Russell, Grady. Henry A. Parker, Murfreesboro.

COLORADO

Erick F. Sutherland, Silverton.

FLORIDA

Clara D. Wheeler, Seffner.

GEORGIA

Pleasant N. Little, Madison. Ella M. Withrow, Odum. Edgar H. Lawson, Sandersville. Lurline M. Overstreet, Sylvania. William R. Chapman, Crawfordsville. Thomas M. Goodrum, Newnan.

ILLINOIS

August Kalbitz, Red Bud. Ira D. Lakin, Vandalia.

INDIANA

Kenneth L. Cox, Darlington. Orval O. Brown, Ewing. Gladys M. Douthett, Highland.

IOWA

Della J. Riordan, Correctionville. Calvin C. Knoll, Gilmore City. Frederick J. Okell, Lewis. Pearl M. Kraft, Melvin. Robert E. Hill, Oxford Junction.

KANSAS

Luella Meredith, Hill City. Elizabeth C. Bittmann, Independence. Susie J. Gibbons, St. Paul.

KENTUCKY

George C. Cross, Louisville. Myra B. Grimes, Millersburg.

LOUISIANA

Nettie Sojourner, Amite.

MARYLAND

Harry M. Carroll, Federalsburg. Herbert R. Butts, Marydel.

MASSACHUSETT

Alphonse E. Roberts, Chicopee Falls. Maynard D. Ellis, Woronoco.

MICHIGAN

Hugh S. Dodge, Comstock Park. Joseph W. Greenhalgh, Pontiac.

MINNESOTA

Herbert T. Behm, Lake Lillian. Henry E. Day, Raymond.

MISSISSIPPI

Mamie Z. Lewis, Fayette. Albert P. Wilson, Monticello. Louie D. Minter, Plave. Fred H. Grimes, Tupelo.

MISSOURI

William L. Simmerman, Centerview. Hilles R. Leslie, Memphis. John B. Chipp, New Hampton. Herbert Burfeind, Sweet Springs.

NEBRASKA

Sterling C. Lathen, Grand Island.

NEVADA

John G. Eaby, Kimberly.

NEW HAMPSHIRE

Thomas H. Dearborn, Dover. Charles F. Southard, North Haverhill.

NEW JERSEY

Abram R. Bates, Allentown. Alfred H. Grant, Forked River.

NEW YORK

Volney P. Hyde, La Fargeville.

NORTH DAKOTA

Nelson M. Chamberlain, Page. Albert F. Harris, Reeder.

OKLAHOMA

Otto S. Allred, Boynton. Aaron Drumright, Drumright. Opal M. Ham, Jennings. Jeane H. Sisson, Mounds.

OREGON

George B. Bourhill, Moro. James B. Kirk, The Dalles.

PENNSYLVANIA

David E. Trone, Clarendon. Harry C. Best, Enon Valley. Christian A. Jansen, Essington. Dewey W. Sechler, Fairchance. John A. Keck, Greenville. Warren F. Simrell, Hallstead. William H. Law, Koppel. Claude W. Keiser, Lykens. Bernard E. Stansfield, Mechanicsburg. Stanley L. Campbell, New Albany. Lake S. MacNab, New Castle. Naomi G. Hazell, Norwood Station. John W. Snedden, Oil City. Homer D. Sarge, Pine Grove. William E. Brooks, Ridley Park. Homer B. Asheld, Tunkhannock. Leroy W. Keisling, Valley View.

RHODE ISLAND

Thomas D. Goldrick, Pascoag.

SOUTH CAROLINA

Waulla E. Westbrook, Blacksburg.
Washington M. Ritter, Cope.
John A. Chase, Florence.
Thomas B. Horton, Heath Springs.
Mamie C. Spears, Lamar.
Harry E. Wessinger, Lexington.
James D. Mackintosh, McClellanville,
Sarah C. Starnes, Ridgeway.
William B. Tarkington, St. George,
John W. Geraty, Yonges Island.

SOUTH DAKOTA

Della Reue, Leola. Albert Koehne, Oldham. John A. Hawkins, Waubay.

TEXAS

William H. Craddock, Cisco. Buford E. Robertson, Gilmer. Harvey B. Savage, Honey Grove. Vivian A. Long, Naples.

Clara Sitton, Pyote. Thomas J. Darling, Temple. Herbert W. Scott, Throckmorton. Chester L. Lewis, Wheeler.

WEST VIRGINIA

Michael H. Duncan, Crumpler. Charlie F. Baldwin, Madison.

John A. Dickerson, Edgerton. Frank F. Delventhal, Peshtigo. Clarence A. Loescher, Menasha.

William L. Wallace, Rawlins.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 10, 1932

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most Merciful God, just now our first thought is of Thy fatherhood; the second is of the far-reaching brotherhood to which we belong. We pray Thee to regard and bless these relationships. Increase the power of our faith, our hope, and our sympathy as they move toward our fellow men. Do Thou more and more incline us to hold up one another, pitying one another and helping one another. O may we do most for those who need us most. We thank Thee that Thou hast determined by Thy great heart of love that man should not earn his bread by the breaking of his heart. O God, lead us in some way to follow this Divine purpose. As this is Thy will, it is destined to survive the disturbances of time, ever responding to the worth of man. At Thy mercy seat, our Father, we breathe this prayer in the blessed name of the world's Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 11337. An act authorizing the Secretary of the Treasury to exchange the Federal building site in Dover, N. J., for another site.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11897. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes.

The message also announced that the Senate had agreed

to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes."

MATERIALISM AND SPIRITUALITY

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include the commencement address delivered by the Resident Commissioner from the Philippines, Mr. Camilo Osias, at the Waverly High School, Waverly, Pa., on June 3, 1932. This is a school situated in one of the cities of my congressional district.

The SPEAKER. Is there objection?

There was no objection.

The address is as follows:

Once while a supervising teacher in the Philippine Bureau of Education I was traveling on horseback one night from my official station, Bacnotan, La Union, to my home town, Balacan. On the way there was a river named Darigayo which I had to cross by means of a bamboo raft. It had been raining that afternoon. The stream was swollen and the current was rather swift. The men in charge, whom we call balceros, informed me that it was

dangerous just then to attempt to go across. I, therefore, tarried for a few hours awaiting the stream to subside.

While chatting with the men I saw fire at a distance at the foot of the mountains in the east. I asked one of them, "Where is that fire?"

He answered, "That's at the barrio, or village, called 'Cabali-tocan.'"

Now, balitoc in my language means gold and "Cabalitocan" means a place where gold abounds. So I inquired, "Why is it called 'Cabalitocan'"? And the man related the following legend: Once upon a time there was a man who went fishing on the river in his little banca, or canoe. For hours and deep into the

night he worked, but he did not have any luck catching fish and he was disappointed to have not a single fish in his fish basket. Paddling his banca in the darkness of the night, however, he saw something glittering along the bank. He went for the object and to his surprise he found it was a piece of gold about the size of a grain of rice. Full of glee he took the precious metal and thanked his stars, for he knew it was worth more than any fish he could have caught.

his stars, for he knew it was worth more than any nsh he could have caught.

He then and there decided to go home. As he glided along he saw not far away another shining object on the bank, and thinking it might be another piece of gold he paddled his banca toward it. He picked it up and found that it was, indeed, a piece of gold the size of a guava fruit. So elated was he at finding a larger piece that he threw into the river the first piece he had.

Proceeding along he again saw not far away a still larger piece, which was shining and bright. This time it was about the size of a coconut. He took this one and threw away what he had.

Hurrying homeward he again saw a still larger piece. Not doubt-

Hurrying homeward he again saw a still larger piece. Not doubting that it was gold, he threw away what he had and hastened to pick up the great big piece of metal about the size of a mortar. To his dismay he found it so heavy that he could not move it an

Remembering the pieces he had previously thrown away, he retraced his steps, as it were, to look for them, but to his disappointment none did he find, and when he returned to look for the large piece of gold, it, too, could not be located.

That tale has remained indelibly in my mind. The more I think of it the more clearly I at the large piece.

That tale has remained indelibly in my mind. The more I think of it the more clearly I see the great moral lesson it teaches, which in times like these we would do well to bear in mind and heed.

This simple legend shows that although the material in life has its place, it is never wholly satisfying. It reaffirms the truth illustrated in the renowned story of King Midas, who, in quest of what he thought was the greatest thing in the world, was given the power to turn into gold whatever he touched, a power which he later had occasion to regret, because the child he so dearly loved was also turned into gold in his clutches as he held her in a fond embrace. fond embrace

Let me state that I recognize the worth of the material, the practical, the economic in earthly life, yet I cling steadfastly to the belief that the idealistic, the moral, the spiritual constitute in the last analysis the really elemental, satisfying, and permanent. The material is temporal; the spiritual is elemental. Materialism is founded upon things that perish; the spiritual has an immortal basis basis.

basis.

Shortsighted are they who permit their better nature to be obscured by their worship of the material. The farsighted are those who, seeing the things that are, can project themselves into the realm of the imponderables and discover, through the maze of things immediate, the image of what they conceive to be the eternal verities of which spirituality is the embodiment.

Your schooling so far has enabled you to catch a glimpse of the real on earth through the agency of the common subjects. Your taste of a little science may have led you to the conclusion that only the physical is what is real, but, school man that I am myself, I have no hesitation to affirm that spirituality is the true reality.

reality.

The youth of the present study various texts and read several references, but I wonder if they grasp and assimilate their contents. I fear that in the face of the avalanche of so much printed matter they fail properly to separate the grain from the chaff and get a warped view of things. I fear they are neglecting the beautiful depicted in classical literature and the great truths embodied in the Book of Books: "What shall it profit a man if he shall gain the whole world and lose his own soul?"

Life in the present workaday world tends altogether too much to the immediate, the obvious, the material. To many of the youth, indeed, materialism has become a god. This can not but sadden the hearts of your elders who wish you well. Ask any of them and, if he be a true guardian of your best interests, he would in his best moments tell you that above the things earthly are the things heavenly; that within what is obvious and tangible in ourselves is the invisible and the intangible which we call a soul or a spirit.

soul or a spirit.

It is this soul that is life. It is this spirit that is real. Only if this reality in ourselves is attuned to the greater soul or the greater spirit may it be said that we are in truth and in fact genuinely educated.

genuinely educated.

A common criticism against the existing institutions of learning is that they are academic and impractical. Ordinarily, it is meant by this that they are not sufficiently effective in preparing young men and young women for practical life. Practical life in turn is narrowly interpreted, and is made synonymous with the chase of the dollar. The dollar is used as the criterion of success. It is the yardstick by which achievement is gaged. Only he who succeeds in amassing material wealth is adjudged successful. A premium is placed upon material mindedness. This way lies the road to perdition.

Let not the materially ridden social order forget that more important than earning one's livelihood is living an abundant life. True abundance is found in rich spirituality. Hitching our wagon to a star means lifting ourselves from the common level of the material into the lofty heights of the spiritual. This way lies the road to sublime immortality.

I doubt not that perhaps some of my hearers even now are inwardly criticizing me as being but a theoretical and academic schoolman. I do not mind. If to indulge in such thoughts is to be theoretical, then make the most of the charge. Such is my nature and I do not purpose to change it merely to conform to the standard that has become so current in an accursedly ma-

while I believe I am practical enough to realize that there need not be an irreconcilable conflict between sane materialism and practical spirituality, I am insistent in pressing upon my listeners the idea that spirituality should be exalted above materialism. I am emphatic in asserting that the spiritual, not the material, is

am emphatic in asserting that the spiritual, not the material, is what is soul satisfying.

Lest I be too much misunderstood, I again advert to the thought already expressed that the material is not without importance, but at best it is only foundational. Upon it must be built a superstructure of character so good, so perfect that teachers and parents alike shall cheerfully realize that the sacrifice they have made for the education of those who graduate has been worth while. In the attainment of righteous spirituality is found the true reward of both the patient teacher and the solicituus parent.

Go forth, I adjure the graduates, consciously striving for that higher and better and nobler something we call spirituality. For you this course and the meaning of the injunction will gain in worth and clarity in proportion to the intensity and seriousness of your compliance. Truth, virtue, happiness—all the things that are held priceless—will become more likely to be yours if you succeed in resisting the temptations that will come to you and if you emerge unscathed in the fierce struggle.

you emerge unscathed in the fierce struggle.

As a man interested in education, I am naturally anxious that some such arresting and challenging thoughts should climax the rich and promising life of youth. My concern is to see the youth avoid the pitfalls which we, who are older have experienced, so that each succeeding generation may be better than that which preceded it. Only thus is the continuity of progress assured. I am personally filled with misgivings as I see a growing tendency to weigh questions of profit and personal gain against such ideals as liberty in the consideration of causes affecting human rights. It is with no little alarm that I should see on every side evidences of so many people finding thrill in the thought of millions and the figures of millionaires, while but few get enraptured over the pursuit of perfection and happiness.

Those who are bent on amassing fortunes are numerous, but limited is the number of those who are devoted to the prosecution of higher objectives content in sinking their selves in great causes.

of higher objectives content in sinking their selves in great causes. The trouble is that we are living in an age more bent on getting rich than in becoming good; more desirous to become prosperous than to be free; powerful, rather than peaceful; strong, rather than happy. The very momentum, indeed, seems to be solely in

than happy. The very momentum, indeed, seems to be solely in the direction of knowing and doing rather than of being, gathering and getting rather than of giving.

As in years past, we are erecting false gods, though these assume slightly different forms. I am tempted to assert that if Jesus should reappear in His old benign simplicity and in His traditional perfect goodness this world would probably not welcome Him. Perhaps it would laugh at Him. He would be deemed a simpleton. He would be regarded as an object of curiosity, misunderstood, and unappreciated. He would again be made to suffer mental and moral anguish. Yes; perhaps He, as in the days of old, would be crucified. old, would be crucified.

Neverthless I do not allow myself to be plunged into the morass Neverthiess I do not allow myself to be plunged into the morass of pessimism. I pick up an American silver coin. Fingering and examining it I derive no little delight that upon it I should see the imprint of the image of Liberty and the immortal motto, so wonderfully inspiring and thought provoking, "In God we trust." Not yet, after all, has materialism, despite an orgy of speculation and a saturnalia of extravagance, succeeded in effacing ideals and principles so uplifting and so ennobling!

principles so uplifting and so ennobling!

Individuals as such and humanity as a whole are and will be to the extent that they approximate the truth and reality of ancient and tested ideals. They shall be great to the degree that they lift themselves up to the height and broaden themselves to the dimensions of true idealism and real spirituality.

Just as I would enjoin my fellow orientals to value and conserve the best that there is in their oriental heritage and absorb the contribution of the Occident, just so do I now urge upon my friends of the West to keep and value the best that there is in the Occident and absorb the force, the power, and the beauty of the life of the Orient. of the life of the Orient.

As a man coming from that oriental world whence came every great philosophy, every great religion that has spread over the world, I shall in closing leave this simple message: Do not underestimate the material but identify yourselves with the spiritual. Concern yourselves more sedulously with the search of the universal, the elemental, and the eternal. These you are more likely to find in the realm of spirituality rather than in the domain of materialism.

True life, true liberty, true happiness—these are to be found in rich idealism and genuine spirituality.

DEPRESSION AND WANT OF CONFIDENCE

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of the depression and want of confidence.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DICKINSON. Mr. Speaker, many times have these words been heard in committee hearings, in debates in Congress, and in the press of the country. A condition confronts the country in which widespread depression, discontent, and want of confidence exist. What causes enter into this condition? Commodity prices have fallen below the cost of production, the buying power of the farmer is gone.

Agriculture has in the past annually created new wealth, amounting to sixty or seventy billions of dollars, a year, as estimated. Mother Earth has been the salvation of the country. To-day her corn, wheat, cotton, cattle, and hogs and other products of the farm are without a market. High walls of protection surround the United States and all countries of the world, so that the surplus products of the farm and factory are without a world market. Trade and commerce, the life of nations, have halted. The lands and products of the farmer no longer give him credit at the banks; the merchant can not sell his goods nor buy from the wholesaler. The manufacturer closes his doors and discharges his employees, and idle labor walks the streets. Banks close their doors and go into the hands of receivers. Business everywhere lags, while unemployment increases. Is it any wonder that a depression and want of confidence are widespread and that the people have lost in a large degree confidence in the financial institutions of our land and in the ability of the Government to find a remedy, to restore confidence, and banish depression? Is it any wonder that the people have lost confidence in the ability of the party in power to restore prosperity, so often promised by those in control of the Government? Is it any wonder that the party in unbridled control for nearly 12 years no longer has the confidence of the masses, who cry out for relief from an intolerable condition?

Our present condition is due in a large measure to the intense speculation in stocks of all kinds, sold to the public throughout the length and breadth of the United States at inflated prices, hoping to get rich quick. Brokers and speculators handled the money of the country, drained it of its money, and when the crash came in October, 1929, the loss to the country amounted to sixty billions or more of dollars-the highest estimate one hundred and fifty billions-and the country lay prostrate. Many believed that the Federal Reserve Board, of which Mr. Mellon, the Secretary of the Treasury, was ex officio head, did not discharge its full duty to the public.

The public was encouraged to buy inflated stocks by utterances of those in high authority, while the general public suffered from enormous losses. It was stated in the August number of 1930 of the Harpers Magazine, quoting the New York Times, that a Pittsburgh dispatch of May 22 to the Times estimated the profits of the Mellon family in aluminum and Gulf oils alone, on the basis of shares owned, as over \$300,000,000, so apparently the Mellon family must have cashed in in May, 1929. All did not lose.

Mr. Mellon and other members of the Cabinet and the President by frequent utterances had encouraged the public to buy. This intense speculation in stocks, ending in the crash of October, 1929, with the enormous resultant loss to investors in stocks, was an outstanding element in producing depression and want of confidence, that will take a long time to restore. The undue inflation of the better class of stocks to high levels beyond their real value also carried upward and flooded the market with worthless stocks, the sale of which to the uninformed public was pure robbery, and millions suffered enormous losses, while the few were enriched by sales at great profits. Cities Service stocks sold above 60, while agents everywhere boosted these stocks, which later dropped as low as 2, and left their victims bankrupt. The wild speculation in stocks ending in the crash of October, 1929, will long be remembered in millions of homes as one of the chief causes of this depression that hangs like a curse over our land.

Much of the money accumulated by investments and otherwise by the insiders controlling business is now invested in Canada and in European and South American countries, avoiding taxation in the United States and to secure cheaper labor and foreign markets, now denied the surplus products of the farm and factory in the United States. Many billions have been loaned since the World War by the United States Government, and many other billions loaned by private individuals and corporations in Europe and South America.

Now these private interests have urged that the foreign debts due the United States be canceled, so that payment of private investments abroad be made certain. President Hoover proclaimed a moratorium and held out hopes to European governments that said debts would be canceled and payments due the United States cease, thereby adding to our strained financial conditions, cutting short our revenues, and helping to unbalance our National Budget. Then, again, great banking institutions invested in hundreds of millions of German bonds, cashed enormous commissions, and shoved the purchase of these German bonds on to the public, and quickly the value of the bonds dropped to low levels, adding to depression and want of confidence.

The condition in the country is abnormal, largely as the result of the World War. Large incomes increased enormously, to such an extent that 511 people in the United States in 1929 had a net annual income of \$1,000,000, while in 1914 only 60 people in the United States had such a net income. The number of people in 1930 having a net income of \$1,000,000 had fallen to less than 150 persons. A reaction set in and the wealthy class suffered when the masses lost their incomes, and when commodity prices fell to low levels, due to excessively high tariffs, erected in all countries, destroying commerce and trade, the life of nations, so that the surplus products of the farm and factory lost their foreign markets; and with agriculture stricken down and impoverished, prosperity left the farms and mortgage foreclosures increased enormously, and bank failures multiplied, and unexampled unemployment resulted, for when agriculture failed to furnish its annual supply of new wealth, business conditions suffered, and labor walked the streets and crowded the highways, and breadlines formed as never before, and demands for relief cried aloud, and demand for new taxes came from the party in power. Depression and want of confidence fill the country and the public mind.

In 1928 and 1929 stock speculations multiplied, encouraged by those in high authority, ending in the crash that came in October, 1929, resulting in a loss variously estimated from sixty billions to as high as one hundred and fifty billions. The country had been literally drained of money, was bled white when people of all classes were induced to part with all their money, owned or borrowed, to get rich quick. The well informed took their profits, hoarded their money, or invested their earnings in untaxed Government securities. The distressed condition of the country to-day is largely due to stock speculations ending in that great crash and to high tariff walls, builded around all countries, largely in retaliation against the Hawley-Smoot high tariff law, thereby destroying commerce and trade, so that the surplus products of farm and factory could not be sold abroad, thereby forcing to a low level commodity prices below the costs of production.

Too much of the money of the country has been taken from production and used in the gambling operations of the stock exchange, with the full knowledge and consent of the great banking institutions of the country and without the restraining influence of the administration in charge of the Government or of the Treasury Department, whose Secretary was ex officio chairman of the Federal Reserve Board when these gambling operations in Wall Street ended in October, 1929, in the greatest stock crash in the world's history, a tragedy without a parallel in all time. Why should not these gambling operations that have monop-

olized the moneys of the country, the very lifeblood of the Nation, be taxed? The people in all parts of our country were lured by agents everywhere to invest their earnings and all they could borrow in stocks and bonds, worthless many of them, to obtain large and quick profits, with scarcely a word of warning from those in high authority and in control of the money of the country.

Much criticism—and apparently just—has arisen from the fact that over \$3,000,000,000 of taxes have been refunded to the big rich and to corporate wealth. What a contribution this would have been to reduction of our World War debt—and mark you, after sworn returns were made through the aid of expert accountants but refunded through the aid of highly paid experts and attorneys, who fattened and grew rich through this depletion of the Treasury.

When Congress met shortly after the stock crash the administration, of which Mr. Hoover was the President and Mr. Mellon the Secretary of the Treasury, a dominating influence of said administration, urged Congress to turn back to the large income-tax payers about \$200,000,000 of income taxes due and about to be paid into the United States Treasury as a salve for their supposed losses by reason of the stock crash.

That Congress yielded to this demand was a monstrous wrong. The depression that is abroad in the land to-day is in my judgment due in a large degree to the stock speculations that ended in the stock crash, to the high wall of protection built around the United States and the rearing of alike tariff walls by foreign nations in retaliation, thereby destroying in a large measure the commerce between the United States and other nations, by which the surplus products of the farm and factory could not be shipped abroad. Added to this the enormous loans of money and investments of capital of the United States in foreign lands, followed by the purchase of three billions of German bonds, negotiated by big banks with large commissions, and passed on to the American public, and now depreciated to one-third of their face value.

Then comes the moratorium, invited by President Hoover, with the result that foreign countries have stopped payment of their annual dues of hundreds of millions due the United States, for billions loaned to rehabilitate Europe after the World War. Is it any wonder that the masses of the people are without money, that the prices of agricultural products have broken down, that banks everywhere refuse to lend the moneys locked in their vaults, and have closed their doors by the thousands, that the people are afraid to deposit their moneys in banks, that have grown timid for fear of runs that may start at any time. Is it any wonder that unemployment is abroad in the land, while millions walk the streets hunting for work that hunger may be satisfied for themselves and families.

To stay depression extraordinary demands are made on Congress for legislation to stay impending disaster, and the Government responds through Congress by passing quickly an act creating the Reconstruction Finance Corporation, through which \$2,000,000,000 are being loaned to railroads, banks, and other large concerns, to safeguard big business, and other legislation and other large appropriations are being pressed through Congress to meet the dire necessities of the country. Now there is pending here this great revenue bill, deemed necessary to raise by taxation moneys to pay the expenses of the Government, whose annual expenses exceed four or five billion dollars, one billion of which is for interest due on the debt of the United States, resultant from the World War. The Budget is out of balance and the money must be raised by taxation or by sale of bonds or both. Business everywhere is crying aloud against additional taxation. The masses are without means to pay. In daily debate through the Representatives in Congress we hear of the distress and depression that is abroad in the land, of the inability to pay taxes, or to borrow money, of the foreclosure of mortgages, the failure of banks, and widespread depression. The depression here in Washington is not so great, for here is the great Government pay roll of the United States. Here there is an activity more apparent than elsewhere, buildings all along Pennsylvania Avenue are being torn down, mighty structures raised, and costly buildings being erected, and labor employed, costing millions of dollars to meet the supposed needs of Government and to beautify Washington. But we must look beyond the Capital City of the Nation to know and feel and realize the actual condition of the country.

We need a change. We need a reduction of the expenditures of Government, a reduction of taxes wherever possible, a revival of business, a market for the products of the farm and factory with reasonable prices, a revival of agriculture, so that Mother Earth may render her annual contribution of wealth to meet the world's necessities. The prosperity of the farm must return or business will not revive.

The present condition is a legacy of Republican control through three national administrations—Harding, Coolidge, and Hoover. Capitalism has ruled and controlled the affairs of the Nation. The lending of money largely abroad, speculation in stocks and bonds, foreign investments, the enactment of unjust laws have aided in the unjust distribution of wealth and the centralization of wealth and power in the hands of the few.

A voice in another body proclaims we need a Mussolini; a cry from a potent voice in Wall Street says abolish Congress and suggests a dictator. Are the people ready to surrender representative government and look and listen only to the Chief Executive, whose duty is to execute the laws enacted by Congress, in whose Halls the representatives of the people speak the mind of their constituents, who elect them to temporary office? Jefferson believed in a representative form of government and the ability of the people to govern themselves. It is said Hamilton did not believe the people were capable of self-government and believed in a strongly centralized Government. Congress may make its mistakes but will right itself when it hears the voice of its well-informed constituents. The press may deride and seek to discredit Congress for selfish reasons. In the recent debate on the economy bill Mr. Fish, of New York, said:

My reason for rising to-day is to pay my respects to certain large New York newspapers controlled by the big interests that have viciously and maliciously sought to undermine our representative system of government, and particularly the House of Representatives, by publishing editorials that are false, malicious, and absolutely contrary to the fact. Nothing is more needed at this time than confidence and faith in our country and in our republican form of government and in the Congress of the United States.

Is it the voice of Hamilton crying aloud for a reassertion of his doctrine that representative government is a failure? The President of the United States may attack Congress because it refuses to accept his views, and he may help to destroy its program of economy and then appeal through the controlled press and chambers of commerce and associated industries to the people to attack Congress for its failure to speedily accomplish economy and to reduce expenditures of the Government, multiplied under Republican administration—a hard task, with Executive opposition to any Democratic program for economy, reduction of salaries, and appropriations.

INTEREST ON GOVERNMENT LOANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOWARD. Mr. Speaker, my attention has been called on several occasions recently, and particularly this morning, to a peculiar situation in our country. The Reconstruction Finance Corporation loans money to big banks at as low as 5½ per cent interest. Congress voted a large sum of money to the Federal land banks to aid the unfortunate mortgage victims of that bank, helping them to pay taxes where necessary, and interest where due, and it is now kindly charging those poor unfortunates 8 per cent for carrying them along in the same helpful way the Reconstruction Finance Corporation is carrying the railroads that have been in trouble.

Mr. BLANTON. They are carrying mighty few, if any, farmers. Farms are being foreclosed daily, and we must provide for their redemption.

Mr. HOWARD. Now, Mr. Speaker, I do not know how this hideous situation can be remedied, so I am appealing now to the splendid minds on our Judiciary Committee and asking that committee if it can not possibly devise some plan whereby this House may take action during the few days intervening between now and adjournment so that this evil situation may be corrected. It is shameful that always and forever in affairs of government our people on the American farms must be given just a little bit the worst of it in all their contacts of government in comparison with those mighty masters of money for which and for whom our Government is now so kindly caring.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. HOWARD. I yield.

Mr. LaGUARDIA. I notice the gentleman's reference is to the Judiciary Committee. Is it due to the fact the gentleman thinks this conduct is a crime, because that committee only has jurisdiction of crime?

Mr. HOWARD. Indeed, I do. The gentleman is eminently correct, as he nearly always is, except on the soldier

CORRECTION

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, on Wednesday I inadvertently referred to the legislative counsel of the House as having prepared the amendment to a bill in reference to the District of Columbia. I meant to refer to the corporation counsel of the District of Columbia, and I wish to correct my statement.

Mr. STAFFORD. Then that explains the form in which those amendments were prepared.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I present a conference report on the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes.

The Clerk read the title of the bill.

WHAT THE WORLD COURT WOULD SAVE IN ARBITRATION CASES

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the second deficiency bill passed yesterday.

The SPEAKER. Is there objection?

There was no objection.

Mr. LINTHICUM. Mr. Speaker, I note on page 27 of this bill, H. R. 12443, making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1932, a provision continuing the unexpended balance of the appropriation of \$56,000 to pay the expenses of the arbitration between the United States and Sweden. This is one of those appropriation boards set up by our Government to ascertain the damages and loss to Sweden for keeping her ships in American ports during the World War.

The Foreign Affairs Committee of the House has reported out a resolution known as H. J. Res. 378, authorizing the appropriation of \$53,895.85 to pay our proportion of the expenses of the International Court of Justice, commonly known as the World Court, for the calendar year 1932. The United States has been represented on this court since its establishment, the Hon. John Bassett Moore being our first representative, the Hon. Charles Evans Hughes, now Chief Justice of the United States, our second representative, and the Hon. Frank B. Kellogs, formerly Secretary of State, our third and present representative upon this court.

The United States, according to the charter of this court, has a right to submit its cases for decision to the court.

We have not done so, because we have awaited the approval by the Senate by a two-thirds vote of the protocols signed by this Government, which would make us a member of the court by treaty. This is all well and good when the protocols are approved, provided the reservations do not destroy the usefulness of the court to our Nation. question, however, is, When will the Senate advise and consent to these protocols? That is something no one can visualize. Inasmuch as our Nation has the right to submit its questions to this World Court, which is said to be the greatest court that has ever been established, having upon its bench the ablest jurists of the world, it would apparently be to our interest to submit our questions for their decision and thus avoid the very expensive and untried arbitration boards we set up. It has every facility for consideration of the cases brought before it. The judges are not only men of great distinction and learning of the law, but men who have had experience in international affairs, and therefore better qualified upon a court of this nature.

If House Joint Resolution No. 378, making an appropriation to the court, had been in effect, and we were thus contributing our proportion of the court's expenses, being around the same amount which England pays, and heretofore stated, we could have submitted this Sweden case, which is costing us \$56,000, along with other cases to this World Court. As has been well stated by the Secretary of State in a letter of May 25, 1932, to the Foreign Affairs Committee to wit—

Under the court's charter, we have the right, although not a member of the court, to submit, with the consent of the Senate, such cases to its jurisdiction. That court exists to-day not merely as a group of experienced jurists, but as a tried and veteran institution which has enveloped itself beyond any other international body with the temperateness, the learning, and the impersonal attitudes which are the essence of sound international progress. If the court, which has long maintained an American upon its bench, could now be granted a contribution toward its expenses in a measure appropriate to the position of this country in international affairs, we might as time goes on employ it as a useful agency within the limits of sound national policy. Quite independent of the satisfaction accorded by the submission of some types of controversy to a tribunal of this sort, the submission of cases to it would afford substantial savings in the increasing volume of expense of minor arbitrations. An appropriation of the type contemplated by your resolution would at least afford the opportunity for the appropriate authorities to consider a policy in this direction which would not involve the deeper issues which have been debated in this country for the past decade.

Very sincerely yours,

HENRY L. STIMSON.

It will be seen from what the Secretary of State says that it is quite possible for us to make a great saving if we but pass my resolution and contribute our proportion of the expenses of the World Court, and not only that, but it will be doing the fair and just thing. We might feel that, inasmuch as we do not submit any cases to the court, we are not receiving any benefits; but such is not the case. The court is in session and there are 48 countries parties to it. Cases are being submitted to the court, and some 44 cases and opinions have been delivered. The decisions in these cases kept the world at peace, and so long as the world is at peace, and this court is an instrument to that end, it is beneficial to the United States as well as to the rest of the world.

We have expended a very large sum of money in establishing these arbitration boards, and the following list will show that some \$181,000 have already been expended; whereas had we contributed our part to the World Court, it would only have cost us around \$53,000 per year. It is hardly fair to have a judge on the court and let the other nations pay his expenses and salary. It will be interesting to read the following list of these arbitration boards which have been set up, to wit:

* Sweden: Damages for Swedish merchant vessels held in American ports during World War; appropriation, \$56,000. We appropriated \$56,000 to establish the court of arbitration to settle that question which could just as well have been submitted to the World Court and had the benefit of those eminent jurists, but we set up a separate arbitration at \$56,000.

Panama: Damages to American oitizens killed and wounded chiefly in riots in segregated districts during past years; appro-

priation, \$70,000. We set up an absolutely distinct court for settlement of that case, which could have been settled in the World Court.

Cuba: Damages to Charles J. Harrah when Cuban Government seized his narrow-gauge railway operating along Marianao Beach; cost, \$30,000. This committee had charge of that matter, if you remember.

Egypt: Damages to George Salem when Egyptian Government held title to certain real estate, thus preventing him from selling it; approximate cost, \$25,000. That matter was also before this committee.

Guatemala: Damages to P. W. Shufeldt when Guatemalan Government canceled a contract for the extraction of chicle from Guatemalan lands; cost held confidential.

Spain: Arbitration of damages inflicted in Spanish territory of

Spain: Arbitration of damages inflicted in Spanish territory of Florida during invasion of Andrew Jackson in 1814; cost not yet determined.

Mexico: Settlement of American and Mexican claims against the Governments of both countries for damages suffered by the citizens of each; average cost per year, \$300,000. That, of course, is not the arbitration cost. The minimum cost of these arbitration cases, exclusive of the Mexican, is \$181,000. That is what has been done in slightly more than a year. We have set up separate arbitration courts and we have spent \$181,000 when we could have been in the World Court for \$53,000, and got the benefit of that experienced tribunal which, as I have said, is said to be the finest that the world has ever set up.

RELIEF OF THE DEPRESSION

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Speaker, to take us out of this depression it is necessary—

First. To stabilize prices of farm products so as to guarantee the former the cost of production and a reasonable profit.

Second. To create a large program of public work so as to furnish jobs for the unemployed.

Third. Cheapen the present value of the American dollar by the expansion of the currency, or the coinage of more silver. This can be accomplished by the immediate cash payment of the soldiers' bonus.

Until you restore the buying power of the farmer any effort at recovery is futile. I am working for and supporting the bill indorsed by the three great farm organizations of America.

In this land of plenty no person should go hungry or unclad. If my advice had been heeded eight years ago, when I urged relief for the farmers, much of the present distress would have been avoided.

This emergency is as disastrous as a war, and it behooves the masses of the people to have in Congress a trustworthy and tried representative.

SOLDIERS' BONUS BILL

Mr. ANDREWS of New York. Mr. Speaker-

The SPEAKER. For what purpose does the gentleman rise?

Mr. ANDREWS of New York. Mr. Speaker, I rise to obtain consent of the House for the immediate consideration of the soldiers' bonus bill.

Mr. RAINEY. Mr. Speaker, I object.

MIXED CLAIMS COMMISSION

Mr. CRISP. Mr. Speaker, I ask unanimous consent to take from the table and consider Senate joint resolution (S. J. Res. 97) extending for one year the time within which American claimants may make application for payment, under the settlement of war claims act of 1928, of awards of the Mixed Claims Commission and of the Tripartite Claims Commission.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved, etc., That subsection (g) of section 2 and subsection (f) of section 5 of the settlement of war claims act of 1928, as amended by Public Resolution No. 48, Seventy-first Congress, approved March 10, 1930, are further amended, respectively, by striking out the words "four years" wherever such words appear therein and inserting in lieu thereof the words "five years."

The Senate joint resolution was ordered to be read a third | time, was read the third time, and passed.

A similar House joint resolution (H. J. Res. 396) was laid on the table.

Mr. CRISP. Mr. Speaker, I ask unanimous consent to print the report in the RECORD, as it explains the bill.

The SPEAKER. Is there objection?

There was no objection.

The report referred to follows:

[House Report No. 1409, Seventy-second Congress, first session] EXTENDING TIME FOR APPLICATION UNDER THE SETTLEMENT OF WAR CLAIMS ACT OF 1928

Mr. Crisp, from the Committee on Ways and Means, submitted the following report (to accompany H. J. Res. 396).

The Committee on Ways and Means, to whom was referred the resolution (H. J. Res. 396) extending for one year the time within which American claimants may make application for payment, under settlement of war claims act of 1928, of awards of the Mixed Claims Commission and of the Tripartite Claims Commission, have ing had the same under consideration, report it back to the House and recommend that the resolution do pass.

The necessity for this legislation is fully set forth in the following letter from Hon. A. W. Mellon, Secretary of the Treasury, to the Speaker of the House of Representatives:

to the Speaker of the House of Representatives:

TREASURY DEPARTMENT,
Washington, D. C., February 2, 1932.

The Speaker of the House of Representatives.

Sir: I have the honor to transmit herewith for consideration by the Congress, a draft of a proposed joint resolution to amend the settlement of war claims act of 1928 for the purpose of extending for one additional year from March 10, 1932, the time within which American nationals, who have obtained awards from the Mixed Claims Commission, United States and Germany, or from the Tripartite Claims Commission, United States, Austria, and Hungary, may make application to the Treasury for payment of such awards.

The settlement of war claims act of 1928 originally required that an application for payment of such awards be made within two years from the date of the enactment of that act (March 10, 1928). Due principally to the so-called late claims agreement with Germany whereby American claimants were given an additional time within which to file claims against Germany with the Mixed Claims Commission, the act was amended by Public Resolution No. 48, Seventy-first Congress, approved March 10, 1930, providing that application for payment be made within four years from the date of the enactment of the settlement of war claims act. Thus, the time limit for making application for payment of awards of the Mixed Claims Commission and the Tripartite Claims Commission will expire on March 10, 1932.

The proposed legislation is believed necessary for the following reasons:

(1) The Treasury holds 67 awards entered in favor of American

reasons:

(1) The Treasury holds 67 awards entered in favor of American nationals by the Mixed Claims Commission aggregating, with accrued interest to September 30, 1931, about \$300,000 for which no applications for payment have been received. Thus far the department has not been able to locate some of these claimants. In addition, the Mixed Claims Commission has not yet completed its work, and, in view of the untimely death of Hon. Roland W. Boyden, the umpire, it is not possible to estimate the time required to finish it, but it is almost certain to extend beyond March 10, 1932. The questions pending before the commission involve claims aggregating approximately \$40,000,000. If these claims are allowed it is essential that the American claimants concerned be given sufficient time within which to make application for paygiven sufficient time within which to make application for pay-

ment.

(2) While practically all of the awards entered in favor of American nationals against Austria by the Tripartite Claims Commission have been paid, the awards entered by such commission against Hungary have not yet been certified to the Treasury for payment because of the provisions of the settlement of war claims act of 1923, requiring the commission at the same time to certify that the funds deposited by Hungary in the Hungarian special deposit account are sufficient to pay such awards. The Treasury has received from the Government of Hungary the sum of \$3,250 in partial satisfaction of these awards, but that Government can not make further payment until a waiver has been obtained from the Government of France of a most-favored-nation clause contained in the debt agreement between that Government and Hungary. The matter is being actively kept before the Government of France, but in view of the uncertainty when favorable action by that Government may be forthcoming, it is believed essential that the settlement of war claims act be amended as indicated in the inclosed draft; that is, by extending the time for making application for payment for one additional year.

Respectfully,

Respectfully,

A. W. MELLON. Secretary of the Treasury.

FEDERAL HOME LOAN BANKS

Mr. POU. Mr. Speaker, I call up House Resolution 253 and ask for its immediate consideration.

The SPEAKER. The gentleman from North Carolina calls up a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 253

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 12280, a bill to create Federal home loan banks, to provide for the supervision thereof, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion Resolved, That upon the adoption of this resolution it shall be to final passage without intervening motion except one motion

Mr. POU. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. PURNELL] to be in turn used by him as he sees fit. I yield myself 10 minutes.

Mr. Speaker, I presume this is the last of the major proposals of the President which the Congress will be called upon to consider. In view of the criticisms that have been leveled at the Congress from various sources, it may not be out of place to remind the country, at least the fair-minded American people, that this Congress has responded favorably to every major proposal that the President has recommended for the economic relief of the Nation.

We came back here in December. The first proposal was the moratorium. There were gentlemen who regarded the moratorium with anything but favorable consideration, but the President said it would better conditions, and we passed his moratorium. The Federal land bank bill was passed. The Glass-Steagall bill was translated into law, the Reconstruction Finance Corporation was created, and then this Congress addressed itself to the major proposal of all the major proposals, to wit, the balancing of the Budget. We passed a measure which had many objectionable features, but we did what the President asked us to do, we provided for raising revenues sufficient to balance the Budget. Then comes this measure, which is highly controversial. Within two weeks, if I remember correctly, after the bill came from the Committee on Banking and Currency we have it here in the House of Representatives, under a special rule, ready for consideration. That this House will pass the bill is, I think, a safe prediction.

In view of the criticism that this Congress has been playing politics at the expense of human misery, in view of the criticisms leveled at us from other sources, I want to ask in all fairness what it is the President of the United States has asked us to do, which he says will better conditions throughout the United States, that this Congress has not promptly responded to favorably? Not once has this House refused to cooperate with the President in carrying into effect his program for economic recovery of the Nation.

It is easy to criticize Congress every time somebody wants to find fault. It has gotten to be a very common, and I think a very cheap, practice that every time anybody has a grievance he proceeds to damn Congress, yet in all fairness I say that in thirty-odd years' experience I have never seen men work harder day and night, some of them at the expense of their health; I have never seen men on both sides of the aisle exhibit more sincere determination to do what is necessary to elevate the Nation, if possible, out of the Slough of Despond into which it has fallen. For my part, I resent these criticisms of the Congress of the United States, when I know that men have worked night and day to do what could be done to relieve this situation. It is a little bit irritating to read these cheap criticisms, some of them coming from high sources, from which you would have a right to expect better.

Mr. Speaker, there is one matter that may not be entirely out of place in the discussion of this rule. I can not take my seat without alluding to it.

There is in the so-called Garner bill an item carrying \$100,000,000 to be put in the hands of the President of the United States to relieve hunger and suffering betwixt now

and the convening of the next session of Congress. I do not know how you all feel about it; I do not know how the President of the United States feels about it; but I say to you on both sides of this Chamber, as man to man, that I am afraid to go away from here without leaving some such reservoir as that which can be instantly touched in case it becomes necessary. I would like to see that item, if we do not do anything else, enacted into law, by separate bill, if necessary.

We started out in January with 4,000,000 men out of employment; then we heard it was 6,000,000; then we heard it was 8,000,000; and now we are told there are 10,000,000 Americans out of jobs. I say it is to the glory of the American people that up to this time there have been no riots as have occurred elsewhere. We want to make our people feel, if we can, that in this unprecedented emergency hunger and suffering will not be permitted in so far as they can be relieved. [Applause.] I say again that I am afraid to go home without action. I can not sleep at night when I think of these men walking the streets-hungry men and women. I do not think we dare leave without doing something to care for destitution and hunger. I plead with this Congress and I plead with Mr. Herbert Hoover to cooperate with us to raise this great fund, if necessary, and even a greater one, so that in the great cities, in the congested centers, and wherever it may appear that there are suffering and distress, sufficient food can be promptly provided. I hope that every Member who does me the honor of listening to what I am, in my humble way, saying will consider this from now until the day we adjourn.

I do not want to talk about politics; but certainly it can not be charged that the Democratic side of this Chamber is attempting to make political capital when we offer to put this great sum in the hands of the President to use in any way he sees fit, through the Red Cross, through the Salvation Army, or through the great charitable organizations of the country. It seems to me that our great, noble-hearted President would feel constrained to say, "Yes; I will agree to take charge of this fund." It is a situation the like of which no man or woman has ever seen and which I pray Almighty God with all my heart and soul we may never see again. [Applause.] Let us not adjourn without passing some legislation which will be a sufficient guaranty that there shall be no army of starvation in America.

[Here the gavel fell.]

OUR COUNTRY TO-DAY

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER pro tempore (Mr. WOODRUM). Is there objection to the request of the gentleman from Wisconsin? There was no objection.

Mr. NELSON of Wisconsin. Mr. Speaker, the subject I wish to discuss at this time is Our Country To-day. On May 3 I printed in the Record an address made by me in presenting, on behalf of the Bicentennial Commission, a bust of George Washington to Governor La Follette, of Wisconsin. I pointed out the fundamental principles which Washington made the guiding forces of his own life and sought to express in the life of the Nation of which he was the first President. Following these ideals we were led as a people, to the very heights of greatness.

It is now my intention to point out, by way of contrast, conditions to-day, 200 years after his birth—our present standards, our deviation from those fundamental principles, and the adjustment that must be made for the perpetuity of our institutions and the welfare of our country.

THE MEMBERSHIP OF THE HOUSE OF REPRESENTATIVES

In the consideration of my subject, my point of view is the membership of the House of Representatives. Who will represent the people in this branch, the most important under our scheme of Government, in the next Congress, is, of course, of great personal concern to every one of us. I desire at once to admit that I have a personal interest, and I shall point out the rule to follow in dealing with one's personal interest and the welfare of the people at large.

There are three possible methods to follow: (1) To sacrifice public good to one's personal interest; (2) to compromise by devoting part of the time to one's personal interest and the rest of the time to public good, and (3) to subordinate one's personal interest wholly to public good.

All of us have some self-interest; but the wise way, the right way, and the constructive way is to seek one's personal interest within the general interest, our private good within the public good. To sacrifice public good to our private interests is parasitism; but to sacrifice private interests to public good is patriotism. To compromise is to be part of the time a patriot and the rest of the time a parasite.

Let me comment briefly on this point, for in the adjustment of our private interest to the public interest lies the simple solution of every national problem. The root of all evil conditions that now perplex and vex us like this depression, high taxes, agricultural distress, pensions, and war, is nothing more nor less than sheer selfishness. This takes many forms. I shall mention but three-appetite, ambition, and greed-for these are the taproots of the world's woe to-day. There is no hope to be found in any form of selfishness, whether it be economic or political. There is only one solution and it has to be worked out at first individually; we must keep down our appetites, our personal greed, and our selfish ambitions. Then we must hold others down who let these selfish motives control their conduct in public or in private life. It is a great mistake for anyone to be governed by selfishness. I have never seen anyone reap good out of a selfish act; instead, only disappointment and unhappiness. On the other hand, I have found over and over again that the highest form of unselfishness becomes, in the end, the best service to self.

There is nothing nobler, better, nor more profitable in the world, paradoxical though it may seem, than service to others through sacrifice, for it is the sign and seal of love. The true patriot, whether he be giving his life on the field of battle or living his life for public service, is he who spends it for his country and the good of all. In the very giving of his life he finds it. The best exponent and standard of human sacrifice in private life is a mother's love. The Good Book says that God Himself is love, and no more profound truth has ever been uttered in this world than by the Master almost 2,000 years ago: "He that findeth his life shall lose it: and he that loseth his life for my sake shall find it."

Science, history, and the sacred literature of the world proclaim the truth that the rewards of sacrifice and the penalty of selfishness are inherent in every act.

There are, of course, short-sighted and selfish groups who would have their representatives subordinate everything to their individual demands; but the rank and file act upon the higher motives of justice and the common good. The great majority of the American people will realize that we can not solve the problems that now baffle the best minds of the Nation by considering only the preferences of individuals or even of powerful organized minorities. It is the character of our citizenship and the statesmanship of our public men that will determine our present welfare and the permanent life of our Nation.

THE IMPORTANCE OF THE ELECTION OF A MEMBER OF CONGRESS

There is the mistaken idea that the election of a Member of Congress is of no great importance. To correct this misapprehension I wish to call attention to a Congressman's place in our Government. From long observation I can say that the election of a Member of Congress is of the utmost importance to the people. This is especially true in time of depression, in case of war, or in any other national emergency when the highest form of statesmanship is essential if the country is to find its way out again to peace and prosperity.

The Representative is the people's closest contact with the affairs of state. He is the means or instrument through which his constituency must make their adjustments by law with the conditions that surround them. He is not only the people's direct means of protection, but their lever of power.

hold their positions for life. They are far removed from the people, and the latter have little or no control over them. The same may be said of the officials of the administrative branch of the Government, who hold office for life, except the President, his Cabinet, and a few of his higher appointees. But the President himself is not responsible to any particular constituency, not even to the people of one State alone, but to all the people, and holds office for four years. A Member of Congress is controlled directly by his constituency. He must come before them every two years to prove his fitness for his high office, his faithfulness to their interests, and his efficiency in the discharge of his important duties. There are many reasons for this, but I will mention only two that lay in the minds of the framers of our Constitution. In the first place, they deemed it of utmost importance that the people's direct representative should have control over the public purse strings. So, under our form of government no tax can be levied upon the people, and no appropriation bill passed which does not originate in the House of Representatives.

Moreover, in a Member of Congress is lodged, for the people's safety, the power of impeachment. Through him his constituents can impeach any judge in our Federal courts or the head of any administrative department, including the President himself, bring him to trial, and have him removed from office if found guilty of misconduct.

Therefore, because the House of Representatives is the governmental agency closest to the people, the Members guard the interests not only of their respective constituencies but of the country in general as well, and hold the other departments in check for the people's good. It is highly important, therefore, that the electors of the country should take greater interest in the election of their Representatives in Congress. They should study the records of those whom they have put in office, their qualifications, and proved efficiency.

It has been popular with some newspapers to criticize and condemn Congress, but Congress is just what the people make it. I must admit that Congress has, more or less, broken away from its moorings since the World War. Is this not due to the fact that the people themselves have grown careless and let down the standards of the qualifications of their Representatives? Besides this, it is apparent that there has been a breaking down of moral standards among the people, causing them to rush to Congress for laws to hold in check evils of their own creation, until Congress is simply overwhelmed with demands for laws of every kind. Many of these laws restrain the liberties of the people.

Therefore, the electorate of the country should be not only interested in the choice of their next Congressman, but they should see to it that the men they choose have the qualifications necessary to safeguard the highest interests of the people.

What we need in Congress to-day is loyalty, wisdom, and courage, and above all, unselfishness; without these our democratic form of government is doomed. The inevitable result of the people's indifference to this need will be either a dictatorship of plutocracy under a Mussolini, or a dictatorship of the proletariat under a Stalin, as we now see in Italy and Russia respectively.

and Russia, respectively.

The people of every district should realize, therefore, that the Congressman is their closest contact with the Government of their country; that a Representative in Congress is, as I said before, their direct means of protection, their lever of power. Through him, more than through any other agency, the people must make their adjustments by law for

their own interest and for the good of the whole country.

ADVANTAGES AND DISADVANTAGES

While it is a wise provision that a Member of Congress be in close contact with the people, the short term of two years works a great hardship upon the Member. No one knows how great this hardship is if one has not had the experience. The elements of this hardship are the labor and anxiety, the time and energy required for the campaign, and the expense of it, which is frequently very large.

Look at the other branches of the public service. Judges | No one likes to be defeated. Moreover, a Congressman must bld their positions for life. They are far removed from the cople, and the latter have little or no control over them. | and, frequently, he has to give up his business or profession.

Now, it seems to me that we have turned things around. The office ought to seek the man, not the man the office. The people should make themselves familiar with the qualifications of their Representatives in Congress. The utter indifference of the people in many districts over the actions of their representatives is astonishing. There are some who vote contrary to the highest interests of their constituents, and yet they are returned to Congress year after year because the people do not look into their records at all.

Many candidates for office have removed the financial hardships entirely by accepting contributions from campaign committees and from wealthy men. This is not a safe course to follow, for it is sure to impair at times the independence of a Member of Congress and his freedom to vote in the interest of the public good.

The people themselves, however, could lessen these hardships and minimize this abuse by taking greater interest in the selection of their Congressmen.

May I call attention to the fact, also, that in comparison with other branches of the Government there is a distinct disadvantage in being a Representative in Congress? He is not entitled to retirement with salary no matter how long he has served.

In the administrative branch, clerks are permitted to retire after a certain term of service. I am thinking especially of the Army and Navy. There, officers that are barely 50, having served 30 years in either branch of the armed forces of the United States, may retire with comfortable salaries for life.

In the judicial branch the judges of our Federal courts have also this high privilege.

Some one may ask: Why has the Government adopted this policy? Because it is believed to be a wise policy to encourage men to give their lives to public service. It is essential that public officials, especially in places of great responsibility, should have large experience and skill in the discharge of their very important duties. Certainly this applies to Members of Congress who are the most influential factors in the guidance of the ship of state. They have the Nation's business in their keeping, involving the life, liberty, property rights, and happiness of 125,000,000 people. This calls for the highest possible equipment in statesmanship.

But I do not complain of these disadvantages and hardships. It is, in fact, a wise provision that Members of Congress should come back frequently to the people to give an account of their stewardship.

There is, however, a bright side to the service of a Member of the House. There are not only hardships and disadvantages but there are great compensations. During my long service I have seen how the people in congressional districts, East and West, South and North, often keep their Representatives in Congress for life. For instance, Congressman Cooper, of my State, who was a Member of the House for 36 years; Congressman Haugen, of Iowa, now the dean, is serving his thirty-sixth year; Speaker Garner has been returned to Congress for the fifteenth time.

The elder statesmen are the real counselors of Presidents and their Cabinets. They shape the Nation's course in peace and in war, and they are the men of standing and influence in the Government. They are either the ranking members or the chairmen of committees, and the presiding officers of both branches of Congress.

MORAL STANDARDS

Let us now consider how the election of the membership of the next Congress will work into the solution of the problems confronting our country to-day. I have in mind the depression and the way out; taxation and equitable assessment; the cost of government and economy; agricultural distress and farm relief; liquor agitation and the remedy; party politics and the elimination of party prejudices; reform of the rules of the House and greater legislative freedom; the pension system and how it can be saved from collapse by its tremendous weight; and, finally, the next war, how to be prevented or postponed. Surely the solution of these problems, and of many more before Congress to-day, is vital to our best interests and to the good of our country. It is obvious to any thoughtful person that we can not merely let things alone or simply drift out of our difficulties.

To enable us to see our way ahead, we must, first of all, set aside our narrow, local, and personal views and think of ourselves as representing all the people of our country; in short, merge ourselves wholly into the common good.

My point of view is that of one of the older lawmakers of the House, having served under six Presidents of the United States. In fact, there are only one Senator and four Representatives who have been in Congress longer. As I have been a "will cell" in Uncle Sam's soul for nearly a quarter of a century, I have had the opportunity to become familiar with his every thought, his every purpose, his every heartbeat, and have come to know and love him well. I would gladly help him if I could, but there is no panacea or cure-all, and I have no pet scheme of my own to offer for his present troubles.

At the present session of Congress we have been merely treating the symptoms; we have been trying to keep the patient alive. The permanent remedy is not, however, economic. If Congress should vote billions of dollars to the people, that would not cure Uncle Sam's ailments. It might relieve the distress for a time, but these billions would have to be paid, and then the trouble might be worse. Nor do I see the remedy in changing political stewardship. If that alone were done, it would not help matters at all. The solution of the problem is moral rather than economic or political. An economic change would help only if brought about by a change in principles. A political change could help only if with the new set of public servants came higher principles. In other words, a reform in our economic system or the passing of governmental control from one party to another without moral readjustments would be a deep disappointment, an incalculable waste of time and effort.

We must revise our principles and practices as a people if we would solve our present problems with any degree of permanency. To state it more clearly, we must raise our moral standards. I do not say maintain the existing standards, because that would not be of much assistance, for they seem to have gone down almost to the bottom. My earnest plea is that we raise our moral standards.

What is it that determines the level of a nation's life? The standards of morality of the people as reflected in their laws determine the levels of life, liberty, prosperity, and happiness of nations. This is seen over and over again in the history of the world, both secular and sacred. When moral standards fall, with them fall the levels of life. When they are maintained the levels of life are maintained. And when the standards of morality are raised the levels of life are raised.

In pointing out the close relationship between the moral standards and the levels of life, liberty, prosperity, and happiness, I realize fully that I am not propounding anything new or original. I am merely restating that which we all know, for we have been told it over and over again by our parents, by our teachers, and by our preachers; that every violation of the moral law carries with it its own penalty. This is the lesson, the supreme lesson, of all history, secular and sacred. There are no better teachers of the inevitable consequences to nations of infractions of the moral law than the Hebrew prophets, of whom Milton, the great English poet, said:

In them is plainest taught and easiest learned, What makes a nation happy and keeps it so, What ruins kingdoms and lays cities flat.

From the first to the last, the Holy Scriptures teach that a nation's strength does not consist in its wealth, not in its armies, nor in its diplomacy. The true palladium is its moral character.

Now, let us see what science has to say on the subject. A writer of biblical commentary says:

Life, we are told by scientists, consists in an adaptation of organism to surrounding; when the adaptation is complete and

the surroundings merge with the organism, there is health; when it is impaired, there is sickness; when it is broken, there is death. Human life has both a material and a spiritual environment.

Is there a more outstanding authority in the scientific world than Herbert Spencer? His writings have influenced scientific thought more than any other person's. He called himself an agnostic. He observed the existence of law in nature, and that all things work out according to that law. As a scientific philosopher he defined life as "the continuous adjustment of internal relations to external relations." Or, as stated by the biblical commentator just quoted, "life consists in an adaptation of organism to surrounding."

Let me illustrate the truth of this definition of life. Let us take a plant, which is an organism with life. It must be adapted to its surrounding; in other words, it must be adjusted to the earth, the water, the air, and the sunshine. If the adjustment is poor, life in the plant begins to fade; and if the adjustment is cut off completely, life ends. This illustration applies to the human being; and as a nation is made up of human beings, it must apply also to nations.

Of the relation of life to morality, Spencer said:

Only by entire fulfillment of the moral law can life become complete; and now we shall find that all life, whatever may be defined, is a quality of which aptitude to fulfill this law is the highest manifestation.

Explaining this aptitude, he says:

To see clear how right and wrong generates consequences, internal or external, that go on branching out, as the years progress, requires a real power of analysis.

And he proceeds:

Indeed, the very idea that reforms may and ought to be effected peacefully, implies a large endowment of moral sense. Without this, such an idea can not even be conceived, much less carried out; with them it may be both.

I will quote Spencer once more, to give his own illustration of this theory of adaptation:

All evil-

Says he-

results from the nonadaptation of constitution to conditions. Does a shrub dwindle in poor soil or become sickly when deprived of light or die outright to cold climate? It is because the harmony between its organization and its circumstances has been destroyed.

Let us not forget that both Scripture and science reveal that we live in two worlds—the spiritual and the material. We can separate them in thought, but in fact they are so interwoven that they are one and inseparable. It is the moral or inner world, however, that is most important and controlling. In fact, the outer or material world is but the reflection of the inner or moral world. If we do not understand this connection and merely look at the material conditions, we must utterly fail to understand life and its contents. Or if we consider these material conditions without regard to moral principles, we can not understand our problems at all nor their right solution.

Not only are the material and moral worlds closely connected, but the principles that govern each are really identical in operation. Thus the principles of the moral world may be summed up in what is known as the law of morality. and the principles governing the material world in what is known as the law of gravity. As the principle of gravitation keeps things in their places, people on earth, and stars moving in their courses, so the principles of morality govern human relations. But there is one essential differencethe material objects-earth, moon, stars-are compelled to move in obedience to immutable physical laws. Human beings, however, have freedom of will. They can violate to a limited extent both moral and physical laws. If man obeys the principles of the moral and material world he is rewarded; when he disobeys them he is punished. reason for this is that material bodies are not responsible, whereas moral beings are responsible for their acts. Let me illustrate. If I violate the law of gravity just a little by forgetting one step, I may feel a jolt. If I violate it a little more by stepping off a platform or a roof, I may break a limb or lose my life. Just so in the moral world. If I

violate a principle of morality a little, I shall have a shock; | if I violate it much more, I shall have a broken reputation; and if I commit a great crime, I may lose my life.

Insight, experience, and the Holy Writ reveal the truth to us that these penalties and rewards in both the material and moral worlds are for our good. They are for our guidance and the protection of life, liberty, prosperity, and happiness.

It is by means of law that as a people we make our adjustments, our adaptation to our surrounding, or, as Spencer says, "the continuous adjustment of inner and outer conditions."

We are constantly changing our laws, economic and political, and our success or failure as lawmakers depends entirely upon the extent to which our laws obey or violate moral principles.

Only in the light of these profound facts and principles can we understand the evils that have come upon us as a people, and determine their remedies.

SPEECH OF HON, U. S. GUYER

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my remarks by including therein a speech I made at the Kansas Retail Grocers' Association just before leaving for the Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER. Mr. Speaker, under leave to extend my remarks, I include the following speech, which I delivered at the State convention of the Kansas Retail Grocers' Association at McPherson, Kans., October 5, 1931:

INDIVIDUALISM, THE KEYSTONE OF ANGLO-SAXON CIVILIZATION AND SOCIETY

Mr. Toastmaster, ladies, and gentlemen. Individualism is the keystone of the Angio-Saxon civilization and society. It is imbedded in the solid masonry of the foundation of our governmental structure. It is the basis of our national progress and achievement. It saturates our Constitution, which was written for the protection of the individual, his life, liberty, and property. It has long been our proud boast that the child of the humblest citizen, under the protection and favor of that Constitution, could rise to the highest position of power and opportunity. That here, under the protection and inspiration of equal opportunity, such a child could develop to the limit of his capacity.

Again and again have we demonstrated the truth and possibility of that claim. Here, encouraged by this equality of opportunity and inspired by the ideals of our forefathers, we have wrought achievement unparalleled in the history of mankind. Under the magic of this ideal of individualism we have built the richest nation in the history of the earth and the builders were men and women of humble birth but who triumphed by reason of this good old Angio-Saxon principle of individualism.

Lincoln, though born in a habitation more poverty stricken than the manger of the Man of Galilee, rose to a pinnacle of fame and power not excelled by a score of men in the history of the earth. And he led his country through a weltering sea of human blood in defense of that very ideal of individualism. Human slavery was the implacable foe of individualism. It smothered not only the hopes of the black man, but it alike quenched the inspiration and opportunity of the poor white man and deadened the stimulus of the slave owner and his child. This Nation was never founded for any kind of slavery, intellectual, spiritual, or industrial.

The World War was occasioned and fought over that very principle. It is a singular and interesting fact the two opposing

spiritual, or industrial.

The World War was occasioned and fought over that very principle. It is a singular and interesting fact the two opposing ideals or ideas that precipitated that war had their origin in the same country, in the free forests of Germany among the Teutonic peoples in the long ago. They gave to the world its highest conception of individualism. Later they gave to Germany the principles and system of collectivism which was the Prussian or Hohenzollern idea of government. Under it the individual must bow to the will of a powerful state wherein his initiative and opportunity was submerged in the domination of the state. Finally this system seemed so good to the Emperor of Germany and the ruling class that they determined to impose it upon the councils of the world.

Two thousand years ago a great Roman historian by the name

of the world.

Two thousand years ago a great Roman historian by the name of Tacitus went up into the forests of Germania and recorded in imperishable Latin literature the story of a wonderful people who loved liberty above everything else and where in that time even the women possessed equal rights with men in the crude forms of government that they possessed. She shared not alone in the government but also in the hardships of that northern life and when necessity demanded drew her sword in defense of her own. Here the individual was free to act as long as he did not intrude upon the same sacred rights of others which became the foundation of Anglo-Saxon government and society.

About 450 A. D., when Rome withdrew her legions from Britain where Cæsar had placed them 500 years before, the Angles,

Saxons, and Jutes crossed the narrow sea to Britain and conquered her native Celtic peoples and brought with them their Teutonic ideal of individualism or of individual liberty and to this day that ideal is upheld in the British Empire. Over a thousand years later our Puritan ancestors brought those same ideas and ideals of individual liberty to America and it became the foundation of our system of government and society.

But let us see what became of this ideal in Germany, the land where individualism was born. By reason of constant wars against and around them they had to maintain a large and powerful army and the Hohenzollern dynasty headed and led by the Great Frederick used that military machine to build up a powerful state in which the rights of the individual were overshadowed by the collective will which inhered in the head of the state. So the Hohenzollern kings of Prussia trampled under foot the rights of the individual which were subordinated to the will of this powerful state. Under that system with its key word "kultur," individual enterprise and initiative were smothered until William II, the last of the Hohenzollerns finally declared that in his acts as sovereign he was responsible only to his conscience and his God. And for the protection through the years of this powerful army and potent state the German people through the centuries gave up little by little their traditional individual rights while their brethren who centuries ago had gone to England still clung to their ideals of individualism.

In England there were monarchs a plenty who would have taken away these rights of the individual, but they had no army suffi-

In England there were monarchs a plenty who would have taken away these rights of the individual, but they had no army sufficient to accomplish it. The English Channel, like a watery moat, protected the British Isles so that for a thousand years no enemy's foot touched her shores. England had and needed no great standing army. So far in our country individualism has been maintained, but not without a constant struggle against its enemies.

MONOPOLIES FOR TO INDIVIDUALISM

I have dwelt at length upon this historical background to bring I have dwelt at length upon this historical background to bring again to our minds the origins of the principles involved in our industrial and commercial life in America. So we will appreciate the significance of it when we see selfish and greedy interests strive to crush the individual and individual enterprise and initiative. Individualism has a thousand foes to contend with. Every monopoly is a foe of individualism. Every combination tending toward centralization of money and power is a foe of individualism. The powerful and selfish oil interests that to-day import oil and oil products to cripple our own oil industry is a foe to individualism. Every combination of capital and business which by unfair competition and cutthroat prices tries to crush the individual merchant is a foe of individualism.

There are those who defend monopolies. Who assert that by mass production and centralization control they cheapen the

There are those who defend monopolies. Who assert that by mass production and centralization control they cheapen the product to the consumer. But only until they have crushed competition. One of these apologists and defenders of a giant corporation declared: "Do we not clip off many buds in order that we may have one superlatively beautiful rose?" The answer to that is that cheap products are always too dear when bought at the price of the tragedy of individual bankruptcy.

CHAIN STORES DISTURB MERCANTILE WORLD

I oppose all agencies, combinations, and monopolies that reared on the ruins of individual enterprise. Here the individual falls beneath the force of unfair competition and cutthroat prices which delude and at the same time rob the public when competition has vanished. The chain store is one of those combinations that disturb our mercantile world.

First, I want to discuss the chain store, unchained, as it affects the community where it does business. We live in a rapidly changing world. The whole scheme of life has changed so rapidly that we hardly realize it. Life in the country has particularly changed. The automobile has abolished space and obliterated the connect. The automobile has abolished space and contented the zones. The auto has made us all gasoline tramps. There was a time within the memory of some of us when we could tell a country boy or girl by their mode of dress and manners. That is now impossible. We all dress alike and act much alike. All a result of our common rapid transportation. A boy used to know

result of our common rapid transportation. A boy used to know those around his home as far as a horse and buggy would take him in a couple of hours. Now he has friends in towns a hundred miles apart. Thirty-five million autos and busses! Two and a quarter billion bus passengers every year. Six million a day. And the end is not yet. The country and the country town are no longer a provincial community. They are highly sophistocated elements of our common country, enjoying the same daily papers, the same movies, and a common society.

How about the small town and its destiny in this fast-changing country and age? What will its future be when the hard-surfaced road, the chain store, and the mall-order concerns have all operated on it? The facility of transportation has enabled its former customers to trade in larger cities within reach of the gasoline buggy. This has been the small town's greatest disadvantage. It has lost much of its home trade. The lure of the city has dimmed its luster. On the other hand, the hard-surfaced road may bring back more than it has taken away. Industry is decentralizing. Once factories had to locate at great railroad centers for adequate transportation facilities. This, too, is changing. Small towns Once factories had to locate at great railroad centers for adequate transportation facilities. This, too, is changing. Small towns have less expensive real estate, lower taxes, and living in general is cheaper. Take the packing industry. I used to raise stock southwest of here in Stafford County. My stock was shipped always to Kansas City. Now I would load it on a truck or two, start to Wichita at 3 a. m. and be there when the yards were open. Wichita, Denver, Sioux City, and many other minor packing centers are getting business from the larger centers. So it will be, no

doubt, with many other industries. That will aid the smaller town. And then there is growing up a sort of auto trade from the city. They buy anything from sausage to antiques that were made last week.

CHAIN STORES HAVE NO INTEREST IN COMMUNITE

But the chain store, too, is coming to the smaller town. I can see no redeeming feature to its coming to the smaller town. It is an alien and a stranger. It is not the kind of stranger that you want to take in. It takes you in. What it receives goes almost wholly to New York or some eastern center. It has no pride or interest in the community. All it is interested in is what it can get out of the town. It has nothing to put into the town or its life. It is a sort of vampire that lives upon the lifeblood of the It either drives out the resident merchant or makes his

town. It either drives out the business unprofitable.

The resident merchant has grown up with the town, supporting its schools and churches and making his life a part of the history of the community. He does not get rich, but he was a substantial citizen. He was on the building committee when they built the church. If it was a hospital, his money and counsel went into it. Then a chain store comes to town and counsel went into it. Then a chain store comes to town and

they built the church. If it was a hospital, his money and counsel went into it. Then a chain store comes to town and with its unfair competition and cutthroat prices drives him to the wall. Over 300,000 of these independent merchants have been driven out of business and they and their employees are now a part of this great army of unemployed. No greater tragedy ever occurred in the history of American business.

The chain store employs the minimum of workmen at the lowest possible wage. You carry your purchases away under your arm or in a basket. In other words, it takes everything away and contributes little or nothing to the life and welfare of the community. Its interests are scattered over hundreds of towns and cities like yours. It is interested in one thing only and that is how much profit is there flowing into the coffers in New York. Its interests end with the balance sheet. interests end with the balance sheet.

UNFAIR COMPETITION

If competition was fair, there would not be so much com-plaint. But they know that if competition was fair, they could not compete with the home merchant with all his acquaintance. By fooling the people with unfair competition they crush com-petitors. Then they monopolize trade and gouge the customer. How are we going to prohibit this unfair competition?

CAPPER-KELLY TRADE BILL AID TO INDEPENDENT MERCHANT

I shall say nothing about State legislation unless to merely state that the States may by taxation help the independent merchant if so inclined. I am a more competent witness concerning national legislation. Of course, I refer to the Capper-Kelly fair trade bill, known to us in Washington as H.R. No. 11. Members of this convention are no doubt as familiar with the provisions of this measure as I am. In my opinion it will be of immense aid to the independent merchant by giving him an even break and protecting him from the cutthroat competi-tion, which has driven hundreds of thousands of merchants out of business, a competition that injures everybody except those who employ it.

You are familiar with the situation. Here is a small manu-

You are familiar with the situation. Here is a small manufacturer of high-class goods of fine quality. He has put his life into perfecting and improving these goods. His guarantee goes with them. They are so good that the public approves them. That makes them "bargain bait." The chain store uses these goods for "bait." They sell these goods below cost. The independent merchant is angry. He blames the manufacturer. The manufacturer is helpless and his independent customers refuse to sell an article upon which no profit can be made. Then when competition has vanished the chain sells a substitute. That small manufacturer wants this fair trade bill to pass and become a law as much as does the independent merchant. It would, in my judgment, be tremendously advantageous to both.

How about the wholesaler? He has a business built up through the years with independent merchants. He sees that chain stores drive his old friends and customers out of business and he is helpless to aid them and at the same time he becomes a victim of their rapacity. The chains have their own wholesale agencies.

helpless to aid them and at the same time he becomes a victim of their rapacity. The chains have their own wholesale agencies.

How about this independent merchant who has spent a lifetime building up a business and serving his friends and neighbors? He grew with the town, prospered when it prospered and asked only enough profit to afford him a living. Then comes the chain store. There is the usual campaign with ruinously low prices on popular, well-known goods. The chain makes up its losses on other goods. The customers of the independent merchant drop out and the independent merchant closes his doors, a victim of cutthroat prices and unfair competition. This is not fiction. Hundreds of thousands of them have gone this route.

out and the independent merchant closes his doors, a victim of cutthroat prices and unfair competition. This is not fiction. Hundreds of thousands of them have gone this route.

We want the Capper-Kelly bill passed to save the manufacturer, the wholesaler, and the retailer. In our opinion it would be of great value to these necessary elements of our business world and do no injustice to these great nation-wide organizations whose immense capital enables them to compete unfairly with independent merchants. The Capper-Kelly bill passed the House last spring on Kansas Day, January 29, 1931, but did not pass the Senate

What does this bill provide? Section 1 provides that a contract what does this bill provider Section I provides that a contract is legal between vendor and vendee which stipulates a resale price of a trade-marked, identified article which means fair and open competition with commodities of the same general class produced by others. It is, of course, a voluntary contract. There is nothing obligatory in the bill. Only the manufacturers and merchants who want to cooperate to protect a standard price will use this contract. Of course, manufacturers who have a monopoly will not use this contract.

Section 2 provides that all purchasers from the vendor for resale in the same city must be granted equal terms as to purchase and resale price. This is unnecessary probably because the manufacturer who uses this contract is interested in a uniform price for his widely advertised product.

Section 3 provides that no validity shall be given to contracts between manufacturers or between wholesalers or between retailers as to sale or resale price. The purchase of the biller than the price of the biller than the price.

ers as to sale or resale price. The purpose of the bill is to prevent such agreements.

vent such agreements.

Section 4 merely defines "producer" and "commodity."

But I need not analyze this measure further, for you are perfectly familiar with it, no doubt. It seeks to promote fair play for the independent merchant, to preserve the ideal of individualism in American business that has produced such marvelous results in the past and at the same time give a square deal to the purchaser of merchandise. I confidently believe it will tend in no small way to do this. I sincerely hope that this bill will become a law at the next session of Congress.

FEDERAL HOME LOAN BANKS

Mr. MICHENER. Mr. Speaker, I agree with much that the gentleman from North Carolina has said in so far as attacks upon Congress are concerned; but I had understood we were met here to-day to give consideration to the home loan bank bill, a matter which has been before the country for the last few months, a piece of legislation which is aimed to give relief and comfort to the small home owner of America.

I regret that my good friend from North Carolina, in the beginning of the discussion of this nonpartisan measure, has seen fit to criticize the President of the United States and give to the very beginning of the debate a tinge of partisanship which has no place in any relief legislation in this body to-day. [Applause.]

Oh, my heart is as great and as big and as generous as is the heart of the gentleman from North Carolina, and for one I shall never knowingly permit anyone in America to starve, if a vote or any action on my part in this body will bring about relief.

The gentleman says he fears to go home. He says he fears what will happen. He says it is marvelous that we have had no riots. I have a lot of respect, admiration, and faith in the American people, in the very kind of boys who sit in the gallery to-day asking something at the hands of Congress. They are Americans. They believe in America. They know we can not all get what we want at all times, and I have faith enough in them to believe that if they do not get what they want they appreciate the fact that they are still Americans, and there will be no riots so far as men of that type are concerned.

Mr. BLANTON. Will the gentleman yield? Mr. MICHENER. Not now; no.

I do not believe in inviting riots or predicting riots or suggesting riots. We are not going to have a riot because men in America are not going to starve.

The gentleman from North Carolina calls attention to Title I of the Garner relief bill providing that \$100,000,000 be placed at the disposal of the President and inferentially criticizes those who opposed the entire bill. Had it not been for the stringent gag rule preventing amendments, and if members of the majority party had been permitted to use their own good judgment, the "port-barrel" provisions of the relief bill would have been stricken out and some honest-to-goodness relief bill might have been on its way to the White House.

Mr. MAY. Will the gentleman yield?

Mr. MICHENER. Not just now. I have just a little time, and I want to say something about this bill, because that is what we are here to consider.

The home loan bank bill is the medium through which assistance and relief are to be given to over 13,000,000 home owners in this country, of the type who carry their dinner pail and answer the call of the whistle in the morning and in the evening. The size of the loans is limited. This bill will be of no direct value to the owner of the castle. This bill is a part of the President's reconstruction program, and it would be too bad to pass the other legislation suggested and not do something to assist the home owner with the mortgage on his home and with what little saving he has, tied up in a building and loan association, from which organization it is impossible for him to withdraw his funds at this time, even though these funds are necessary to sustain the family. There is some \$20,000,000,000 in mortgages on small homes in the United States; nearly eight billion of these mortgages are held by building and loan associations. Their securities are as sound as any we have in the country, yet because of the credit situation their assets are absolutely frozen. The building and loan associations are not to blame. The laws controlling them are not to blame, and surely the people whose savings are thus locked up are not to blame. The home-loan bank system to be provided for will do for the home owner what has already been done for the farmer, because agencies have been provided through which the farmer may borrow on his farm. This legislation will do for the building and loan associations what the Federal reserve banks do for the banks, and it will be possible for these associations to raise funds upon their seasoned home-mortgage loans.

Much discussion has been had as to the purposes for which the funds provided in this law will be used. Extensive hearings have been held before the Committee on Banking and Currency. All interests involved have been heard, and the preponderance of opinion is that this wholesome legislation will accomplish the purposes hoped for and should be enacted. The hearings developed that the funds provided will be used for several purposes, chief among which are:

First. To refinance existing mortgages so as to permit smaller payments, and to accommodate the needs of withdrawing members and depositors.

Second. To give the institutions funds permitting them to tide over, or carry along, worthy borrowers who are having difficulty meeting interest or installment payments.

Third. To assist borrowers in paying taxes and insurance costs, which must be maintained regardless of conditions.

Fourth. To provide funds for modernization, repairs, and maintenance of existing homes, thus increasing employment.

Fifth. To provide a source of funds to refinance the thousands of short-term mortgages, which have been called for payment due to bank failures and due to like financial institutions converting their resources into liquid funds. Thousands of home owners are in distress for mortgage

Sixth. For such building of small homes as may be desired and needed in many localities, thus giving employment to

those engaged in the building trades.

The purpose of this law is not to cause the immediate construction of a large number of homes. I think, as a general proposition, the country is pretty well built up, yet there are communities in which home building should be carried on and is needed, and it is safe to say that none of the money provided for in this bill will be used for extravagant building. This bill has been designed both to take care of this emergency situation and to function as a permanent institution, eliminating to a large extent the very distressing condition which now confronts our building and loan associations. It is true that the Reconstruction Finance Corporation has been of great assistance to building and loan associations, as well as to the other institutions, yet when we remember that this agency is not permanent and that loans are made for only a period of six months, it will readily be observed that they can be of very little help to building and loan associations, whose securities or mortgages are necessarily of the long-term kind.

This is not new legislation. Some years ago Senator Calder, of New York, and Congressman Nolan, of California, introduced bills in Congress covering the same subject matter, yet there was not urge enough back of these bills to secure accomplishment. To-day the need is urgent, and this will not only assist immeasurably at this time, but will prevent reoccurrences of distress in the future. The measure was suggested by the President, was thoroughly considered by the Banking and Currency Committee, a majority of whom are not of the President's political faith, yet all of these people are agreed as to the wisdom of this legislation.

I am thankful, indeed, that the majority of the House. even at this late date, is permitting this legislation to come on the floor, and I hope from now on that politics may be abandoned during the consideration of the bill and that we may discuss the merits of the bill.

Mr. McDUFFIE rose.

Mr. MICHENER. I yield to the chairman of the Economy Committee.

Mr. McDUFFIE. I simply want to join the gentleman in his hope that politics may be adjourned for a while, but I want the gentleman to practice what he is preaching. [Applause.]

Mr. MICHENER. That is a very good suggestion and I give the gentleman the promise now that if you do not provoke it, if the Democrats will refrain from getting on the floor and making Democratic speeches day after day, you will not hear the subject opened on this side; but when a Democrat takes the floor and makes a political speech and criticizes the President of the United States and the Republican Party for things for which they are not to blame, we are human over here, and you can hardly expect us to sit here, as we have for days and days, and take it on both cheeks without resentment. Patience sometimes ceases to be a virtue.

Now, let us get down to the consideration of the bill. Mr. MAY. Will the gentleman yield for a question?

Mr. MICHENER. Just for a question.

Mr. MAY. I want to ask my amiable friend from Michigan if he does not think that at this particular time in the history of the country even a "pork barrel" would be better

than a garbage can. [Laughter.]

Mr. MICHENER. I do not appreciate the significance of the gentleman's question, but it is just about as intelligent as many of the question that are asked here. We are trying to get away from politics and I hope the gentleman will

This home loan bank bill is urgent legislation and will be applicable generally throughout the country. I well understand that there are some States at this time where the State laws must be changed before advantage can be taken of the act. This was true when the Federal reserve act was passed, and there is nothing compelling any State or institution to accept the benefits of the law unless so desired. This is real help for the little fellow—the man with the weekly wage, and will undoubtedly save many homes from a mortgage sale; will permit frugal wage earners to reap the benefit of their savings in these times of depression; will strengthen the local bank which has been assisting the local building and loan associations, and will inspire faith and confidence in these splendid associations, which have done so much to make our country a land of homes. I am sure that the rule will be adopted unanimously, and I hope that there will be very little opposition to the bill. [Applause.]

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. It is to be deplored that the gentleman from Michigan [Mr. MICHENER] should have attacked the sincere appeal of the gentleman from North Carolina [Mr. Poul in behalf of the millions of suffering people as being a political gesture. During my many years of service I can honestly say that I have never heard so strong and patriotic an appeal, and I can not understand how anyone can construe, by even the longest stretch of the imagination, that it was a political speech.

Mr. Speaker, I wish to God that the gentleman from Michigan [Mr. Michener] and his colleagues on his side, as well as the President, would stop political talk. But every time any Democrat makes an appeal to the country or to you, though it be made with the best of intentions, he is immediately attacked for bringing up politics.

Mr. Speaker, the gentleman from Michigan [Mr. Michenerl, as well as others, knows that these charges are not true. The Democrats have willingly followed the recommendations made by the President with the hope that real,

permanent relief would be forthcoming and that the conditions which face the country would be improved.

I am not going to detract anything from the President and the Republican Party, but when the gentleman from Michigan [Mr. Micher] and others here take credit for everything and blame the Democrats for things for which they themselves are responsible, we must protest. The Garner bill that the gentleman attacks is the only bill that is really a relief bill, in that it provides and will create work for the unemployed. And yet the gentlemen on the other side of the House designated it as "pork-barrel" legislation. I concede that it is not a perfect bill, but I think it is legislation in the right direction, and it follows the recommendations of the President before his managers set him to work playing politics.

I feel the country will appreciate the fact that it is the intention of the Democratic Party to provide work for the unemployed. Only a few weeks ago the conference on unemployment decided on and unanimously recommended a governmental construction program calling for the erection of public buildings, the building of roads, and the improvement of rivers and harbors. What has the gentleman from Michigan to recommend or what has the President recommended that would put the 10,000,000 to 12,000,000 unemployed to work? It is true that the President recommended the Reconstruction Finance Corporation, the amendment broadening the power of the Federal Reserve Board, and this bill, and, above all, demanded the balancing of the Budget by the imposition of additional taxes and by the reduction of salaries, so that the securities held by the international bankers and our foreign credit would not be affected.

The gentleman from Michigan [Mr. MICHENER] gives the President credit for this bill—a bill which I have long advocated. Mr. Speaker, for over a year I have appealed to the President for this legislation, and have joined in the country-wide request to call a special session of Congress. He referred me to Mr. Eugene Stevens, chairman of the Federal Reserve Bank of Chicago. On June 13, 1931, I received the following letter from Mr. Stevens:

JUNE 13, 1931.

Hon. A. J. SABATH,

Chicago, III.

DEAR MR. SABATH: I understand that you have recently sent a wire to the President at Washington relative to the banking situation in Chicago, which has been referred to me through the Federal Reserve Board.

I should like very much to have an opportunity to discuss this matter with you, and wonder if you could find it convenient to come into my office the early part of the week. There are some things about this situation which we might be able to discuss to our mutual advantage.

Very truly yours,

EUGENE M. STEVENS, Chairman.

At this conference he assured me that legislation to relieve the home owner was badly needed. But notwithstanding this and the fact that I pleaded with the President to call a special session so that his legislation, or any other legislation, could be enacted in order to relieve the distressing conditions, he refused to act and instead issued new assurances that conditions were improving.

The record will show that I have pleaded with the Federal Reserve Board in 1930 to accept for rediscount short-term municipal paper to relieve the municipalities and the people of the country, which the board could have done under the law, if authorized by the President. But again the President refused to act.

The gentleman from Michigan [Mr. MICHENER] in his adroit way charges the House with delay in bringing in this legislation. He fails to realize and recognize the fact that the subcommittee held a hearing and worked on this bill for more than two months before it was able to agree on many of the provisions that would make the bill workable and bring about relief that was originally intended by those of us who had for nearly two years advocated this beneficial legislation.

If the gentleman from Michigan [Mr. MICHENER] and other gentlemen on his side were fair, they would be obliged

to admit and concede that not only in this but in the last Congress and the Congress before that I advocated and pleaded for this legislation. In 1930 I urged that the home owners of America be aided and saved from the loss of their homes and ruin by urgently requesting the Federal Reserve Board to accept for rediscount not only Finance Corporation securities but also mortgages on homes, as well as the municipal short-term securities, bonds, and anticipating warrants; but the administration refused to grant any relief, notwithstanding the fact that such legislation would have been beneficial to approximately 12,000 institutions and approximately 30,000,000 people.

Therefore I feel that it comes with poor grace from the other side to charge us at this time with delay, when it was within the power of a Republican House and a Republican Senate and a Republican President to adopt this legislation two years or at least a year ago, and when the Federal Reserve Board was in position at all times to purchase or accept for rediscount these securities.

It is amazing to what extent some of you gentlemen and the Republican press will go in the hopes of misleading the American people and unloading upon us Democrats all of your misdeeds. The facts are that the Republican press, which you control, in the last few months has in every way endeavored to lay the responsibility for existing conditions upon the present House, because, fortunately for the country, it is a Democratic House, though by a small majority only. Anyone familiar with conditions can not help but understand that it was a Republican administration that not only permitted but encouraged the international and Wall Street bankers and the stock exchanges to fleece, yes, to call it by a better name, to loot the American people by unloading upon them not millions but billions of dollars of worthless foreign as well as domestic securities, thus not only ruining individuals but ruining all of the smaller banks of the Nation by causing the withdrawal of deposits that were used for the purchase of these worthless stocks and bonds, and also causing the withdrawal of millions of dollars from building and loan associations by those unfortunates who followed the advice of President Hoover and Mr. Mellon to invest in these securities that are to-day worthless and that, even at the height of prosperity, had a small value. It is these things that brought about a situation that has caused the loss of millions to hundreds of thousands of home owners and has brought ruination to the banks and that now compels us by this legislation to aid the millions who have not as yet lost their homes and who can not obtain renewal of their mortgages on their small homes, because they are unable to pay their interest and taxes.

This bill, if enacted into law and faithfully and honestly administered, will be a blessing to millions and will indirectly aid municipalities, inasmuch as many of the loans that will be granted will be used to pay back taxes owed to the municipalities.

This is a bill that is entitled to the support of every well-meaning Member, and inasmuch as we have appropriated millions for relief of the farmers, for the Farm Board, for the land banks, and other agricultural agencies, I feel that you gentlemen are in honor bound to vote for this proposed legislation.

Though I have advocated the law as provided for in this bill for nearly two years, the credit for having originated it must go to former Secretary of Labor William Wilson and to ex-President Woodrow Wilson, under whose direction a bill containing the principles of the one now before us was introduced, which a Republican Congress refused to pass.

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. Dieterich].

Mr. DIETERICH. Mr. Speaker and gentlemen of the House, I am still new enough in the Congress to avoid entering into the spirit of partisanship that seems to be displayed when measures of this kind are brought up. In this I mean no criticism of the remarks of the chairman of the Rules Committee. I consider the remarks of the gentleman from Michigan [Mr. MICHENER] as unwarranted.

This resolution should be adopted and the bill providing for the Federal home loan bank should pass.

This bill is not perfect, but, with a few minor amendments, it presents a sound, a practical, and useful scheme which will be helpful to the home owners of this country.

Heretofore practically all of the important measures that have been presented for consideration of this Congress have been emergency measures brought out on the floor without adequate time for discussion or proper amendment, all designed to meet existing emergencies.

This is the first measure that is aimed to effect a perma-

nent remedy of an existing condition.

There is nothing more important to the prosperity of the various communities that compose the various States of this Union than proper and adequate credit to the citizenship and the institutions which go to make up the particular community.

The general trend for the past decade has been to restrict and interfere with the extension of credit by the community banks, loan associations, and other credit agencies to the extent that to-day they are not permitted to render that service for which they were established and which purpose they served years past.

I desire to call the attention of the Congress that it was this interference with community service more than any other that has brought about conditions of depression in communities where such conditions were practically unheard

of in years past.

The Federal Government, in its supervision of the banking institutions, not only passed on the value of the security of the loans made by such institutions but directed the class of securities in which a bank should invest its depositors' moneys.

They even went so far as to direct the amount of deposits that the institution could invest in local loans and directed that a certain amount of money should be invested in so-called liquid securities issued by the industries of other States and other nations.

When this policy was adopted the community bank ceased to be the community servant and the individual and institution within the particular community was denied the just and reasonable credit to which they were entitled.

Among the first to be affected by this policy was the real estate and the home owner, in that real-estate loans which were perfectly safe were listed as frozen assets which the banker was instructed to liquidate.

This bill has for its purpose the reestablishment at least in a limited degree of the credit, at the present time denied but which was formerly enjoyed, by the home builder.

This Nation will not and can not recover from the present condition until a like credit and a like privilege of rediscounting real estate and other loans is afforded to the local bank and other local credit agencies.

Prosperity will not be secured until the community bank is permitted or rather encouraged to reestablish itself in the community service.

By community bank I mean to include the banks in the smaller cities throughout the rural communities of our country and in such places in the urban sections where the matter of convenience necessitates the establishment of banks to serve their needs.

In an earlier address to this Congress I called attention in more detail to the policy of the Government which had for its purpose the centralization of the moneyed wealth of this Nation in which it encouraged the discontinuance of local loans and encouraged investment in securities not only of this but of other nations of the World, this policy is responsible for the tremendous number of bank failures that have taken place within the last three years.

I consider legislation along the line of this bill which has for its purpose a correction of the errors of the past and the return of credit to the average deserving citizen as the most important legislation to which this Congress can give its attention.

Of course, much will depend upon the manner in which the act is administered. If properly administered it will be

productive of much good, if improperly administered it will only prove another expensive experiment. [Applause.]

Mr. PURNELL. Mr. Speaker, I regret that I was not present when this debate started. I also regret that when I did step into the Chamber I found it surcharged with politics. I came here to-day to seriously contribute in my feeble way toward the passage of a bill which I regard as of the greatest importance to the country. I am not going to enter the political argument which has been thrust into the Chamber this morning, but I call the attention of the House to the fact that on the 13th day of last November, before Congress had convened, the President of the United States issued a statement in which he said:

I shall propose to Congress the establishment of a system of home loan discount banks for four purposes.

Mr. PARSONS. Mr. Speaker, will the gentleman yield? Mr. PURNELL. No; I have not the time. The President then set out the four purposes. They were:

1. For the present emergency purpose of relieving the financial strains upon the sound building and loan associations, savings banks, deposit banks, and farm loan banks that have been giving credit through the medium of small mortgage loans upon urban and farm properties used for homes, thereby to relieve pressures upon home and farm owners.

upon home and farm owners.

2. To put the various types of institutions loaning on mortgages in a position to assist in the revival of home construction in many parts of the country and with its resultant increase in employment.

3. To safeguard against the repetition of such experiences in the

4. For the long-view purpose of strengthening such institutions in the promotion of home ownership, particularly through the financial strength thus made available to building and loan asso-

Mr. Speaker, this is the 10th of June. Almost seven months have elapsed since the Congress convened, and up until very recently none of us have been able to drag out of the two committees having jurisdiction over this bill, the Banking and Currency Committee and the Rules Committee, the bill and rule which are now before us; so that if there is any charge laid at the President's door for failure to take action which will help some 12,000,000 small, thrifty depositors in this country, a like charge may be laid at the door of those who are in control of the organization of this House

The rule now before us, if adopted, will make in order the immediate consideration of a bill which has been drafted in response to the President's suggestion. To my mind the home loan bank bill offers immediate tangible relief to more than 12,000,000 thrifty members of building and loan associations throughout the United States whose savings are invested in nearly 12,000 associations with nearly nine billions of assets. Some concern has been evidenced for some time over the so-called "little" or "forgotten man." I do not admit that we have lost sight of the so-called "little man" at any time in our reconstruction program here, but to those who think we have here is a real opportunity to be of service to him.

The agency proposed in this bill is sound and built upon existing institutions which are the subject of inspection and regulation by the States. Its purpose is to give financial support to existing home financing, thrift, or savings institutions which now have millions of dollars of preferred first mortgages on homes upon which they can not raise a single dollar to pay withdrawing depositors and shareholders or to make loans or refinance existing mortgages.

There is nothing new involved in the principle. In 1913 Congress created the Federal reserve system, a system based upon membership—a compulsory membership by all of the Federal banks and an optional membership by State banks. The purpose of that system was to create a reservoir of credit available for commercial banks in time of stress. The system was based upon the rediscount of commercial paper arising out of business as well as some agricultural transactions.

Three years later Congress created the Federal farm-loan system with the purpose of furnishing to agriculture access to greater credit, thus making it possible for individual farmers to secure funds at a reduced rate of interest on farm loans. That system now has something more than a billion dollars of mortgages and has reduced the average rate of the total of farm mortgage interest by 1½ per cent.

The creation of these two systems suggested that a similar system might furnish credit in the building field, and as a result President Hoover recommended the establishment of a system of home loan discount banks and our Federal land banks. I am sure that no committee of Congress would seriously consider an attempt to repeal either the Federal reserve laws or the Federal land bank enactment and substitute in the place of both or either any temporary relief of credit such as is provided by the Reconstruction Finance Corporation act. The needs clearly indicate the necessity of establishing a permanent system such as is provided in the bill before us, and I sincerely hope the rule will be speedily adopted in order that we may begin consideration of the bill.

It is proposed to create a system of 8 to 12 Federal home loan banks in districts to be determined by the Federal home loan board. Building and loan associations, coperative banks, homestead associations, savings banks, trust companies, and insurance companies are eligible for membership. The members supply the permanent capital, and upon becoming members subscribe 1 per cent of the mortgages eligible for collateral or discount, but not less than \$1,500. This subscription can be paid on a quarterly basis, and immediately upon payment of the first quarter a member is eligible to borrow twelve times its subscription.

Each of the 8 to 12 banks will start with a minimum capital of at least \$5,000,000. Subscriptions are to be opened, and at the end of 30 days the subscriptions are to be totaled, and the Government subscriptions to stock will, if needed, bring the total to initial capital required. The Government's subscription, which may as a maximum reach \$125,000,000, is merely an advance and is to be repaid as additional institutions join the system. An early retirement of the Government capital is anticipated by the provisions of the bill, and it is believed not more than one-half the maximum of \$125,000,000 will actually be called for.

The bill assumes that it can best serve the small savers and the home owners by serving the home-financing institutions in all the towns and cities of the United States. These home-financing institutions are primarily building and loan associations and the small established country banks. Therefore no loans are made direct to home owners, home buyers, or builders.

In order to keep the 8 to 12 banks in proper condition each one must at all times have an amount of money equal to the capital subscriptions of its members in, first, United States Government securities; second, interest-bearing deposits in banks and trust companies; and third, loans to members with a maturity not greater than one year. Other than this, the funds of the bank, including funds received from the sale of bonds, may be loaned to members for long periods of time.

I shall not undertake to discuss the bill in detail. It is more or less technical and I shall leave to those who have spent weeks in its study and preparation the task of dealing with its specific provisions. I merely want to say in conclusion that in these days of unrest and economic uncertainty an increase in the number of home owners throughout the United States would have a most quieting effect upon the Nation's nerves. I have always contended that bolshevism, revolution, and unrest find little or no opportunity for growth among those who own their homes. If this bill does nothing more than stop foreclosures throughout the country it will have served a most useful purpose. Last year at least 150,000 families lost their homes through foreclosures occasioned largely by the inability of home-financing institutions to function normally.

In addition to preventing foreclosures this measure will enable millions of depositors in banks and building and loan associations to once more draw upon their savings in home-financing institutions, which they can not now do. By so drawing upon the reserves which have been put aside for

a rainy day these millions of thrifty American citizens will • be able through their restored purchasing power to make a most valuable contribution toward economic recovery.

I sincerely hope the rule will be speedily adopted and that the bill which it makes in order will be soon enacted into law. [Applause.]

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Oklahoma [Mr. McClintic].

Mr. McCLINTIC of Oklahoma. Mr. Speaker, I agree with the distinguished gentleman from Illinois [Mr. Dieterich] that the credit of various communities is about destroyed. I intend to support this rule; yet I am not sure whether the bill that is proposed to be enacted into law contains all of the features that should be in the legislation to relieve all the different classes that are now in distress.

Every report which I get from home indicates that conditions are getting worse. This legislation is another bill that, in my opinion, begins at the top, with the idea that the relief will work down. As I said yesterday, it does seem to me that there ought to be enough Members of this House in favor of legislation that would begin at the bottom and gradually work up, so that we can rehabilitate this Nation, to the extent that we can put a foundation under the chief occupations so that we may have hope for a return of prosperity.

Now, what will happen if we continue passing legislation that begins at the top? One of these days a pay day will arrive and these institutions that have received aid, in my opinion, unless there can be brought back a degree of prosperity, will be in a position where they must have another blood transfusion so that they can postpone their payments until conditions get better.

What is the situation with respect to the railroads? They are not receiving any increased business. The money that is being loaned to them by the Reconstruction Finance Corporation can not be repaid unless there is a revival of industry in this Nation. I said to this House yesterday that unless the chief industry, agriculture, can receive some kind of rehabilitation, then measures of this kind, while meritorious, will simply mean the postponement of the crisis that is just as sure to arrive as I am standing on this floor. We know that the fountains of production have dried up, and that unless there can be put into law some kind of legislation that will be beneficial we can not hold out much hope for the future.

I say to you that the channels of commerce have been clogged up. We should put into legislation some kind of law which will enable those who produce that which we must have to feed our people, obtain a proper price so that we may continue in a way that will be equitable and fair.

This legislation, as I understand, provides relief for banks. It provides relief for building and loan associations, but the banks of this Nation do not now have the confidence of the people to the extent that the people will put deposits in the same.

Last week in Oklahoma the postmaster of the county seat of my county said he was sending fifteen times more money to the postal savings than he sent last year, which is indicative of the fact that the people are not going to patronize their home banks unless there can be some law passed which will cause them to know when they lie down at night to sleep that their little savings will be safe.

It is for that reason I am hoping that we can enact into law the guaranty bank provision that was passed by this House, so that that will be an aid, in part, to this rehabilitation program, thus causing our citizens to patronize the home banks instead of sending money to Eastern centers, thereby making it possible for such institutions to take care of the needs of our people.

I have just returned from Oklahoma, and I know that our citizens are more depressed than ever before. It is my earnest desire to support every bill that will be beneficial to the Nation, yet I am positive that unless agriculture can be placed on a sound basis all other industries will continue to suffer. This being true, I sincerely hope that Congress will

not adjourn until it has completed its legislative program. I realize that many of the Members have opposition for reelection, and that they would like to go home. Yet, in my opinion, it will be far more beneficial to them if they remain here and complete the job.

OFFICE EFFICIENCY-AND CAMPAIGN SLANDER

I want my friends to know the facts as to how I have conducted my office so that they will not be misled by those who are trying to deceive the voters by making misleading statements. I am, by law, allowed to appoint two persons to assist me in taking care of my office work. During the period I was in very bad health it was necessary that I be away from my office a large portion of the time, and in order that I might be certain that every duty was properly looked after, I requested my wife to draw a portion of this allowance and use the same in employing necessary extra help. She opened my personal mail when I was in the hospital and supervised the work in such a way there were no complaints from any source. Some will remember that influenza first carried me to the hospital, and a lung operation made it necessary for tubes to be inserted for drainage, which impaired my left side to the extent I had to go to different health resorts to regain my strength. Evidently this settled in my kidneys, as it was necessary a few years ago to undergo another operation, and one kidney was removed. During this long period of bad health I have been in the hospital four times and have had four operations.

On one occasion I was reelected while in the hospital. On another the House of Representatives passed a special resolution to allow me to take the oath of office while in a hospital some fourteen hundred miles from Washington. It is true I retained my wife in this position so I could use that which she drew to pay extra help. The law allowed me this privilege, and should my health again break down, she will go back in the office and see that the work is looked after in a proper way. No member of my family has ever retained or profited a penny from my office allowance. I have no apology to make for using the one closest to me when I had to have sone one who had my interest at heart, and I am proud that I have the kind of a wife who gladly served the splendid citizenship of the district without the thought of pay. There are now being circulated other kinds of slander and poison that are too foolish to even reply to. I have always conducted my campaigns on a high plane, and if I have to engage in the spreading of poison and untrue reflections on anyone, I certainly will not expect my friends to vote for me.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. PURNELL. Mr. Speaker, I yield two minutes to the gentleman from Illinois [Mr. William E. Hull].

Mr. WILLIAM E. HULL. Mr. Speaker, I know of no legislation that has been before this House that will mean more toward helping the small man than this bill. The importance of it is so great that I hope we will not delay longer than to-day to pass this legislation. We all know that the young man and the laboring man who has a mortgage on his home can not go to the building association at the present time and get any relief. In other words, he is tied up in this way: He must pay so much each month to keep up his building association payments. If he can not earn that money, when he has no work, consequently he can not possibly meet his payments. What is the result? The result is foreclosure; and what little money he has ac-cumulated for probably the last 8 or 10 years has been deposited in this home. We should not quibble for a moment over this bill. We should pass it to-day and get it to the Senate as early as possible and let it become law.

We all know that the President of the United States is back of this bill. We all know it has been the one bill that he has tried to bring before the Congress of the United States; and, regardless of politics, this is one thing that will help to bring the country back for the man who is unable to secure a job. I entreat everybody, both Democrats and Republicans, to pass this bill to-day and get it immediately to the Senate. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. PURNELL. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. Dallinger].

Mr. DALLINGER. Mr. Speaker, I am heartily in favor of this bill, House bill 12280, which has been finally reported by the Committee on Banking and Currency and is to be allowed consideration by the House under this special rule. It is one of the pieces of legislation urgently recommended by President Hoover in his annual message to Congress in which he set forth a complete and comprehensive program for the relief of the American people in the present worldwide economic depression. My only regret is that it was not passed months ago so that thousands of our fellow citizens might not have lost their homes through foreclosure proceedings.

And in connection with this subject, let us consider briefly the causes of the present economic depression and some of the remedies that have been and may be suggested to bring about recovery and a return to prosperity.

THE PRESENT ECONOMIC DEPRESSION-ITS CAUSES AND REMEDIES

I am tempted to make a comparison of the present condition of our country with a man who is sick and calls in a doctor. The first thing the doctor does is to ascertain the history of the patient, as usually the illness is due to something the patient has done or has neglected to do in the way of diet, lack of exercise, exposure, and so forth.

What every good doctor then does is to apply remedies that will assist nature to bring about recovery. In such a case it is very apt to occur that from various sources suggestions of quack remedies are offered, which, if applied, are sure to make the patient worse; and finally there is very often the psychological influence of fear which will always retard recovery.

Having this thought in mind, let us consider the history of our patient, the United States, going back to the commencement of the World War in 1914.

THE WORLD WAR AND IT RESULTS

The total cost of the World War in capital wealth destroyed has been estimated to be over \$300,000,000,000. The actual cost to the United States up to January 1, 1932, was over \$40,000,000,000. Apart from this destruction of capital wealth, the loss of life, the fixed charges settled on the Nation for the payment of interest on the public debt and the care of veterans, the worst result of the war to the United States was the undue expansion of American industry, both agricultural and manufacturing.

Following the expansion of credit which occurs during every war there came the inevitable deflation, reaching its climax in 1920 and 1921, with resulting bankruptcies and unemployment, the number of unemployed at that time being over 6.000.000.

The recovery of the United States from the first deflation came with the enactment of the Fordney-McCumber tariff bill, the protective rates of which came only just in time to save many of our industries from being destroyed by the flood of foreign-made goods which were entering the United States under the low duties of the Underwood tariff law.

Then, after prosperity was restored, in 1925 occurred the Florida land boom and its inevitable collapse, wiping out the savings of millions of people.

THE ORGY OF SPECULATION

In spite of this lesson, however, there then occurred another era of expansion, accompanied by an orgy of speculation in securities, differing from previous periods of stock speculation in that practically everybody who had any money participated—spurred on by the banks, which established agencies for the high-pressure sale of securities at prices far beyond their actual worth. This was accompanied by the floating of large issues of State and municipal bonds for roads and school buildings at the low rates of interest due to the tax-exempt feature of such issues, and also issues of bonds of European and South American countries. Along with this went installment buying on an enormous scale, spurred on by high-pressure salesmanship.

STOCK-MARKET CRASH OF 1929

When, as a result of loans advanced by banks, the price of securities began to advance beyond their actual worth, the Federal Reserve Board might have to a large degree prevented the undue expansion of credit by raising the rediscount rate of interest, but the board neglected to act until it was too late to prevent the excessive inflation and the inevitable crash which occurred in October, 1929.

PRESENT DEFLATION AND ITS CONSEQUENCES

Since then there has been a steady deflation, resulting in a capital loss on paper at least of over \$65,000,000,000. This deflation has continued until securities, real estate, and commodities are selling way below their actual value. The resulting panic caused runs on banks throughout the country, causing thousands of banks to fail for the reason that they were unable to secure sufficient funds to meet the demands of their depositors by selling their securities in a falling market. This failure of the banks in turn caused people to hoard their money and the banks that still remained solvent to refuse credit, resulting in a further contraction, both of money and credit.

RAPID FALL IN COMMODITY PRICES

Commodity prices have fallen to such a point that the farmer and manufacturer are not only unable to obtain a profit, but in many cases have been obliged to sell their products at a loss. This has resulted in a depletion of reserves where they existed or failures where, in the absence of reserves, the banks refused to extend credit.

REDUCTION IN WAGES AND UNEMPLOYMENT

As an inevitable result, the wages of employees have been reduced and millions of men and women have been discharged, in many cases becoming public or private charges upon the community.

Every reduction in wages and salaries, which has foolishly been urged as a remedy for the situation, and every discharge of employees, has inevitably resulted in a diminution of the purchasing power of the country, which, in turn, has lessened the demand for the overabundant supply of commodities of all kinds and caused prices to decline still farther.

NECESSITY FOR A SOUND EXPANSION OF CREDIT

Obviously, the first step toward a return to prosperity was to bring about an expansion of the currency and credit by preventing further bank failures so that, the fear of the people being overcome, the hoarded money would again be put in circulation and the banks, being made secure against runs by depositors, could begin again to extend credit to the business men of the country. In order to accomplish this object, Congress enacted on the recommendation of President Hoover the Reconstruction Finance Corporation and the Steagall banking bills. There is also pending legislation to provide for the immediate payment to depositors of closed banks.

HOARDING BY THE BANKS

In spite of the fact, however, that the banks have been assured of Government support through the media of the Reconstruction Finance Corporation and the Federal Reserve Board, they have not responded to the demand for loans, but have continued to hoard their currency on the plea that they must remain liquid for fear of possible runs on the part of their depositors.

FORECLOSURE OF MORTGAGES

Moreover, the banks have been foreclosing on farmers and other home owners who have been unable to meet their interest payments, and are refusing to make new mortgage loans to persons desiring to build homes. To remedy this situation, on the President's recommendation additional funds have been provided for the farm-loan banks, and the Committee on Banking and Currency of the House of Representatives has reported the Federal home loan discount bank bill now before us which, if enacted, as it should be, at the present session, will afford needed relief to the home owners of the country.

BALANCING THE BUDGET

All of the foregoing remedies rest upon the credit of the Government of the United States, which for the past two years has incurred a constantly increasing deficit in its running expenses, due to a tremendous falling off in the revenue derived from the tax on incomes. Up to the present time this deficit has been met by the issue of Treasury notes and bonds. As a result some of the issues of Government bonds have depreciated, necessitating an increase in interest rates. It is perfectly evident that this condition of affairs can not go on, and that unless the credit of the Government is to be seriously impaired, the Budget must be balanced by cutting down expenses and by increased taxation. The Bureau of the Budget recommended a decrease in expenditures for the next fiscal year of \$365,000,000 over the expenditures for the present fiscal year.

The Committee on Appropriations of the House of Representatives cut the Budget estimates \$155,662,816.56, which, with the estimated cash saving in the so-called economy bill of \$42,000,000, makes a total saving of \$562,662,816.52.

REORGANIZATION OF THE EXECUTIVE DEPARTMENTS

President Hoover has repeatedly recommended a reorganization of the executive departments in order greatly to reduce expenses and at the same time increase the efficiency of administration. In a special message to Congress early in the present session he asked Congress to give him the authority to consolidate, eliminate, and coordinate the executive departments and bureaus. In accordance with the President's repeated recommendation, I introduced H. R. 9492, similar to a bill introduced by me in the last Congress, which reads as follows:

A bill to authorize the President of the United States to reorganize the executive departments of the Government, and for other

Be it enacted, etc., That the President be, and he is hereby, authorized and empowered to remove from office such officers and employees originally appointed by the President or by the head of a department as may be deemed by him to be unnecessary or useless in the conduct of the Government's business, except judicial officers, whether or not such employees have been appointed from lists prepared by the Civil Service Commission and regardless of any classification heretofore established by said commission; and the President is hereby further authorized and empowered to of any classification heretofore established by said commission; and the President is hereby further authorized and empowered to abolish any or all of such offices thereby made vacant and to abolish any or all departments, divisions, bureaus, and commissions by him found to be unnecessary for the proper and economical conduct of the Government's business.

SEC. 2. That the President may, after the completion of the reorganization of any department or any division or bureau thereof, restore by proclamation to the classified service any such department, division, or bureau

department, division, or bureau. SEC. 3. That the President is hereby authorized and empowered, during or after the reorganization of any department, bureau, division, or commission, to appoint by and with the advice of the Senate such employees and officials as he deems best for the Senate such employees and officials as he deems best for the public service, and to establish by proclamation any new department, division, bureau or commission that he deems necessary for the conduct of the public business; and the President is further authorized and empowered to transfer divisions and bureaus from one department to another, and to consolidate or combine departments, divisions, bureaus, and commissions one with another as he deems best for the public service; and the President is further authorized and empowered to create a Central Purchasing Bureau that shall have exclusive power to make tral Purchasing Bureau that shall have exclusive power to make purchases for all Government departments, bureaus, divisions, and commissions

SEC. 4. That the President shall exercise the power and authority hereby invested in him, without regard to or recommendation of or restriction of, any existing law, regulation, or classification: Provided, That all authority granted to the resident herein shall cease two years from the date of the passage of this act: And provided further, That all changes in the organization of the executive departments and commissions, or in the personnel thereof, made by the President in accordance with the provisions of this act, shall have full force of law until altered, amended, or repealed by act of Congress. repealed by act of Congress.

UNIQUE QUALIFICATIONS OF PRESIDENT HOOVER

The enactment of such a bill would have solved the whole question of economy in governmental expenditures. We are fortunate in having as President of the United States in this crisis a man with an unusual capacity for and wide experience in executive administration. As directors of the Republic, owing a plain duty to the people of the United States who are its stockholders, Congress should have enacted this legislation early in the session. Loath to give up any of its power over details and raising the same question of the unconstitutionality of a delegation of legislative power that has been futilely urged against the laws creating the Interstate Commerce Commission and the Tariff Commission, the House simply incorporated in its so-called "economy bill" the form of my bill, but so emasculated that its enactment will be of no practical value in the present emergency. Moreover, the titles of the economy bill incorporating the bills creating a public works administration and consolidating the War and Navy Departments, both of which proposals were before the Committee on Expenditures in the Executive Departments, of which I am a member, were so drafted as to result in an increase instead of a saving in governmental expenditures.

INCREASED TAXATION

If Congress had been willing in the early part of the session to give the President the authority which he desired to reorganize the executive departments, much of the increase in taxes required to balance the Budget would have been unnecessary. As it was, however, the Committee on Ways and Means of the House of Representatives was confronted with the task of raising over \$1,100,000,000 of additional revenue.

After an exhuastive investigation they unanimously but with reluctance recommended a moderate manufacturers' sales tax of 2½ per cent in addition to the increase in income and inheritance tax rates that would raise the maximum amount of revenue. The bill which the committee reported, like the Reconstruction Finance Corporation and Steagall bank bills, were nonpartisan measures reported in accordance with the recommendations of a Republican President just as similar nonpartisan measures were passed on the recommendation of a Democratic President during the World War.

UNFORTUNATE DEFEAT OF THE GENERAL SALES TAX

Unfortunately, however, owing largely to the powerful influence of the Scripps-Howard papers, such an antagonism was aroused against the sales tax that it was defeated. This necessitated the substitution of burdensome excise taxes on particular industries and nuisance taxes which were so obnoxious during the war in the endeavor to raise the necessary revenue to balance the Budget. Moreover, both in the House and Senate there were inserted tariff duties ostensibly for the purpose of raising revenue but in reality for the purpose of prohibiting foreign imports from coming into competition with certain domestic industries. Strangely enough the most vehement advocates of these embargo tariff duties have been members of the Democratic Party who have bitterly assailed the moderate duties of the Hawley-Smoot bill and who have advocated the tearing down of our protective tariff in the interest of our foreign trade.

RECORD OF THE HOUSE TO DATE

The House of Representatives has thus passed all the appropriation bills, except the second deficiency bill and the so-called "economy bill," making a total saving of over \$562,000,000 in Government expenditures over the present fiscal year. It has also passed a revenue bill which has been somewhat improved and made less burdensome to business in the Senate and in conference between the two branches. The conference report on this bill has been adopted by both Houses and the bill has been signed by the President. In other words, in spite of the unfair attacks upon its membership, the House of Representatives with promptness and dispatch did its part in balancing the Budget. The delay that has been universally complained of has been entirely due to the inaction of another body, which has the unique distinction of being the only parliamentary body in the world that has no effective means of limiting debate.

QUACK REMEDIES

I stated in my opening remarks that when a person is taken ill, quack remedies are often suggested by well-meaning friends that are certain to render the condition of the

patient worse rather than better. In the present "repression," as Amos calls it, there are three such remedies to which I desire to call attention.

First. It is seriously urged that we should immediately repeal or greatly reduce our protective customs duties on imports from abroad, and bitter attacks have been made in both Houses of Congress against the iniquitous Hawley-Smoot bill enacted by the last Congress. With the possible exception of the McKinley Tariff Act of 1890 no law has been so misrepresented as the Hawley-Smoot Tariff Act.

Of all the thousands of items in the existing tariff laws only about one-fifth were changed at all. Where increases in duties were made, they were justified by conditions and in many cases were inadequate to prevent the closing of American industries. I can say without fear of successful contradiction that if the Hawley-Smoot bill had not been enacted when it was, in New England there would be twice as many persons out of work as there are at the present time; and the same is true to a greater or less extent throughout the country. Moreover, under the improved flexible provisions of the law, if any particular duty is too high, the President on the recommendation of a bipartisan commission can reduce the rate of duty or vice versa. The best proof, however, of the fact that the proposed drastic reduction of tariff duties is a quack remedy lies in the fact that the Democratic leaders who have so vehemently advocated it, now that they have the power, do not dare to try it in the present crisis for fear that it will make the patient worse instead of better.

The second quack remedy that has been suggested is to so-called "debenture" or export bounty on agricultural commodities to aid the farmers. One great trouble with American agriculture has been an overproduction of certain staple commodities, such as wheat and cotton, and the same thing has been true of oil and other mineral products. In my opinion, the inevitable result of an export bounty would be to encourage more overproduction.

I have already referred to the fact that the worst result of the World War, so far as this country is concerned, was the overexpansion of our agricultural and manufacturing industries. In 1914 we were suddenly called upon to supply the allied countries with the things that 30,000,000 men who were called to the colors had produced. It was inevitable that just as soon as the war was over and those countries began to produce again for themselves our foreign export trade would fall off by leaps and bounds. Moreover, the European countries were bound to enact tariff acts of their own, just as our own country did in 1789, both for the purpose of raising revenue and for the protection and encouragement of their own industries. This, and not our tariff policy, is the sole cause of the decline in our export trade.

The third quack remedy that has been urged is a drastic reduction in wages and salaries. While in cases where salaries and wages were abnormally high, reduction might have been wise, the effect of the general policy of wage and salary cutting that has been going on throughout the country, instead of improving conditions, has steadily made them worse. Every time the storekeepers of a community cut the wages of their employees, they simply diminish the purchasing power of the community, their sales fall off, more employees have to be discharged and another cut becomes inevitable. If they keep on long enough, they will simply put themselves out of business.

To his everlasting credit be it said that President Hoover has never advocated any general reduction of wages any more than he has advocated the other two quack remedies.

REAL REMEDIES AND CONCLUSION

But what can be done to remedy the present distressing situation?

In the first place adequate relief by a sane and comprehensive plan, such as has been suggested by President Hoover, must be provided for taking care of the millions of unemployed men and women and their families.

In the second place the credit of the Government of the United States must be maintained unimpaired by balancing the Budget by means of wise economies in administration and by increased taxation that is least burdensome to the country. To accomplish this I again urge that Congress empower the President to reorganize the executive departments in accordance with the provisions of my bill, H. R. 9492, and I sincerely regret that the manufacturers' sales tax was not incorporated in the revenue bill which has just been enacted.

In the third place we should recognize the futility in competing in the markets of the world in the production of commodities which other countries can produce much more cheaply for themselves and confine our production of those commodities to the protected American market which has always consumed over 80 per cent of all we produce, confining our export trade to those things in which we are ahead of other countries, and which other countries therefore desire to purchase. This can be accomplished by the encouragement of cooperative associations and the limitation of production with the possible application, in the case of agriculture, of some such device as the equalization fee.

In the fourth place, no return of prosperity can be hoped for until there is a rise in commodity prices. The reason why prices of commodities are so low is because the farmer and the manufacturer are making no profit, but on the contrary, are selling their products at a loss. Now, prices depend upon the amount of money and credit in circulation. At the present time, there is a contraction or deflation due to the hoarding by the people on account of bank failures and by the unwillingness of banks to extend credit. Both of these phenomena are due to fear. Fear is the greatest deterrent to recovery from disease whether it be physical or economic. This fear must be removed. It was in order to remove this fear that the Reconstruction Finance Corporation and the Steagall banking bills were passed by Congress. Moreover, the Federal Reserve Board has been carrying out the policy directed by the Goldsborough stabilization bill in an effort to expand the currency. If the banks continue to hoard their funds on the plea that they must remain liquid, in spite of the fact that the Government is doing all it can legitimately do to protect them, then in addition to the enactment of the Federal home loan bank bill now before the House, it may be necessary to expand the currency safely by the purchase of silver with the issue of Treasury certificates, behind each of which shall be a gold dollar's worth of silver bullion, as suggested by the gentleman from Nevada [Mr. ARENTZ]. This would provide an expansion of the currency without jeopardizing the gold

Finally, we must reorganize our whole banking system by compelling all banks to join the Federal reserve system, with very much more stringent requirements for the maintenance of reserves, or by permitting branch banking, or by both these expedients, to the end that the savings of the people shall be safe. The fact that throughout this world-wide depression there have been no bank failures in Great Britain, where there are a few large banks with branches throughout the kingdom, is a phenomenon worthy of serious consideration.

Moreover, our whole economic system must be so reorganized that the owners of capital and the consuming public shall no longer reap the entire benefit of the installation of labor-saving machinery. To bring this about reserves against unemployment must be created by industry or a 5-day week and a shorter workday must be inaugurated. If necessary, both these expedients must be resorted to in order that the distress and suffering incident to unemployment on a large scale shall be eliminated once and for all in this favored land of opportunity.

In short the great mass of our people must have the satisfaction of enjoying not only the necessities but also the comforts of the American standard of living during their working years, and the reasonable certainty of security in their old age; or, to use the language of our able and far-seeing President, "Undeserved poverty must be abolished," if our American system of constitutional government with its

the Budget by means of wise economies in administration | fundamental principles of individual liberty and individual and by increased taxation that is least burdensome to the | initiative is permanently to endure. [Applause.]

Mr. EATON of New Jersey. Mr. Speaker, I welcome the appearance of this legislation before the House as perhaps the first legislation during this entire session that begins to reach the people who are actually in need. I am not sure that this objective will be successfully achieved, but we are at least taking a step in the right direction.

In my home State I have been following the tragedy of home foreclosures. Whole pages of local papers given over to announcements of homes being sold at sheriff's sale—obituaries of all that men hold most sacred in life. In one community I recall 23 foreclosures of little homes in one week. Up to that moment those 23 homes were 23 anchorages to windward, real and effective social insurance of our whole economic and social structure. The day those families were set out in the street you had 23 rebels, and fully justified in their rebellion, against conditions over which they had no control and which undermined every vestige of loyalty and confidence which they had in the institutions of their own country.

I sincerely hope this bill will become law to-day and that we will pass it on to the Senate and that the relief which it promises will be speedily applied to that great group of people in this Nation who are its backbone, the owners of little homes, not the palaces of the rich, not the hovels of the proletariat, but these little homes that represent all that is sanest and best in our American life.

We are working under two delusions in this country. The first is that a part is greater than the whole. Here we have been for six months wrestling with groups and cliques who have been determined to have passed into law something that would benefit them, regardless of its effect upon the Nation as a whole. It would seem that we no longer represent individual citizens but organized minorities, hunting like wolves in a pack and threatening dire retribution if their behests are not obeyed.

The second delusion is that Government can now do for the American people what for 150 years they have been doing for themselves. We have built up here the greatest social structure the world has ever seen. It has given the common man the largest opportunity in life, the highest level of comfort, the widest freedom, the most absolute justice. We are the most hopeful experiment in social progress that the world contains, and we have built up this vast and complex structure on American principles, the principle of individual initiative, of private ownership of property, of equality of opportunity, and legal status for all. We began with the notion that no government ought to do anything for a man that he can do for himself. To-day we have reached a time of chaos, distress, and fear, and everywhere every class of Americans are turning to their governments for assistance and control instead of turning to their own resources and their own powers in the fashion of their

Mr. KELLER. Will the gentleman yield?

Mr. EATON of New Jersey. I can not yield now. I want to pursue this subject further, and in the few moments allotted to me leave these gems of thought with you.

Mr. Speaker, I have here, and I hope the Chair will permit me to present it because it is the utterance of a dear friend of his, this statement from the Washington Times, appearing at its masthead:

The Washington Times and other newspapers owned by William Randolph Hearst demand on behalf of their readers that the Government give the veterans jobs or the bonus now.

What does he mean by the Government? No government has anything to give away. All any government can spend, it has to take out of the taxpayers if they can stand it, and Mr. Hearst, who nominated our distinguished friend for the Presidency—which may have been more of a liability than an asset—Mr. Hearst, whether he knows it or not, means by the Government the taxpayers of this country. The taxpayers of this country are in revolt now; they have got about all that they can stand. The Government to-day in

this country, if we are to remain America, will have to abandon the Russian idea of taking charge of the people, and we must begin again to let the people do under their own power and with their own resources what they have done for 150 years-create, develop, and preserve the things that make life precious and worth while.

Mr. KELLER. Will the gentleman yield?

Mr. EATON of New Jersey. If the gentleman desires to help me in this speech, I will be glad to yield.

Mr. BLANTON. He is a theorist; I would risk him. Mr. EATON of New Jersey. Is he really a theorist?

Mr. BLANTON. Yes. Mr. EATON of New Jersey. In spite of that damaging accusation, I will run the risk of one question if it is not

Mr. KELLER. Can the gentleman tell us what caused this depression?

Mr. EATON of New Jersey. My beloved brother, if I could answer that question, I would be the wisest man in the world, but I will tell you what caused it, in my judgment.

Mr. KELLER. I wish the gentleman would tell us.

Mr. EATON of New Jersey. I believe that the world stands to-day in the twilight zone between two ages, the old age in which for centuries we have been building nations, and a new age in which mankind has got to build a world. This new age, under the inspiration of the Christian religion and the progress of scientific knowledge, has been made necessary by a changed emphasis in social thinking. The time is here when the human being as such has achieved a new value in the thought of men in public and private life, and from now on the new political and social principles and the new economic principles will put the man before the dollar. [Applause.]

Mr. BLANTON. Can the leopard change its spots in the Republican Party?

Mr. EATON of New Jersey. Now, friends, the gentleman from Texas is always most generous to all of us. He persists in helping us right through every one of our speeches with absolute impartiality; but I am going to ask him to make an exception and let me toddle through this statement on my own feet and under my own power.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. EATON of New Jersey. I yield.

Mr. BRITTEN. Does not the gentleman seriously think the World War is about 95 per cent responsible for the condition of the world to-day?

Mr. EATON of New Jersey. I think the World War was the inevitable explosion of a worn-out social, political, and economic structure which has crashed in every country and in every civilization. The World War was the tearing down of the old buildings which had become too cramped to house an expanding civilization. In the period of inflation and deflation, of confusion and distress since the war, the world is trying to determine what kind of a new building will best meet our needs.

I believe that in the long march down the ages man has been making progress toward the light, and out of this present gloom, out of this chaos and suffering there will come a golden age in which men shall count more than money and humans more than institutions. [Applause.]

Gentlemen, you and I stand at the crossroads. I hate this abominable governmental despotism that Mr. Hearst proposes to fasten on us. It is un-American, and right here we have got to make up our minds once and for all as to whether in the long future we are going to follow those American principles that have made us the hope of the world or whether we shall adopt Russian principles. [Applause.] As for me, I choose the principles that have made us what we are to-day. I am not willing to have the Government everything and the citizen nothing. I prefer the ancient American plan of keeping the Government the servant of the citizen and not his master.

With these inadequate remarks I will conclude, and I yield back the remainder of my time.

Mr. POU. Mr. Speaker, I yield the remainder of my time to the gentleman from Alabama [Mr. BANKHEAD].

The SPEAKER. The gentleman from Alabama is recognized for five minutes.

Mr. BANKHEAD. Mr. Speaker, we have had manifested here this morning an evidence of how some gentlemen, who are seeking the opportunity to find excuses, may seize upon a very innocent episode or incident in order to undertake to turn the matter to their own partisan political advantage.

Beside me in this seat sits a gentleman—an honored Representative of his people-who has served in the House of Representatives for almost a third of a century. I dare say there is no man in this House freer from unworthy partisanship than the distinguished gentleman from North Carolina [Mr. Poul. [Applause.] He is a man who has served his country, his people, and humanity.

Simply because, forsooth, in presenting this rule this morning he took occasion to depart from a discussion of the mechanism of the rule and the proposed bill to assert what he felt was an imperious necessity resting upon the Congress of the United States to undertake in the closing hours of the Congress to do something to make it possible for the Chief Executive of this country to prevent starvation in America-and that is all he said-the gentleman from Michigan [Mr. Michener] seized upon it as a predicate for saying that politics had been injected into this debate. The gentleman from North Carolina did not mention the name of the President of the United States. The gentleman from North Carolina did not mention any man who was opposed to the principles he asserted. All he did say, in substance and in spirit, was to express the impulses of a great heart that the representatives of the American people in this hour of desperation should not overlook what be conceived to be their duty to make some provision against the desperate days that might lie ahead of us. [Applause.]

Then my able and genial friend from Indiana [Mr. PURNELL] took up the echo and deprecated the injection of politics into this discussion and he himself laid an indictment against the Democratic administration of this House and of the Commttee on Banking and Currency. He said that although the President had suggested this legislation in December last that those who are responsible for the control of the House had waited until the 10th day of June to bring it here for consideration. I charge the gentleman from Indiana to go over to the other Chamber and consult with his senior Senator whom, I imagine, the President requested to introduce this identical bill in the Republican Senate last December, and up until this good day it has not even been reported out of the committee in the Senate of the United States. [Applause.]

Mr. PURNELL. Will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. PURNELL. I will say to the gentleman that I have consulted with my senior Senator almost every day and he phones me at least twice a day urging action by the House on this bill.

Mr. BANKHEAD. But the gentleman did not castigate the senior Senator from Indiana or the Republican organization of the Senate for their delay, whereas it is stated that the Democratic organization of the House has been remiss in the discharge of its duties as regards this important legislation.

That is but characteristic of everything that has occurred in this Congress from the very beginning, namely, that of undertaking to disparage and to discredit by innuendo and false statements, particularly in the press of this country, that we were not attempting, for partisan reasons, to cooperate with the administration in the discharge of our duties to the American people.

I am willing to discuss politics, as far as I am concerned, if the opportunity offers, from now until the close of this session-however, not to the disparagement of the passage of necessary legislation, because I think the American people in this campaign are going to want to hear a great deal about politics, and I think my friends on the other side are well within their prudence in seeking to put the soft

pedal on any discussion of the frailties of the administration. [Applause.]

The SPEAKER. The time of the gentleman from Alabama has expired. The question is on agreeing to the resolution.

The resolution was agreed to.

DONATION TO THE VETERANS

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent to make a statement for about one minute. It is a rather cheerful statement.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. LAGUARDIA. Mr. Speaker, I have just been informed that \$5,000 has been donated to the veterans who are here in Washington by the Rev. Charles E. Coughlin, of the Church of the Little Flower, of Detroit. Father Coughlin is well known throughout the country, and it might well be stated that he is a real progressive. I think the reverend doctor is to be thanked and congratulated for his patriotic and generous act. [Applause.]

JOHN HANSON, PRESIDENT OF THE CONTINENTAL CONGRESS

Mr. LONERGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LONERGAN. Mr. Speaker, early American history has repeated many times the romantic story of colonization, has unfolded with scholarly application the founding of Virginia by the Cavaliers, the settlement of New England by the Puritans, of Maryland by the Catholics under Lord Baltimore, of the Carolinas by the Huguenots, of New York by the Dutch, and of Pennsylvania by the Quakers. Almost obscured in the annals of the Nation is the equally romantic story of that band of hardy souls who set out in accordance with a plan proposed by their late king. Gustavus Adolphus, to found a new colony on the American seacoast to be known as New Sweden.

It is not the purpose of this address to go into the history of their early struggles but only in passing to record the fact that such a colony was established on the Delaware River in 1638, that it was augmented in 1642 by a group led to these shores by Johan Printz in 1643, that the colony expanded and pushed into Maryland and that the grandson of a member of that latter group was destined to play one of the stellar roles in the young Nation's struggle for independence. It is to this latter personage, John Hanson, who, history tells us, was the first "president of the United States in Congress Assembled," that is, the first President under the Articles of Confederation, that this address is devoted.

In the expedition which sought a foothold in the new world were four brothers, sons of the distinguished Colonel Hanson who fell at Leutzen in Saxony in the same engagement which had cost the life of King Gustavus Adolphus. The youngest of the four brothers, John Hanson established his family in Charles County, Md. His son Samuel was elected a member of the General Assembly of Maryland in 1716 and 1728 and served his community in several other official capacities.

This same Samuel Hanson was the father of the John Hanson about whom this address is centered. From his father no doubt John Hanson derived those distinct marks of character which brought him to a high place in later years among his countrymen. Always devoted to the highest ideals of service, stalwart and unmoved in the face of opposition, courageous and undaunted in any fight which appealed to him as just, the young man quickly ascended to a place of prominence in the stirring days into which fate

John Hanson was born at Mulberry Grove, Charles County, Md., on April 3, 1721. He was a member of a large family, many of whom rendered exceptional service in the cause of the country wherein they had had their birth. delegate from Charles County to the lower house of assembly, in which he served nine terms. There he acquired that maturity of mind which thereafter was to remain a marked characteristic of his personality. A man of great personal magnetism, sound judgment, intellectual, honest, he won for himself a considerable following when with his family he took up his residence in Frederick County.

Through his leadership the growing dissatisfaction of the people with the oppressive British rule was crystallized into active revolt. His was the dominating spirit which actuated a small band of patriots in Maryland to openly espouse the cause of rebellion against "the Crown." The movement, given impetus by him, grew until Maryland had definitely severed all allegiance to the mother country and was actively engaged on the side of the revolutionists. It should be stated that allied with John Hanson was that illustrious patriot and Catholic, Charles Carroll of Carrollton, signer of the Declaration of Independence, one of the country's richest men, who unstintingly gave of his great fortune to the cause of freedom. It is also worthy of notice here that when the State of Maryland was delegated to choose its two most distinguished citizens for honor in Statuary Hall in the National Capitol the State selected John Hanson and this same Charles Carroll.

Under John Hanson's insistence Maryland gave the New England States assurance that its citizens would back them to the limit in their fight against British tyranny. Hanson organized the Association of Maryland Freemen in 1769 which pledged its moral, financial, and armed support, if necessary, to the cause of free speech and colonial resistance to the imposition of taxes without representation. At the Maryland Provincial Convention it was he who determined the course of that body to stand by the other colonies in their grievances against Great Britain. It was he who organized two companies of infantry and sent them to Cambridge following the outbreak of hostilities at Bunker Hill. From that time on he continued zealously in the prosecution of the war by arranging for the manufacture of munitions and army equipment and by organizing every resident of the county as a prospective soldier in the event of war. It was Maryland's participation in an aggressive undertaking of this kind that encouraged the other colonists, more especially those in the South, to join the New England group in its fight for freedom.

During the years 1779 and thereafter we find John Hanson, now approaching the three-score mark, engaged in a wholly new rôle. Maryland, again under his leadership, had refused to sign the Articles of Confederation until the question of the western domain was settled by Congress. George Washington was engaged in the prosecution of the war but in the Halls of Congress John Hanson was also doing battle for a principle, the determination of which was of everlasting importance to the integrity of what has since come to be the United States. Vast lands in the Far West were claimed as the property of such States as Virginia, New York, Connecticut, Massachusetts, and a few others. son maintained that these territories be given for all time to the new country then in the making. Naturally a tremendous outcry arose against such a proposal. A crisis of far-reaching effect on the future of the Nation was precipitated.

John Hanson saw the crisis with its multifarious implications. He appreciated the fact that only through union could the perplexing question be solved. He set to work to remove the obstacles which stood in the way of the principle to which he so stoutly adhered. The Delegates of Maryland in Congress were subsequently empowered to subscribe to and ratify the Articles of Confederation. Hanson and Daniel Carroll, who stood with Hanson throughout the controversy, signed the document on March 1, 1781, which was the beginning of the indissoluble union of the United States. This accomplished, he took up the fight on the western land question, which was eventually settled according to the judgment of Maryland. Out of that vast territory which became the common property of all the States arose the States Young John himself first came to notice in public life as a of Ohio, Indiana, Illinois, Michigan, and a part of Wisconsin.

Three times thereafter Hanson was elected to the Continental Congress, and after his third election was elevated to the position of President of that body. It was in this capacity that he felicitated General Washington following the surrender of Cornwallis at Yorktown. He subsequently retired to private life. Of a clear mind, stout heart, and incorruptible conscience, he had given his score of years in brilliant service to the Nation. He died at Oxon Hill, Prince Georges County, Md., November 22, 1783.

His life, more dramatic in its scope, moving in broader fields of endeavor, and perhaps more richly rewarded, was the epitome of the stalwartness, courage, and vigor of the lives of those who made up that little band of pioneers from the shores of Sweden. America has benefited greatly by the infusion into its life stream of other men and women from that same shore. From Hanson to Charles Augustus Lindbergh, the names of eminent personages of Swedish origin and descent have been placed high upon the honor roll of this Nation's great.

True to their Viking tradition, Swedish officers manned not a few of the ships, particularly those flying the flag of France, during the Revolution. History, to be sure, gives but a scanty account of the naval operations of the period; but that it was essential and of great consequence to the successful culmination of the war there can be no doubt.

Incidentally, it was Sweden which, as a neutral nation, first recognized the independence of the United States. On April 3, 1783, that country signed a treaty of amity and

commerce with the new Nation.

During the conflict General Washington had under his command any number of officers and men who were direct descendants of the Swedes of Delaware. From extant records it is concluded that about 70 officers were in the Continental Army. Two of these, Count von Fersen, aid to Rochambeau, and Colonel Von Stedingk, were elected to the Order of the Cincinnati, of which Washington was the first president. Baron von Fock, Baron Nordenskjold, Magnus Daniel Palmouist, Carl Raab, and the distinguished John Morton, signer of the Declaration of Independence, were but a few of those whose names were indelibly inscribed on the roll of honor.

It was the late President Wilson who, in writing on the memorial to Capt. John Ericsson, inventor of the Monitor, that "cheese box on a raft" which did so much to turn the course of the Civil War, stated:

It is pleasant to think how the United States has been enriched by the character and services of men of Swedish birth or extraction who have made this country their home and the object of their loyal service.

In Philadelphia, on June 5, this year, at the dedication of the John Ericsson room of the John Morton Memorial, John M. Morehead, American minister to Sweden, reminded his audience that "more than one-quarter of the Swedish race lives in America, and Chicago and Minneapolis are, respectively, the third and fourth largest Swedish cities in the world." Congressman Carl A. CHINDBLOM, of Illinois, was one of the principal speakers at this event.

Any recital of the contributions of the Swedes to the life of America must, of course, include the names of the intrepid warriors, General Stolbrand and Rear Admiral Dahlgren, who cast their lot with the forces of the North for the preservation of the Union during the Civil War. In the recent World War the names of Swedish patriots were legion.

Not in war alone, however, have the Swedes of the United States attained distinction. Their contribution to literature and the arts in general has been great. The names of Jenny Lind, Christina Nilsson and, in our own day, Greta Garbo and Marie Sundelius, of operatic fame, at once come to mind. In statecraft, too, they are to be found in positions of eminence. Two States, Minnesota and Montana, have as their governors men of Swedish ancestry. They are, respectively, Governors Floyd B. Olson and John E. Erickson. Former Governor John Johnson, of Minnesota, of course, has not only a place in the history of his State but in that of the Nation as well.

The Swedish people have added their great talents and genius to the complex social phenomenon called America. Industry in the East has had the advantage of their skill and mechanical aptitude. The far reaches of the West have been turned into fertile and prospercus lands under their patient and caressing hands. Legislative halls, State and national, have rung with their glowing oratory in defense of those essential American principles to which each and all have given their allegiance. From John Hanson to our own distinguished contemporaries, they have acquitted themselves as a great people.

FEDERAL HOME LOAN BANKS

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12280) to create Federal home loan banks, to provide for the supervision thereof, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12280, with Mr. Celler in the

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. McFADDEN. Mr. Chairman, if the gentleman from Alabama [Mr. Steagall] will yield, I now yield 30 minutes of the time allotted to me to the gentleman from Kansas [Mr. Strong] to yield as he sees fit to those in favor of the bill

Mr. STEAGALL. Mr. Chairman— Mr. BLANTON. Mr. Chairman, this is a very important speech and I make the point of no quorum.

The CHAIRMAN. The Chair will count.

Mr. BLANTON. I withdraw the point, Mr. Chairman.

Mr. STEAGALL. Mr. Chairman, I think my statement will not be controverted when I say that during this unusual session of Congress I have not wasted the time of this House in the discussion of politics. I do not believe any committee of Congress that ever assembled at any time in our history, and I say this remembering the trying days of the World War-ever worked more industriously, more unceasingly, or with less manifestation of partisanship than the Banking and Currency Committee of this House has worked during the present session.

Our committee has not delayed any legislation. We met in December. The committees of this House were named on Tuesday, on Wednesday the Banking and Currency Committee took up the Federal farm loan legislation and considered it in committee, on Thursday we reported the bill, and on Saturday we took up the bill in the House and it was passed and sent over to the Senate.

The House Banking and Currency Committee prepared and presented to the House and the House passed the Reconstruction Finance Corporation act ahead of the Senate, and the measure as it was enacted into law was the House bill that bears the number and the name of a Member of this House under which it was introduced.

The same was true of the so-called Glass-Steagall bill.

So it is with the bill before us to-day. The Banking and Currency Committee of the House, the larger legislative body, where there are more difficulties and more reasons for delay, has brought the bill before the House ready for passage, if you see fit to pass it, while it is still slumbering in committee at the other end of the Capitol, now under the control of the Republican Party and its administration. [Applause,]

The plain fact is there is only one charge of delay that can be justified against anybody who is in a position of responsibility in connection with the unhappy situation that confronts the country. That charge can only be lodged against the President. I do not say this in any spirit of through which he is passing at this time. As a good citizen and as a Member of the legislative branch of the Government, I want to support him, and I do not desire to add to his problems or to his difficulties; but the record shows that the President of the United States is responsible for several months of delay. Although urged by Democratic leaders and the public, he waited throughout last summer and fall to give the Congress an opportunity to meet and go forward with the relief program which he had announced to the country.

This is the history of the matter. I have supported the President in all his general suggestions except one.

I did not support the program of our debtor nations in Europe and the international bankers who speak for them here in urging postponement or repudiation of the debts due the people of this country by our allies. These debts represent loans made to them to support their armies when they were engaged in a struggle for the preservation of their lives. If there ever was an obligation, moral or legal, that ought not to be repudiated, it is this one, and I believe the economic difficulties of this country and the world were aggravated by the program put over by the international bankers who committed this country, at least temporarily, to the postponement, if not to a repudiation, of these obli-

The governments of the world should set an example of good faith. They should never have declared their inability to meet their obligations. It was not true, in the first place, and it was not good policy. It has accentuated the difficulties under which we suffer in the United States and throughout the world. I am against it. I am not a communist. I am not a communist here, I am not a communist abroad, and this doctrine that we should give to everybody across the sea who happens to claim he is in distress, this proposition that when some other nation is not able to pay its debts we have got to come in and share their burdens; this doctrine that we are all one and we all stand and fall together, and that their problems are our problems, and their obligations are our obligations is nothing but sheer, downright international communism! I repudiate any such doctrine as a domestic principle and I repudiate it as an international policy.

I followed the President with a great deal of difficulty in the effort to enact the legislation embodied in the bill before us. I will state to the Members of the House that one of the most difficult tasks that has ever been assigned to the Banking and Currency Committee since I have been a member of it was in the effort to put this bill into workable form. I am heartily sympathetic with the purpose of the legislation, as I am sure most of the Members of the House are. I want to do anything in my power that will enable the home owners of this country to continue to own their homes. There are some left who are at least in possession of their homes, and I share with you the desire to assist in any practical measure that will help them to continue to use them as shelters for their children, whether they ever own them or not. Nothing is more inseparably linked with our future welfare and all that patriots hold dear than independent home ownership. It makes for the development of the qualities of morality and patriotism that will preserve

Unhappily, home ownership is on the decline. Home owners in towns and cities, like the home owners on our farms, are being driven from shelter, and their homes sacrificed in this period of depression, involving losses to the companies holding home mortgages as security as well as citizens, who are borrowers. All this is due to the nation-wide breaking down of credit. Home ownership and home life, both in the towns and on the farms, are being undermined. I hope that this legislation will meet with a better fate in its administration than has the legislation we passed in the early portion of this session of Congress, designed to save the homes of the farmers of this country.

The Congress amended the Federal farm loan act to provide methods and appropriated \$125,000,000 to supply the

harsh criticism; I appreciate his difficulties and the trials means to enable the Federal land banks to use common sense and leniency in conducting foreclosures. The purpose was to save the homes of the people and avoid unnecessary and inexcusable losses to the land banks. But the law has not been administered as Congress intended. It has been perverted or disregarded.

There are fewer mortgages being carried by Federal land banks than were carried last November and the banks have less mortgages outstanding than they had then. In addition the land banks have more lands on hand than they had then. This is the result of an administration of the banks conducted with first consideration for the bondholder instead of the farmer home owner of the United States. I am going to support this bill in the hope that it will be more sympathetically administered than the legislation for the aid of farmers who are indebted to the land banks and that will give some measure of relief to home owners throughout the country who are threatened with foreclosure.

In order to hasten the proceedings, with the stupendous program of legislation pending in the Committee on Banking and Currency, we have had four subcommittees at work at the same time, and one of the subcommittees prepared the bill before us. The distinguished gentleman from Wisconsin [Mr. Reilly] was chairman. He has given able and earnest consideration to the measure and I am going to permit him to follow me in this discussion. I now yield to the gentleman from Wisconsin [Mr. REILLY]. [Applause.]

Mr. REILLY. Mr. Chairman, the pending measure is designed to carry out one of the recommendations made by President Hoover in his message to the Congress of the United States last December in the fulfillment of his program for the bringing about of a revival of industry.

This bill is intended to create a system of Federal homeloan banks that will serve the home-mortgage institutions of the country as the Federal reserve system serves the national banks of the country. This measure is intended as emergency legislation deemed necessary as a result of the present financial and industrial situation and also as a permanent legislative enactment to encourage home owning in the country, by giving the home-mortgage institutions an opportunity to borrow money on their assets to a greater extent than is possible under present banking and borrowing conditions.

I take it that every well-informed citizen is favorable to any legislative program that will aid in home ownership. Statistics indicate that home ownership in the United States is declining and that we are drifting into a Nation of tenants. The principal reason assigned for this unfavorable situation is the lack of a sufficient amount of low-cost, longterm installment mortgage money. At the present time there are more than \$20,000,000,000 of mortgages on the small homes of our country. About eight billions of these mortgages are held by building and loan associations, and the balance by banks, insurance companies, and private

Home mortgages constitute sound securities; but because of the depressed conditions and because of the existing financial situation, particularly as regards the loaning attitude of the banks, many of these home-mortgage institutions are in need of financial assistance in order that they may continue to function, and such assistance is intended to be given to these institutions by the pending bill.

The largest number of home-mortgage institutions are represented by the building and loan associations and similar cooperative institutions. These institutions number about

The building and loan associations have two classes of membership, the investing membership and the borrowing membership, of which there are about 10,000,000 of the former and 2,000,000 of the latter. Many of the 2,000,000 borrowing members of the building and loan associations are unable to keep up their payments because of unemployment, and many of the investing members of these institutions, also because of the unemployment situation, are in need, for living purposes, of the funds that they have invested in these home-building institutions, but because of

the present financial situation these organizations have no funds with which to meet such withdrawal demands.

This situation arises largely from the fact that the banks are refusing to loan to such institutions, and, in fact, are calling loans already made.

A similar bill to the measure now before the committee is pending in the Senate. A subcommittee of the Senate and the House conducted extensive hearings on these bills, at which hearings some 83 witnesses were examined; 61 witnesses representing 22 States in the Union appeared for the bill and 22 witnesses representing 13 States appeared against the bill. Twenty-two officials of the building and loan associations appeared in favor of the bill and two in opposition. The active heads of the National Building and Loan Association and many well-known figures in the real-estate field appeared in behalf of the bill. General Dawes, of the Reconstruction Finance Corporation, urged the passage of this legislation. The representatives of the large life-insurance companies and mortgage companies appeared against the bill. The bankers appearing at these hearings stood 6 for the bill and 6 against.

In the fall of 1931, at the invitation of the President of the United States, there assembled in Washington a conference of the leaders in the home-mortgage field in the United States and representatives of the building industries. This conference approved the plan for the creation of a system of Federal home-mortgage banks as provided in the bill now before the committee.

Last January, in order to find out the needs, if any, for legislation, such as we are considering, the Secretary of Commerce sent out questionnaires to about 8,000 banking institutions and mortgage-loan companies of the country to get their views on the legislation proposed in this bill. The questionnaire contained the following four questions, which are particularly significant:

- 1. Would the facilities provided by the proposed home-loan discount banks for borrowing on your home mortgages add desirable flexibility and security to the conduct of your institution?
- 2. Would operation of the discount banks increase the amount of credit now available for legitimate use in your community?
- 3. Is there a demonstrable need for actual home construction, either new houses or remodeling work, that could be undertaken in your community if credit facilities were widened at the present time? If so, could you estimate the probable extent of such contemplated construction?
- 4. Would the facilities afforded by the proposed discount banks help to relieve the dangers of foreclosures on urban homes and farms?

The following tables give the answers to these four questions as made by the institutions to whom questionnaires were sent:

	Question 1		Question 2		Question 3		Question 4	
	Yes	No	Yes	No	Yes	No	Yes	No
Total	5, 898	1, 796	6, 525	1, 974	4, 264	4, 479	5, 935	2, 217
National banks Buil-ling and loan associations Mutual savings banks. Stock savings banks. State banks. Loan and trust companies Mortgage bankers.	1, 415 1, 415 110 79 2, 633 217 29	506 267 76 35 764 51 97	1, 772 1, 452 110 84 2, 822 231 54	607 223 79 38 901 57 69	1, 033 1, 040 30 53 1, 965 126 17	1, 291 691 181 74 1, 962 172 108	1, 635 1, 146 71 85 2, 759 208 31	613 423 106 44 876 66 89

Accompanying the quesstionnaires sent out to these 8,000 institutions engaged more or less in the home-mortgage business was a statement containing the essential provisions of the bill now before the House.

The answers to the questionnaires sent out by the Department of Commerce clearly indicate that the great majority of the institutions in active touch with the home-mortgage situation are of the belief that the pending bill constitutes needed and beneficial legislation.

These answers, coming from such business heads, ought to settle the question as to the need for the legislation proposed in this bill. OUTLINE OF THE PROPOSED BILL

This bill provides for the establishment of a system of Federal home-loan banks of not less than 3 or more than 12 in number. The Federal home-loan districts are to be determined by the Federal Home Loan Board provided for in this bill, consisting of five members to be appointed by the President.

Building and loan associations, cooperative banks, homestead associations, savings banks, trust companies, and other banks with time deposits, except national banks, and insurance companies, if subject to inspection and regulation under the banking laws or under similar laws of the State or the United States, are eligible for membership. The members will supply the permanent capital and upon joining a bank will be required to subscribe for stock amounting to 1 per cent of the home mortgages held by each such member, with a minimum amount of \$1,500.

Eligible institutions in States whose present laws do not permit stock purchase are admitted to borrowing privileges by deposit with the bank of cash or Federal Government securities equal to the amount of the required stock subscription. This will be permissive pending the enactment of State legislation authorizing full compliance by subscribing institutions with the provisions of the act.

The board will determine the minimum capital of each of the Federal home-loan banks, which will not be less than \$5,000,000. As soon as practicable thereafter, the board will open books in each district for subscriptions to the capital stock of each district bank, to be paid for in cash or by certified check. Subscriptions can be paid on a quarterly basis. The amount of the minimum capital not subscribed for by members within 30 days after the books have been opened for stock subscriptions is required to be subscribed by the Secretary of the Treasury on behalf of the United States. It is provided in the bill that the funds for this purpose are to be furnished by the Reconstruction Finance Corporation, in a sum not to exceed \$125,000,000, upon which the Government receives 2 per cent interest. Provision is made whereby, after the amount of capital of a Federal home-loan bank paid in by the members equals the amount paid in by the Secretary of the Treasury, the bank is required to apply annually to the payment and retirement of the capital stock held by the United States 50 per cent of all sums thereafter paid in as capital until all the stock held by the United States is retired at par. The Federal board has full power to retire Government capital earlier, if conditions warrant.

Each of the banks is to have 11 directors, 2 appointed by the Federal board, 3 elected by the small-sized members, 3 by the medium-sized members, and 3 by the large-sized members. All directors are appointive until the members investment is substantial. These 11 directors have the usual and full powers with regard to the conduct of each of the 12 institutions.

All members may borrow from a Federal home-loan bank by placing mortgages with the bank to secure loans. More money is advanced on amortized installment mortgages of a term of eight years or more than is advanced on straight mortgages or mortgages of shorter duration. In no case can the amount advanced by a bank exceed 40 per cent of the value of the real estate. No mortgage on a home of a value greater than \$20,000 is accepted. The banks can not advance to any member an amount in excess of twelve times the amount of the capital subscribed by the member. The bonds issued by each bank are secured by seasoned realestate home mortgages, with not less than 190 per cent of unpaid mortgage principal behind each dollar of bond issued. Some short-time loans out of capital subscribed by members are permitted without mortgages being placed as collateral, but funds realized from bond issues can not be so loaned.

The board prescribes all the necessary rules and regulations with regard to the bond issue and the conduct of the banks. The board approves or determines the rates of interest to be paid by the banks upon their bonds or borrowings, and a maximum rate of 5½ per cent is established for the

first seven years, after which it is to be 5 per cent. The banks are jointly and severally liable on the bonds; and in order to keep the banks in proper condition to serve their membership, they are required to have an amount equal to the capital subscriptions of their members invested in (1) United States Government securities, (2) deposits in banks or trust companies, and (3) short-term loans to members.

The principal funds of the banks come from (1) capital subscriptions of their members; (2) the issue of long-term bonds, which have limited tax preferences; (3) the initial Government advance, which is to be retired as members come in; and (4) through such deposits as are made in the banks by members only, upon which no more than 2 per cent interest can be paid. These deposits will be entirely of surplus funds of members. The banks are specifically restrained from doing any general banking or commercial banking business. Their functions are confined solely to serving member institutions.

The act requires the banks to accumulate reserves at higher rates than are required in the Federal reserve system. The banks are exempt from taxation and are designated as a depository of public moneys, and their bonds are made legal investments for fiduciary, trust, and public funds.

Broad powers are given to the Federal home loan bank board in regulating the activities of the banks and in providing for the orderly conduct of home-financing activities throughout the country. The board has broad powers in selecting officers, employees, attorneys, and agents, although no compensation is permitted in excess of the salary paid board members. The board has powers of examination and can require periodical statements as well as examinations of Federal home-loan banks and their members. Necessary penalty clauses, and so forth, are provided.

BENEFITS TO FOLLOW PASSAGE OF THIS BILL

If this bill becomes a law, it will enable member institutions of the Federal home-loan banks to secure loans on their seasoned home mortgages, which can and undoubtedly will be used for the following purposes:

- (1) To refinance existing mortgages, so as to permit smaller payments and to accommodate the needs of withdrawing members and depositors,
- (2) To give these institutions funds, permitting them to tide over or carry along worthy borrowers who are having difficulty meeting interest or installment payments.
- (3) To assist borrowers in paying taxes and insurance costs, which must be maintained regardless of conditions.
- (4) To provide funds for modernization, repairs, and maintenance of existing homes, thus increasing employment.
- (5) To provide a source of funds to refinance the thousands of short-term mortgages which have been called for payment due to bank failures and due to like financial institutions converting their resources into liquid funds. Thousands of home owners are in distress for mortgage money to-day.
- (6) For such building of small homes as may be desired and needed in many localities, thus giving employment to those engaged in the building trades.

In connection with this last point a misrepresentation has been circulated concerning this bill. It has been alleged that the design of the measure was to facilitate the construction of 3,000,000 homes. Neither the testimony given before the committee nor a study of the provisions of the measure give any credence to such generalization. True, there may be occasion for some construction, but that will be only incidental and can not come in substantial amount until after the emergency situation is passed.

It is particularly important that the people who have put their savings in the home-financing institutions of the country be afforded relief through this measure and that the dispossession and foreclosure sales on small homes due to the drying up of mortgage money be stopped immediately.

This bill has been designed both to take care of this emergency situation and to function as a permanent institution, thus eliminating to a large extent the probability of a

recurrence of the present distressing conditions in the homemortgage field.

While the pending bill is intended as an emergency relief measure for home-financing institutions, it is also believed that it will be helpful as permanent legislation in the interest of home owners. Statistics indicate that in the last hundred years more than 8,000,000 homes have been purchased through the aid of these cooperative building and loan associations.

The investment in the homes of our country is a significant and imposing portion of our national wealth. Funds for home builders should be available at low costs and in liberal amounts at all times. The home owners should not be subject to the vicissitudes of the general money market.

The small communities as a rule are without sufficient normal funds for home-financing demands. In years when there has been ample money in some parts of the country there have been high interest rates in other parts.

This proposed home loan bank bill will provide a banking system which will stabilize the home-financing activities of the country and provide a mechanism through which mortgage funds will flow more freely into the areas where it is needed with resulting benefits to present and prospective home owners.

Some years ago Congress saw fit to provide through similar legislation for the organization of the Federal land-bank system and also for the setting up of a system of Federal joint-stock land banks in this country. Both of these institutions, the Federal land banks and the joint-stock land banks, have mortgages in the sum of only \$1,600,000,000, while the building and loan associations and other cooperative mortgage institutions alone have home mortgages in the sum of about \$8,000,000,000. There can be no doubt at all but that the Federal land banks and the joint-stock land banks have been instrumental in lowering interest rates in a great many sections of our country, and thereby have been of benefit not only to the borrowers of these banks but to all the agricultural borrowers.

This bill will furnish to the much larger army of small-home owners in ordinary times borrowing facilities that will be beneficial to the small-home owners and to prospective home owners.

OBJECTIONS TO THIS LEGISLATION

On the hearings on this bill before the Senate subcommittee and the House subcommittee the objectors presented four reasons why this bill should not become a law:

(1). It further intrudes the Government into private business.

This argument is no more available against the present bill than against the Reconstruction Finance Corporation legislation recently passed by Congress. The same argument was made against the Federal reserve system, the Federal land bank system, and the intermediate credit bank system.

This is emergency legislation demanded by the financial and economic conditions existing to-day in our country.

The bill provides for the gradual withdrawal of Government funds from these banks; and when this emergency is passed, the members of the bank are undoubtedly going to furnish all the capital required to operate the same.

(2) There is no lack of funds at the present time for the use of home-mortgage institutions, and therefore no necessity for this legislation.

The voluminous testimony taken before the Senate committee and the House committee having consideration of this bill conclusively demonstrates that there is a great demand at the present time for more funds for the use of the home-mortgage institutions of the country. Many of these institutions in the past have depended upon loans from their local banks.

The banks for some time have been refusing to loan money to these institutions, and not only that but in many cases have called loans formerly made. The fact of the matter is that many of the home-mortgage institutions are greatly in need of funds. They have plenty of good securities, but because of the depression they lack liquid funds, and this bill provides a method by which they may secure such funds.

(3) If there is any demand for funds to aid in the functioning of home-mortgage institutions, the Reconstruction Finance Corporation can take care of all such demands.

General Dawes, president of the Reconstruction Finance Corporation, appeared before the subcommittee of the House Banking and Currency Committee and approved this bill.

The Reconstruction Finance Corporation has to date advanced several millions to building and loan associations and has requests for many millions more on file. However, the short-term loan requirements of the Reconstruction Finance Corporation are not adaptable to the needs and demands of the home-mortgage institutions.

Judging by the statements of the leaders of the homebuilding industries of this country made before the committee of the House and the Senate, the funds that will be required by these institutions are way beyond any sum that could be furnished by the Reconstruction Finance Corporation. It was estimated by competent witnesses that at least \$1,000,000,000 would be required to relieve the home-loan institutions of this country so as to put these institutions in a position so that they could meet the demands for legitimate withdrawals, for refinancing mortgages, for repairs and remodeling of buildings, and for new construction wherever deemed necessary.

(4) That the bill will encourage unhealthy home building. This statement is wholly unwarranted. There is nothing in the hearings of this bill to substantiate any such a claim. Sound, conservative home-financing institutions are not going to finance a home-building boom to the detriment of investments already made and which they hold.

The funds secured by these home-mortgage institutions from the banks set up by this bill will be used largely for the six specific purposes set forth in the early part of this

(5) That the bonds of these banks can not be sold.

If the bonds issued by these Federal home-loan banks can not be sold, no bonds can be sold. These securities will represent prime securities. The borrowing members can not secure advances in excess of 40 per cent of the appraised value of the real estate covered by their mortgages. This means the value at the time the advances are made to the members and not at the time the mortgages were made; and behind every dollar of bonds issued will be 190 per cent of unpaid mortgages. It is submitted that these bonds will represent the best possible securities.

PROPOSED LEGISLATION NOT NEW

Legislation of this character has long been considered. During President Wilson's second administration, under the sponsorship of his Secretary of Labor, Wilson, the first home-loan bank measure was proposed and the Banking and Currency Committees of both Houses considered it at that time. There has been a continued interest in and need for an agency to serve the small home owner and home buyer in the cities and small towns, much after the fashion that the Federal reserve system serves the commercial interests of the country and the Federal farm-loan system serves, or supplies credit to, the farmer. The need for the home mortgage discount banks has been much accentuated by the present economic conditions.

EUROPEAN EXPERIENCE WITH MORTGAGE BANKING SYSTEMS

Most European countries, including France, Germany, and Sweden, have a central mortgage banking system. In general, they contain practically all of the principles that are embodied in the Federal home-loan bank system. Their initial capital has usually been provided by the Government and in several cases the Government directly guarantees their obligations. Principal funds come from the issue of long-term bonds. These bonds enjoy a particularly popular market and sell upon approximately the same basis and interest cost as direct Government obligations. The bonds are backed by the obligation of the issuing mortgage banking system and mortgages used as collateral. Usually the mortgages used as collateral do not exceed 50 per cent of the value of the property and the amount of bonds that can be issued by each system is regulated. Additional funds come from deposits.

There is vigorous Government supervision and governmental agencies are practically in charge of most of the mortgage banking systems. A surprisingly low cost of operation is universal, the entire costs of the long-established systems being paid out of the spread of one-half of 1 per cent to 1 per cent between cost of money on bonds and lending to member institutions.

To a large extent the institutions serve cooperative banks or credit societies, some of them being similar to our building and loan associations. In several of the systems the service of the mortgage banking system is decentralized through branches or banks established in different localities but functioning under the central authority.

The systems make loans of varied duration, although preference, or the larger advances, are made upon amortized or installment loans of long duration rather than upon straight loans. Most of the banks do such general banking business as is closely connected with mortgage banking.

As a result of these mortgage banking systems in Europe, there has been a more even supply of credit for European real estate, and practically without exception the purchasers and owners of real property in Europe obtain their mortgage funds at rates from 1 to 2 per cent lower than those which prevail in this country.

The pending bill may not be a perfect piece of legislation, but the subcommittee and the whole Banking Committee have labored long and faithfully to present to this House what we consider a workable bill. This bill may not accomplish all the purposes for which it is intended, but there can be no doubt at all but that at the present time it will provide relief to thousands of home-mortgage institutions and to millions of men and women who, either as borrowers or investors, have their savings and home mortgages in such institutions.

Mr. HARLAN. Will the gentleman yield? Mr. REILLY. I yield.

Mr. HARLAN. Did I understand the gentleman to say that when the mortgages were brought to these central banks, Federal banks, those Federal banks would have the power to issue money on those mortgages?

Mr. REILLY. No. These Federal land banks issue debentures on these mortgages, just as the Federal land bank

Mr. HARLAN. The other question I would like to have cleared up is, for this money that the Federal Government turns over, does the Federal Government receive debentures. or is this simply a gratuity or an advancement by the Federal Government?

Mr. REILLY. The Federal Government receives a certificate for its advancement and is paid 2 per cent on all money advanced to these Federal home loan banks. We have recently passed legislation giving the Federal land banks \$125,000,000. No interest charge is made on this advancement to the Federal land banks. The committee thought it advisable to put an interest charge of 2 per cent against the banks on all money advanced by the United States Government. The theory is that the Government will be gradually withdrawn from these mortgage banks and that if the system works out as it is intended to work out, it will not be long before the banks will be financed entirely by their own member institutions.

Mr. MAY. Will the gentleman yield?

Mr. REILLY. I yield to my colleague for a brief question. Mr. MAY. I am inclined to support the bill, but I am just a little skeptical about one feature of it, upon which I would like to have some information, and I am sure the gentleman can give it to me.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin be allowed to answer this question. The House wants to know about it, I am sure.

The CHAIRMAN. The Chair will state to the gentleman from Kentucky that unless the chairman of the committee extends additional time, he can not answer, because the time is under the control of the chairman of the committee.

Mr. STEVENSON. Mr. Chairman, I yield the gentleman from Wisconsin time in which to answer the question.

Mr. MAY. The bill provides for two different classifications in the matter of institutions, a member and a non-member borrower. Why this arrangement?

Mr. REILLY. In many States, institutions otherwise eligible to become members of a Federal home-loan bank are not permitted by the laws of their States to purchase stock in other institutions such as the Federal home-loan bank. In order to take care of otherwise eligible home-loan mortgage institutions in these States the bill provides for two classifications of members—first, a regular member who can purchase stock under the laws of his State; and the other a nonmember borrower, who can get all the privileges of members in one of these banks by putting up securities in lieu of purchasing stock, but who can not become a member under the laws of his State.

These nonmember borrowers do not become members of one of these Federal home-loan banks; but having complied with the requirements of the board in putting up securities, they are open to all the privileges of the bank from a borrowing standpoint.

Mr. MAY. Let me ask one more question. This bill provides no means by which an individual can borrow money on a mortgage on his home from one of these banks?

Mr. REILLY. No. The home owner must secure his mortgage from some institution eligible for membership in this bank.

Mr. STEVENSON. Mr. Chairman, I filed a minority report to the bill.

I am in entire sympathy with the purposes of the bill, but there are certain matters contained in it which I endeavored unsuccessfully to eliminate when we were in committee but by a very narrow margin, I believe about a tie vote, on each amendment I lost.

I have always intended to deal candidly with my colleagues both on the floor of the House and in the committee. Therefore I did not reserve my objections but put them in a report which I filed and in which certain other gentlemen joined. I am going to take just a minute to discuss them and that is the principal discussion which I expect to make.

The first objection is to the inclusion of Hawaii and Alaska in the bill. Those Provinces, Territories, or whatever you choose to call them, are beyond our usual land laws.

In the first place, Alaska is not building homes to amount to anything, and it is not in condition to have the purposes of this bill extended to it. A bank situated probably at Seattle or San Francisco would have to have jurisdiction in the matter of inspection. Alaska is so remote that I deemed it unwise to undertake to go to the foreign field with this institution until we tried it out at home where our population is more or less stable and where our land values and our land titles and our supervision are more nearly within our grasp.

Hawaii, of course, makes more appeal than Alaska because they have building and loan associations in Hawaii, but it is a long way to go to get a few associations in, and I predict that if they are engrafted on it we will have something the same situation we have in Puerto Rico, because they induced us to put a branch of the Federal Land Bank down in Puerto Rico.

Mr. HOUSTON of Hawaii. Will the gentleman yield?

Mr. STEVENSON. I can not yield; I have but 10 minutes.

There is no difference between establishing a land bank which embraces Hawaii and one which embraces Puerto Rico or the Virgin Islands which were before us this morning wanting a national bank established, or the Philippine Islands. I content that this system should be tried out in the United States where we are able to supervise it, and where it is right at our door.

Mr. BEAM. Will the gentleman yield?

Mr. STEVENSON. I am sorry, I can not yield.

My second objection to the bill is that there has been included State banks and trust companies, and insurance companies in the membership of this institution.

We have abundantly provided for the banks by the Reconstruction Finance Corporation, but you will remember this is an institution to handle long-term land loans, that long-term land loans are the prerequisite to their being in here, you will see the reason for my contention that it is a vice to induce the banks and trust companies in this country who take deposits on demand to be tying up their assets in long-term land loans. It is contrary to every principle of sound banking, and that has been demonstrated by the most terrific situation into which we have gone.

I opposed the extension of the land-loan business to the national banks. I am opposed to it and have been, constitutionally, ever since I was in the banking business more than 30 years ago. It is a mistake to induce them to unite with and become members of an institution whose favored land mortgages amortize at eight years. They have no business in here, and all over this country they are loaded up with these mortgages that will be eligible to be used in this institution, and the building and loan associations will be just the same stepchild they have been under the Reconstruction Finance Corporation act. They are small; they have not the power; they have not the representation. The banks and insurance companies will get all the assets, and the associations will simply get what is left.

Mr. PARSONS. Will the gentleman yield for a brief question?

Mr. STEVENSON. I can not yield to the gentleman; I have but 10 minutes.

The other proposition to which I object is in section 10, on page 24, which makes this provision:

Each Federal home-loan bank shall at all times have an amount equal to the sums paid in on outstanding capital subscriptions of its members, plus an amount, equal to the current deposits received from its members and from nonmember borrowers, invested in (1) obligations of the United States—

That is all right.

(2) deposits in banks or trust companies-

That is as far as I want the banks and trust companies to get into this thing. Now, this is the thing to which I object—

(3) advances with maturity not greater than one year made to members or nonmember borrowers, upon such terms and conditions as the board may prescribe, and (4) advances with maturity not greater than one year made to members or nonmember borrowers the amount of whose creditor liability (not including advances from the Federal home loan bank) does not exceed 5 per centum of such member or nonmember borrower's net assets, which advances may be made without the security of home mortgages or other security, upon such terms and conditions as the board may prescribe.

In other words, we are establishing home-loan banks; and it is provided that if the board sees fit it can take every cent of the money that is paid in for stock by the stockholder members and loan it on securities that are not home mortgages at all and on no security if the board sees fit. I propose to offer to amend that by providing that all such loans shall be fully and amply secured. That is an invitation to take \$1,500—which is the limit a member can get in onfrom each of them, and much more in places, and loan it to anybody who wants to go on the stock market or use it for anything else if the board sees fit. You say the board would not do that because this is a different proposition. However, we have boards and boards and all sorts of boards. Those are the main objections which I have to the passage of this bill.

Now, the last objection I had was to the tax-exemption business. When this bill was brought from the subcommittee into the full committee it had absolutely tax-exempted them from every kind of taxes. I made the contention we had gone far enough in the tax-exemption business when we are scraping the bottom of the coffin and the top of the house to get enough money with which to balance the Budget. I contended it was time we stopped that kind of

thing, and then the committee very cheerfully agreed to make them subject to surtaxes, gift taxes, and inheritance taxes, the same as in the case of the Reconstruction Finance Corporation. However, I am still opposed to that feature of it. I propose to move to strike out all of the tax-exemption business. However, I do not hesitate to say I would not want to kill the bill if that were not done; but I do not think it should be in there. I used to think we ought to grant a good many of these tax exemptions, but I have come to the conclusion that Mr. Mellon came to 10 years ago, that we ought to stop the issuance of tax-exempt securities in this country, so that the concentrated wealth of this country can not be hidden from the tax gatherer when we have times like these, when we have to go after all of the taxpayers of this country. [Applause.]

[Here the gavel fell.]

Mr. McFADDEN. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS of Missouri. Mr. Chairman, this bill creates a board of five with authority to establish not less than 8 nor more than 12 Federal home-loan banks, with a minimum capital of \$5,000,000 each. Such of the following institutions as have State inspection may become members of one of the home-loan banks: Banking and loan associations, banks and trust companies, and insurance companies. Any institution to become a member must subscribe for 1 per cent of the unpaid principal of its home-loan mortgages, but not less than \$1,500. That part of the minimum capital of each bank not subscribed within 30 days by the above-mentioned institutions shall be subscribed by the Secretary of the Treasury in an aggregate amount of not exceeding \$125,000,000. Each Federal home-loan bank shall be managed by a board of 11, 2 of whom are appointed by the Federal Board and 9 of whom are selected by the members. Each member institution within the limitations prescribed may secure advances or loans from the bank upon the note or obligation of the member secured by home mortgages and the stock of the member in the bank. Each Federal homeloan bank shall have power to issue bonds bearing a rate of interest to be determined by the board and secured by a deposit of home mortgages, the unpaid balance of which shall equal 190 per cent of the amount of outstanding bonds: to borrow money; to receive deposits; and to make loans. There is a joint and several liability on the part of the banks for the payment of the bonds. The capital and surplus of and the bonds issued by the banks are exempt from Federal, State, and local taxes, except surtaxes, gift, and inheritance taxes.

The Federal board shall determine whether the State law, regulations, or inspections are adequate to protect the operations of the bank in each State, and if, in its opinion, they are not satisfactory, the board may establish such inspection at the cost of the member institutions of that State, or withhold the operation of the bank in such State.

The usual boards, officers, employees, attorneys, and agents are provided for, together with their compensations, and \$500,000 is authorized to be appropriated to take care of travel and subsistence expenses, rents, printing, newspapers, periodicals, books, maps, telegraph, reporting and telephone services, and other preliminary expenses.

The bill provides for an outlay of \$125,500,000 on the part of the Treasury and puts the Government squarely in the banking business as a partner with the mortgage-loan institutions of the country, the United States furnishing most—if not practically all—the money. What stock is not subscribed for within 30 days by the member institutions the Government must take and pay for in cash. It is a deliberate attempt on the part of the Government to dictate the laws and policies of every State concerning the organization, management, and control of every mortgage-loan concern in the country. It sets up another nation-wide chain of costly and expensive boards, agencies, officers, agents, and employees. It proposes to scatter broadcast another series of tax-exempt securities depriving the Government of further taxes and adding to the already depressed bond market.

There is no general nation-wide urgent need for this extensive and expensive system. Most of the institutions eligible for membership in the system are against it; only a very highly organized few are for it.

It is purely institutional, as distinguished from individual. Only institutions can become stockholders or borrow money. No individual can own a share of stock or borrow a dollar. The need where it exists is purely local, and can and should be taken care of by State legislation. The need for help that can not be met by State law can be satisfied by the Reconstruction Finance Corporation. The aid will be to the big loan institutions of the Nation and not to the home owners. The institutions of only a few of the States can come into the system, because the law does not permit the building and loan associations or banks to purchase stock in another corporation. The real estate laws and the laws governing the management and powers of building and loan associations and banks of the various States are so different and conflicting that it would be impossible to get together mortgage securities which would form the basis for a legal bond issue, and the bonds would not sell. The home owner who needs help can not and will not be helped by this legislation. Many of the institutions that are unliquid and unsound can not, or at least should not, be helped by this legislation.

There is a great appeal in this measure, and it seems to be devised not only for the purpose of helping certain loan agencies and interests in the country but it may have some vote-getting qualities. It would be fine to go out to the voters and say, "I advocated the home-loan bank in order that all who desired could obtain the funds with which to build a new home or remodel or refinance one already built." It is desirable that all should own a home, a place where a family is reared, a place where the saintly influences of mother and the tender counsel of father shape the manhood and womanhood of the future, a place where love rules and peace and contentment abide-a nation of comfortable, neatly furnished, and well-equipped homes is the ideal condition to be attained. This measure will not lead us to that end. There is no need deceiving ourselves or trying to mislead the people. The desired help will not come through this legislation.

It is said that this system is modeled after the Federal farm-loan plan, and that since the Government has passed the law under which the Federal farm-loan banks and the joint-stock land banks were organized and subsidized, this act should be passed to aid home owners. If no better or sounder reason than that can be given, then this measure should fail. The land banks were organized to help the farmer, to furnish him credit, to enable him to own a farm through the amortized loan plan. What happened? The entire land-bank system with all its Government aid and subsidy is carrying only 12 per cent of the farm loans of the Nation. When this ruinous panic came, when this devastating depression was upon us, when the farmer was compelled to sell his products at a price below the cost of production, when he could not meet his tax, interest, and installment payments, when he needed credit and an extension of time, did the land banks come to his aid? Instead of helping, they found their own bonds selling for almost nothing, and instead of helping the farmer they came before Congress begging and pleading for help; and this Congress was compelled, almost as its first act last December, to give the Federal land banks of the country \$125,000,000 to save the system from ruin. This money was given with the idea that extension of time would be given the farmers in which to make payments, and, new loans would be made This was not done. According to the where necessary. reports of the Federal land banks there were 3.995 fewer loans March 31, 1932, than September 31, 1931; that the banks owned \$3,102,000 more real estate in March of this year than they did in September last year, and that they had over \$24,000,000 less loaned to the farmers after we gave the banks the money than they had before. The money was not used to help the farmers, but evidently to

help the bond market and the bondholders. In the light of such recent experience, is it possible we are to establish a system of banks to loan money to certain mortgage-loan institutions in the belief and with the hope that any of it will reach the needy home owner.

In these times, when there is an earnest and a determined effort to effect economies in government, to consolidate boards and coordinate related governmental activities, it seems inopportune to set up another national system of banks with all its attendant and costly boards, officers, attorneys, and agents. We are to start this institution off at the expense of \$125,500,000 to the Treasury. There is not much consolidation or much economy in this measure.

Will it help the home owner? Its primary purpose is not to help the home owner, but to pay off the investors in the building and loan associations. This statement is upon the authority of Morton Bodfish, executive manager of the United States Building and Loan League. In his testimony before the Senate committee this appears (pp. 87, 88, Sen-

Senator Watson. Of all the borrowers of the country, how many have defaulted?

Mr. Bodfish. I do not know.

Mr. Bodfish. We have not had a great number in our building and loan associations. It has been one of the things that has helped the associations through this depression period. Home owners seem to make these monthly payments with surprising regularity and tenacity. I think it is a splendid vindication of the long-term amortized home-mortgage-loan principle or plan. Senator Warson. I do not see, then, the necessity for the passage of this bill to aid building and loan associations, if you are running right along. A man will pay these loans and his life insurance to the exclusion of everything else, will he not?

Mr. Bodfish. True; but, Senator, we have a large number of people who saved their money in our associations and saved it for a rainy day. Due to lack of confidence they want their money at the present time.

Senator Warson. That is, the investors not the Senator Watson. Is there any considerable number? Mr. Bopfish. We have not had a great number in our building

Senator Warson. That is, the investors, not the borrowers? Mr. Bodfish. The investors; not the borrowers. Senator Warson. Yes.

Mr. Bodfish. Building and loan associations are not suffering, in my judgment.

There are 10,000,000 investors or shareholders in the building and loan associations where there are 2,000,000 borrowers, and Mr. Bodfish, the executive manager, says the borrowers, the home owners, are not suffering. The money is needed to pay off the investors. It is very desirable for every individual who has his money in an unprofitable or an unsound business to be able to get his money out of that business. But I do not believe that the Government should go into partnership with an institution and furnish the money in order that some of the stockholders of that institution can get their money. Mr. Adams, before the Senate committee, expressed a doubt if the President ever read the bill, and the further belief that there was not a "dollar's worth of relief in this bill for the home owner."

Many banks and building and loan associations find themselves in an unsound and an unliquid condition because-

First. Loans were made on inflated values and on a narrow margin.

Second. Many home owners when credit was easy were induced to borrow and to build beyond their means.

Third. Shareholders were induced to invest their money on the promise of large and certain dividends.

Fourth. In periods of prosperity when money was plentiful large dividends were paid and no reserve was built up.

This bank system can not and should not help this situation. The home owner who borrowed on an inflated value and on a narrow margin finds himself in possession of property whose market value is not equal to the amount of the mortgage due to-day. How can this plan help him when it does not permit him to borrow more than 40 per cent of the value of his property?

The man who borrowed and built beyond his means finds himself in possession of property that he is not able to maintain and not able to make the payments on the mortgage because he has lost his job, his wages have been reduced, or he is working on only half time. These are the men in need

of help, but I ask you, How can this or any other sound financial institution help them? As much as it may be regretted, it can not be done. The hearings reveal that there is ample money for conservative, sound mortgage loans. It has been charged over and over again that when the Federal land banks were established many bad, unsound loans were unloaded upon those banks. It is barely possible that an attempt may be made to do the same in this case. This plan will not help the needy home owner. In fact the executive manager of the United States Building and Loan Association says the borrower is not suffering. According to the same authority, the building and loan associations themselves are not suffering. He is quoted by the New York Times as saying:

Evidence of a gradual return of confidence among savings inrestors throughout the country is reported for the United States Building and Loan League through Morton Bodfish, its managing director. He says investors in building and loan associations increased by 10,527 in February, a figure which exceeds by more than 30 per cent the average monthly gain of 7,897 during the boom year of 1929.

If there is a national need for legitimate home loans, the Reconstruction Finance Corporation was created for the purpose of meeting that need. The very institutions which are asking for help in this measure are specifically mentioned in the Reconstruction Finance Corporation actbuilding and loan associations, banks, and insurance companies. This corporation has been in operation only four months. It has scarcely had time and a chance to see what it can do. Only this week the House passed a measure enlarging its scope and increasing its funds a billion dollars. Still we are now asked to pass another bill giving specific aid to building and loan associations, banks, and insurance companies. Is it any wonder that we have men encamped in this city demanding payment of the bonus? In all the anxiety for the big-business interests of the country the man on the street and on the highway seems to have been forgotten. It is claimed by the proponents of this measure that the building and loan associations can not borrow from the Reconstruction Finance Corporation. What is the fact? When the officers of the corporation were before our subcommittee about the 1st of April the loans to building and loan associations were between \$4,000,000 and \$5,000,000. In a statement issued by General Dawes on April 19 the loans had reached over \$17,000,000, and to-day the loans of the Reconstruction Finance Corporation to building and loan associations are over \$38,000,000 in amount and have been made to over 300 institutions in the country, and they are going right ahead. All the sound legitimate needs are being met by the Reconstruction Finance Corporation. There should be something to a sound, conservative financial institution besides borrowing money. Mr. Hall, of St. Louis, a member of the legislative committee of the United States Building and Loan League, when before our committee, said that borrowing was only an incidental part of the building and loan business. I observe from the press that a large building and loan association in our State recently failed. Was it on account of not being able to borrow money?

It developed that it had over \$1,000,000 borrowed, ten times as much as the average loan by the Reconstruction Finance Corporation to the building and loan associations of the Nation. It is further claimed that building and loan associations in some States can not borrow from the Reconstruction Finance Corporation because the State laws do not permit the pledging of their securities as collateral for loans. That exact argument holds good against this measure. the building and loan associations can not borrow from the Reconstruction Finance Corporation for that reason, neither could they borrow from these banks, if they were established, for the same reason.

The needs are more or less local. The demand for mortgage money is much greater in certain localities than others. There are few building and loan associations in some States; a great many in other States. Practically half of the building-and-loan-association business is done in three States-Ohio, Pennsylvania, and New Jersey. In normal times through all the years building and loan associations have parts of the country that is still true. Local banks, insurance companies, building and loan associations, and mortgage bankers in ordinary times have taken care of realestate loans. Upon a return to normal times they can do so again, even if they are not able to successfully and efficiently cope with the present situation. The conditions being different in each State, why not let the States provide a mortgage-loan system?

New York has a State land bank called the Savings & Loan Bank of New York, which functions well, and has for a

number of years.

Massachusetts, by acts of March 2, 1932, created the Mutual Savings Central Fund (Inc.), and the Cooperative Central Bank. These are central banks the capital of which is obtained from reserves and deposits in the savings and cooperative banks of that State, which are similar to building and loan associations. The funds in the central banks thus established are loaned to the savings banks or cooperative banks of the State just as is proposed by this bill. Here are State institutions just set up under State law and with capital provided by the State banks which serve all the emergency needs of the cooperative banks of that State. A similar proposition is pending in New Jersey. If New York, Massachusetts, and possibly New Jersey can provide State central banks to relieve the situation, why not the rest of the States?

What is known as the guarantee stock plan is principally in use in California, Oregon, and Colorado. Kansas has what is known as the permanent or contingent reserve stock plan, the purpose of which is to act as a reserve.

If these States can provide a safe and liquid system of building and loan associations even in periods of depression, Ohio and Pennsylvania and other States might do the

The real estate laws in all the States are more or less different. Homestead and dower laws vary. The form of mortgage and acknowledgment and the effect of recording the mortgage may differ. The time and manner of filing mechanics' liens are not the same. Methods of foreclosure and rights of redemption are at variance. The amount which member institutions can borrow in different States under the laws thereof, as well as the amount of collateral which may be put up and the purposes for which the money may be borrowed are different. There is a wide difference as to negotiable or assignable paper and reserves that must be carried. With all these differences, variations, and conflicts in the State laws, it will be difficult, if not impossible, to establish a workable national system and bring together in one group strictly legal mortgage assets to furnish the foundation for a nation-wide bond issue.

In how many States will the law permit building and loan associations and banks to subscribe and pay for stock in the Federal home-loan banks if this bill becomes a law? This question has been often asked but never answered. It may be stated generally that banks and building and loan associations can not purchase stock in other corporations. To be sure, the laws of the States may be changed if the legislature sees fit to do so. How many would come in until the law is changed and take the chance of going out at the end of 42 months it is impossible to tell.

Mr. Hall, a member of the legislative committee of the United States Building & Loan League, filed with the subcommittee a statement giving the law of most of the States as received by him from the secretaries of building and loan associations in the different States. From this report it appears the member institutions in 9 States are eligible to become members of the Federal home-loan banks and enjoy the full benefits, that institutions in 22 States are not eligible to enjoy the benefits of membership, 5 States are in doubt. and 12 States did not report. This statement shows that in the following States building and loan associations will be prohibited from participating in the full privileges of the Federal home-loan banks until the laws are amended:

In Maine and Nebraska they (building and loan associations) can not borrow money for any purpose. In Missouri,

had all the loans they wanted from the banks, and in many Illinois, Oklahoma, Florida, Iowa, and Pennsylvania the mortgages of the building and loan associations are nonnegotiable and can not be pledged as security for loans. In Vermont the mortgages are negotiable, but the State law does not permit their pledge or assignment as collateral security. In Indiana the mortgages may be assigned with the approval of the circuit court. In Alabama securities may be pledged as collateral for borrowed money, but the money can be used only to pay off shares and certificates presented for withdrawal and can not be used for the benefit of the borrower. In North Dakota the law permits the assignment of mortgages as security for borrowed money, but the collateral must not exceed one and one-half times more than the amount borrowed, less than the amount required in this bill.

> Kansas permits building and loan associations to borrow, but does not permit them to borrow for the purpose of making loans to members unless the loan is obtained from some other building and loan association. A decided difference of legal opinion exists as to several provisions of the Massachusetts law and an effort has been made to clarify the situation by new legislation. However, the new central State banks have been established in this State as heretofore pointed out. In Idaho, while the mortgages are negotiable, the law prohibits borrowing for any purpose. In Montana the associations can borrow money, but can not pledge mortgages without consent of the banking department, and then only in the event the margin of security pledged shall not exceed 25 per cent of the funds borrowed, which is less than this bill provides for. In California the borrowing capacity of the associations is limited to 5 per cent of their total assets and the unpaid balance of the mortgages pledged shall not exceed 150 per cent of the amount borrowed. In New Jersey there is no specific provision allowing or prohibiting assignment of mortgages, and a great difference of opinion exists among lawyers on this point. In Minnesota associations have no power to assign mortgages as security and the attorney general and banking department are of the opinion that the associations can not use their mortgages as collateral to borrow money. In Georgia there is no law to prohibit associations from pledging mortgages, but the practice has been to hold them in the offices of the various associations. In Arkansas the law is uncertain and an amendment is to be presented to the legislature. In Washington all mortgages of the associations are placed in trust with the State department for the benefit of members and can not be pledged to borrow money. In North Carolina the practice is to borrow on unsecured note without collateral, and opinion is that laws must be amended. In Michigan the law is uncertain and may have to be amended. In Colorado the practice is to pledge mortgages as collateral security, but this only gives the pledge a prior lien for repayment on the proceeds of such collateral when collected in the usual way, but does not permit the sale of such collateral.

> A letter from the executive secretary of the Wisconsin Building and Loan League, written since the hearings closed, states that "building and loan mortgages in Wisconsin are secured by nonnegotiable bonds and mortgages," and further states, "So far, we are not interested in the Federal home-loan bank because we believe our associations have borrowed too much money already."

> In addition to the above States, Maryland and South Carolina can not come in under the general provisions of the law for the reason that their building and loan associations are not subject to State inspection. There is a provision that permits them to come in for a period of 42 months in order to give the legislature a chance to change the law in regard to inspection. There is also a provision by which members who can not pledge mortgages as collateral may obtain advances with maturity not greater than one year from the capital stock of the bank but not from the proceeds from the sale of bonds. These provisions are efforts in a measure to satisfy conditions in certain States in order to secure support for the bill. These widespread differences and the conflicting and confusing provisions of

the State laws emphasize the difficulty, if not the impossibility, of establishing a national system of home-loan banks. The various States may change their laws to permit the various institutions to enjoy full membership in this system if it is established. Some of these changes are not mere matters of form. They involve fundamental local policies and principles. That the mortgages of building and loan associations shall not be pledged as collateral for borrowed money is regarded by many as the greatest safeguard thrown around the institutions. Whatever the States may think of their policy, this measure says to them, "You must fit into the mold made for you in Washington if you get any benefits from this law."

This bill should not become a law for the following rea-

There is no such general national demand or need for Federal home-loan banks either to meet the present emergency or as permanent institutions to justify their establishment at the expense of the Government.

The urgent need which may exist at the present time in certain sections can be and is being met by the Reconstruction Finance Corporation.

Such States as desire can set up a central land bank credit pool upon a sound and liquid basis to meet all local demands. Some of the States have done this.

A commission has been authorized to inquire into governmental activity in business. This measure puts the Government into partnership with the mortgage-loan agencies of the country, the Government furnishing the money for the enterprise.

This measure dictates to every State in the Union what laws it shall pass and what policies it shall pursue concerning the organization, powers, and management of its banks and building and loan associations. It takes away the last vestige of State rights on those questions.

In these days when an effort is being made to consolidate boards and coordinate related activities of the Government, this act establishes another nation-wide system of Federal banks to furnish real-estate credits.

In these days of economy this bill creates another army of Federal officers, agents, and employees at an initial expense to the Government of \$125,000,000.

This measure is institutional in character. No individual can be a stockholder or borrow from the banks. It is designed to help the mortgage institutions of the country rather than individuals.

The needy home owner will receive no aid. It is intended primarily to help investors and stockholders.

The real estate laws of the various States are so different and the laws governing the loan institutions are so conflicting and confusing that a national system is not feasible. Under such conditions mortgage securities can not be brought together to furnish the basis for a sound legal bond issue.

The bonds of the banks can not be sold at such a price as to furnish cheap money to the member institutions. The spread between the interest paid by the banks on their bonds and the interest charged their borrowers must pay the running expenses of the banks and of making the various loans, and must provide for the reserves and dividends. If any of it should be passed on to the home owner, it would be at an exorbitant rate of interest.

This measure will turn loose another flood of tax-exempt securities to further demoralize the much-depressed bond market.

The institutions of only a few States can become members of the system and enjoy its full benefits without a complete rewriting of the various State laws. [Applause.]

Mr. STRONG of Kansas. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. Luce].

Mr. LUCE. Mr. Chairman, if there remains in the Chamber any aroma of partisanship, I shall hope that with the aid of the excellent ventilating system of the House we may dispel every particle of it. During all the months of hard, grinding effort put into the perfecting of this bill, in its consideration there never has been a shadow of partisan

opinion or judgment. This I would corroborate by taking the opportunity to make record of my admiration of the work done by the chairman of the subcommittee, Mr. Reilly, of Wisconsin, my appreciation of his mastery of the bill, and my gratitude for his warm support of the proposal. [Applause.]

The bill now bears his name, under the practice that attaches the responsibility for the big measures to the party in control of the House. I do not begrudge him such credit as goes with this; and if more credit could be attached to his work, I would gladly give it to him, for I recall a line in the Rubaiyat of Omar Khayyam, "O take the cash and let the credit go." [Laughter.] As long as we can get this bill, it is to me indifferent how it may be named or who may be accredited with responsibility.

I want the bill for many reasons. First, of course, because it is part of a great financial program to relieve the country in distress. This is primarily an emergency measure. It also, however, anticipates a repetition of emergencies, for the record shows that about every 20 years we have a major depression, with in between a minor depression, and there should always be at hand an opportunity for the home credit of the country to be protected and aided by such an institution as this. The third purpose is that of furnishing a permanent enlargement of the funds available for the building of small homes.

The chairman of the subcommittee has already gone through the detail of the bill, and, as we read it for amendment, there will be further consideration of its technical phases. So in the time I may at the moment give to the bill I would lay the most emphasis on the matter of amendment; and to add to such emphasis, I would tell you something about the history of this measure.

After its preparation in the Department of Commerce. when it was handed to me to introduce, soon it became evident that the bill should be rewritten. To that end a considerable number of men have contributed the most earnest and assiduous labor of which they have been capable. First, I would mention the aid of the legislative drafting service, invaluable in perfecting the technique of the bill. Then, too, we had help from men in the Federal reserve system and the Federal farm-loan system who have been acquainted with the operations of the laws affecting those organizations. We had also the cooperation of men experienced in building and loan matters, officers of the United States Building and Loan League, and for a while those of the National Real Estate Association. The members of the subcommittee put in hours, days, weeks of labor in trying to get the best bill we could. After it went before the full committee, that committee gave from 10 days to two weeks of solid, hard work in ironing out differences and making this bill, as we hoped, bullet proof. Never in a somewhat long legislative experience have I known of a measure that has been more carefully studied in every page, every paragraph, every sentence, every word.

Of course, men who have served long in the House are aware that the amendment stage is the dangerous stage for a bill in the position in which this bill now finds itself. Gentlemen rise on the floor and sometimes without deliberation, often without full information, present attractive amendments that if adopted do great mischief. You can not disturb an adjusted, consistent, coherent measure like this without grave danger. So I would ask the committee to bear in mind that these things have all been studied, and that as the bill now presents itself, it conforms at any rate in matter of administrative detail to the united judgment of nearly all the 21 members of the Committee on Banking and Currency, with surviving differences of opinion in but a few particulars.

When the rewritten bill went to the full committee, it had the approval, both in principle and detail, of four of the five members of the subcommittee. I have already spoken of the efficient contribution by its chairman [Mr. Reilly]. Let me also speak warmly of the labors and helpfulness of the gentleman from Pennsylvania [Mr. Campbell] and the gentleman from North Carolina [Mr. Hancock]. The fifth

member [Mr. Williams of Missouri] did not agree with us, but I do not hesitate to attest his sincerity, honesty, and earnestness. He has told you he does not believe in anything in this bill. Such unqualified rejection of the judgment of his associates may determine whether you think his views ought to outweigh theirs.

There are one or two particulars where I am afraid he gave the House a wrong impression. He gave you to understand that we intended to appropriate \$125,000,000 to this institution, and also that we recently appropriated \$125,000,000 to the Federal Farm Loan Board. We did not give the Farm Loan Board that money. We are not going to give the Federal Home Loan Board that money. We are in each case lending money to be repaid. This bill proposes to lend to the home-loan banks such part of \$125,000,000 as the member institutions themselves do not contribute. It is expected that, by the purchase of stock, they will contribute sixty or seventy million dollars. It may be that some or all of the difference between what they contribute and \$125,000,000 will be called for as a loan from the Federal Treasury. But it is all to be repaid.

That answers the charge that we are putting the Government in business. We do not put the Government into business any more than we put it into business with the Federal farm-loan system or the Federal reserve system. We furnish the machinery by which the most important institution of our social structure, the home, can be better financed through its own instrumentalities.

We do not own the Federal reserve system; the banks own it. We have oversight, but the ownership is in the banks. And so it is with the farm-loan system.

Now, how will this system help the little fellow? This is the way it works: At the present time there are three-quarters of the 12,000 building and loan associations in this country that are on notice, as it is called—they have no money to pay withdrawals, and they demand a notice of 60 or 90 days. They can not lend anything. They are tied up.

I have a letter from Indianapolis, for example, telling me that the building and loan associations in that city, with \$150,000,000 of assets, are closed up tight, so that the stockholders can not get out a dollar.

Mr. PARSONS. Will the gentleman yield?

Mr. LUCE. I shall be glad to.

Mr. PARSONS. Can not they borrow from the Reconstruction Finance Corporation?

Mr. LUCE. I hope the gentleman will not let me forget to answer him after I have finished this thought. The associations by this bill are allowed to raise cash by rediscount of their best mortgages. That cash will help them meet the request for withdrawals by those who have put money in the association against a rainy day. Also, it will help them to finance a borrowing member, or any man who is willing to join the association and become a borrower.

Now, the question was asked by the gentleman from Illinois whether the associations could not borrow from the Reconstruction Finance Corporation.

We had General Dawes before the committee. He was asked his judgment in this matter, and he said positively and explicitly that he favored the passage of this bill, and hoped it would become a law.

Why did he say that? Because the Reconstruction Finance Corporation feels that it is able to help the building and loan associations only to enable them to repay what they have borrowed from banks. It does not feel that it is within its province to put additional money into these institutions to be lent or distributed to their stockholders. It will try to save an association from bankruptcy but not to help it to function. That task would be beyond both its purposes and its resources.

The second difficulty is that the obligations of building and loan associations are long-time mortgages, eight years or more, for the most part, and the Reconstruction Finance Corporation is a temporary affair, making short loans, six months, I think it is, which can not fit in with the scheme of the building-and-loan amortization or installment idea. So the men who are conducting the Reconstruction Finance

Corporation advise us not to rely upon that body for continuing needs, but wish us to make it possible for the associations to help themselves. I believe therefore we have ample warrant for creating this long-time institution, to meet the particular needs of the class of organizations involved.

Mr. SCHNEIDER. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. SCHNEIDER. That being the case, just why did they put all of the banks in under this act?

Mr. LUCE. The gentleman makes another inquiry for which I am grateful. When this idea was conceived, it was recognized that through large areas of the country the little local bank is the only financing institution. I agree with the gentleman from South Carolina that we ought not to encourage banks to go into the real-estate business. For a long time I have thought it a weakness in our banking system.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. STRONG of Kansas. I yield one minute more to the gentleman.

Mr. LUCE. I wish it were possible to separate completely the short-time commercial paper and long-time mortgage business. When, in reading for amendment, we get to the section concerned, I shall further explain the reasons that actuated the committee.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield? Mr. LUCE. Yes.

Mr. KETCHAM. The gentleman from Wisconsin [Mr. Reilly] stated, in connection with the amount that might be borrowed, that that amount was to be judged by the land value of the particular project covered by the mortgage. I notice the language says "real estate." If the land value be only \$2,000 and an \$8,000 house be built upon that land, the amount that could be borrowed on that by the institution giving the mortgage would be 40 per cent of the total, would it not, and not of the land value?

Mr. LUCE. Oh, it is the real estate, land and buildings combined.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. McFADDEN. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Twenty-five minutes.

Mr. McFADDEN. Mr. Chairman, at the present session of Congress we have been dealing with emergency situations. We have been dealing with the effect of things rather than with the cause of things. In this particular discussion I shall deal with some of the causes that lead up to these proposals. There are underlying principles which are responsible for conditions such as we have at the present time and I shall deal with one of these in particular which is tremendously important in the consideration that you are now giving to this bill.

Mr. Chairman, we have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal reserve banks. The Federal Reserve Board, a Government board, has cheated the Government of the United States and the people of the United States out of enough money to pay the national debt. The depredations and the iniquities of the Federal Reserve Board and the Federal reserve banks acting together have cost this country enough money to pay the national debt several times over. This evil institution has impoverished and ruined the people of the United States; has bankrupted itself, and has practically bankrupted our Government. It has done this through the defects of the law under which it operates, through the maladministration of that law by the Federal Reserve Board, and through the corrupt practices of the moneyed vultures who control it.

Some people think the Federal reserve banks are United States Government institutions. They are not Government institutions. They are private credit monopolies which prey upon the people of the United States for the benefit of

themselves and their foreign customers; foreign and domestic speculators and swindlers; and rich and predatory money lenders. In that dark crew of financial pirates there are those who would cut a man's throat to get a dollar out of his pocket; there are those who send money into States to buy votes to control our legislation; and there are those who maintain an international propaganda for the purpose of deceiving us and of wheedling us into the granting of new concessions which will permit them to cover up their past misdeeds and set again in motion their gigantic train of crime.

Those 12 private credit monopolies were deceitfully and. disloyally foisted upon this country by bankers who came here from Europe and who repaid us for our hospitality by undermining our American institutions. Those bankers took money out of this country to finance Japan in a war against Russia. They created a reign of terror in Russia with our money in order to help that war along. They instigated the separate peace between Germany and Russia and thus drove a wedge between the allies in the World War. They financed Trotsky's mass meetings of discontent and rebellion in New York. They paid Trotsky's passage from New York to Russia so that he might assist in the destruction of the Russian Empire. They fomented and instigated the Russian revolution and they placed a large fund of American dollars at Trotsky's disposal in one of their branch banks in Sweden so that through him Russian homes might be thoroughly broken up and Russian children flung far and wide from their natural protectors. They have since begun the breaking up of American homes and the dispersal of American children.

It has been said that President Wilson was deceived by the attentions of these bankers and by the philanthropic poses they assumed. It has been said that when he discovered the manner in which he had been misled by Colonel House, he turned against that busybody, that "holy monk" of the financial empire, and showed him the door. He had the grace to do that, and in my opinion he deserves great credit for it.

President Wilson died a victim of deception. When he came to the Presidency, he had certain qualities of mind and heart which entitled him to a high place in the councils of this Nation; but there was one thing he was not and which he never aspired to be; he was not a banker. He said that he knew very little about banking. It was, therefore, on the advice of others that the iniquitous Federal reserve act, the death warrant of American liberty, became law in his administration.

Mr. Chairman, there should be no partisanship in matters concerning the banking and currency affairs of this country. and I do not speak with any.

In 1912 the National Monetary Association, under the chairmanship of the late Senator Nelson W. Aldrich, made a report and presented a vicious bill called the National Reserve Association bill. This bill is usually spoken of as the Aldrich bill. Senator Aldrich did not write the Aldrich bill. He was the tool, but not the accomplice, of the Europeanborn bankers who for nearly 20 years had been scheming to set up a central bank in this country and who in 1912 had spent and were continuing to spend vast sums of money to accomplish their purpose.

The Aldrich bill was condemned in the platform upon which Theodore Roosevelt was nominated in the year 1912. and in that same year, when Woodrow Wilson was nominated, the Democratic platform, as adopted at the Baltimore convention, expressly stated: "We are opposed to the Aldrich plan or a central bank." This was plain language. The men who ruled the Democratic Party then promised the people that if they were returned to power there would be no central bank established here while they held the reins of government. Thirteen months later that promise was broken, and the Wilson administration, under the tutelage of those sinister Wall Street figures who stood behind Colonel House, established here in our free country the wormeaten monarchical institution of the "king's bank" to control us from the top downward, and to shackle us from the

cradle to the grave. The Federal reserve act destroyed our old and characteristic way of doing business; it discriminated against our 1-name commercial paper, the finest in the world; it set up the antiquated 2-name paper, which is the present curse of this country, and which has wrecked every country which has ever given it scope; it fastened down upon this country the very tyranny from which the framers of the Constitution sought to save us.

One of the greatest battles for the preservation of this Republic was fought out here in Jackson's day, when the Second Bank of the United States, which was founded upon the same false principles as those which are exemplified in the Federal reserve act, was hurled out of existence. After the downfall of the Second Bank of the United States in 1837, the country was warned against the dangers that might ensue if the predatory interests, after being cast out. should come back in disguise and unite themselves to the Executive, and through him acquire control of the Government. That is what the predatory interests did when they came back in the livery of hypocrisy and under false pretenses obtained the passage of the Federal reserve act.

The danger that the country was warned against came upon us and is shown in the long train of horrors attendant upon the affairs of the traitorous and dishonest Federal Reserve Board and the Federal reserve banks. around you when you leave this chamber and you will see evidences of it on all sides. This is an era of economic misery and for the conditions that caused that misery, the Federal Reserve Board and the Federal reserve banks are fully liable. This is an era of financed crime and in the financing of crime, the Federal Reserve Board does not play the part of a disinterested spectator.

It has been said that the draughtsman who was employed write the text of the Federal reserve bill used the text of the Aldrich bill for his purpose. It has been said that the language of the Aldrich bill was used because the Aldrich bill had been drawn up by expert lawyers and seemed to be appropriate. It was indeed drawn up by lawyers. The Aldrich bill was created by acceptance bankers of European origin in New York City. It was a copy and in general a translation of the statutes of the Reichsbank and other European central banks.

Half a million dollars was spent on one part of the propaganda organized by those same European bankers for the purpose of misleading public opinion in regard to it, and for the purpose of giving Congress the impression that there was an overwhelming popular demand for that kind of banking legislation and the kind of currency that goes with it, namely, an asset currency based on human debts and obligations instead of an honest currency based on gold and silver values. Dr. H. Parker Willis had been employed by the Wall Street bankers and propagandists and when the Aldrich measure came to naught and he obtained employment from Carter Glass to assist in drawing a banking bill for the Wilson administration, he appropriated the text of the Aldrich bill for his purpose. There is no secret about it. The text of the Federal reserve act was tainted from the beginning.

Not all of the Democratic Members of the Sixty-third Congress voted for this great deception. Some of them remembered the teachings of Jefferson; and, through the years, there have been no criticisms of the Federal Reserve Board and the Federal reserve banks so honest, so outspoken, and so unsparing as those which have been voiced here by Democrats. Again, although a number of Republicans voted for the Federal reserve act, the wisest and most conservative members of the Republican Party would have nothing to do with it and voted against it. A few days before the bill came to a vote, Senator Henry Cabot Lodge, of Massachusetts, wrote to Senator John W. Weeks as follows:

NEW YORK CITY, December 17, 1913.

My Dear Senator Weeks: * * * Throughout my public life I have supported all measures designed to take the Government out of the banking business * * *. This bill puts the Government into the banking business as never before in our history and makes, as I understand it, all notes Government notes when they should be bank notes.

The powers vested in the Federal Reserve Board seem to me highly dangerous, especially where there is political control of the board. I should be sorry to hold stock in a bank subject to such domination. The bill as it stands seems to me to open the way to a vast inflation of the currency. There is no necessity of dwelling upon this point after the remarkable and most powerful argument of the senior Senator from New York. I can be content here to follow the example of the English candidate for Parliament who thought it enough "to say ditto to Mr. Burke." I will merely add that I do not like to think that any law can be passed which will make it possible to submerge the gold standard in a flood of irredeemable paper currency.

I had hoped to support this bill, but I can not vote for it as it stands, because it seems to me to contain features and to rest

I had hoped to support this bill, but I can not vote for it as it stands, because it seems to me to contain features and to rest upon principles in the highest degree menacing to our prosperity, to stability in business, and to the general welfare of the people of the United States.

Very sincerely yours,

HENRY CABOT LODGE.

In the 18 years which have passed since Senator Lodge wrote that letter of warning all of his predictions have come true. The Government is in the banking business as never before. Against its will it has been made the backer of horsethieves and card sharps, bootleggers, smugglers, speculators, and swindlers in all parts of the world. Through the Federal Reserve Board and the Federal reserve banks the riffraff of every country is operating on the public credit of the United States Government. Meanwhile, and on account of it, we ourselves are in the midst of the greatest depression we have ever known. Thus the menace to our prosperity, so feared by Senator Lodge, has indeed struck home. From the Atlantic to the Pacific our country has been ravaged and laid waste by the evil practices of the Federal Reserve Board and the Federal reserve banks and the interests which control them. At no time in our history has the general welfare of the people of the United States been at a lower level or the mind of the people so filled with despair.

Recently in one of our States 60,000 dwelling houses and farms were brought under the hammer in a single day. According to the Rev. Father Charles E. Coughlin, who has lately testified before a committee of this House, 71,000 houses and farms in Oakland County, Mich., have been sold and their erstwhile owners dispossessed. Similar occurrences have probably taken place in every county in the United States. The people who have thus been driven out are the wastage of the Federal reserve act. They are the victims of the dishonest and unscrupulous Federal Reserve Board and the Federal reserve banks. Their children are the new slaves of the auction block in the revival here of the institution of human slavery.

In 1913, before the Senate Banking and Currency Committee, Mr. Alexander Lassen made the following statement:

But the whole scheme of a Federal reserve bank with its commercial-paper basis is an impractical, cumbersome machinery, is simply a cover, to find a way to secure the privilege of issuing money and to evade payment of as much tax upon circulation as possible, and then control the issue and maintain, instead of reduce, interest rates. It is a system that, if inaugurated, will prove to the advantage of the few and the detriment of the people of the United States. It will mean continued shortage of actual money and further extension of credits; for when there is a lack of real money people have to borrow credit to their cost.

A few days before the Federal reserve act was passed Senator Elihu Root denounced the Federal reserve bill as an outrage on our liberties and made the following prediction:

Long before we wake up from our dreams of prosperity through an inflated currency, our gold, which alone could have kept us from catastrophe, will have vanished and no rate of interest will tempt it to return.

If ever a prophecy came true, that one did. It was impossible, however, for those luminous and instructed thinkers to control the course of events. On December 23, 1913, the Federal reserve bill became law, and that night Colonel House wrote to his hidden master in Wall Street as follows:

I want to say a word of appreciation to you for the silent but no doubt effective work you have done in the interest of currency legislation and to congratulate you that the measure has finally been enacted into law. We all know that an entirely perfect bill, satisfactory to everybody, would have been an impossibility, and I feel quite certain fair men will admit that unless the President had stood as firm as he did we should likely have had no legislation at all. The bill is a good one in many respects; anyhow

good enough to start with and to let experience teach us in what direction it needs perfection, which in due time we shall then get. In any event you have personally good reason to feel gratified with what has been accomplished.

The words "unless the President had stood as firm as he did we should likely have had no legislation at all," were a gentle reminder that it was Colonel House himself, the "holy monk," who had kept the President firm.

The foregoing letter affords striking evidence of the manner in which the predatory interests then sought to control the Government of the United States by surrounding the Executive with the personality and the influence of a financial Judas. Left to itself and to the conduct of its own legislative functions without pressure from the Executive, the Congress would not have passed the Federal reserve act. According to Colonel House, and since this was his report to his master, we may believe it to be true, the Federal reserve act was passed because Wilson stood firm; in other words because Wilson was under the guidance and control of the most ferocious usurers in New York through their hireling, House. The Federal reserve act became law the day before Christmas Eve in the year 1913, and shortly afterwards the German international bankers, Kuhn, Loeb & Co., sent one of their partners here to run it.

In 1913, when the Federal reserve bill was submitted to the Democratic caucus, there was a discussion in regard to the form the proposed paper currency should take.

The proponents of the Federal reserve act, in their determination to create a new kind of paper money, had not needed to go outside of the Aldrich bill for a model. By the terms of the Aldrich bill, bank notes were to be issued by the National Reserve Association and were to be secured partly by gold or lawful money and partly by circulating evidences of debt. The first draft of the Federal reserve bill presented the same general plan, that is, for bank notes as opposed to Government notes, but with certain differences of regulation.

When the provision for the issuance of Federal reserve notes was placed before President Wilson he approved of it, but other Democrats were more mindful of Democratic principles and a great protest greeted the plan. Foremost amongst those who denounced it was William Jennings Bryan, the Secretary of State. Bryan wished to have the Federal reserve notes issued as Government obligations. President Wilson had an interview with him and found him adamant. At the conclusion of the interview Bryan left with the understanding that he would resign if the notes were made bank notes. The President then sent for his Secretary and explained the matter to him. Mr. Tumulty went to see Bryan and Bryan took from his library shelves a book containing all the Democratic platforms and read extracts from them bearing on the matter of the public currency. Returning to the President, Mr. Tumulty told him what had happened and ventured the opinion that Mr. Bryan was right and that Mr. Wilson was wrong. The President then asked Mr. Tumulty to show him where the Democratic Party in its national platforms had ever taken the view indicated by Bryan. Mr. Tumulty gave him the book, which he had brought from Bryan's house, and the President read very carefully plank after plank on the currency. He then said, "I am convinced there is a great deal in what Mr. Bryan says," and thereupon it was arranged that Mr. Tumulty should see the proponents of the Federal reserve bill in an effort to bring about an adjustment of the matter.

The remainder of this story may be told in the words of Senator Glass. Concerning Bryan's opposition to the plan of allowing the proposed Federal reserve notes to take the form of bank notes and the manner in which President Wilson and the proponents of the Federal reserve bill yielded to Bryan in return for his support of the measure, Senator Glass makes the following statement:

The only other feature of the currency bill around which a conflict raged at this time was the note-issue provision. Long before I knew it, the President was desperately worried over it. His economic good sonse told him the notes should be issued by the banks and not by the Government; but some of his advisers told him Mr. Bryan could not be induced to give his support to any bill that did not provide for a "Government note." There was in the Senate and House a large Bryan following which,

united with a naturally adversary party vote, could prevent legislation. Certain overconfident gentlemen proffered their services in the task of "managing Bryan." They did not budge him. * * * When a decision could no longer be postponed the President summoned me to the White House to say he wanted Federal reserve notes to "be obligations of the United States." I was for an instant speechless. With all the earnestness of my being I remonstrated, pointing out the unscientific nature of such a thing, as well as the evident inconsistency of it.

"There is not, in truth, any Government obligation here, Mr. President," I exclaimed. "It would be a pretense on its face. Was there ever a Government note based primarily on the property of banking institutions? Was there ever a Government issue not one dollar of which could be put out except by demand of a bank? The suggested Government obligation is so remote it could never be discerned," I concluded, out of breath.

never be discerned," I concluded, out of breath.

"Exactly so, Glass," earnestly said the President. "Every word you say is true; the Government liability is a mere thought. And so, if we can hold to the substance of the thing and give the other fellow the shadow, why not do it, if thereby we may save our bill?

Shadow and substance! One can see from this how little President Wilson knew about banking. Unknowingly, he gave the substance to the international banker and the shadow to the common man. Thus was Bryan circumvented in his efforts to uphold the Democratic doctrine of the rights of the people. Thus the "unscientific blur" upon the bill was perpetrated. The "unscientific blur," how-ever, was not the fact that the United States Government, by the terms of Bryan's edict, was obliged to assume as an obligation whatever currency was issued. Mr. Bryan was right when he insisted that the United States should preserve its sovereignty over the public currency. The "unscientific blur" was the nature of the currency itself, a nature which makes it unfit to be assumed as an obligation of the United States Government. It is the worst currency and the most dangerous this country has ever known. When the proponents of the act saw that Democratic doctrine would not permit them to let the proposed banks issue the new currency as bank notes, they should have stopped at that. They should not have foisted that kind of currency, namely, an asset currency, on the United States Government. They should not have made the Government liable on the private debts of individuals and corporations and, least of all, on the private debts of foreigners.

The Federal reserve note is essentially unsound. As Kemmerer says:

The Federal reserve notes, therefore, in form have some of the qualities of Government paper money, but, in substance, are almost a pure asset currency possessing a Government guaranty against which contingency the Government has made no provision

Hon, E. J. Hill, a former Member of the House, said, and truly:

They are obligations of the Government for which the United States has received nothing and for the payment of which at any time it assumes the responsibility looking to the Federal reserve bank to recoup itself.

If the United States Government is to redeem the Federal reserve notes when the general public finds out what it costs to deliver this flood of paper money to the 12 Federal reserve banks, and if the Government has made no provision for redeeming them, the first element of their unsoundness is not far to seek.

Before the Senate Banking and Currency Committee, while the Federal reserve bill was under discussion. Mr. Crozier, of Cincinnati, said:

In other words, the imperial power of elasticity of the public currency is wielded exclusively by these central corporations owned by the banks. This is a life and death power over all local banks and all business. It can be used to create or destroy prosperity, to ward off or cause stringencies and panics. By making money artificially scarce interest rates throughout the country can be arbitrarily raised and the bank tax on all business and cost of living increased for the profit of the banks owning these regional central banks, and without the slightest benefit to the people. These 12 corporations together cover the whole country and mo-These 12 corporations together cover the whole country and monopolize and use for private gain every dollar of the public currency and all public revenues of the United States. Not a dollar can be put into circulation among the people by their Government without the consent of and on terms fixed by these 12 private money trusts.

In defiance of this and all other warnings, the proponents of the Federal reserve act created the 12 private credit corporations and gave them an absolute monopoly of the currency of the United States, not of Federal reserve notes alone, but of all the currency, the Federal reserve act providing ways by means of which the gold and general currency in the hands of the American people could be obtained by the Federal reserve banks in exchange for Federal reserve notes, which are not money but merely promises to pay money. Since the evil day when this was done the initial monopoly has been extended by vicious amendments to the Federal reserve act and by the unlawful and treasonable practices of the Federal Reserve Board and the Federal reserve banks.

Mr. Chairman, when a Chinese merchant sells human hair to a Paris wigmaker and bills him in dollars, the Federal reserve banks can buy his bill against the wigmaker and then use that bill as collateral for Federal reserve notes. The United States Government thus pays the Chinese merchant the debt of the wigmaker and gets nothing in return except a shady title to the Chinese hair.

Mr. Chairman, if a Scotch distiller wishes to send a cargo of Scotch whisky to the United States, he can draw his bill against the purchasing bootlegger in dollars; and after the bootlegger has accepted it by writing his name across the face of it, the Scotch distiller can send that bill to the nefarious open discount market in New York City, where the Federal Reserve Board and the Federal reserve banks will buy it and use it as collateral for a new issue of Federal reserve notes. Thus the Government of the United States pays the Scotch distiller for the whisky before it is shipped; and if it is lost on the way, or if the Coast Guard seizes it and destroys it, the Federal reserve banks simply write off the loss and the Government never recovers the money that was paid to the Scotch distiller. While we are attempting to enforce prohibition here, the Federal Reserve Board and the Federal reserve banks are financing the distillery business in Europe and are paying bootleggers' bills with the public credit of the United States Government.

Mr. Chairman, if a German brewer ships beer to this country or anywhere else in the world and draws his bill for it in dollars, the Federal reserve banks will buy that bill and use it as collateral for Federal reserve notes. Thus, they compel our Government to pay the German brewer for his beer. Why should the Federal Reserve Board and the Federal reserve banks be permitted to finance the brewing industry of Germany, either in this way or as they do by compelling small and fearful United States banks to take stock in the Isenbeck brewery and in the German bank for brewing industries?

Mr. Chairman, if Dynamit Nobel of Germany wishes to sell dynamite to Japan to use in Manchuria or elsewhere, it can draw its bill against its Japanese customers in dollars and send that bill to the nefarious open discount market in New York City, where the Federal Reserve Board and the Federal reserve banks will buy it and use it as collateral for a new issue of Federal reserve notes, while at the same time the Federal Reserve Board will be helping Dynamit Nobel by stuffing its stock into the United States banking system. Why should we send our representatives to the disarmament conference at Geneva while the Federal Reserve Board and the Federal reserve banks are making our Government pay japanese debts to German munition

Mr. Chairman, if a bean grower of Chile wishes to raise a crop of beans and sell them to a Japanese customer, he can draw a bill against his prospective Japanese customer in dollars and have it purchased by the Federal Reserve Board and the Federal reserve banks and get the money out of this country at the expense of the American public before he has even planted the beans in the ground.

Mr. Chairman, if a German in Germany wishes to export goods to South America or anywhere else, he can draw his bill against his customer and send it to the United States and get the money out of this country before he ships or even manufactures the goods.

Mr. Chairman, why should the currency of the United States be issued on the strength of Chinese human hair? Why should it be issued on the trade whims of a wigmaker? Why should it be issued on the strength of German beer? Why should it be issued on a crop of unplanted beans to be grown in Chile for Japanese consumption? Why should the Government of the United States be compelled to issue many billions of dollars every year to pay the debts of one foreigner to another foreigner? Was it for this that our national-bank depositors had their money taken out of our banks and shipped abroad? Was it for this they had to lose it? Why should the public credit of the United States Government and likewise money belonging to our nationalbank depositors be used to support foreign brewers, narcotic drug vendors, whiskey distillers, wigmakers, human-hair merchants, Chilean bean growers, and the like? Why should our national-bank depositors and our Government be forced to finance the munition factories of Germany and Soviet

Mr. Chairman, if a German, in Germany, wishes to sell wheelbarrows to another German, he can draw a bill in dollars and get the money out of the Federal reserve banks before an American farmer could explain his request for a loan to move his crop to market. In Germany, when credit instruments are being given, the creditors say, "See you, it must be of a kind that I can cash at the reserve." Other foreigners feel the same way. The reserve to which these gentry refer is our reserve, which, as you know, is entirely made up of money belonging to American bank depositors. I think foreigners should cash their own trade paper and not send it over here to bankers who use it to fish cash out of the pockets of the American people.

Mr. Chairman, there is nothing like the Federal reserve pool of confiscated bank deposits in the world. It is a public trough of American wealth in which foreigners claim rights equal to or greater than those of Americans. The Federal reserve banks are the agents of the foreign central banks. They use our bank depositors' money for the benefit of their foreign principals. They barter the public credit of the United States Government and hire it out to foreigners at a profit to themselves.

All this is done at the expense of the United States Government, and at a sickening loss to the American people. Only our great wealth enabled us to stand the drain of it as long as we did.

I believe that the nations of the world would have settled down after the World War more peacefully if we had not had this standing temptation here—this pool of our bank depositors' money given to private interests and used by them in connection with illimitable drafts upon the public credit of the United States Government. The Federal Reserve Board invited the world to come in and to carry away cash, credit, goods, and everything else of value that was movable. Values amounting to many billions of dollars have been taken out of this country by the Federal Reserve Board and the Federal reserve banks for the benefit of their foreign principals. The United States has been ransacked and pillaged. Our structures have been gutted and only the walls are left standing. While this crime was being perpetrated everything the world could rake up to sell us was brought in here at our own expense by the Federal Reserve Board and the Federal reserve banks until our markets were swamped with unneeded and unwanted imported goods priced far above their value and thus made to equal the dollar volume of our honest exports and to kill or reduce our favorable balance of trade. As agents of the foreign central banks, the Federal Reserve Board and the Federal reserve banks try by every means within their power to reduce our favorable balance of trade. They act for their foreign principals and they accept fees from foreigners for acting against the best interests of the United States. Naturally there has been great competition among foreigners for the favors of the Federal Reserve Board.

What we need to do is to send the reserves of our national banks home to the people who earned and produced them and who still own them and to the banks which were compelled to surrender them to predatory interests. We need to destroy the Federal reserve pool, wherein our national-bank reserves are impounded for the benefit of foreigners. We need to make it very difficult for outlanders to draw money away from us. We need to save America for Americans.

Mr. Chairman, when you hold a \$10 Federal reserve note in your hand you are holding a piece of paper which sooner or later is going to cost the United States Government \$10 in gold, unless the Government is obliged to give up the gold standard. It is protected by a reserve of 40 per cent, or \$4 in gold. It is based on Limburger cheese, reputed to be in a foreign warehouse; or on cans purporting to contain peas but which may contain no peas but salt water instead; or on horse meat; illicit drugs; bootleggers' fancies; rags and bones from Soviet Russia of which the United States imported over a million dollars' worth last year; on wine, whisky, natural gas, on goat or dog fur, garlic on the string, or Bombay ducks. If you like to have paper money which is secured by such commodities, you have it in the Federal reserve note. If you desire to obtain the thing of value upon which this paper currency is based—that is, the Limburger cheese, the whisky, the illicit drugs, or any of the other staples-you will have a very hard time finding them. Many of these worshipful commodities are in foreign countries. Are you going to Germany to inspect her warehouses to see if the specified things of value are there? I think not. And what is more, I do not think you would find them if you did go.

Immense sums belonging to our national-bank depositors have been given to Germany on no collateral security whatever. The Federal Reserve Board and the Federal reserve banks have issued United States currency on mere finance drafts drawn by Germans. Billions upon billions of our money has been pumped into Germany and money is still being pumped into Germany by the Federal Reserve Board and the Federal reserve banks. Her worthless paper is still being negotiated here and renewed here on the public credit of the United States Government and at the expense of the American people. On April 27, 1932, the Federal reserve outfit sent \$750,000, belonging to American bank depositors, in gold to Germany. A week later, another \$300,000 in gold was shipped to Germany in the same way. About the middle of May \$12,000,000 in gold was shipped to Germany by the Federal Reserve Board and the Federal reserve banks. Almost every week there is a shipment of gold to Germany. These shipments are not made for profit on exchange since German marks are below parity against the dollar.

Mr. Chairman, I believe that the national-bank depositors of the United States are entitled to know what the Federal Reserve Board and the Federal reserve banks are doing with their money. There are millions of national-bank depositors in this country who do not know that a percentage of every dollar they deposit in a member bank of the Federal reserve system goes automatically to the American agents of foreign banks and that all of their deposits can be paid away to foreigners without their knowledge or consent by the crooked machinery of the Federal reserve act and the questionable practices of the Federal Reserve Board and the Federal reserve banks. Mr. Chairman, the American people should be told the truth by their servants in office.

In 1930 we had over half a billion dollars outstanding daily to finance foreign goods stored in or shipped between foreign countries. In its yearly total, this item amounts to several billion dollars. What goods are those upon which the Federal reserve banks yearly pledge several billion dollars of the public credit of the United States? What goods are those which are hidden in European and Asiatic storehouses and which have never been seen by any officer of this Government, but which are being financed on the public credit of the United States Government? What goods are those upon which the United States Government is being

obliged by the Federal reserve banks to issue Federal reserve notes to the extent of several billion dollars a year?

The Federal Reserve Board and the Federal reserve banks have been international bankers from the beginning, with the United States Government as their enforced banker and supplier of currency. But it is none the less extraordinary to see those 12 private credit monopolies buying the debts of foreigners against foreigners in all parts of the world and asking the Government of the United States for new issues of Federal reserve notes in exchange for them.

I see no reason why the American taxpayers should be hewers of wood and drawers of water for the European and Asiatic customers of the Federal reserve banks. I see no reason why a worthless acceptance drawn by a foreign swindler as a means of getting gold out of this country should receive the lowest and choicest rate from the Federal Reserve Board and be treated as better security than the note of an American farmer living on American land.

The magnitude of the acceptance racket, as it has been developed by the Federal reserve banks, their foreign correspondents, and the predatory European-born bankers who set up the Federal reserve institution here and taught our own brand of pirates how to loot the people—I say the magnitude of this racket is estimated to be in the neighborhood of \$9,000,000,000 a year. In the past 10 years it is said to have amounted to \$90,000,000,000. In my opinion, it has amounted to several times as much. Coupled with this you have, to the extent of billions of dollars, the gambling in United States securities, which takes place in the same open discount market—a gamble upon which the Federal Reserve Board is now spending \$100,000,000 a week.

Federal reserve notes are taken from the United States Government in unlimited quantities. Is it strange that the burden of supplying these immense sums of money to the gambling fraternity has at last proved too heavy for the American people to endure? Would it not be a national calamity if the Federal Reserve Board and the Federal reserve banks should again bind this burden down on the backs of the American people and, by means of the long rawhide whips of the credit masters, compel them to enter upon another 17 years of slavery? They are trying to do that now. They are taking \$100,000,000 of the public credit of the United States Government every week in addition to all their other seizures, and they are spending that money in the nefarious open market in New York City in a desperate gamble to reestablish their graft as a going concern.

They are putting the United States Government in debt to the extent of \$100,000,000 a week, and with this money they are buying up our Government securities for themselves and their foreign principals. Our people are disgusted with the experiments of the Federal Reserve Board. The Federal Reserve Board is not producing a loaf of bread, a yard of cloth, a bushel of corn, or a pile of cordwood by its check-kiting operations in the money market.

A fortnight or so ago great aid and comfort was given to Japan by the firm of A. Gerli & Sons, of New York, an importing firm, which bought \$16,000,000 worth of raw silk from the Japanese Government. Federal reserve notes will be issued to pay that amount to the Japanese Government, and these notes will be secured by money belonging to our national-bank depositors.

Why should United States currency be issued on this debt? Why should United States currency be issued to pay the debt of Gerli & Sons to the Japanese Government? The Federal Reserve Board and the Federal reserve banks think more of the silkworms of Japan than they do of American citizens. We do not need \$16,000,000 worth of silk in this country at the present time, not even to furnish work to dyers and finishers. We need to wear home-grown and American-made clothes and to use our own money for our own goods and staples. We could spend \$16,000,000 in the United States of America on American children and that would be a better investment for us than Japanese silk purchased on the public credit of the United States Government.

Mr. Speaker, on the 13th of January of this year I addressed the House on the subject of the Reconstruction Finance Corporation. In the course of my remarks I made the following statement:

In 1928 the member banks of the Federal reserve system borrowed \$60,598,690,000 from the Federal reserve banks on their 15-day promissory notes. Think of it! Sixty billion dollars payable upon demand in gold in the course of one single year. The actual payment of such obligations calls for six times as much monetary gold as there is in the entire world. Such transactions represent a grant in the course of one single year of about \$7,000,000 to every member bank of the Federal reserve system. Is it any wonder that there is a depression in this country? Is it any wonder that American labor, which ultimately pays the cost of all the banking operations of this country, has at last proved unequal to the task of supplying this huge total of cash and credit for the benefit of stock-market manipulators and foreign swindlers?

Mr. Chairman, some of my colleagues have asked for more specific information concerning this stupendous graft, this frightful burden which has been placed on the wage earners and taxpayers of the United States for the benefit of the Federal Reserve Board and the Federal reserve banks. were surprised to learn that member banks of the Federal reserve system had received the enormous sum of \$60.598 .-690,000 from the Federal Reserve Board and the Federal reserve banks on their promissory notes in the course of one single year, namely, 1928. Another Member of this House, Mr. Beedy, the honorable gentleman from Maine, has questioned the accuracy of my statement and has informed me that the Federal Reserve Board denies absolutely that these figures are correct. This Member has said to me that the thing is unthinkable, that it can not be, that it is beyond all reason to think that the Federal Reserve Board and the Federal reserve banks should have so subsidized and endowed their favorite banks of the Federal reserve system. This Member is horrified at the thought of a graft so great, a bounty so detrimental to the public welfare as sixty and a half billion dollars a year and more shoveled out to favored banks of the Federal reserve system.

I sympathize with Mr. Beedy. I would spare him pain if I could, but the facts remain as I have stated them. In 1928, the Federal Reserve Board and the Federal reserve banks presented the staggering amount of \$60,598,690,000 to their member banks at the expense of the wage earners and taxpayers of the United States. In 1929, the year of the stock-market crash, the Federal Reserve Board and the Federal reserve banks advanced fifty-eight billions to member banks.

In 1930, while the speculating banks were getting out of the stock market at the expense of the general public, the Federal Reserve Board and the Federal reserve banks advanced them \$13,022,782,000. This shows that when the banks were gambling on the public credit of the United States Government as represented by Federal reserve currency, they were subsidized to any amount they required by the Federal Reserve Board and the Federal reserve banks. When the swindle began to fail, the banks knew it in advance and withdrew from the market. They got out with whole skins and left the people of the United States to pay the piper.

On November 2, 1931, I addressed a letter to the Federal Reserve Board asking for the aggregate total of member bank borrowings in the years 1928, 1929, 1930. In due course, I received a reply from the Federal Reserve Board, dated November 9, 1931, the pertinent part of which reads as follows:

My Dear Congressman: In reply to your letter of November 2, you are advised that the aggregate amount of 15-day promissory notes of member banks during each of the past three calendar years has been as follows:

Very truly yours,

CHESTER MORRILL, Secretary.

This will show the gentleman from Maine the accuracy of my statement. As for the denial of these facts made to him

by the Federal Reserve Board, I can only say that it must have been prompted by fright, since hanging is too good for a Government board which permitted such a misuse of Government funds and credit.

My friend from Kansas, Mr. McGugin, has stated that he thought the Federal Reserve Board and the Federal reserve banks lent money by rediscounting. So they do, but they lend comparatively little that way. The real rediscounting that they do has been called a mere penny in the slot business. It is too slow for genuine high flyers. They discourage it. They prefer to subsidize their favorite banks by · making these \$60,000,000,000 advances, and they prefer to acquire acceptances in the notorious open discount market in New York, where they can use them to control the prices of stocks and bonds on the exchanges. For every dollar they advanced on rediscounts in 1928 they lent \$33 to their favorite banks for gambling purposes. In other words, their rediscounts in 1928 amounted to \$1,814,271,000, while their loans to member banks amounted to \$60,598,690,000. As for their open-market operations, these are on a stupendous scale, and no tax is paid on the acceptances they handle; and their foreign principals, for whom they do a business of several billion dollars every year, pay no income tax on their profits to the United States Government.

This is the John Law swindle over again. The theft of Teapot Dome was trifling compared to it. What king ever robbed his subjects to such an extent as the Federal Reserve Board and the Federal reserve banks have robbed us? Is it any wonder that there have lately been 90 cases of starvation in one of the New York hospitals? Is it any wonder that the children of this country are being dispersed and abandoned?

The Government and the people of the United States have been swindled by swindlers de luxe to whom the acquisition of American gold or a parcel of Federal reserve notes presented no more difficulty than the drawing up of a worthless acceptance in a country not subject to the laws of the United States, by sharpers not subject to the jurisdiction of the United States courts, sharpers with a strong banking "fence" on this side of the water—a "fence" acting as a receiver of the worthless paper coming from abroad, indorsing it and getting the currency out of the Federal reserve banks for it as quickly as possible, exchanging that currency for gold, and in turn transmitting the gold to its foreign confederates.

Such were the exploits of Ivar Kreuger, Mr. Hoover's friend, and his hidden Wall Street backers. Every dollar of the billions Kreuger and his gang drew out of this country on acceptances was drawn from the Government and the people of the United States through the Federal Reserve Board and the Federal reserve banks. The credit of the United States Government was peddled to him by the Federal Reserve Board and the Federal reserve banks for their own private gain. That is what the Federal Reserve Board and the Federal reserve banks have been doing for many years. They have been peddling the credit of this Government and the signature of this Government to the swindlers and speculators of all nations. That is what happens when a country forsakes its Constitution and gives its sovereignty over the public currency to private interests. Give them the flag and they will sell it.

The nature of Kreuger's organized swindle and the bankrupt condition of Kreuger's combine was known here last June when Hoover sought to exempt Kreuger's loan to Germany of one hundred twenty-five millions from the operation of the Hoover moratorium. The bankrupt condition of Kreuger's swindle was known here last summer when \$30,000,000 was taken from American taxpayers by certain bankers in New York for the ostensible purpose of permitting Kreuger to make a loan to Colombia. Colombia never saw that money. The nature of Kreuger's swindle and the bankrupt condition of Kreuger was known here in January when he visited his friend, Mr. Hoover, at the White House. It was known here in March before he went to Paris and committed suicide there.

Mr. Chairman, I think the people of the United States are entitled to know how many billions of dollars were placed at the disposal of Kreuger and his gigantic combine by the Federal Reserve Board and the Federal reserve banks and to know how much of our Government currency was issued and lost in the financing of that great swindle in the years during which the Federal Reserve Board and the Federal reserve banks took care of Kreuger's requirements.

Mr. Chairman, I believe there should be a congressional investigation of the operations of Kreuger and Toll in the United States and that Swedish Match, International Match, the Swedish-American Investment Corporation, and all related enterprises, including the subsidiary companies of Kreuger and Toll, should be investigated and that the issuance of United States currency in connection with those enterprises and the use of our national-bank depositors' money for Kreuger's benefit should be made known to the general public. I am referring, not only to the securities which were floated and sold in this country, but also to the commercial loans to Kreuger's enterprises and the mass financing of Kreuger's companies by the Federal Reserve Board and the Federal reserve banks and the predatory institutions which the Federal Reserve Board and the Federal reserve banks shield and harbor.

A few days ago the President of the United States, with a white face and shaking hands, went before the Senate on behalf of the moneyed interests and asked the Senate to levy a tax on the people so that foreigners might know that the United States would pay its debts to them. Most Americans thought that it was the other way around. What does the United States owe to foreigners? When and by whom was the debt incurred? It was incurred by the Federal Reserve Board and the Federal reserve banks when they peddled the signature of this Government to foreigners for a price. It is what the United States Government has to pay to redeem the obligations of the Federal Reserve Board and the Federal reserve banks. Are you going to let those thieves get off scot free? Is there one law for the looter who drives up to the door of the United States Treasury in his limousine and another for the United States veterans who are sleeping on the floor of a dilapidated house on the outskirts of Washington?

The Baltimore & Ohio Railroad is here asking for a large loan from the people and the wage earners and the tax-payers of the United States. It is begging for a hand-out from the Government. It is standing, cap in hand, at the door of the Reconstruction Finance Corporation, where all the other jackals have gathered to the feast. It is asking for money that was raised from the people by taxation, and it wants this money of the poor for the benefit of Kuhn, Loeb & Co., the German international bankers. Is there one law for the Baltimore & Ohio Railroad and another for the needy yeterans it threw off its freight cars the other day? Is there one law for sleek and prosperous swindlers who defended the United States flag?

Mr. Chairman, some people are horrified because the collateral behind Kreuger and Toll debentures was removed and worthless collateral substituted for it. What is this but what is being done daily by the Federal reserve banks? When the Federal reserve act was passed, the Federal reserve banks were allowed to substitute "other like collateral" for collateral behind Federal reserve notes but by an amendment obtained at the request of the corrupt and dishonest Federal Reserve Board, the act was changed so that the word "like" was stricken out. All that immense trouble was taken here in Congress so that the law would permit the Federal reserve banks to switch collateral. At the present time behind the scenes in the Federal reserve banks there is a night-and-day movement of collateral. A visiting Englishman, leaving the United States a few weeks ago, said that things would look better here after "they cleaned up the mess at Washington." Cleaning up the mess consists in fooling the people and making them pay a second time for the bad foreign investments of the Federal Reserve Board and the Federal reserve banks. It consists

in moving that heavy load of dubious and worthless foreign paper—the bills of wigmakers, brewers, distillers, nar-cotic-drug vendors, munition makers, illegal finance drafts, and worthless foreign securities, out of the banks and putting it on the back of American labor. That is what the Reconstruction Finance Corporation is doing now. They talk about loans to banks and railroads but they say very little about that other business of theirs which consists in relieving the swindlers who promoted investment trusts in this country and dumped worthless foreign securities into them and then resold that mess of pottage to American investors under cover of their own corporate titles. The Reconstruction Finance Corporation is taking over those worthless securities from those investment trusts with United States Treasury money at the expense of the American taxpayer and wage earner.

It will take us 20 years to redeem our Government, 20 years of penal servitude to pay off the gambling debts of the traitorous Federal Reserve Board and the Federal reserve banks and to earn again that vast flood of American wages and savings, bank deposits, and United States Government credit which the Federal Reserve Board and the Federal reserve banks exported out of this country to their foreign principals.

The Federal Reserve Board and the Federal reserve banks lately conducted an anti-hoarding campaign here. Then they took that extra money which they had persuaded the trusting American people to put into the banks and they sent it to Europe along with the rest. In the last several months, they have sent \$1,300,000,000 in gold to their foreign employers, their foreign masters, and every dollar of that gold belonged to the people of the United States and was unlawfully taken from them.

Is not it high time that we had an audit of the Federal Reserve Board and the Federal reserve banks and an examination of all our Government bonds and securities and public moneys instead of allowing the corrupt and dishonest Federal Reserve Board and the Federal reserve banks to speculate with those securities and this cash in the notorious open discount market of New York City?

Mr. Chairman, within the limits of the time allowed me, I can not enter into a particularized discussion of the Federal Reserve Board and the Federal reserve banks. I have singled out the Federal reserve currency for a few remarks because there has lately been some talk here of "flat money." What kind of money is being pumped into the open discount market and through it into foreign channels and stock exchanges? Mr. Mills of the Treasury has spoken here of his horror of the printing presses and his horror of dishonest money. He has no horror of dishonest money. If he had, he would be no party to the present gambling of the Federal Reserve Board and the Federal reserve banks in the nefarious open discount market of New York, a market in which the sellers are represented by 10 great discount dealer corporations owned and organized by the very banks which own and control the Federal Reserve Board and the Federal reserve banks. Fiat money, indeed!

After the several raids on the Treasury Mr. Mills borrows the speech of those who protested against those raids and speaks now with pretended horror of a raid on the Treasury. Where was Mr. Mills last October when the United States Treasury needed \$598,000,000 of the taxpayers' money which was supposed to be in the safe-keeping of Andrew W. Mellon in the designated depositories of Treasury funds, and which was not in those depositories when the Treasury needed it? Mr. Mills was the Assistant Secretary of the Treasury then, and he was at Washington throughout October, with the exception of a very significant week he spent at White Sulphur Springs closeted with international bankers, while the Italian minister, Signor Grandi, was being entertained-and bargained with-at Washington.

What Mr. Mills is fighting for is the preservation whole and entire of the bankers' monopoly of all the currency of the United States Government. What Mr. Patman proposes is that the Government shall exercise its sovereignty to the extent of issuing some currency for itself. This conflict of

opinion between Mr. Mills as the spokesman of the bankers and Mr. PATMAN as the spokesman of the people brings the currency situation here into the open. Mr. Patman and the veterans are confronted by a stone wall—the wall that fences in the bankers with their special privilege. Thus the issue is joined between the hosts of democracy, of which the veterans are a part, and the men of the king's bank, the would-be aristocrats, who deflated American agriculture and robbed this country for the benefit of their foreign prin-

Mr. Chairman, last December I introduced a resolution here asking for an examination and an audit of the Federal Reserve Board and the Federal reserve banks and all related matters. If the House sees fit to make such an investigation, the people of the United States will obtain information of great value. This is a Government of the people, by the people, for the people, consequently nothing should be concealed from the people. The man who deceives the people is a traitor to the United States. The man who knows or suspects that a crime has been committed and who conceals or covers up that crime is an accessory to it. Mr. Speaker, it is a monstrous thing for this great Nation of people to have its destinies presided over by a traitorous Government board acting in secret concert with international usurers. Every effort has been made by the Federal Reserve Board to conceal its power but the truth is the Federal Reserve Board has usurped the Government of the United States. It controls everything here and it controls all our foreign relations. It makes and breaks governments at will. No man and no body of men is more entrenched in power than the arrogant credit monopoly which operates the Federal Reserve Board and the Federal reserve banks. These evil-doers have robbed this country of more than enough money to pay the national debt. What the National Government has permitted the Federal Reserve Board to steal from the people should now be restored to the people. The people have a valid claim against the Federal Reserve Board and the Federal reserve banks. If that claim is enforced, Americans will not need to stand in breadlines or to suffer and die of starvation in the streets. Homes will be saved, families will be kept together, and American children will not be dispersed and abandoned. The Federal Reserve Board and the Federal reserve banks owe the United States Government an immense sum of money. We ought to find out the exact amount of the people's claim. We should know the amount of the indebtedness of the Federal Reserve Board and the Federal reserve banks to the people and we should collect that amount immediately. We certainly should investigate this treacherous and disloyal conduct of the Federal Reserve Board and the Federal reserve banks.

Here is a Federal reserve note. Immense numbers of these notes are now held abroad. I am told they amount to upward of a billion dollars. They constitute a claim against our Government and likewise a claim against the money our people have deposited in the member banks of the Federal reserve system. Our people's money to the extent of \$1,300,000,000 has within the last few months been shipped abroad to redeem Federal reserve notes and to pay other gambling debts of the traitorous Federal Reserve Board and the Federal reserve banks. The greater part of our monetary stock has been shipped to foreigners. Why should we promise to pay the debts of foreigners to foreigners? Why should our Government be put into the position of supplying money to foreigners? Why should American farmers and wage earners add millions of foreigners to the number of their dependents? Why should the Federal Reserve Board and the Federal reserve banks be permitted to finance our competitors in all parts of the world? Do you know why the tariff was raised? It was raised to shut out the flood of Federal reserve goods pouring in here from every quarter of the globe-cheap goods produced by cheaply paid foreign labor on unlimited supplies of money and credit sent out of this country by the dishonest and unscrupulous Federal Reserve Board and the Federal reserve banks. Go out in Washington to buy an electric light bulb and you will probably be offered one that was made in Japan on American money. Go out to buy a pair of fabric gloves and inbe offered to you will be found the words "made in Germany" and that means "made on the public credit of the United States Government paid to German firms in American gold taken from the confiscated bank deposits of the American people.'

The Federal Reserve Board and the Federal reserve banks are spending \$100,000,000 a week buying Government securities in the open market and are thus making a great bid for foreign business. They are trying to make rates so attractive that the human-hair merchants and distillers and other business entities in foreign lands will come here and hire more of the public credit of the United States Government and pay the Federal reserve outfit for getting it for them.

Mr. Chairman, when the Federal reserve act was passed the people of the United States did not perceive that a world system was being set up here which would make the savings of an American school-teacher available to a narcotic-drug vendor in Macao. They did not perceive that the United States was to be lowered to the position of a coolie country which has nothing but raw materials and heavy goods for export; that Russia was destined to supply man power and that this country was to supply financial power to an international superstate—a superstate controlled by international bankers and international industrialists acting together to enslave the world for their own pleasure.

The people of the United States are being greatly wronged. If they are not, then I do not know what "wronging the " means. They have been driven from their employments. They have been dispossessed of their homes. They have been evicted from their rented quarters. They have lost their children. They have been left to suffer and to die for the lack of shelter, food, clothing, and medicine.

The wealth of the United States and the working capital of the United States has been taken away from them and has either been locked in the vaults of certain banks and great corporations or exported to foreign countries for the benefit of the foreign customers of those banks and corporations. So far as the people of the United States are concerned, the cupboard is bare. It is true that the warehouses and coal yards and grain elevators are full, but the warehouses and coal yards and grain elevators are padlocked and the great banks and corporations hold the keys. The sack of the United States by the Federal Reserve Board and the Federal reserve banks and their confederates is the greatest crime in history.

Mr. Chairman, a serious situation confronts the House of Representatives to-day. We are the trustees of the people and the rights of the people are being taken away from them. Through the Federal Reserve Board and the Federal reserve banks, the people are losing the rights guaranteed to them by the Constitution. Their property has been taken from them without due process of law. Mr. Chairman, common decency requires us to examine the public accounts of the Government to see what crimes against the public welfare have been or are being committed.

What is needed here is a return to the Constitution of the United States. We need to have a complete divorce of Bank and State. The old struggle that was fought out here in Jackson's day must be fought over again. The Independent United States Treasury should be reestablished and the Government should keep its own money under lock and key in the building the people provided for that purpose. Asset currency, the device of the swindler, should be done away with. The Government should buy gold and issue United States currency on it. The business of the independent bankers should be restored to them. The State banking systems should be freed from coercion. The Federal reserve districts should be abolished and State boundaries should be respected. Bank reserves should be kept within the borders of the States whose people own them, and this reserve money of the people should be protected so that international bankers and acceptance bankers and discount dealers can not draw it away from them. The exchanges should be closed while we are putting our financial affairs in order. The

conspicuously written on the inside of the gloves that will | Federal reserve act should be repealed and the Federal reserve banks, having violated their charters, should be liquidated immediately. Faithless Government officers who have violated their oaths of office should be impeached and brought to trial. Unless this is done by us, I predict that the American people, outraged, robbed, pillaged, insulted, and betrayed as they are in their own land, will rise in their wrath and send a President here who will sweep the money

changers out of the temple. [Applause.]

Mr. STRONG of Kansas. Mr. Chairman, I shall use the remaining four minutes that I have at my disposal. There is a disease that afflicts mankind which is very vicious. It warps the judgment, it narrows the vision, it even causes men to see red, to make mountains out of mole hills. This disease has sometimes been referred to as B. A. Ladies may refer to it as "tummy" ache, but out in the wide-open spaces men call it the "belly" ache, and I know of no man of my acquaintance that has this disease in so violent a form as the gentleman from Pennsylvania [Mr. McFadden]. I have not the time to refer to the many charges he makes against the Federal reserve system, but I call attention to the fact that for 12 years he has been the chairman of the Banking and Currency Committee of this House and did not see fit during that time to try to remedy any of the evils of which he now complains. It seems to me entirely out of place to wait until he is retired as chairman of that great committee and then assault all of the institutions of which it has control.

I think this is a good bill. It is a bill that has been proposed by the President and has been approved by the Democratic chairman of the Banking and Currency Committee, on which there is a majority of Democrats, and brought before this House with the approval of that committee. It seeks to make possible protection to the small home owner. It seeks to make it possible for him to save his home by the renewal of his loan, or to build a small home and secure a loan upon it.

If there ever was legislation that is justified it is this bill, to establish these home-loan banks. This bill has been very, very carefully considered. The gentleman from Wisconsin [Mr. Relly] has been the very able chairman of the subcommittee, and he and the gentleman from Massachusetts [Mr. Luce] who introduced the bill in this House have spent weeks with the subcommittee in holding hearings on this bill. They have brought it here with their entire approval. I ask my friends on both sides of this House to accept the judgment of those gentlemen and to pass this bill with a splendid majority. We need it in this country. All over this broad land the little home owner is being threatened with foreclosure on the home he loves and lives for. This bill will give him relief, and I ask you to vote for the bill. Be not led astray by those who have a violent disease, to attack everything of a financial nature in the country. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REILLY. Mr. Chairman, I yield to the gentleman from Louisiana [Mr. Overton].

Mr. OVERTON. Mr. Chairman, the Federal home loan bank bill is twofold in its purpose and effect. It is intended both as a present emergency relief of, and as a permanent aid to, a class of institutions and a character of people which and who constitute the most stabilizing influence in our national life.

What are these institutions? They are the home-building, home-improving, and home-financing organizations of our country. They are scattered throughout the Nation. They are located in every State of the Union. The homestead associations alone, without taking into consideration the State banks, insurance companies, and other proposed beneficiaries of this bill, financed over four and a half million homes during the decade of 1920 to 1930. These associations have so grown in popular favor and confidence that they enjoy a membership of over 12,000,000 of our people and assets of over \$8,000,000,000.

Who, Mr. Chairman, are the people to be aided by the creation of Federal home-loan banks? They are chiefly the wage earners and small-salaried people who, under the building and loan plan of small weekly and monthly payments, are putting their hard-earned savings into the acquisition of homes for themselves, their wives, and their children, who are investing their meager savings in the greatest incentive to good, sturdy citizenship and love of country to be found beneath our flag, and that is the American home.

This bill, when enacted into law, will, as an emergency relief measure, aid the homestead associations in extending leniency to borrowers and in refinancing short-term mortgage loans held by other institutions which, under the pressure of this disastrous period, are demanding and enforcing by foreclosure the settlement of their mortgages and are driving from their homes thousands upon thousands of American citizens to walk the streets with the savings of years of toil and self-sacrifice literally wiped out. As a means of permanent aid, the proposed Federal home-loan banks will stabilize the great work and business of our building and loan associations and serve as a bulwark against the sacrifice of American homes in periods of future depression.

Who else, Mr. Chairman, are to be benefited if the pending bill be enacted into law? It will be for the most part wage earners and salaried people, who, encouraged to thrift and moved by the praiseworthy desire to accumulate something to be used as a protection against illness, hard times, unemployment, and other disasters, have invested the dimes and dollars of their savings in what has been, almost without exception, an absolutely safe and sound investment until the unfortunate advent of the present general financial collapse.

In what plight do they find themselves, these small investors, hundreds of thousands of whom are without employment and without funds? They find themselves, in many instances, unable to cash in their savings, unable to realize upon their shares of installment stock. The situation arises through no mismanagement or fault of the homestead associations, but has been superinduced largely by the fact that in this trying period the demands for withdrawals, prompted by the stern necessities of the hour, have been more than many of the building and loan associations have been able to meet.

Our National Government, ladies and gentlemen of the committee, has gone to the aid of commercial banking by the establishment of the Federal reserve system. It has gone to the aid of our farmers by the establishment of the Federal farm-loan banks, and through crop-production advances. It has gone to the aid of bondholders and stockholders and creditors of our railroads and insurance companies, and the depositors and creditors of our commercial banks through the Reconstruction Finance Corporation. Why, then, should we hesitate to declare that the United States shall, through a perfectly sound investment of only \$125,000,000, shortly to be refunded, go to the temporary rescue and permanent aid of home-building institutions, and of the home owners and small and humble investors of this Nation, who to-day constitute our surest pledge against the perils that threaten the safety of our

The enactment, Mr. Chairman, of this bill into law will place upon our statute books one of the most constructive measures that in recent times have engaged the brain and purpose of our National Congress. [Applause.]

Mr. REILLY. Mr. Chairman, I yield to the gentleman from Washington [Mr. Hill].

Mr. HILL of Washington. Mr. Chairman, the time and thought of this Congress have been principally occupied in the effort to find the means of thawing out frozen assets and restoring confidence and credit necessary for the orderly business of commerce. Credit is based on confidence and confidence is based on security values. Security values in this crisis are almost wholly dependent upon the fact of whether they are readily negotiable and whether they can be

promptly converted into liquid form. Fundamentally the safest and soundest securities are those issued upon real estate on a conservative basis of value. There are about twenty billions of dollars of investments in home-loan mortgages in this country. These are for the most part longterm loans, and while they are basically safe, they have little liquidity and are therefore not readily negotiable. They constitute a \$20,000,000,000 block of frozen assets, since the banks refuse to advance loans on securities not capable of being readily converted into cash. Everyone recognizes the fact that the banks are under such fear of withdrawals that they are liquefying as fast as possible their securities and holding their cash for emergencies that may arise. A national credit system has heretofore been set up for operation in certain limited fields. The Federal reserve system was enacted to provide a large reservoir of credit for commercial and industrial interests. The Federal farm loan act provides national credit for farm loans; the intermediatecredit system, which is subsidiary to the latter, is designed to supplement the credits for agriculture in providing shortterm loans for crop-production purposes and other activities incidental to agriculture. The home-financing field has been left out of this national credit program. The present bill proposes to include it in the national credit scheme.

The committee report on the bill contains this descriptive statement of the proposed home-loan bank system:

The home-loan bank system created by this bill will consist of from 8 to 12 Federal home-loan banks in districts to be determined by a Federal home-loan board, consisting of five members appointed by the President. Building and loan associations, cooperative banks, homestead associations, savings banks, trust companies, and other banks with time deposits (except national banks), and insurance companies, if subject to inspection and regulation under the banking laws or under similar laws of the State or the United States, are eligible for membership. The members will supply the permanent capital and upon joining a bank will be required to subscribe for stock amounting to 1 per cent of the home mortgages held by each such member, with a minimum amount of \$1,500,

Eligible institutions in States whose present laws do not permit stock purchase are admitted to borrowing privileges by deposit with the bank of cash or Federal Government securities equal to the amount of the required stock subscription. This will be permissive pending the enactment of State legislation authorizing full compliance by subscribing institutions with the provisions of the act. * * * Each of the banks is to have 11 directors, 2 appointed by the Federal board, 3 elected by the small-sized members, 3 by the medium-sized members, and 3 by the large-sized members. * * * All members may borrow from a Federal home loan bank by placing mortgages with the bank to secure loans.

This bill is designed particularly to aid the small home owner in financing the building and buying of homes not exceeding \$20,000 in value. For such financing the owners of such homes must look to investors in home-loan mortgages, and to succeed in repaying the money thus borrowed it is necessary that long-term loans be secured. The average home owner must pay for his home in small payments at stated intervals or else accumulate his savings in a fund to make such payment in a lump sum at the end of the loan term. The great majority of those who are seeking to acquire homes are wage earners who are investing their savings in their homes. All of their reserve funds have been so invested. Many of these wage earners have been thrown out of employment and are no longer able to keep up the payments.

The loans are becoming due and the mortgage companies and banks are unable to grant renewals because of the necessity to meet their own obligations in cash and, further, because there is no credit reserve to which they can resort to rediscount the loans which they are now compelled either to carry or to collect.

The home loan bank bill provides a set-up to take care of this situation. The bill provides for the establishment of from 8 to 12 home-loan banks, to be distributed throughout the country, and provides a capital stock of not less than \$5,000,000 for each of such banks, to be supplied in the first instance through subscriptions to the capital stock by eligible member institutions and by a fund of not exceeding \$125,000,000 out of the Federal Treasury.

The home-loan banks, when in operation, are authorized to loan to a member not to exceed twelve times the capital stock subscribed by such member. These loans are to be made upon the security of home-loan mortgages held by such member, but not in excess of 40 per cent of the appraised value of the mortgaged property at the time the loan is made to such member. This scheme provides a sure and ready resource for any savings or building and loan association or other institution engaged in making home loans, other than national banks, which are eligible to become members of the home-loan bank through subscription to the capital stock thereof. By means of the moneys thus received a member is enabled to meet the legitimate withdrawals of investment accounts, to renew maturing mortgages on easy payments over a long term of years and thus avoid the necessity of foreclosures and the wiping out of the savings of the home owner invested in his property. This source of credit will place it in the power of the borrowing member to finance the home owner in paying his taxes and in repairing and modernizing his home. It will also enable the member, where the security is ample, to advance some additional money to the home owner to tide him over the period of unemployment and thus enable him to live in times of stress on the reserves which he has accumulated under normal conditions. It is universally conceded that the small home owner who is dependent upon mortgaging his home to finance his home ownership is now compelled in many instances to accept short-term loans at a high rate of interest, which it is impossible for him to meet at maturity. Also, he is frequently compelled to place a second mortgage on his home to secure necessary additional money to meet the payments on the first mortgage and other necessary expenditures, and to secure such second mortgage he must pay a still higher rate of interest and frequently a bonus or commission to a mortgage agency.

The home loan bank bill discourages short-term loans by providing for a larger loan on long-term mortgages than on short-term mortgages. It also encourages the amortization of loans over a long period of time in preference to straight mortgages for the payment of the total loan at the end of the maturity period. The home-loan agencies having this source of credit can avoid the necessity of loading themselves down with real estate taken in under foreclosures. It is, of course, recognized that foreclosures depress realestate values and tend to impair mortgage securities. The effect of this bill will be to render liquid long-term amortized home loans. The set-up of the home-loan banks in each section of the country will constitute a clearing house between the areas in which there are available surpluses of money for home-loan purposes and those areas in which the demand for such loans exceeds the supply of money therefor. This set-up will constitute an agency for marshalling the available assets of the entire country for homeloan purposes and for use in every town and city of the Nation. As has been aptly said, "The system would pool the entire home-financing credit of the country for the benefit of every part."

The bonds of any one of the home loan banks will have back of them not only 190 per cent of unpaid mortgages for every dollar of bonds but the combined resources of all of the other home loan banks. Such bonds will have tax-exemption privilege except for gift, estate, and inheritance taxes and surtaxes, and will be second only to the United States Treasury securities in point of attractiveness to investors. There can be no question of the salability of the bonds and that sufficient moneys will be made available at all times to supply the credit necessary to carry out the purposes of this bill. At the present time, it is easier and less expensive to finance any business or industry or any commodity than it is to finance the building or purchasing of a home. This is due to the fact that the long-term home loan securities are not now liquid.

This bill seeks to make liquid such securities by placing back of them the great credit reservoir provided through the home loan bank system. Adequate relief for home loan mortgage securities can not be had through the Reconstruction Finance Corporation. That corporation can only make short-term loans, and by its very constitution is only a tem-

porary emergency agency and not a permanent factor in maintaining credits after the period of emergency has passed. The home loan bank system will meet the demands of emergency now existing and will continue as a permanent institution to stabilize home-loan securities on a basis of continuing confidence therein.

It will also stabilize the values of residential property and prevent disastrous fluctuations in such values through undue expansion or destructive deflation. It will restore and maintain confidence in residential property values through the stabilization of the loan values thereof. It will establish a sense of permanent security in home property investments. It will not only make available mortgage credits for such investments but will also provide a permanent source of such credits on a stabilized interest basis.

Under these conditions of security to the home owner in his holdings he will not hesitate to make the necessary repairs and improvements from time to time on his home property, thereby furnishing employment to labor and creating an increased demand for all building materials. will be a great boon to the lumber industry and to other dealers in construction materials who also employ large forces of labor. In short, the ramifications of the benefits through new home-building construction and the repair and modernization of existing buildings will reach into every industrial activity of the country. Not only will the laborers on the building itself be benefited through the earning of wages but the lumber man, the brick man, the roofing man, the hardware dealer, and all other dealers in building materials along with the great number of laborers which they employ will be directly benefited.

The stabilization of such residential property values would in a large measure prevent tax delinquencies which are now embarrassing practically every municipality in the country. It is unquestionably true that many bank failures within the past two years were caused from being overloaded with non-liquid home-loan mortgages. Had this system been in operation in 1929 and this reservoir of credit available, many of such banks would still be operating, and thousands of homes would have been saved to their owners. Because of the non-liquid character of home-loan mortgages the home owner is the first person to feel the crushing effect of a financial depression.

The loaning institutions must of necessity begin their hedging operations at the earliest signs of such coming depression, and the first form of security that is placed under the ban is the home-loan mortgage because of its rigidity. This bill is designed to remedy that situation, and in my judgment it will do so. It is obvious that confidence in a security can not be maintained during times of financial stress unless that security is reasonably liquid in character. Any measure which will give to \$20,000,000,000 of security investments a readily marketable status whether in good or bad financial weather will go a long way toward keeping the economic ship on an even keel. It is equally true that a dead weight of \$20,000,000,000 of security values will unbalance the whole economic poise if it can not be liquefied. It is my opinion that the legislation here proposed is absolutely essential to the success of the program to rehabilitate credit conditions in this country. This legislation is not only necessary in the present emergency but it is equally necessary to prevent a recurrence of similar credit emergencies. Fear is the greatest foe to economic recovery or to the maintenance of normal economic conditions. Fear in its most exaggerated form is paralyzing the home-loan credit system of the country to-day. That fear and paralysis can only be relieved through setting up a great source of available credit such as this bill provides. When it is definitely known that this great block of \$20,000,000,000 of frozen securities can be made readily negotiable through tapping the reservoir of ample credit provided in this home loan bank bill. the fear of the home-loaning institutions will vanish overnight and a great step will be taken on the upgrade toward economic recovery. If the home-loaning institutions have assurance that in emergencies they have an unfailing source of credit at hand such emergencies will either subside or

will not carry with them a dread sense of paralyzing fear. If these institutions are in position at all times to meet emergencies they will not be disturbed when an emergency arises. In fact, the capacity to cope with a business emergency will in most cases prevent the occurrence of it. The relief program of this Congress can not be complete without the enactment of this legislation.

It must be borne in mind at all times that the ultimate purpose of this legislation is to help the small home owner. It is not within the province of this bill to furnish credit facilities for the construction or improvement of large industrial or business buildings, apartment houses or hotels, nor even of the high-priced homes. Under the provision of the bill no mortgage will be accepted on a home of greater value than \$20,000. The main purpose therefore is to bring relief to that great army of small home owners who constitute the mass and the rank and file of our people. If this great body of our citizenship is placed on a basis of security in their homes and are made self-sustaining in the maintenance of them and are imbued with the feeling of security in their holdings, their morale and courage will be strengthened and they will have a happier and more hopeful outlook on life. It is impossible to segregate the economic from the social conditions of a people. They are interrelated and interdependent. Easy economic conditions are the foundation upon which a proper social structure is built. A people can not be contented or patriotic when under a constant strain of fear that destitution and want may come upon them. The beneficial effects of this legislation will be farreaching in bettering both the economic and social conditions of the people. This Government will fall far short of its duty if it neglects this opportunity to confer those benefits. I am absolutely certain in my own mind that this proposed legislation will effectuate in substantial measure the purposes for which it is designed. In the interest of the small home owner, which means in its broader sense the interest of the entire Nation, I am heartily supporting this measure. [Applause.]

Mr. REILLY. Mr. Chairman, I yield two minutes to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Chairman, the opposition to this bill comes chiefly from the insurance companies and certain selfish bankers, groups which are now the beneficiaries of the legislation passed, known as the Reconstruction Finance

I think the committee has epitomized the argument in favor of this bill on page 9 of the committee report, and it ought to insure the passage of this bill. It points out to the House that over 8,000,000 homes have been built through the operation of building and loan companies during the past

Those of us who know something about the plight of the building and loan companies know they are in distress today. Some of the people who have their life savings in these institutions are living on a dole, so to speak, where boards of directors are able, without jeopardizing the financial structure of the institution, to give them thirty or forty dollars a month to live on.

This bill, if passed, will do more than the Reconstruction Finance Corporation attempts to do in the nature of trying to stimulate employment. I voted for the Reconstruction Finance Corporation legislation, hoping that the beneficial results would trickle down and stimulate employment, but we find that instead of stimulating employment, money to the extent of \$17,100,000 is loaned to the Missouri Pacific Railroad to pay off their current obligations to the house of

This bill will do something for the little fellow, the fellow who has a family; the fellow who wants to paint his house or who wants to refinance his mortgage to keep a shelter over his family. It will bring work to many who are engaged in the various building trades, to carpenters, mechanics, and laborers who are now out of employment.

I dare say that the State of Ohio, in proportion to its population, has more building and loan associations than have a strict supervision over the operation of these associations. Every necessary protection surrounds the investments of the members of these organizations. Millions of our people have their life savings tied up in building and loan associations and savings banks throughout the country. Unfortunately, millions of our people have lost their equities and their little homes because of the cruel process of foreclosure, undoubtedly necessitated by the economic upheaval and financial disaster experienced by the banks and savings institutions during the past two years. The opportunity to refinance their investment and to prevent foreclosure of home has been denied these unfortunate people. This measure, by stipulating that not more than 40 per cent of the value of the real estate can be advanced as a mortgage loan, and not more than \$20,000 can be advanced as a loan on home property regardless of its value, inures to the benefit of the little fellow. It is about time consideration be given to that class of our people who are the backbone of the Nation, the home owners of America.

If there be one measure before this Congress for consideration that will, in my opinion, stimulate employment, add to the sale of building material products, and restore public confidence throughout the land, it is this proposed Federal home loan bank bill before the House to-day.

Mortgage credit has not been available to the class who will benefit by this legislation. Vast amounts of frozen funds or assets invested by building and loan associations and savings banks in mortgages can be released when this measure becomes a law. Under its provisions long-term methods of home financing can be instituted, thereby eliminating the short-term loan, always expensive and dangerous to the average home buyer. The investors in these institutions who will benefit by the enactment of this bill need a stimulation of confidence which is lacking at the present time. I consider it a duty and a privilege, Mr. Speaker, to lend my support to this legislation which is equal, if not more important, to any measure enacted to date by the Seventy-second Congress.

Mr. REILLY. Mr. Chairman, I yield 14 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, it has been my privilege for the past two months to give a considerable part of my time to the study of this legislation, and I am frank to admit that to begin with I held considerable doubt as to its need and governmental soundness. However, the further I went into a study of the bill and the more thought and consideration I gave to its purpose the stronger my belief grew in its worthiness. I therefore find myself now strongly in favor of the bill. It is the last item in the President's program for economic relief and is, in my judgment, the best proposal which has been suggested by him so far as the average citizen is concerned. With certain amendments to be offered by the committee I can recommend it to you as socially and economically sound and desirable and legislatively wise. It gives us the opportunity to practice what we have been preaching with respect to our faith in home ownership and its wholesome effect upon American life. Protection to the home means protection to the Nation. Wreck it and you wreck the structure which has been erected through years of effort, planning, sacrifice, and determination. Remember, without the home there is nothing left worth while. Its perpetuity with security, safety, and happiness is the hope of the hour and the greater

The Federal home loan bank bill is designed primarily to foster the development of the American home. No explanation is needed to show the importance of the home in our social, political, and economic life. It is universally recognized that one of the fundamental steps to be taken in promoting progress in this country is to foster home ownership in every possible practical and sound way.

The ambition of every worthy American citizen is to be a home owner. It is our duty, as representatives of the Nation's citizenry, to provide the means whereby this ambition may be realized. It is an idle waste of words and any State in the Union. Our State laws insure, and we do time for us to stress the desirability of home ownership in one breath and in the next leave the home owner to wrestle, unaided, against the threat of dispossession and foreclosure in times of business depression, like that which the Nation is now experiencing. We can not, in common fairness to the citizen, urge him to become a home owner without attempting to protect and safeguard him in that ownership so far as possible

Home ownership can not be encouraged, fostered, or promoted on a short-term or demand-payment credit basis. The cry of commercial bankers to-day that their realestate loans are frozen only echoes the utter inadequacy of existing credit facilities and reveals the consequences of our neglect to safeguard adequately one of the most vital economic and social phases of our civilization.

Short-time credit not only is inadequate and uneconomical but it simply means a constant renewing of an advance previously made or periodic searching for another source of credit to pay off a loan falling due. It is obvious that if credit is to be most economically advanced to the home owner, it must not be for 60 or 90 days, or for 1 year or 3 years or 5 years, because the average purchaser of a home can not expect to be able to accumulate sufficient over and above living expenses to be able to completely pay off the loan in such a period of time. A type of credit which will meet his needs is one which will not mature until his savings over many years will be sufficient to repay it entirely. He must have credit which does not need to be repaid in its entirety in periods less than 8, 9, 10, or more years.

Because practically all purchases of homes are made with the use of credit, the market and therefore values of homes are peculiarly dependent on there being at all times sufficient credit facilities for new purchases. Whenever the supply of this credit dries up because of general business conditions, the values of homes are certain to fall. This has been one of the great deterrents to home ownership in the past.

The repayment of borrowed money for the purchase of a home means that a substantial portion, if not all, of the savings of the owner are tied up in his home. If home ownership is to be promoted, some method whereby these savings can be realized upon in case of an emergency for living expenses must be developed. The periods when it is most likely that such savings will be needed, that is, periods of economic distress as under present conditions, are precisely those times when it is difficult, if not impossible, to secure the loan which would make available the savings in the home. This is not as it should be; and if we are to promote increased home ownership, we must make some provision to care for these needs.

Because of their permanence and the length of time which they are used, homes from time to time require modernization and repairs, and normally such expenditures provide a considerable amount of employment and are the source of employment for important business interests. However, the time when such repairs can be most economically made, that is, during periods of low price levels, is also the time when it is most difficult to secure credit for them, even on the security of the home as a whole. If, during periods of economic distress, funds for such repairs and modernization could be made available, it would constitute an important source for relief to unemployment and falling business activity.

For large numbers of people the building of a home according to their own plans is an important motive for saving and thrift. During periods of business activity and high prices they are advised to postpone this building until a little later, when it can be done at lower prices, only to find that if they delay until the lowered prices are actually reached, they are unable to receive the additional financing which is necessary.

These facts all bring out the point that if home ownership in America is to be fostered, if this very foundation of our vaunted American civilization is to be maintained, we must make provision for a continuous and adequate stream of credit in the home-financing field and make certain that such credit will be available in periods of business depression even more than in periods of prosperity.

This is precisely the purpose of the Federal home loan bank bill. It is designed not only to assist home-financing institutions in supplying the much-needed credit during periods of economic emergency but also by setting up a permanent system, to make available the type of credit which is so essential, namely, long-term, monthly-installment credit. Thus, in cases of future emergencies—and history gives us no reason to believe that such emergencies will not occur again and again—the reserves of the home-financing institutions can be pooled and the necessary relief agencies will be ready and available to prevent conditions becoming acute, as at present.

The purpose of the home loan bank bill therefore is to foster home ownership by insuring that there will be available adequate, long-term mortgage credit. It will be conservatively and economically used, because any violation of sound mortgage practice will primarily and immediately react to the financial detriment of the home-financing institutions to whom this credit is made available.

There are four major sources of first-mortgage loans on small homes in this country. The largest single source is the building and loan association; then are the insurance companies, banks, and private investors. To-day these homefinancing institutions are in a critical condition. The funds of building and loan associations come primarily from the savings of the wage earner or the small investor, and today unemployment and decreased incomes require that in many cases the small saver use part or all of his savings for living expenses. When such savings are withdrawn, it means, of course, that the building and loan association can not make any home-mortgage loans. The fact that their money is in long-term mortgages, which can not be turned into cash, means that when many of their savers are, as now, asking for and in urgent need for their funds, they are not able to pay them.

Similar stringency of mortgage funds has developed in the case of insurance companies. The same type of saver and investor who is withdrawing from the building and loan association is attempting to secure some of his savings from the policy loan or cash surrender value of his insurance. In one case the policy loans of an insurance company have increased 500 per cent within a period of two years. Some insurance companies are unable to renew their three to five year mortgages, which are now coming due and are asking for payment, in whole or in part, precisely at a time when the home owner is unable to secure his renewal funds from any other source. The policy of life insurance companies in their home-mortgage operations has always restricted them from serving a great class of legitimate home owners. Most of them lay down a flat rule that they will not make mortgages in cities of less than a certain population, frequently 50,000, and they will not make loans on homes more than a certain number of years old, preferring, in fact, the new homes. Frequently they will not make loans for less than \$4,000 or \$5,000, which cuts off entirely a large proportion of the families in the United States. On the whole, insurance loans have been very conservative, 40 per cent or 50 per cent, or, at the most, 60 per cent of the value of the property, which means that, in order to secure the financing necessary for a home purchase, the borrower must take a second mortgage with its ruinous high rate of interest and discount. Such rules are required by the fact that the insurance companies loan through agents and not directly and, therefore, do not have the personal, local contact. They must, therefore, lay down regulations which will bring only the most conservative loans to them.

These points are raised only to show that, from the very nature of things, under normal conditions and even more so in the present emergency, life insurance companies can not be depended upon to take care of the home-credit needs. In many localities they are not in a position to renew all of their mortgages which are now falling due, thus forcing foreclosures which could be avoided if these loans

could be taken up by building and loan associations. The large insurance companies have been the principal opponents of the home loan bank bill.

The situation with regard to inability to renew loans and the very general drying up of credit for home mortgages is even more pronounced in the case of banks. Where a bank has failed, one of the things which must be done is to liquidate its assets, and this means that mortgages held by the bank can not be renewed, but must be collected in full. Foreclosure must take place, even though the borrower has kept up his interest and principal repayments right to the minute. Through no fault of his own he loses his home because he has no other source of credit to which to turn. The property must be sold at whatever it will bring through foreclosure in the process of converting the assets of the banks into cash to pay off depositors and other creditors.

Private investors can not possibly furnish all the funds which are needed.

It is time that steps were taken to definitely foster and develop the long-time amortized, or installment, loan, which is the only type which really meets the requirements of the home owner. In the case of short-term loans, the borrower is at all times at the mercy of the lender with regard to renewals. He must definitely contract to repay the principal amount at the end of a certain period and must do so either by securing another loan from the same source or go somewhere else. In times such as the present the home owner is unable to secure those renewals or those new loans. The lender may foreclose, and in hundreds of thousands of cases at the present time is doing just that. The result is that in practically every community homes taken by foreclosure are being thrown on the market at forced sale, with the inevitable result of falling values further impairing the security of other home owners. Even when renewals are made the old renewal system, as it is frequently practiced by lenders on short-term mortgages, results in annual or biannual commissions and thus increases the financing charges to the struggling home owner.

A prime purpose of the home loan bank bill is to promote the development of the long-term amortized mortgages which are so essential for further home ownership. Because there is no reserve system, no system specifically designed to purchase this type of long-term mortgage, the home-mortgage situation to-day is in a deplorable condition, and home ownership in the United States seems doomed to receive a setback from which it may not recover for a generation or more. If funds are to be attracted into this field, even in the future, there must be some system set up to counteract the lack of availability which makes investments in this field unattractive. It is one of the most vital problems that have confronted Congress for a long time.

There have been some objections raised to the Federal home loan bank bill. These have emanated, as it seemed to me, entirely from the motive of protecting the interests of persons who feel that their present business may be affected by a system which will improve the position of the home owner. They do not, I am convinced, come from the home-mortgage borrower, or the home owner himself.

It has been stated that the result of this bill would be a wave of speculative and inflationary home building, which would impair the value of the property now in existence. One of the premises on which this argument is based is that, in general, we already have too many homes. When we consider the deplorable housing conditions of a large part of our populace and when we consider the impossibility, under present home-financing conditions, of the lower income groups ever hoping to own their own homes, it seems to me that this argument falls of its own weight. As a matter of fact, the bill has been specifically designed to anticipate any possible danger of the financing of building booms. The Federal Home Loan Board, with more authority than either the Federal Reserve Board or the Federal Farm Loan Board, has the power to absolutely prevent the resources of the system from being used in such a manner as to result in inflationary and speculative building, which no one desires.

That the decrease in the value of homes has not been proportionate to the general fall in prices has been due, not to the fact that we have more homes than we can use but to the fact that there is not enough credit to assist the purchaser who is waiting for just such a time as this to buy his home but who is kept from doing so because he can not secure a proper and legitimate loan. In practically every community there will be found a legitimate demand for additional homes, built according to the plans and desires of people who have been saving for this purpose for years. Even this limited amount of building, with its employment of skilled labor in the construction industries and with its demand for lumber, bricks, cement, and so forth, would be an important factor in bringing about improvement in business conditions.

Under the Federal home-loan bank system loans will be made under the supervision of institutions who have their own funds invested in the home-financing business. If they make poor loans or if they make loans in such amounts as to bring about speculation and inflation, it will impair the value of their own investments in this field, because they will be the first ones to be hurt by it. We can depend on the good business sense of these institutions not to bring about speculative overbuilding, particularly when this judgment will, in turn, be backed up by that of the members of the Federal home-loan board. Any loans for building purposes which would be made in the near future would be made only to persons who want to build homes for themselves rather than to speculators.

It has been claimed that there is no need for this reserve system because there is plenty of money available for home mortgages. This is not borne out by the facts, however, as, with the exception of a few communities, there are no first mortgage funds available. A survey of several hundred building and loan associations, for example, in many communities throughout the country, indicates that they have applications for first mortgages from persons who have tried and who can not secure funds from other sources, in amounts greater than they can take care of for months, or even years, to come. There is genuine and overwhelming distress on the part of home owners who are dependent on mortgage-financing institutions, and there is no question of the need for additional funds in this field.

In some sections of the country there has always been a dearth of home-mortgage funds, and it was shown on good authority that building and loan associations, for example, in those sections are habitually six or eight months or sometimes a year and a half behind their applications in making loans. In other words, the home-financing institutions have not been able to meet the need even in normal times and can not begin to even approach it at present and possibly not for some years to come. This is a situation which should not exist in a country where it is desired to foster home ownership.

It has been objected that the Federal home loan bank bill would create a new banking system. If the objection is based on the idea that it would create a system rivaling in scope of operation that of the Federal reserve bank system, the objection is entirely unwarranted. Although the bill provides that the 12 home-loan banks may accept deposits, these deposits can only be from the Government or from their member institutions and will not be subject to check and will not be used in financing commercial operations, but are retained in the home-loan business. The Federal home-loan banks will have no conflict with the Federal reserve banks because they cover fields which complement and supplement rather than compete with each other. The Federal reserve bank system is designed primarily to care for the short-time commercial-credit needs of the country. The Federal home-loan bank system will care only for the long-time credit needs of the home financing business.

The bill will create a banking system in that it will provide for mobilizing the reserves for long-time home-mort-gage financing institutions. It will make those reserves more effective by pooling them and will permit the transfer of

this type of funds from places where it is not needed at a particular time to other places where there may be a genuine need for it. So that while in this sense a new banking system is created, I am convinced that it is one which is sorely needed to complete the financial structure of the Nation and one which will not in any way conflict with the other systems which Congress has seen fit to set up.

One of the purposes of the home loan bank bill is to remedy the present dire conditions in the home-financing field, but this is by no means its only purpose and possibly not its most important one. It is fundamentally a means of long-range economic planning to secure for the home owners and prospective home owners of the country an adequate supply at all times of the necessary long-term credit, credit that is related to the amount paid in the purchase of a home, the amount which the purchaser can pay down in cash, and the amounts which he can set aside year by year to pay off his mortgage. The control features in the bill, granting considerable power to the governing board, will permit the real economic planning for the general well-being of the Nation by restricting advances during times when funds are abundant, with a view to making them more available when other credit sources begin to dry up in periods of decreasing business activity, and can thus be of major assistance in alleviating the harmful effects of the business cycle.

The home loan bank bill is composed of 27 sections. So far as its details are concerned, the bill was very largely drawn from the Federal reserve act and the farm loan act and, therefore, much if not all of the machinery has been thoroughly tested through the years these systems have been in operation. However, the present bill is, in my judgment, better drafted than either the Federal reserve act or the farm loan act or some of the previous banking legislation which has been passed by Congress.

The first two sections of the bill deal with the name Federal loan bank act and definitions important to a later understanding of the measure. For example, "home-mort-gage loan" is defined to be a first mortgage on residential real estate, housing one or two families. Other definitions clarify and make certain the meaning of terms which are frequently used in the bill.

Section 3 provides that continental United States and the Territories of Alaska and Hawaii shall be divided into 12 districts by the Federal Home Loan Bank Board. The Federal home-loan bank shall be established in each district in a city designated by the board. The apportionment of the districts is to be done with due regard to the convenience and customary course of business of the institutions eligible for membership, but no district shall contain a fractional part of a State. Twelve banks will be set up, providing a decentralized home-mortgage bank system. These 12 banks, located in different parts of the country, will be able to quickly and economically serve their members. The number of banks may later be decreased by the board if the volume of business does not justify the original 12.

Section 4 provides that only institutions organized under the laws of any State or of the United States and subject to inspection and regulation under the laws of the State or of the United States, which, in the judgment of the Federal Home Loan Bank Board, make long-term mortgage loans and whose financial condition is satisfactory to the board, shall be eligible for membership. The eligible institutions are specifically set forth as building and loan associations, cooperative banks, homestead associations, savings and loan associations, savings banks, trust companies, other banks except national banks and insurance companies. The primary purpose behind this section is to set up a system which will be sound and permanent and which will foster the objectives of the bill-that is, adequate long-term credit facilities for home owners. For this reason, since the system is built up on member institutions, it is important that only regulated and sound institutions be admitted.

It is intended in this bill to definitely divorce the two inconsistent types of credit advances, that is, the short-term commercial lending and the long-term home mortgage financing. Experience has amply shown what has long 9 are divided into three classes, and for the first year all

been known to students of banking, that it is dangerous for institutions to use short-term demand deposits to make long-term loans. For the safety of the system, it is important that only those institutions who can economically and safely make long-term loans be admitted.

Section 5 provides that the board shall determine a capital of each of the banks with a minimum of \$5,000,000 each. The board shall open books in each district for subscription to the capital stock of the bank in that district. This stock will be divided into shares, with a par value of \$100 each, and each member institution must originally subscribe for stock to a minimum amount of \$1,500, or 1 per cent of the aggregate of the unpaid principal of the subscriber's home mortgages. The amount of stock held by each member will be adjusted from time to time so that the member will at all times have invested in this stock an amount at least equal to that calculated in the same manner as the original subscription. The stock subscriptions may be paid for in cash or in installments, with a minimum of one-fourth payable at the time of the filing of application and the balance payable at least one-fourth at the end of each succeeding period of four months.

In case the State laws governing an institution otherwise eligible for membership do not permit subscription for stock it may, in lieu thereof, deposit with the bank an amount of cash, short-term debenture bonds issued by the bank, or Federal Government securities equal to the amount of the required stock subscription. This is designed as a temporary provision to bridge over the time until the State laws can be changed to permit participation of building and loan associations and banks by stock subscription. If State laws are not changed to so permit stock ownership by the end of 42 months after the enactment of the home loan bank bill, institutions that have secured their membership by such deposits shall cease to be members.

The Secretary of the Treasury, on behalf of the United States, is to subscribe for that part of the minimum capital of each Federal home-loan bank as is not subscribed for by the members within 30 days after books have been opened. with a maximum of \$125,000,000. After the amount of capital of a Federal home-loan bank paid in by members equals the amount paid in by the Secretary of the Treasury, onehalf of the sums thereafter paid in as capital shall be applied to the payment and retirement of the stock held by the United States.

Provision is made for the withdrawal of any member from membership in a bank six months after the filing of written notice, and the board may, after hearing, remove any member from membership if it has failed to comply with the provisions of the home loan bank act or the regulations of the board.

Dividends up to 2 per cent are to be paid on stock subscribed for by the United States.

This section 5 thus insures that the home-loan bank system will have resources to take care of present emergency needs, and that as many institutions as possible may receive the benefit of it. It is proposed that the United States shall not make a permanent investment but shall purchase stock only in order to permit immediate operation; and therefore this section provides for the retirement of that stock from later capital-stock subscriptions of member institutions. The required stock purchase by member institutions has not been made so high as to be burdensome or to keep out any worth-while institutions. At the same time, since it is the intention to permit the retirement of the Government funds placed in the system as soon as possible by securing additional capital stock through new member institutions, the amount of such stock participation by these member institutions must be sufficiently large as to rapidly supplant the Government's investment. One per cent of the unpaid principal of the home mortgages of the member institutions has seemed to fit both of these objectives.

Section 6 vests the management of each Federal homeloan bank in a board of 11 directors, 2 of whom shall be appointed by the Federal Home Loan Bank Board. The other

will be appointed by the board. The board is to divide the members of each bank into three groups, designated as A, B, and C, respectively, and representing as fairly as possible large, medium, and small members, according to the net value of their holdings of home mortgages. In the election of directors, 3 class-A directors shall be officers or directors of a member in Group A, 3 class-B directors shall be officers or directors of a member in Group B, and 3 class-C directors shall be directors or officers of a member in Group C. Each member may nominate suitably qualified persons for election as directors of the class corresponding to the group to which such member belongs, and each member will have one vote for each director in its class. All directors are to serve for three years. The board is to designate one of the directors of each bank to be chairman and one to be vice chairman of the board of directors of each bank.

Section 7 provides for the examination by the board of the laws of the various States from time to time, in order to determine whether there will be adequate protection to a Federal home-loan bank in making or collecting advances under this act.

Section 8 provides that any member shall be eligible to apply for advances upon the granting of an application or permission to apply, which application shall be in a form as required by the bank of which it is a member, with the approval of the board. This provision gives the home-loan banks the power to set up conditions of application which will insure the proper working of the system.

Section 9 gives each of the Federal home-loan banks authority to make advances to members who have become eligible to apply for them upon security of home mortgages, subject to regulations, restrictions, and limitations prescribed by the board. Such advances are subject to the following limitations: If they are secured by a home mortgage in connection with an amortized home-mortgage loan with an original term of eight years or more, the money advanced to the member may not be in excess of 60 per cent of the unpaid principal of the home-mortgage loan; if the advance is secured by home mortgage given in respect to any other home-mortgage loan, it shall not be in excess of 50 per cent of the unpaid principal of the loan. In no case shall the amount advanced exceed 40 per cent of the appraised valuation of the real estate securing the homemortgage loan. No home mortgage can be accepted as collateral for an advance if the home-mortgage loan has more than 15 years to run to maturity. The appraised valuation is to be established by certification by the borrowing member or other evidence as the board may require it. Each bank has the power to make or to require to be made such appraisals and evidences. No mortgages on homes valued at more than \$20,000 are eligible for rediscount.

The provision that any mortgage eligible for collateral for an advance from a home-loan bank shall not exceed 40 per cent as to unpaid principal of the appraised value of the property, seems to be entirely reasonable, in view of the desire to set up a thoroughly sound and conservative system. Members, of course, can lend 60 per cent or 80 per cent entirely as they see fit and can raise money on such mortgages up to 40 per cent of the property value. The home-loan bank system is not to be used to furnish a major or large part of the assets of any of the member institutions. It is to supplement those assets with the idea that they will still continue to receive their funds from their customary sources.

The advances, in addition to the security mentioned, shall be made on the note or obligation of the member bearing such rate of interest as the board may determine. At no time shall the aggregate outstanding advances to any member exceed twelve times the amount paid in by such member for capital stock subscribed for by it.

These provisions are inserted to provide unquestioned safety for the home-loan banks and for the bonds which are to be issued against the home mortgages. In issuing bonds, each bank must place in the hands of the registrar home-loan mortgages whose unpaid balance is twice the

amount of bonds issued. This means that each \$100 of bond will have practically \$200 of unpaid mortgage behind it and a minimum of \$250 of real-estate value. This insures a safe and conservative type of institution and the bonds should be readily salable.

Section 10 gives the general powers and duties of the banks. Subject to the approval of the board each bank may borrow money and give security and issue bonds or debentures secured by home mortgages.

The rates of interest upon the notes, debentures, and bonds of the banks shall be approved or determined by the board except that no bond or debenture within seven years after the enactment of the act shall bear interest in excess of 5½ per cent, and no bond or debenture issued thereafter shall bear a rate in excess of 5 per cent.

The banks will be jointly and severally liable on obligations issued by any bank. Each bank may have power to accept deposits, but only such as are made by its members or by other Federal home-loan banks. These deposits will not be subject to check, and interest in excess of 2 per cent can not be paid on them. No bank may transact any banking or other business unless expressly authorized by the act.

The funds which may be deposited by member institutions with the Federal home-loan banks are those which have been placed in these institutions to be used in the home-financing field. If they can not be used at the moment by one member institution, it is altogether fitting that they be placed with the home-loan bank by that member so that they can be made available to other members. Since these funds have been definitely ear-marked for home-financing purposes, their deposit with the Federal home-loan banks will in no way be detrimental to the commercial or agricultural interests of the country. These deposits will assist in the free flow of mortgage funds throughout the country, tending to equalize interest rates and to make home ownership equally available to citizens in all localities.

The board is authorized to permit and, in case of an emergency, to require Federal home-loan banks to rediscount the discounted notes of members held by other banks, or purchase the bonds by another bank, or to make deposits with other Federal home-loan banks. The rates on which these discounts or purchases and interest payments are made shall be fixed by the board.

Each bank shall at all times have an amount equal to the sums paid in on outstanding capital subscriptions of its members plus an amount equal to current deposits received from its members invested in United States securities, cash in banks, or advances to members with maturities not greater than one year.

The above requirement keeps each of the 12 banks sufficiently liquid to meet emergencies which may arise or to make short-term advances while long-time funds are being raised through bond issue. It is felt that keeping a proper portion of each bank's resources in Government securities and deposits in commercial banks will add to the strength of the banks and the popularity of their securities.

Section 11 provides that the directors of each bank shall make and file with the board an organization certificate when the bank shall become a body corporate and shall have the usual corporate powers such as that to adopt, alter, or use a corporate seal; to make contracts, to purchase, lease, to hold, or dispose of real estate as may be necessary or convenient to the transaction of its business; to sue and be sued; to employ and fix the compensation of its officers, subject to the approval of the board; define their duties and powers.

Section 12 provides that every Federal home-loan bank, including the capital and reserve or surplus and income derived therefrom shall be exempt from State, municipal, and local taxation except taxes upon real estate held by the bank. The bonds and debentures to be issued by the bank, and the income derived from them, will be exempt from Federal, State, municipal, and local taxation.

This section insures that through tax exemption the bonds issued by the Federal home-loan banks will have a ready

market at interest rates sufficiently low that they can be of real assistance to the home owner. Tax-exempt bonds have been issued for other financial institutions designed primarily to assist the farming interests of the country; and certainly the home owners, making up the backbone of the Nation's citizenship, are entitled to the same consideration. By adding to the taxable real estate in the form of homes for the local units, this tax-exemption feature in the act will increase the taxing powers of the local units and will more than make up for the loss of income to the Federal Government resulting from exemption of the bonds.

Section 13 provides that each Federal home loan bank may be designated by the Secretary of the Treasury as a depository of public money except receipts from customs, and it may also be defined as a financial agent of the Government. This provision is primarily to insure the consti-

tutionality of the measure.

Section 14 provides that obligations of the Federal homeloan banks shall be lawful investments and may be accepted as security for any fiduciary, trust, and public funds under the control of the United States or any officer or officers thereof. Federal reserve banks are authorized to act as depositories, custodians, or fiscal agents of the Federal home-loan banks.

Section 15 provides that the Federal home-loan bank shall carry to a reserve account semiannually 20 per cent of its net earnings until the reserve account is equal to 100 per cent of the paid-in capital of the bank, and thereafter 5 per cent of the net earnings shall be added semiannually to the reserve account. Dividends can not be paid if the reserve shall at any time have been impaired below 100 per cent of the paid-in capital. The board may require from time to time that the Federal home-loan banks established additional reserves or make charge-offs on account of depreciation or impairment of its assets. No dividends shall be paid except out of net earnings remaining after all reserves and charge-offs have been provided for, and then only with the approval of the board.

Section 16 provides for the appointment by the President of the United States by and with the consent of the Senate of a Federal Home Loan Bank Board, composed of five members. One member is to serve for 2 years, one for 3 years, one for 4 years, one for 5 years, and one for 6 years. Thereafter the term of members shall be six years. Each of the members of the board is to receive a salary of \$10,000 per annum. The President of the United States shall designate one of the members as chairman of the board, who will be the chief executive officer.

This board has supervisory powers over the Federal homeloan banks and shall perform the other duties specifically prescribed and shall have power to adopt, amend, and require the observances of such rules, regulations, and orders as shall be necessary to carry out the purposes of the act. It will have the power to suspend or remove any director, officer, or employee of any home-loan bank.

It is essential in such a bank system that there be a central board with broad powers to act and to regulate the functioning of the system. In some respects, the powers of this board are broader than those of the Federal Reserve Board or the Federal Farm Loan Board. This is partly because the Federal home-loan banks will be dealing with diverse types of institutions, operating under different State laws and, therefore, considerable discretionary powers must be laid somewhere. The Federal Home Loan Board is the logical body to exercise such power. The compensation provided is adequate to secure men of real ability and it will require considerable ability to adequately administer the affairs of the system.

Section 17 appropriates \$500,000 to cover the expenses of organization and establishment of the banks until the end of the fiscal year, 1933. It also gives the board the power to levy semiannually upon the banks, assessments to be paid on on equitable basis sufficient to be derived for the estimated expenses of the board for the half year succeeding such levy, beginning with the first half of the calendar year

market at interest rates sufficiently low that they can be 1933. If there is a deficiency the board has the power to of real assistance to the home owner. Tax-exempt bonds make an immediate assessment against the banks.

This provision is necessary in order to permit the immediate and efficient functioning of the board in setting up the home-loan bank system and in making it operative under the present emergency needs with as little delay as possible.

Inasmuch as subsequent expenses will be paid by assessments against the banks, the system will be entirely self-supporting and there is no other more equitable way in which to secure the necessary funds to meet administrative expenses. After the system has been organized, however, there will be no further expenses to the Government and the whole administration will be self-supporting.

Section 18 gives the board power to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as are necessary for the performance of its duties.

Under section 19 the board must at least semiannually, and may oftener, require examinations and reports of conditions of all Federal home-loan banks. The board shall also annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause same to be printed for Members of Congress. Again, this provision assists in making certain that the Federal home-loan banks will be soundly and conservatively operated in accordance with this act and with the rules and regulations to be laid down by the Federal Home Loan Bank Board.

Section 20 provides penalties for false statement, overvaluation of security, forgery, embezzlement, and all the possible acts of dishonesty or irresponsibility that might be committed by anyone connected with the home-loan bank system or dealing with it.

Individuals, partnerships, and associations or corporations are not permitted to use the name "Federal home-loan bank" nor parts thereof in a way that would infer membership when such is not the fact.

Section 21 authorizes other departments of the Federal Government to make available to the board such information and reports in confidence as would assist them in carrying out the purposes of the act. This section also provides that every institution which applies for advances must consent to such examination as the bank or board may require.

Section 21, being a miscellaneous section, also includes two amendments to the national bank act, one amending it to insure the participation of national banks and another amendment treating of the taxation privileges of the States with regard to national banks and the other institutions included in the bill.

This section also directs the allocation of funds by the Reconstruction Finance Corporation to the Secretary of the Treasury, who in turn is to use the funds in making capital-stock subscriptions on behalf of the Government, which are to be made at the time the banks are established.

Section 22 provides for the preparation and custodianship of plates, dies, and forms for such stock debentures and bonds as may be necessary.

Section 23 permits the affiliation of a State home-loan bank or similar organization, which includes the majority of home-financing institutions of any one class in any one State. Such banks are now in existence in Massachusetts and New York.

Section 24 provides that every Federal home-loan bank shall have succession until dissolved by the board under this act or by further act of Congress. This is the usual provision with regard to such legislation.

Section 25 permits a Federal home-loan bank to establish a branch or branches within its district to facilitate its business. It also provides for liquidation, reorganization, and consolidation of Federal home-loan banks.

Section 26 specifically authorizes building and loan associations and other financial institutions organized under the laws relating to the District of Columbia or any other law of the United States to become members of the home-loan bank system.

Under section 27, if any provision of the act is held to be invalid, the remainder shall not be affected. This is a customary provision to support the validity of any part of such an act, even though certain minor portions may not be held to be valid.

Section 28 expressly reserves the right to alter, amend, or repeal the act.

To summarize, the Federal home-loan bank bill will fill a vital place in the financial system of the country. We have created reserve credit systems for commercial banks and for the agricultural interests and the providing of the same type of credit systems for the home owners should be of at least equal importance.

Home ownership occupies an important place, not only in the social but also in the economic life of the country. The construction of the single-family home is one of the important industries, employing millions of skilled laborers directly and indirectly through the furnishing of materials. It is well known that the home owner constitutes the best type of market for home furnishings, electrical appliances, and similar matters. When we promote home ownership we not only promote stable citizenship but we also develop a market for other industries. Normal mortgage credit to-day would eliminate half of our salable vacant homes because to-day, where buyers are willing, mortgage loans are not available to assist them in making purchases.

Home values and the financial security of the owner are dependent on credit. Mortgage money has disappeared when most urgently needed because those financing agencies secured their funds in large part from the same class of people as the home owner; that is, the small saver and investor. To-day this small saver has required his savings at the very time when the owner of the home was compelled to realize something on the savings which he had invested in that home. Thus institutions normally in the home-financing field have been compelled to withdraw from it in order to meet the withdrawal demands imposed upon them by their investors.

The result has been that the home owner's investment has been, from time to time, jeopardized by conditions beyond his control, and home ownership is falling into disrepute. The high mortgage rates, which are a direct result of inadequate funds, have also deterred prospective home owners. In some sections of the country, particularly those newly developed and therefore particularly needing funds to permit the development of the home-owning citizenry, those funds have not been available in anything like sufficient quantities and some interest rates have invariably been higher than necessary had there been such a system as in here contemplated in order to provide for a freer flow from one locality to another.

Insurance companies and banks have consistently and properly made only low percentage loans. So low, in fact, that a prospective purchaser of a home could not get enough funds for his purchase from them unless he had saved for many years. His alternative has been a second mortgage. The costs of second mortgages are known to us all. Financing through first and through second mortgages together has been too burdensome for any except those who were absolutely determined upon home ownership at any price. Second mortgages have discouraged millions of families from home ownership who would otherwise have owned their own homes.

Experience has proved that ample first-mortgage money in the hands of local lending institutions, such as building and loan associations, absolutely eliminates the necessity of a second mortgage if the home buyer can pay down 15 per cent or 20 per cent. This bill will help increase the amount of this kind of first-mortgage money and in its long-time effect will eliminate the burdensome and costly second mortgage.

The bill, through its sale of bonds, will also make available to the home owners sources of funds which have previously not been tapped. The usual bond buyers are not now in the home-financing field. Money gained through the bonds will be invested in American homes and will

benefit American industry, rather than going into the foreign countries.

Not only will this act be of immeasurable benefit to the home owner, but it will also be of real assistance to the small saver whose funds now, when he needs them most, are tied up in home-financing institutions, which have no place to turn to for credit in order to turn over to him the savings so sorely needed to pay for the necessities of life. By meeting the withdrawal situation of building and loan associations and the similar demands in other institutions, this bill will release purchasing power which is so essential to general business recovery. There is probably no action which Congress would take which would so beneficially affect so many classes and businesses in this country.

The home-loan bank system is designed to divorce two incompatible fields of finance—short-term commercial lending and long-term home financing. Present conditions have shown that it is dangerous, one might say suicidal, for long-term financing agencies to depend on short-term advances for their emergency needs. If we are to have the necessary flow of funds in the home-financing institutions, we must set up for them a nation-wide reserve system suited to their requirements, such as provided in this bill.

The most constant factor in the whole financial scheme of things is the value of the home. The raids of the bears, the advances of the bulls, the ups and downs of the stock market, to-day's or to-morrow's price of real estate, lumber, cement, or labor can neither appreciate nor depreciate the tradition, the sentiment, and the pride of ownership, which have been builded into the four walls of every home. Our economic structure has no underlying basic value more constant than the American home. Wreck it and you wreck the Nation.

This legislation is intended to stimulate home ownership in normal times and to protect and safeguard that ownership in times of business depression and financial stress by providing a reservoir of credit for those institutions, the business of which is home financing. Not only is it constructive, forward-looking legislation but emergency legislation. If enacted, it will bring relief to thousands of deserving and distressed home owners who are to-day threatened with dispossession because of the lack of a dependable, scientifically designed central agency of credit.

If you believe in maintaining and encouraging home ownership in America, here is your best opportunity to show it. The future welfare of our great Nation depends upon the successful carrying out of the purpose of this bill. No sound or effective argument can, in my opinion, be advanced against the desirability of its objective. Remember, the world must move forward on the feet of little children, whose usefulness in life and patriotic citizenship in adult years is but a reflection of proper home influences and training. A vote for this bill is, therefore, a vote for the millions of children abroad in our land, whose voice is silent to-day but upon whom we must turn to-morrow for counsel and constructive leadership. A home for every worthy citizen's family is the safest insurance for the perpetuity of life, liberty, and the pursuit of happiness. [Applause.]

Mr. EATON of Colorado. Will the gentleman yield? Mr. HANCOCK of North Carolina. I yield.

Mr. EATON of Colorado. I would like to ask where in this bill there is any help for the home owner who is now in trouble on his mortgage and who can not pay on his present mortgage? The people in trouble are those who own their homes and can not pay. Where will this bill help them?

Mr. HANCOCK of North Carolina. This bill is both an emergency measure and a permanent credit system designed to encourage and aid home ownership. As an emergency measure it will unquestionably afford relief under proper administration to those who are now struggling, against insurmountable obstacles, to retain possession of their homes, which, in many cases, they have been paying on for years. That relief and aid can be extended in several ways. Through discount privileges with the home-loan bank, financial opportunity is afforded to members of the associa-

reduced incomes, to take up their mortgages from the insurance companies and mortgage companies, which are usually made for a stated period of time, and refinance their debts over an extended period through the genuine homefinancing institutions, such as building and loan associations and cooperative associations. To illustrate: Suppose a man has borrowed from a building and loan association \$4,000. His regular monthly payments, with interest, would amount to \$60. Assuming that he has been in the association and has met his regular monthly payments over a period of about three years, his stock which is pledge with the loan would have a value of around \$1,800 to \$2,000, which would, in effect, amount to a reduction in the amount of his debt of that amount. As a result of this depression, his income by salary or wages has been so reduced that he now finds that the \$60 monthly payment is impossible. Under ordinary conditions the association could permit him to cancel out his old stock, file application for new loan of the balance which he owes, and thereby extend the maturity of his obligation for another full term, which would in effect reduce the amount of his monthly payment from \$60 to \$30 or \$35. With the establishment of the credit system proposed in this bill the building and loan associations, notwithstanding heavy withdrawals and loans on stock of shareholders who are not mortgage borrowers, could secure sufficient funds by discounting other paper to aid the overburdened member borrowers by refinancing, as above illustrated. Through this one means alone this legislation would afford relief to thousands and thousands of individuals, and thereby insure final victory in the payment of their homes which they have been struggling for years to own free of debt.

Mr. EATON of Colorado. The gentleman means by that to make a moratorium for the past debt that is not paid?

Mr. HANCOCK of North Carolina. No; not a moratorium, but a sound, lenient, refinancing which is more desirable from every standpoint and which is in many cases all that is necessary.

Mr. EATON of Colorado. Then it is intended to extend the term for the payment of the whole loan to some longer distance into the future?

Mr. HANCOCK of North Carolina. Yes. Under this plan the effect would be to double the term for which the loan is to run. The great number of homes which would be saved, in addition to other natural benefits accruing to the individual borrower who is overburdened, can not be overstated. There is perhaps not a man in this Congress who does not know that foreclosures of homes have been and are being carried on in every town and city in the United States. It is hard to conceive how any situation could be more demoralizing and discouraging and calculated to have a more harmful effect upon the spirit and patriotism of a large number of our most patriotic citizenship. Many of us are wont to utter platitudes about the home being the backbone of the Nation and the supporting structure of its credit. This bill gives each of us the opportunity to legislate in the interest of the average citizen or little man, as some are given to describe him. As a matter of fact the little home owner should rightfully be termed the big man in our measurement of the real strength of the Nation's resources. Why, under this bill did you know that a mortgage on a piece of real estate for \$20,000 is only discountable for \$8,000? No mortgage covering real estate in excess of \$20,000 is subject to discount. Few of our good wealthy citizens own homes that cost less than \$20,000, whereas a very large majority of the poorer classes own homes which cost decidedly less than that figure. By careful perusal of the bill, together with the illuminatingly intelligent report prepared by Mr. Reilly, chairman of the subcommittee, it must be apparent to all those who care to know, that this legislation is truly and genuinely designed to aid people of small means. That fact alone makes it worthy, desirable, and exceptionally attractive to me as a matter of policy and legislation. In a sense it is somewhat of a new policy on the part of the Government, and similar efforts should be

tions which will permit them, because of unemployment and | encouraged by all of us in our earnest desire to insure equal reduced incomes, to take up their mortgages from the in-

Mr. LaGUARDIA. Will the gentleman yield? Mr. HANCOCK of North Carolina. I yield.

Mr. LaGUARDIA. The trouble we are having in the big cities, and of course every one knows that there are a lot of little homes in the suburbs of big cities, is that when mortgages become due they refuse to renew them, refuse to extend the time, whereupon the little individual is forced to go somewhere else to make a loan, and he is charged a 25 per cent bonus in order to take care of the first mortgage.

Mr. HANCOCK of North Carolina. The gentleman from New York makes a splendid point and one which the subcommittee has had in mind during its entire consideration of the bill.

Mr. Laguardia. How will the individual in such a case be protected?

Mr. HANCOCK of North Carolina. His protection can be accomplished in a very simple way. The individual will go to the building and loan association, make his application, and the association will in turn approve his loan. Immediate financial assistance can be secured for him by the association's discounting his paper with the home-loan bank. He gets his money from the association, and in turn takes up his mortgage from the mortgage company or insurance company which because of circumstances perhaps over their control they are forced to call in or refuse to renew.

Mr. LaGUARDIA. It is also provided that the building and loan association, this company, whoever makes the loan, a member of the home-loan bank, or whoever he is, will not be permitted to charge a bonus?

Mr. HANCOCK of North Carolina. The charging of a bonus or brokerage commission could not be done under the terms of this bill as it is proposed to be amended. It is my idea to offer an amendment which will limit the interest to be charged the member or nonmember borrower by a margin not to exceed 1½ per cent between the amount the bank pays on its debentures and the amount charged the borrower as interest for the loan. The charging of a brokerage commission or bonus would, of course, be inconsistent, foreign, and repulsive to the plan involved in this bill.

Mr. LAGUARDIA. How will it be prevented?

Mr. HANCOCK of North Carolina. This bill is designed to eliminate the possibility of the practice of the nefarious scheme which some companies have engaged in throughout the country for years, which make loans for a short fixed period of time, knowing at the time that the borrower will be unable to meet the payment of the principal at its maturity, with the result that the borrower has to request and sometimes beg for a renewal or extension. This, of course, places him at the mercy of the lender and forces him to accept helplessly the lender's terms, which in many instances requires the payment of another brokerage commission. This bill is designed to cure that evil in this country.

Mr. LAGUARDIA. How will the bill cure it?

Mr. HANCOCK of North Carolina. The bill cures it by providing a reservoir of credit to the true home-loan financing institutions so that they may secure low-cost and lowterm credit, which in turn is extended by the association borrowers to its members. This is especially true with respect to the mutual building and loan associations which are usually operated with a small overhead and for the equal good and profit of all shareholders. This bill has been carefully and studiously prepared. A large part of the credit for the present finished product is due to the untiring labor, intelligence, and judgment of Mr. Reilly and Mr. Luce. I feel that the membership of the House owe both of these gentlemen a debt of gratitude for their work in connection with this legislation. Since the administration of the bill involves members in all the States, with variable laws, it is, of course, highly technical. And, like every measure of this character involving banking laws, it has its imperfections. Time and practice will reveal these more vividly, and curative statutes or amendments will no doubt be needed as they come to our attention.

friend the gentleman from Missouri [Mr. WILLIAMS], who is to-day and has been opposed to this bill from the first word to the last word in it. It would be futile for me to undertake further to give you my personal reasons for this legislation. The 15 reasons for the bill set out in the report can not be added to or elaborated upon. They should satisfy every fair-minded man in this House of the need for and desirability of this legislation. These reasons absolutely and completely refute the argument of Mr. WILLIAMS that there is no need for the legislation. In addition to that, reference to the report will show that a majority of the representative financial institutions in the country, and the building and loan leagues in 40 States, believe in and favor this bill. The chief objections which have been raised toward and leveled against this legislation emanate from the mortgage bankers, mortgage brokers, and big eastern insurance companies. In referring to them I do not intend to impugn the motives of their representatives, but I can not but believe that their chief opposition has been sounded, because under this plan they will have a real competitor and much of their business will come to the real home-financing institutions, where it properly belongs. Of course, it must be recognized that some of these institutions which are opposing the passage of this legislation have in former years extended needed and desirable financial assistance in the matter of home and other building institutions.

I also desire to answer another objection which Mr. WIL-LIAMS has set out in his minority report and which he has stated to the membership to-day. It is true that under the different laws in the various States some of the homefinancing institutions can not avail themselves directly of the benefits of this law; but I call to your attention the fact that by left-handed methods practically every State in the Union can take advantage of this bill.

Mr. WILLIAMS says that only seven States in the Union can borrow from the Reconstruction Finance Corporation for the reason that the others can not pledge as collateral their mortgage loans. The records do not bear out this statement, and I am in position to advise you that the Reconstruction Finance Corporation has to date made loans on mortgage collateral to building and loan associations in 18 States, and I am reliably informed that 12 additional States have applications for loans pending which it is reasonably probable will be favorably acted upon shortly. Part of this information is available in the report of the hearings, to which I most earnestly invite your attention and careful

Mr. MOUSER. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. MOUSER. Does the gentleman know that in certain instances subsidiary corporations have been organized, the officers and stockholders of which are identical with those of the bank, whereby they buy these homes at foreclosure sales, and that many foreclosures are had because of the opportunity to acquire homes at the two-thirds appraised value by really the same corporation?

Mr. HANCOCK of North Carolina. Of course, I recognize that in some instances those things happen.

Mr. MOUSER. So they are entirely selfish. That is one reason they do not want this bill to pass.

Mr. HANCOCK of North Carolina. I am not disposed to sit in judgment upon the practices of any institutions about which I do not have personal knowledge. It would, of course, be reasonable to conclude that some institutions do engage in such practices, and that those practices are actuated by selfish motives.

May I undertake now to answer briefly the objections raised by my good friend Mr. Stevenson, a member of our committee? His objection to the bill because it would permit the banks to issue tax-exempt securities is beyond my grasp at this time. I feel that he knows more about the wisdom of the further issuance of such securities than I do. I do not think, however, that the banks could sell their bonds at such a rate of interest as would enable cheap money for the member borrowers unless some special tax privileges are

Now may I understake to answer the argument of my good | granted. Practically all the other agencies have been accorded the tax-exemption feature proposed in this bill, and I hardly see how we could consistently deny that same privilege in connection with this legislation. It is my understanding that Mr. Stevenson's main objection is that the benefits of this legislation are to be extended to State banks, trust companies, and insurance companies, and that all of these should be stricken out of the bill. Though I do not believe in discrimination, I am inclined to feel that this objection is well founded, especially when we consider the relief which has been afforded these institutions and keep in mind the true purpose of this bill. I want to see the relief afforded in this bill go to institutions which are primarily and secondarily, if you please, interested in promoting and encouraging home ownership rather than in making a profitable investment. This, in my opinion, to use somewhat of a vulgar expression but one which is very expressive, is the real guts of the purpose of the bill.

Mr. KETCHAM. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. KETCHAM. Do I understand the gentleman from North Carolina to say that a man who is not a member of a building and loan association but who has a mortgage on his home may become affiliated with a building and loan association and thereby come under the provisions of this bill?

Mr. HANCOCK of North Carolina. That is true. Of course, the proper time is usually when a new series is opened, but I do not believe that there is any restriction which would prevent his coming in at any time by catching up with past-due payments which have been assessed since the beginning of the series. Of course, it must be remembered that the home-loan bank system is a central discount banking system to aid the associations and institutions and that no direct loans are made to the individual. The system contemplates the preservation of the local financing units, and this is unquestionably a most desirable feature.

Mr. MAY. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. MAY. Does the gentleman mean to say that an individual may become a member of the association, so that he may borrow individually except through these associa-

Mr. HANCOCK of North Carolina. This bill is intended or designed to aid associations which are engaged in home financing on amortized or installment plan. As stated before, no loans can be made by the banks comprising the home-loan bank system to the individual borrower. The individual borrower makes application through the member association or institution, and that institution takes his mortgage loan and discounts it with the bank. This system affords to the present and would-be home owner a flexible system of low cost and long-term credit. Properly administered and as a permanent plan it should be a bulwark of financial strength and security to home owners.

Mr. MAY. I do not want the gentleman to misunderstand me. I am inclined to favor the bill, but I want to be sure it is going to reach the man who has a mortgage on his home.

Mr. SABATH. A man can join a building association and become a member, and that is the way he derives the benefits provided in the bill.

Mr. McCORMACK. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. McCORMACK. I notice on page 2 that it is limited to dwellings of two families. Why is that limitation placed

Mr. HANCOCK of North Carolina. Because the bill is designed to aid the man who owns and lives in his own home rather than the occupant of or investor in an apartment house or other similar structure. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. Hooper]. [Applause.]

Mr. HOOPER. Mr. Chairman, it is a matter of supreme indifference to me who has the credit for the passage of this bill so long as it is passed by this House and eventually becomes law. If there is any recent credit I am very glad

to give it to the gentleman from Wisconsin, whose name the bill bears, and the gentleman from Massachusetts, both of whom have been working earnestly and, of course, very intelligently for months past in order to bring this bill to the point where it is to-day.

All of us here know that there is not so very much which can be accomplished by legislation to drag the United States and the world out of the depression which holds them in its grip to-day, but if it is possible that this bill can send down through the arteries of business and of commerce some of the credit which is so necessary to a revival of business,

then the bill will justify itself.

My contribution to this discussion this afternoon-and I will not take all of the five minutes which have been allotted to me, because I feel the House is ready now to vote for this bill-will be in this way: This morning there came to my desk an editorial from an independent newspaper in my home town, Battle Creek, Mich. To me this editorial crystallized the arguments in favor of this bill in as concise a manner as anything which I have seen since the bill commenced to be seriously discussed. If there is no objection, I would like to read it to the committee at this time, and I shall read only a portion of the editorial:

The home-loan-bank system would encourage the building of homes by making it financially easier to build and keep homes. It would provide protection for the home owners who are now in danger of losing their homes through foreclosures, which in many instances would mean the loss of the fruits of years of

The system would provide a way to tide over home owners who are in difficulty now, and a way for prospective home builders to realize their dream of a haven of their own.

Besides this, the system would give great stimulation to the building industry on which millions of citizens are dependent for their living.

for their living.

Here is a plan which would encourage home ownership, stabilizer of citizenship, and a corner stone in the Nation, while giving immediate, direct relief to many ordinary citizens.

But this plan is not a panacea. It is not sensational. It does not offer much chance for anyone to wave his arms and fight

imaginary enemies.

It is a good, common-sense bill, says the editor of this paper, which will at least try to bring to the small manabout whom we have heard so much lately-all we can bring to him in a legislative way at this time and under these circumstances.

I do not believe this bill is a panacea, as this editor suggests, but I do believe it is a step in the right direction, and that as far as legislation of this character can do ittogether with the other things, which this House in a nonpartisan way has accomplished this year, sometimes at the instance of the President and sometimes not at his instance—it will bring about that recovery to which all of us, Republicans and Democrats alike, are looking forward so anxiously to-day. [Applause.]

Mr. STRONG of Kansas. Mr. Chairman, I yield to the gentleman from West Virginia [Mr. Bowman].

Mr. BOWMAN. Mr. Chairman, the failure of the legislative program of the first session of the Seventy-second Congress to revive trade and commerce has brought forth a number of suggestions and propositions to remedy our present economic conditions. Without exceptions, the basic foundation of these proposals rests upon the ability of the Federal Government to obligate itself for constructive programs of internal developments and improvements. These proposals provide for the expenditure of large sums of money, but make no provision for raising the money except by huge bond issues of the Federal Government. These methods place an additional tax burden upon the tax-paying public at a time when the Congress of the United States is wrestling with the difficult problem of securing sufficient revenue to balance the Budget of the Federal Government.

In the attempt to solve our economic problems, I am convinced, we have reached our conclusions by the application of false premises. We have approached these problems by futile attempts to find employment for the many unemployed. I agree that the depths of the present depression are measured and determined largely by the number of unemployed, but any program to employ the unemployed temporarily will not solve our problems. The unemployed must have reasonable assurances of permanent employment, and that condition can not be stimulated by artificial means. The roots of all evil in this depression find their nourishment in the heart of the individual citizen of this country. Plant in his heart a new hope, revive his soul with a new faith, and inspire him with a new ambition and a new courage, and he will turn his back on the misery and misfortune of the past, and will go forth in the dawn of a new day with renewed courage and ambition to reconstruct a great nation from the ruins of the old. Confidence is the magic word that will restore this Nation to its permanent economic stability.

During this period of world-wide depression, the Congress of the United States has become an experimental laboratory for economic research. It has developed into a testing station or workshop of applied political science in an effort to discover a panacea for all our national difficulties and to find some method of restoring the social and economic life of the individual citizen. In it we have endeavored to develop new legislative formulas to produce and generate new forces for economic stability; and we have attempted to discover a new political solvent which will dispel doubt and despair, and dissolve the elements of fear; and we have sought feverishly for a new elixir of our national life which will restore confidence in the minds of the people, revive business, and cleanse the clogged channels of commerce and trade.

If we have failed in our legislative tests and experiments, the cause must necessarily be attributed to the methods by which we have attempted to solve our economic problems. We have treated these problems synthetically rather than analytically. We have failed to analyze and dissolve our national problems into the basic elements or constituent parts. We have generalized when we should have specialized. We have thought in terms of masses instead of individuals. We have treated the individual citizen from the standpoint of his relationship to some artificial element in our national life rather than his relationship to his own Government. We have attempted to revive the hopes of the individual by applying restoratives to some one else. The individual has not been the beneficiary of our legislative enactments. Fear still rules his life because confidence in his Government has been destroyed.

The practical operation of the Reconstruction Finance Corporation, which occupies a prominent part in the legislative achievements of this session of Congress, is a concrete illustration of my contention. In the recent report of Gen. Charles G. Dawes, president of the Reconstruction Finance Corporation, issued on April 19, 1932, it is disclosed that \$243,248,769 have been loaned to 1.520 banks and trust companies, of which amount \$5,994,300 was loaned for the purpose of reorganizing closed banks; 20 railroads received \$77,515,549; 98 building and loan associations received \$17,326,748; 28 insurance companies received \$11,950,000; and 1,757 business institutions received \$370,437,802. Much of this money has found its way into the vaults of our large financial institutions and has been used primarily to strengthen the financial position of borrowing companies or their banking institutions. The object of the bill creating the Reconstruction Finance Corporation was to make available emergency financing facilities for financial and business institutions. In turn it was the hope of Congress that these institutions would aid in refinancing agriculture, industry, and commerce. The law contained the necessary and essential elements for restoring hope and confidence; but the individual citizen has not been touched by the provisions of this reconstruction act.

The Glass-Steagall bill is another point in illustration. This law amended and modified the provisions of the Federal reserve bank. Its purpose was to afford means of financial relief to banks. It was confidently expected that the operation of this law would result in easier credit and would meet the urgent demands of commerce and trade. In so far as inspiring confidence in the individual citizen, the enactment of this law has been a failure.

These laws are not without their most disappointing effects. They were enacted primarily for the expansion of credit. Credit has not expanded; but we discover that the | cash reserve in the banks of the country has increased enormously. The recent report of the Treasury Department showed a constant, steady increase of cash reserve. Only a few weeks ago the report disclosed the information that the cash reserve of the banks of the country had increased \$145,-000,000 in one week. This situation is susceptible of only one interpretation and that is that the banks of the country are using constructive legislation as convenient vehicles to strengthen their own financial position and standing. In other words, the large financial institutions of the country are hoarding the money and are not using it judiciously for the expansion of credit in the channels of trade and commerce. The vicious method of hoarding money by individuals a few months ago has been transferred to a more deliberate and systematic method of hoarding money by the banks of the country under the protective provisions of the laws of the United States.

In this connection I do not want to be misunderstood. I am convinced that the law creating the Reconstruction Finance Corporation and the Glass-Steagall bill amending the Federal reserve act are necessary and essential elements in the economic recovery of this Nation. I have no apologies for my affirmative vote on these measures. They strengthened the banking system of this country and were instrumental in checking and stopping the destructive epidemic of bank failures. Great good has resulted from these two laws, and they stand ready to render greater aid and assistance in the days to come.

These observations have prompted me to suggest and advocate a threefold plan or proposal which involves (1) the adoption of a more sympathetic policy of the Reconstruction Finance Corporation in liquefying and releasing immediately the frozen assets or deposits of closed banks; (2) the creation and establishment of a Federal system of homeloan banks; and (3) the reorganization of our banking system so as to afford greater security and protection to depositors.

Without cost to the United States Government the first two proposals would release billions of dollars for distribution into every section of the United States. In fact, they would release a greater sum into the sluggish channels of commerce and trade than any other proposal that contemplates the issuance of Government bonds. The third plan would strengthen and broaden the confidence of the ordinary citizens in the banking system of the country, and would act as an absolute prohibition against further hoarding of money by individuals and business interests.

There is much justification for the lack of confidence and faith in our banking system. During the years 1930-31 the confidence of the American people fell to its lowest level when a destructive hysteria of withdrawing and hoarding bank deposits swept relentlessly through the Nation and closed the doors of solvent building and loan associations. trust companies, and banks. No section of the United States was spared from the destructive fury of this hysteria. During this period and the months of January and February, 1932, 4,300 banks closed their doors. From January 1, 1921. to March 1, 1932, 9,842 banks have been closed, which total includes 1,431 national banks, members of the Federal reserve banks by law; 383 State banks, members of the Federal reserve system; and 8,028 State banks, nonmembers of the Federal reserve system. The combined deposits of these banks and financial institutions amount to \$4,563,372,000.

Out of the staggering total of 9,842 closed banks, only 1,133 banks, with deposits totaling \$484,280,000, have been reopened or reorganized, leaving 8,079 in the process of possible liquidation, with frozen deposits and assets of \$4,079,092,000. It has been carefully estimated that the deposits of suspended private banks and building and loan associations would swell the grand total of frozen deposits to more than \$5,000,000,000, vitally affecting the financial status of 10,000,000 depositors. The situation becomes more deplorable when we understand that the average length of time for liquidating a closed bank is eight years, and that the average dividend rate of liquidation, according to the report of the United States Comptroller of Currency for the year

1928, is approximately 80 per cent. Of course, the average dividend rate of liquidation during this period of depression would not be as high as in the year 1928. However, it is estimated that 60 per cent dividend rate of liquidation at the present time would be conservative. Applying the law of averages to the present situation, it is observed that \$3,000,000,000 will be paid eventually to more than 10,000,000 depositors over a period of eight years, and the remainder, amounting to \$2,000,000,000, must be eliminated from consideration as an absolute loss.

For the present, let us forget the loss of \$2,000,000,000 to the depositors of our closed financial institutions, and deal with the \$3,000,000,000 of frozen deposits, which we have a right to believe will be eventually paid to depositors over a period of eight or more years. From a mathematical standpoint this sum of \$3,000,000,000 represents the approximated average 60 per cent dividend to be paid out to depositors of closed banks in the process of liquidation. The proposal suggested herein would place an additional responsibility upon the shoulders of the Congress of the United States to liquefy the frozen deposits in the closed banks of the Nation, and turn them into the channels of trade and commerce. The legislative process would be a simple matter of amending the law creating the Reconstruction Finance Corporation by increasing its capital, if necessary, and by permitting it to advance in cash a large percentage of the estimated liquidation dividend of each State and Federal bank immediately.

For example, suppose a closed bank in a city of 20,000 has a million dollars on deposit, and a careful examination of the resources and liabilities of this bank justifies the probable payment of an 80 per cent dividend. In accordance with the suggestions made herein, the Reconstruction Finance Corporation could advance 60 or 70 per cent of the total amount of deposits for immediate liquidation. This method would immediately distribute between \$500,000 and \$600,000 to this community formerly served by the closed bank

In this operation the Reconstruction Finance Corporation would be amply protected by the deposits of the bank and forced liquidation could be delayed and postponed indefinitely without sacrificing collateral security and farms and homes. This plan would not contemplate any drastic or harsh means of forced liquidation. The creditors and stockholders of the bank would not be financially embarrassed. The Government could cooperate in a systematic and a sympathetic manner both with the depositors and creditors of the closed bank, and thereby create a spirit of cooperation and optimism and confidence, which are necessary elements in our economic recovery.

Much publicity has been given to the number of State and Federal banks reopened; but very little is said about the plans adopted for reopening them. Recently, the State banking commissioner of Michigan announced the probable reopening of 41 closed banks in that State, with total deposits amounting to \$20,000,000, and that these reopenings had been made possible by the depositors of the banks signing "moratorium" agreements pledging to leave their deposits with the bank, in most cases, for five years. This method is the universal method approved and recommended by the Treasury Department and State banking commissioners throughout the country.

It is estimated that more than \$500,000,000 of savings and capital are "frozen" in this manner. In other words, this large amount is denied participation in the active channels of trade and commerce, and then we wonder why local communities throughout the Nation do not respond to our legislative efforts. It should be the duty of the Congress of the United States to release the money already frozen in reopened and liquidated banks instead of considering huge bond issues for public improvements.

No bond issues can reclaim for the individual citizens what is actually theirs in the closed banks of the country. No bond issue can replace their "frozen" deposits. Our problem is not a problem of creating new money, nor creating cheaper money; but a problem of releasing and liquefying the money we already have. There is still sufficient

money in the United States to restore prosperous conditions, but we still wander in the wilderness of doubt because we have denied to the individual citizens in every section of the United States the privilege even of quenching their economic thirst until the financial reservoirs are restored and running full.

The President's recommendation for the establishment of a home-loan bank is a constructive effort to relieve the conditions of home owners throughout the United States. Legislation of this character would affect more than 10,-000,000 investing members who are attempting to pay for their homes through building-and-loan plans. The enactment of this legislation would stabilize home financing and home ownership, and would eventually stimulate home building. In fact, no comprehensive plan for home building and home construction could be contemplated until home financing is assured and home owning is stabilized.

The building and loan associations of the United States meet the needs of industrial communities and they are organized as a part of the financial structure of the United States. Their resources reach a total of more than \$8,000,-000,000, of which 80 per cent is invested in mortgages and deeds of trust on homes. The failure of banks has involved the resources and assets of a great number of building-andloan associations, and the unemployment situation has impaired the financial ability of investors to save and preserve their homes. The Federal Government should come to the rescue and enact such legislation that would permit the refinancing of homes by long-time loans. At present the home owner has no opportunity to refinance. The man with a farm, however, has several agencies established by the Federal Government for refinancing, and the United States Government should make every effort to provide facilities for the individual citizen to own and maintain a home.

I favor the Federal home loan bill now under consideration in the House of Representatives because it will save and preserve the homes throughout the country, bring additional money into depressed communities, assist in the liquidation of closed banks, and provide money for commercial and industrial activities without the cost of a single penny to the Federal Government. It is estimated that the enactment of this bill would release and make available more than \$1,000,000,000 to stricken communities, which would tend immeasurably to restore economic conditions in the United States. The individual citizens would be the direct beneficiaries of the Federal Government, and their confidence in government would be awakened and inspired.

In the consideration of this bill for the relief of the individual home owner, I feel that we should not estimate in any degree the probable losses, if any, to the Government of the United States. This argument has no place in the enactment of such legislation. Suppose the Federal Government lost every penny advanced to its own citizens through its banking facilities, the loss would be about one-twentieth of our recent losses in loans to foreign enterprises and foreign governments. Now is an opportune time for the Federal Government to assist the individual citizen. He is in need. For my part, I would rather trust the home owner and home builder in America without a single penny of security than to trust foreign interests and foreign governments for loans amply secured. I believe that the American citizen is entitled to first consideration from the American Government.

The third plan of my proposed program for reviving the confidence of the people of this country involves some method of giving greater security and more protection to bank depositors. The recent wholesale failure of banks throughout the United States because of lack of confidence has brought our unit system of banking into disrepute. In fact, the word "national" in the corporate name of a Federal bank should mean safety and security; but in view of our recent experience the use of that word is a deception and fraud.

The urgent demands of 10,000,000 depositors of closed banks for some protective policy should not go unheeded by Congress. Already the House of Representatives has passed

the Steagall bill providing for a method of guaranteeing deposits in national banks. This bill was strenuously opposed by those advocating the maintenance and perpetuation of State banks. The depositors, however, are not interested in any controversy between Federal and State law. They have a right to demand some measure of protection and security for their confidence and faith in our financial institutions, and to meet these demands a complete reorganization or rehabilitation of our banking system is absolutely necessary. In no other way can we strengthen and revive the confidence of the people in our financial institutions.

A system of branch banking has been eminently successful in the Dominion of Canada, and the outstanding feature of this banking system is found in the absence of a central banking institution comparable to the Bank of England or to our Federal reserve system. Chartered banks are permitted to establish branches and agencies in any part of Canada and elsewhere. At present there are 11 chartered banks with 4,040 branches, or 1 bank for every 2,450 inhabitants, while in the United States there was 1 bank for every 3,900 inhabitants. The employees and agents of the Canadian banks are experienced and trained men. Banking is a profession. Since 1900, Canada has had only nine bank failures, and none since 1923. In other words, during the last 32 years Canada has had nine bank failures, while the United States has had 9,842 bank failures during the past 11 years. We can now understand the direct cause of the general and universal unrest and dissatisfaction with our present unit system of banking.

High liquidity of cash and credit is the outstanding feature of branch banking. The cash reserve of one or many branches may be transferred to another branch in actual need. As an illustration, a few years ago a branch bank was opened with \$150,000 on deposit, but that branch was able to loan \$600,000 to meet the demands and needs of its particular community. Later this same branch had \$600,000 on deposit with loans of \$150,000 in its community. Funds can be shifted to points of greatest need and the banking risks are distributed over the entire system, and no one branch is subjected to the strain imposed upon individual banks in the United States.

In submitting these facts, concerning the Canadian banking system, it must be understood that I am not advocating at this time a system of branch banking in the United States, but, in a comparative sense, I am pointing out the failure of our own system. In other words, I am not emphasizing the success of the Canadian system, except to draw attention by way of comparison to our own unsuccessful system of unit banking. This comparison places upon the Congress of the United States a responsibility to eliminate, if possible, the conditions which, in no slight measure, were responsible for the bank failures in the United States.

As Congress now faces a heavy agenda of economic problems, it must realize definitely that this Nation can not squander itself into prosperity. The Nation will not recover itself accidentally, neither will prosperity return incidentally. Congress must blaze the pathway; and, in doing so, it can not ignore the fundamental principles of sound national economics. It can not reverse the verdict of history by authorizing the issuance of millions of bonds for public works to relieve unemployment. This verdict is summarized in a report of the National Bureau of Economics, issued June 5, 1930, as follows:

The increase in the volume of public works as a direct solution of the unemployment problem has historically proved a failure, This method has failed to absorb a substantial proportion of the unemployed; it has led to the undertaking of works not really required by the Government and to great waste in the administration of the job.

The President of the United States recently issued a public statement in which he declared his opposition to any public-works program which would necessitate the issuance of Federal bonds. This opposition was based on the contention that a bond issue of this character to support public improvements and development would not be self-liquidating. In other words, a bond issue of this nature would not be in

economic accord with the verdict of history and the tradition of nations. His statement was not the declaration of a new economic polity, but it was simply the prenouncement and reiteration of a traditionally sound, age-old economic doctrine.

The program I have suggested comes easily within the range and purview of the President's recent statement, and the well-defined economic experiences of distribution of financial assistance to every section of the United States. however remote, in amounts exceeding by far the amounts contemplated or proposed for distribution by any publicworks program. The distribution of funds would be equitable and not confined to the limited and restricted areas of public improvements and developments, and Congress would not have to attempt the impossible by repealing and reversing the natural law of economics. The beneficent results of the enactment of the proposed legislation would be found in the liquidity of frozen assets and deposits of closed banks; in the prevention of the unnecessary sacrifices of property and other securities by forced liquidation; in the stabilization of home financing and home owning; in the stimulation of home building; and in the complete restoration of public confidence, which is essential to the economic recovery of this great Nation. [Applause.]

Mr. STRONG of Kansas. Mr. Chairman, I yield four minutes to the gentleman from Pennsylvania [Mr. Campbell].

Mr. CAMPBELL of Pennsylvania. Mr. Chairman, I just wish to call the attention of the committee to a few reasons why there is a demand for this bill. The Department of Commerce sent out inquiries to 5,898 financial institutions, propounding the following question:

Would the facilities provided by the proposed home-loan discount banks for borrowing on home mortgages add desirable flexibility and security to the conduct of your institution?

Seventy-six per cent of the replies answered "yes." They included national banks, building and loan associations, mutual savings banks, stock savings banks, State banks, loan and trust companies, and mortgage bankers. That covered the entire country.

The system provides that all members may borrow from a Federal home-loan bank by placing mortgages with the bank for security. To make sure that this would be for the benefit of the small home owner we placed a restriction in the bill limiting the rediscount privileges to mortgages on property where the value did not exceed \$20,000.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. CAMPBELL of Pennsylvania. Yes.

Mr. WILLIAMSON. Are the credit facilities of the homeloan banks available to building and loan associations that do not hold stock in the home-loan banks, or do they have to hold stock in the banks before credit facilities will be available to them?

Mr. CAMPBELL of Pennsylvania. They must hold stock.
Mr. WILLIAMSON. And until they do own stock in a
home-loan bank they can not loan money or rediscount
paper with the bank?

Mr. CAMPBELL of Pennsylvania. Indirectly, but not directly. There is a proposal, made by the distinguished Senator from Michigan, to allocate \$250,000,000 from the Reconstruction Finance Corporation to take care of the building and loan associations. General Dawes, when he was before our subcommittee, was asked whether or not the Reconstruction Finance Corporation could take care of the situation. He said decidedly not; that all the loans they had made so far to building and loan associations had been paid to the banks on account of the building and loan associations, and that, therefore, up to the present time the building and loan associations were not receiving any benefits from the Reconstruction Finance Corporation.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc. That this act may be cited as the "Federal home loan bank act."

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if I may have the attention of the committee, I want to refer to the mechanics of the bill, and I hope in the course of the debate under the 5-minute rule statements will be made by members of the committee so as to make absolutely clear the intent of Congress.

I can speak, of course, only as to conditions in and around New York City. In the nature of things, we have not many small homes in the heart of Manhattan, but in the Boroughs of Bronx and Queens and Kings and Richmond and on Long Island we have thousands and thousands of little homes. They are all encountering difficulties at this time and many of their owners are losing their homes through foreclosures.

As the mortgage becomes due or as a payment becomes due, they are unable to get any extensions of time. They are usually unable, to-day, to obtain a renewal of a mortgage, whether the mortgage is held by a savings bank, by a title company, or by a loan company. So the relief which we need at this time is not so much a new mortgage on a new home, because people are not working really and have not the means to put up a new home, but what we do need is ample provisions for refinancing, or, in other words, facilities to renew existing mortgages.

Where the security is good the loan sharks now are doing this: They refuse to renew, especially when a good part of the mortgage has been paid off and the amount reduced, so that the little home owner is compelled to go to another loan shark, get the money there, pay a bonus of from 20 to 25 per cent, in order to pay off the existing mortgage, and take a new mortgage with the additional amount put on it by reason of this bonus. So that instead of paying the 6 per cent legal rate in my State, the home owner is paying 10 per cent, and sometimes 11 per cent, with, of course, the danger of eventually losing his home.

What I want to bring out is this: If the Federal home-loan bank, when a member comes to it for funds or to rediscount mortgages, will provide the machinery whereby, first, all bonuses will be eliminated, so that we are sure we can protect these people against exorbitant, unfair, illegal bonuses, whether you call them bonuses or commissions or appraisal fees; and, second, that we know who are the members of the home-loan banks, so that when any home owner is put in this position, he may go to one of the members of the home-loan bank and have his mortgage refinanced.

Do you not see that our problems and our difficulties are just a little different from what they would be in a rural district or in a small community? Extortion and exorbitant bonuses are what we are up against.

May I make this suggestion? It was suggested by the gentleman from North Carolina [Mr. Hancock] that \$8,000 on a \$20,000 home was the limit. It does not necessarily follow that a man who may own a \$30,000 home in or around a large city is a millionaire, on account of the higher land value. If that amount could be brought up to \$30,000 instead of \$20,000, and reasonable assurance given that there will be this opportunity of refinancing these mortgages on these small homes, which are the best securities in the land, and avoid exorbitant bonuses or commissions or other charges, I think the bill would be very much improved.

[Here the gavel fell.]

Mr. LaGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAY. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. MAY. I would like to ask the gentleman from New York if it is not the fact that some of these loan sharks, whom he has mentioned, sometimes wait until a mortgage debtor has paid on his home until it is a fine bargain, and then get hold of it and resell the home and keep the profits on the sale.

Mr. LAGUARDIA. If the mortgage is down to the point | described by the gentleman, then they force a foreclosure, and the family lose their home. If it is not, then they refuse to renew the loan and force him into the hands of another loan shark, who will refinance it and who, in turn, will get one of the other shark's victims.

With the permission of the committee, Mr. Chairman, I want to put in the RECORD at this point a typical letter received from the owner of a little home in my city where the mortgage was held by the Prudence Loan Co. or the Prudence Bond Co., which, I am informed, has received loans from the Reconstruction Finance Corporation, and the same official of the Prudence Bond Co. is the man who was in the bear pool which was exposed by the Senate committee. I submit when we are pouring money into an organization of that kind we are not doing any good, and it is just these abuses which I am seeking to avoid, and I hope before we go much farther the gentleman from Wisconsin [Mr. Reilly] will point out the mechanics whereby these home owners may be protected.

Mr. GREEN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. GREEN. I am wondering if the gentleman from New York believes the ones he has mentioned will really be permitted to borrow under the terms of this bill.

Mr. LAGUARDIA. No; but I am hopeful that there will be others who may qualify, so that these people may escape being victimized by the people who own their mortgages.

Mr. GREEN. I was just afraid that it would be a matter of the loan associations themselves soaking their securities and the individual never getting any benefit from the measure.

Mr. LAGUARDIA. That is what we want to avoid.

Mr. REILLY. Mr. Chairman, in answer to the gentleman from New York, I may say that the home-loan board under this bill has authority to decide what institutions shall be eligible for membership.

Let me read:

No institution shall be eligible to become a member of, or a nonmember borrower of, a Federal home-loan bank if, in the judgment of the board, its financial condition is such that advances may not safely be made to such institution or the character of its management or its home-financing policy is inconsistent with sound and economical home financing, or with the purposes of

This bill deals with existing institutions. If the resident in the district the gentleman speaks of happens to be a member of an organization eligible for membership in the mortgage bank, it is possible for the bank to get the money from this bank to enable them to extend the mortgage or rewrite it or extend the time of payment, and to forbear the collection.

Mr. LAGUARDIA. In other words, it will not be possible for them to promulgate regulations preventing a bonus being exacted and provide the means for a complaint to be filed with the home-loan bank.

Mr. REILLY. If there was any bonus exacted in such organization, they would not be permitted to become

Mr. LaGUARDIA. But suppose it was exacted after they became a member?

Mr. REILLY. Then they would refuse to extend any other

Mr. GREEN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. GREEN. Would it not be well to put an amendment in the bill forbidding that practice?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LaGUARDIA. Mr. Chairman, I ask unanimous consent to revise my remarks and insert a letter therein.

There was no objection.

The letter referred to is as follows:

NEW YORK, April 5, 1932.

Hon. Fiorello LaGuardia,

The Potomac Park, Washington, D. C.

Dear Congressman: The New York Tribune this morning on the front page indicates a loan has been made by the Reconstruc-

tion Finance Corporation to Prudence Co. (Inc.) of New York. I know there is no limit to the gall of men like Frank Bailey, Bill Greve, and Arthur Waterman, but isn't there some way you and your fearless coterie in the House can stop the raids of these crooks on Government money? I had a mortgage from one of this crowd's affiliated companies on a little house in Brooklyn. My equity represented the savings of eight years. When I lost my job two years ago as an accountant, they foreclosed, sold me out—and the loan had cost me 27 per cent when I had finished with bonuses, title fees, and attorneys' fees, and I was forced in 1929 to buy 10 shares of New York Investors, the parent company of them all. I paid \$46 a share. They took it as collateral for my bond and I can't find out from them whether I own it or not, although the house brought more than the face value of the mortgage. It's only worth 1½ now, anyway.

My wife, two children, and I are living in a cold-water flat in Brooklyn. I have worked for the past 15 months as an elevator operator in a 30-year-old building, downtown New York. I started at \$27 per week, and they have reduced us to \$21.60. My wife and I are glad I've got the job, although it's tough sledding when the children's teeth need fixing or a doctor's bill comes around.

I think I have never envied anyone anything they owned. I have worked harder and longer hours than many. In eight years vo years ago as an accountant, they foreclosed, sold me

I think I have never envied anyone anything they owned. I have worked harder and longer hours than many. In eight years I saved a little less than \$6,000 by stinting on many things, in order to have a nice small home for my boy and young daughter. To protect that money and to hold to that idea, I had to get \$3,500 in a renewal loan; about two years ago I went with a letter of introduction to Mr. Frank Fox, president of the Realty Associates, and he refused to renew. I needed \$3,500 and could get it nowhere, from no bank, from no mortgage company, and, of course, from no Government agency. But some time before last Saturday, April 2, 1932, Mr. Fox and Mr. Bailey and Mr. Greve needed \$1,500,000, not to protect their equity but "to increase its facilities for supplying funds to its clients in need of refinancing conservative mortgages, as well as to preserve the high public regard for the safety of guaranteed first-mortgage investments."

I couldn't get \$3,500 to save my house, but Bailey and Greve and Fox and Waterman can get four hundred and twenty-eight times that much to hold their high-paying jobs and swing along until after the depression is over and then wade in for the kill.

Bailey and Greve and Fox in the rôle of protectors of investors!

Balley and Greve and Fox in the role of protectors of investors!

The only mortgages they haven't foreclosed in the past few years have been ones which they would take a tremendous loss on because of their forced overappraisals in good times.

Did Congress pass this Reconstruction Finance legislation to

help these notoriously unfair mortgage outfits? Can't something be done to prevent these men from making a laughingstock of the American people collectively as they have individually? must we be saps always—saps or helpless.

Working for a realty corporation, it wouldn't be safe for me if you disclose my name.

Mr. LaGUARDIA. This letter is typical of many I and other Members have received. In many cases, I fear, loan sharks are benefiting from Government loans while the people Congress sought to help are being exploited. I may say that the Greve mentioned in the letter is William M. Greve, who, it was revealed, is a notorious stock gambler exposed by the Senate committee to have been part of a vicious bear pool. The same company I have absolute proof are bonus hogs-exacting exorbitant bonuses on mortgages. Imagine this type of men getting loans from the Reconstruction Finance Corporation.

Mr. REILLY. Mr. Chairman, I rise in opposition to the amendment. I will say to the gentleman from Florida that there are two bills pending in the House to accomplish the purpose that he has spoken of—that is, for the Government to loan directly to the home owners. We considered those bills, and did not believe they came within the recommendations of the President or the bill we had under consideration. It is absolutely impossible for the Government of the United States to go out and negotiate mortgages in the manner the gentleman mentions. The bill does provide that existing home-mortgage institutions may become members and thereby be made able to function more efficiently.

Mr. Green. Does the gentleman think that these homeloan banks will aid in placing money in circulation, or will they save their own scalps rather than to put the money into circulation?

Mr. REILLY. I am of the opinion that the Federal home banks will inquire thoroughly as to how the members are going to use the money after they get it.

Mr. ESLICK. Will the gentleman yield?

Mr. REILLY. Yes.

Mr. ESLICK. Who fixes the rate of interest to the bor-

Mr. REILLY. The banks. They are authorized to charge the members for advances, a marginal interest increase, over the rate paid on their bonds as will enable the banks to function.

Mr. ESLICK. Is there any limitation on fixing what the margin shall be?

Mr. REILLY. It is a reasonable margin, permitting the banks to function.

Mr. ESLICK. The reason I ask is because the Federal land banks and joint-stock land banks are charging 8 per cent on deferred payments, and I think there should be a limitation in this bill.

Mr. REILLY. I take it that when a member comes to a Federal bank to make a loan, all these things will be inquired into; and if they are exercising an unjust demand for money on their local people, they will not get any money.

Mr. SABATH. Is it not a fact that the individual can be aided and assisted in this way? He can join or become a member of a building and loan association, and through that building and loan association he can secure the assistance and the loan that he needs.

Mr. REILLY. Yes. Mr. GREEN. For instance, take this Wardman Park Association. I understand the Shoreham Hotel is going into the hands of receivers, from newspaper talk, or already has, because the mortgages have not been paid. What is to hinder this kind of association from obtaining this money and saving their own scalps and your people who want to get loans not being able to get them? I am wondering if the small people can get loans. If so, I want to support the bill. Or is this merely another scheme to save the hides of such people as I have referred to?

Mr. SABATH. The men the gentleman speaks of can not be helped under this bill. This applies to home owners, and no building that has more than two flats can be a beneficiary or secure any assistance.

Mr. STEVENSON. No property worth \$20,000 or more is eligible to have a loan placed upon it.

Mr. GREEN. I believe that answers the question.

Mr. STEVENSON. A hotel could not quite come in. The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Wisconsin be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GILBERT. Mr. Chairman, will the gentleman yield?

Mr. REILLY. Yes.

Mr. GILBERT. I merely want to say to the committee about the Federal land banks charging 8 per cent on unpaid installments that the responsibility for that ought to be put where it belongs. It is not in the administration, but it is in the law. The Federal farm land bank act requires 8 per cent interest to be charged on unpaid installments. The trouble is right here in this House. Everybody can come here and get more interest on extended capital except farmers. When farmers borrow money, or are behind in their money, they are charged 8 per cent, and nobody else is confronted with that exorbitant rate, and that is done by act of Congress itself.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. REILLY. Yes.

Mr. WOLVERTON. I strongly favor the adoption of legislation of the character sought by this bill, the purpose of which is to provide a means of giving financial assistance to the home owner who is in distress through inability to refinance his mortgage loans in times such as these and who by reason thereof faces foreclosure and eviction. Will the gentleman, however, inform me why national banks have been precluded from becoming members of the home-loan banks as appears to be the case by the provisions of section 4 of the bill?

Mr. REILLY. We will come to that question farther on in the bill.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield? Mr. REILLY. Yes.

Mr. ARNOLD. Are there any safeguards in the bill as to expenditures in the way of buildings and salaries paid to employees?

Mr. REILLY. We prohibit any building.

Mr. ARNOLD. Is there any prohibition as to excessive salaries paid to employees of the home-loan banks?

Mr. REILLY. We provide that the salaries of members of the board shall be \$10,000, and that no other officer shall draw any salary in excess of that, and further, that the local land banks shall pay a reasonable compensation to their officials for the amount of time they devote to the services of the bank. The idea is that the officers of a Federal home-loan bank will not be expected to devote all of their time to the business of the bank, except probably one man. I might say that the New York land bank built on the lines of this bill for the State of New York, handling something like \$20,000,000 a year costs only about \$20,000 per year for operating expenses.

Mr. GREEN. Did the gentleman's committee consider the advisability of using the existing machinery of the Federal land bank and enlarging the law to where they could use these additional funds and lend them directly to a man who needs money to redeem a mortgage against his home that he is living in?

Mr. REILLY. That plan is not in line with the theory and principles of this bill.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. REILLY. Yes.

Mr. EATON of Colorado. Where is there in the bill anything that supports the statement that there may be no bonuses or commissions charged on these renewal loans?

Mr. REILLY. I made that statement upon the fact that the board will investigate as to the method and practice of the institution that wants to become a member bank.

Mr. EATON of Colorado. Where is there anything that says the board shall refuse to discount paper of a bank that charges a membership fee or whatever it may be called?

Mr. REILLY. Under the provisions of this bill the board has the right to examine all applicants for membership and decide finally whether they will be admitted. The fact that we name certain institutions to-day as eligible, does not necessarily obligate the board to admit them if their practices are not consistent with the principles of the bill.

Mr. EATON of Colorado. Then there is no requirement in the bill that no institution which charges a bonus or anything that is like a bonus, direct or indirect, shall be benefited by the bill.

Mr. REILLY. There is nothing except the board has the power to pass on the fitness of an applicant to become a member of one of these banks.

Mr. HARLAN. Mr. Chairman, I was very much interested in the statement made by the gentleman from Missouri, who opposes this relief, that this is not of national interest. I am just wondering how much of the legislation of this nature that we have passed, is really of national interest. Is flood relief of national interest? Is farm relief of national interest? Is almost anything that we have passed here of national interest, except in so far as the prosperity and solvency of any section of our country is of very vital interest to the prosperity and solvency of the rest of our country?

There are 40 States in which building associations exist. Practically half of the building associations exist in three of those 40 States. In those three States the building association is the vital financial institution, in many respects more important than the banks. In some of those cities the entire savings, the reserve purchasing power of the people, is deposited in building associations. To enable the Federal Government by this bill to step in and allow those associations to pay off some of their deposits, certainly can not help but bring relief to that community and start a little wave of normal living, if not prosperity, which will work to the prosperity and betterment of this entire country.

Next Monday we will have before us the question of paying the balance of the bonus to the soldiers. It happens that the last payment that was made came just before the debacle, just before the time that many building associations closed. Many of those veterans took the payments they received from the Government, for which they were paying comparatively small interest, and deposited them in building associations throughout the country. In many cases the very next day after the deposit was made the associations went on notice, and hundreds and thousands of those veterans have received no benefit at all from the help that the Federal Government attempted to give them.

Now, there is just one feature of this bill that has been questionable to me. That is the provision on page 4 allowing banks, trust companies, State banks, or other banking institutions to have access to this fund. I am just wondering what definition would be applied to "other banking institutions." Many of the brokerage houses do a banking business and are not under much supervision. I am wondering if the institution referred to by the gentleman from New York [Mr. LaGuardia] could be referred to as "a banking institution."

At this time I can not see the advisability of allowing State banks, which have relief in other channels, to come to this fund. I am fearful that if they have access to this fund they will use the fund to the exclusion of many associations. I should very much dislike to see that, and I trust that matter is cleared up before the discussion is over.

Mr. LUCE. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. LUCE. To buttress what the gentleman said about this being a matter of national concern. I would like to inform the committee that there are 12,351,000 members of building and loan associations in this country; that there are 17,638,000 who have deposited in other banking institutions, as evidenced by past loans, making a total of almost 30,000,000. Furthermore, that this bill includes life insurance companies who have outstanding almost exactly one policy for every inhabitant of the country, 120,000,000 in

With reference to the other matter to which the gentleman referred, we will take that up when we reach the sec-

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. STEVENSON. Mr. Chairman, this is only the preliminary section. If we expect to get through with this, we will have to get on. There will be plenty of time to speak on other sections. Therefore I move that all debate on this section do now close.

The motion was agreed to. The Clerk read as follows:

DEFINITIONS

SEC. 2. As used in this act—
(1) The term "board" means the Federal Home Loan Bank Board.

(2) The term "Federal home-loan bank lished by the board under authority of this act.
(3) The term "State" includes the District of Columbia and Alaska and Hawali.

(4) The term "hember" (except when used in reference to a member of the board) means any institution which has subscribed for the stock of a Federal home-loan bank.

(5) The term "home mortgage loan" means a loan made by

member or a nonmember borrower upon the security of a home

mortgage.

(6) The term "home mortgage" means a first mortgage upon real estate, in fee simple, or leasehold under a renewable lease for not less than 99 years, upon which there is located a dwelling for not more than two families, and shall include, in addition to first mortgages, such classes of first liens as are commonly given to secure advances on real estate by institutions authorized under this act to become members, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

(7) The term "unpaid principal," when used in respect of a loan secured by a home mortgage means the principal thereof less the

reduction of the debt or upon stock or shares pledged as collateral

(9) The term "nonmember borrower" includes an institution authorized to secure advances from a Federal home-loan bank under the provisions of section 5 (e).

Mr. STEVENSON. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. Stevenson: Page 2, section 2, line 2, strike out the words "and the Territories of Alaska and Hawaii."

Mr. CLANCY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I dislike very much to take any of the time of the committee, and I certainly do not desire to be dilatory. but this is one bill in which my community has been very much interested, and I strongly urge its passage.

We have sent down here some of our most prominent Detroiters to House and Senate committees to push this bill. Our public-spirited Detroiter, Robert Oakman, has paid for full-page ads in newspapers advocating this kind of relief. Mr. Oakman has made many trips to Washington to urge this legislation and has appeared before committees.

My community is one which has been hit harder by crushing taxes in recent legislation, such as the billion dollar tax bill and the \$2,000,000,000 Garner relief bill, than any other community in the United States. We asked for bread and you gave us stones by singling out our industries for sales taxes. I received a few days ago a letter not from one of my great manufacturers who lead the world in their line, such as autos, drugs, rubber, and so forth, but from a small manufacturer, and he said the tax on cosmetics had sent him to the wall; that he would have to lay off his employees; he was losing his factory and was losing his home. He could not pass on the sales tax, and it was the final straw which broke the camel's back.

Now, we look to this bill for relief in two particulars, as well as in others. We hope that the bill really does give relief, and members of the committee assure me that it does, with regard to delinquent taxes. I speak for the fourth largest city in the United States, a city which but a few years ago was the richest city in the world, per capita; which had the highest standard of wages in the world and the highest standard of living. Now it is a city through which gaunt famine travels, and we have more rioting, more bloodshed, more reds working actively than any other city in the United States, and we fear the next few months and possibly the coming winter.

Panic, famine, and unemployment have been as cruel to my city as the raiding Indians and British during the early American wars.

Now, if this bill will aid our delinquent taxpayers to borrow through banks, loan, and building groups for the purpose of paying back taxes, we can distribute welfare to the hungry, and we can relieve the pinch which is upon the city. Also, we can put back to work our city firemen and policemen and thousands of city employees who have been laid off and who are necessary for the security of life and property, and we can pay our school-teachers and other city servants.

Moreover, we relieve the home owner from the menace of losing his home. Our city is overbuilt just now. We do not particularly want to build any new homes out of this bill. although some few builders do. In Detroit we have now 6,000 empty homes and about 24,000 empty units in apartments, or about 30,000 living units that are vacant. However, we have many more homes which are old and which do need repair and reconstruction, and I am assured by the committee that the owners of these homes can borrow money through this bill. They can thus employ bricklayers, (7) The term "unpaid principal," when used in respect of a loan secured by a home mortgage means the principal thereof less the sum of (1) payments made on such principal, and (2) in cases where shares or stock are pledged as security for the loan, the payments made on such shares or stock plus earnings or dividends apportioned or credited thereon.

(8) An "amortized" or "installment" home mortgage loan shall, for the purposes of this act, be a home mortgage loan to be repaid or liquidated in not less than eight years by means of regular weekly, monthly, or quarterly payments made directly in

Robert Oakman, hoped for a more generous bill; but if we can not get a whole loaf we must take half a loaf because our need presses sorely upon us.

President Hoover gave great encouragement to city people when he made a speech some time ago that the Federal Government should do something to help the city working man to build a home or to save the home which he owns or which he is buying on installments. For a number of years we have been passing through Congress important bills laying aside tremendous amounts of money for loans to save the farmer from losing his farm or his home, but the city man has been the forgotten man.

One will note editorials in city papers complaining bitterly of the fact that Congress is so often deaf to the pleadings of city people in distress.

The latest census, that of 1930, shows that more than half the population of the United States is in the cities and this goes for cities over 2,500 in population. Everybody knows there has been a steady drift from the farms and mines and forests and mountains to the cities. The farm population of the country to-day is probably in the neighborhood of 30 per cent of the total population, yet the farmers, because of our peculiar Constitution, which gives overrepresentation in the Senate to vast areas which are thinly populated but which are yet known as States, are entitled as such to two Senate votes or two Senators.

I pointed out in the recent reapportionment struggle in the House Census Committee, of which I was a member, and also on the floor of the House that there are 17 States which have not the population of New York State and yet they have 34 votes in the United States Senate of 96, whereas the people living in New York State only have 2 votes in the United States Senate.

I have also pointed out in many statements and speeches that in the next Congress the city dweller will have increased representation in the House. The city dwellers gain about 30 Congressmen and the rural districts, which have been losing population, give up about 30 Members.

For instance, in my city of Detroit it means practically a gain of four Congressmen, which are yielded up by rural districts. This makes a difference of eight votes alone on legislation in the House. Detroit was cheated out of its reapportionment for about 11 years because the rural groups in the House and Senate refused to obey the mandate in the Constitution, as set forth in the first article and in the fourteenth amendment, to have a congressional reapportionment every 10 years, according to the shifting of population in the country.

My colleague from Detroit [Mr. McLeod] and myself both gained seats on the strategic House Census Committee and fought out this battle for several years. Finally our efforts were crowned with victory.

Every member on that committee knows that it was Detroit which forced through the recent reapportionment bill which means great changes, not only in the political setup of the House but also in its attitude toward social, economic, and industrial bills and problems.

The effect on prohibition laws and appropriations also will be powerful.

Congress has passed, largely at the insistence of President Hoover and the administration, a number of reconstruction bills which should aid materially in working out the salvation of the country in the near future. They aim to save our banks from collapse and many of our great industrial corporations, especially the railroads, from going into bankruptcy. In this respect they are tremendously beneficial to all classes, including the workingman.

Many measures are designed primarily to help the farmer.

There is no intention to minimize these other relief and reconstruction measures, but in Detroit we are very sweet on this home loan bank bill. We are strong for it, and we think it would be a calamity if the bill should be killed either in the House or the Senate.

I am confident we are going to pass this bill through the House by a good majority, and we hope the Senate will then do its part and pass the bill before Congress adjourns. Mr. HOUSTON of Hawaii. I rise in opposition to the amendment.

Mr. Chairman, I want to take this opportunity of opposing the amendment offered by the gentleman from South Carolina [Mr. Stevenson] and to invite the attention of the committee to the fact that only the other day we passed a revenue bill carrying tax burdens as heavy as we have ever imposed in this country. On the last page, page 132, amongst definitions is to be found this paragraph:

The term "United States" when used in a geographical sense includes the States, the Territories of Alaska and Hawaii, and the District of Columbia.

In other words, you have put a burden upon the Territories equal to that which is to be carried by any of the States. Why then should we not share in the benefits? Otherwise you would be proposing taxation without representation and without participating in benefits.

Now, then, if there is any merit in this matter of home ownership, if there is any Americanization carried by this advocacy of home ownership instead of leasing, if, as was said by the principal proponent of this measure, that it is one of the most important institutions that have been proposed by this Government for the encouragement of its citizenry, then this bill should, as was provided by the committee, be applied to the Territories wherein the funds from which the moneys that are to be used in establishing this bank are in part obtained.

The vast majority of the committee, after having heard me in advocacy of the application of this measure to Hawaii, wrote the bill so as to take care of Alaska and Hawaii. I would ask, therefore, that the Committee of the Whole consider that this should be ample guaranty that the bill as reported is the well-reasoned expression of the committee's opinion.

The gentleman from South Carolina, I think, made a mistake when he said that there were only two savings and loan institutions in Hawaii. As a matter of fact there are 10 such distinct institutions with about 14,000 shareholders. In proportion to the population there are about two times as many institutions of that character in the Territory as there are in the balance of the United States. In proportion to the land area there are many times the number of such institutions in Hawaii as there are in the balance of the United States, and in proportion to the loans that have been issued there are fewer such institutions. So, it may be seen they will be more economically administered.

For these reasons, Mr. Chairman, I would ask that the proposed amendment be disregarded and that the committee action be sustained. [Applause.]

Mr. GIBSON. Will the gentleman yield?

Mr. HOUSTON of Hawaii. I yield.

Mr. GIBSON. The gentleman has referred to taxes imposed upon the Territory of Hawaii by the revenue tax bill. Can the gentleman tell us with regard to income taxes what the people of Hawaii pay as compared with the people of the States?

Mr. HOUSTON of Hawaii. As to the last year the best information I have is that Hawaii paid into the Federal Treasury more than each of 13 individual States.

[Here the gavel fell.]

Mr. STEVENSON. Mr. Chairman-

Mr. GREEN. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. GREEN. I notice under the provisions of this bill a number of States can not get any of its benefits. Among them is my State. Why should the committee bring in a bill that shows partiality, which gives advantages to people of a few States of the Union when my people, who can not receive its advantages, help to pay the taxes that create the fund from which this \$125,000,000 is taken?

Mr. STEVENSON. Mr. Chairman, I did not yield for the gentleman to make a speech or for a statement of a misconception of the terms of the bill. His State can come in under section 5, subsection (e), of the bill.

We are now dealing with the question of whether we are going to stay at home with this institution or go abroad with it, and considering the fact that we are proposing to establish a new venture, it strikes me it is very unwise to go

beyond continental United States.

Mr. Chairman, the gentleman from Hawaii has made a very clear statement of his position. However, the gentleman simply makes one mistake. He said this provision was overwhelmingly adopted by the committee. It was by no means overwhelmingly adopted. There was a very close vote in the committee as to whether Hawaii would stay in or go out. But that does not concern us. The question is whether it would be judicious to include in this bill Hawaii and Alaska. If that should be done, the next move will be a clamor to include Puerto Rico and the Virgin Islands. They kept up that clamor on the eastern coast. Remember that when the Federal land banks were established we did not put Hawaii in, but they got after us in Puerto Rico and we finally yielded. The result has been that we have lost everything we have loaned down there.

We are providing for a home-loan establishment here which will deal with our people who are accessible to the investigating officers, who are within call of the different banks, who are homogeneous, and whose business habits and whose title conditions we understand. Until we establish this and see how it works, it strikes me we ought to exclude all the excrescences. If we find we have made a mistake, there will be no trouble in afterwards restoring them.

Mr. MOUSER. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. MOUSER. Is there not a difference between Puerto Rico and Hawaii in that tax measures apply to Hawaii and they do not apply to Puerto Rico? If we are going to tax Hawaii, why should they not get the benefits of this bill?

Mr. STEVENSON. We are not taxing Hawaii for this We are getting the money otherwise. It is not a question of taxation, but it is a question of the conditions under which we are going to do business. The island of Puerto Rico is much nearer to us than the islands of Hawail; and if we do not put in one, I do not think there is any reason why we should put in the other. But our experience in Puerto Rico has been such that I do not think it is judicious for us to include Hawaii.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the amendment. I regret exceedingly to find myself in disagreement with some members of the Banking and Currency Committee who are opposed to this bill, as I know that for months they have been studying this legislation night and day, and they are as anxious as I am to help the home owner; but their study forced them to reach a different conclusion. I respect their opinion, but on this occasion we disagree.

The situation in Missouri, as I understand it, is that some question the right of building-and-loan associations of the State to participate. I know nothing whatsoever in reference to the laws of the State of Missouri in so far as what the building-and-loan assosiations or other corporations can do in the way of borrowing; but I was in communication with a large number of associations in my State, and those people have assured me that if this bill becomes a law. Missouri can participate. For that reason I propose to vote for this bill.

Now, gentlemen, I received many pathetic communications from St. Louis right after the President called upon the people of this country to stop hoarding money. The communications which I received indicated that the banks of my city had absolutely refused to accept as collateral first-class deeds of trust upon residence property in my city. They did not want to handle assets. The result has been foreclosure. It showed the banks were not very liberal.

We have over 100,000 people out of employment in St. Louis, and they have been losing their homes because they could not renew first deeds of trust upon their property. I am told that if this bill is passed there will be an opportunity for those people to have their loans renewed and their property saved, through building-and-loan associations banks, or insurance companies who may enjoy the benefits of this law, and who then can serve the home owners.

It seems to me that when the Congress of the United States has provided for the great corporations, through the Reconstruction Finance Corporation, that the Congress of the United States should provide some relief for the smallhome owners. The Congress of the United States has attempted to provide relief for the farmer; and if the farmer has not secured relief, I think the representatives of the farmer who have failed to bring in proper legislation should advance it now. I want to say that the only class of people who have not been recognized by this Government in any manner, shape, or form is the home owner, and I want to see this Congress enact some kind of legislation that will save the homes of the people of my city. The appeals I receive from people losing their homes are pathetic.

Mr. WILLIAMS of Missouri. Will the gentleman yield?
Mr. COCHRAN of Missouri. With pleasure.
Mr. WILLIAMS of Missouri. The gentleman knows, does he not, that the Reconstruction Finance Corporation act provides for loans to building-and-loan associations just as this bill does?

Mr. COCHRAN of Missouri. I know that the Reconstruction Finance Corporation act so provides, but I know that the people of St. Louis have lost their property through foreclosure because they could not renew their loans.

Mr. WILLIAMS of Missouri. Why can they not apply to the Reconstruction Finance Corporation as well as to this institution to get loans?

Mr. COCHRAN of Missouri. The Reconstruction Finance Corporation is being run, I understand, in such a way that the home owner has not been able to be taken care of. I do not know why, but nevertheless that is the fact. Probably those who can borrow do not care to apply. I can offer no other explanation.

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

Mr. MOUSER. Mr. Chairman, reserving the right to object, I think the gentleman ought to confine himself to the amendment in order that the membership may not lose track of what is before us. This is an important question. The gentleman from South Carolina moves that we amend this act by striking out Hawaii and Alaska, and the membership may forget what is under consideration.

Mr. COCHRAN of Missouri. I do not want to be lectured. Does the gentleman want me to speak or not?

Mr. MOUSER. I hope the gentleman will discuss the amendment.

Mr. COCHRAN of Missouri. If the gentleman wants to object, let him object.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. The people of Hawaii are entitled to the same consideration as anyone else, but what I am talking about now is my own city. I do know that the Reconstruction Finance Corporation act has not helped home owners in my city, who are losing their homes. I want to save them. I am in hopes this bill will save their

Mr. MOUSER. Mr. Chairman, I make the point of order that the gentleman is not confining his remarks to the amendment now pending.

Mr. HOPKINS. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. HOPKINS. The gentleman has been making a very interesting statement and I am pleased that he is in favor of the bill. The gentleman mentioned the fact that the people of Missouri and the building-and-loan associations of that State want this bill and need the benefits of the bill. I have here a letter from the president of the league which states that the attorney general of the State of Missouri has ruled that Missouri can participate under the terms of this bill.

Mr. COCHRAN of Missouri. That is one thing that I thought warranted me in reaching my decision. I received

the same letter about two weeks ago, but I must say the I think it would be a particular hardship on Puerto Rico, opinion of those engaged in the business is not unanimous. Some think they can participate, while others insist they can not.

Mr. WILLIAMS of Missouri. Will the gentleman yield?

Mr. COCHRAN of Missouri. Yes. Mr. WILLIAMS of Missouri. Is not the gentleman aware of the fact that the opinion of the attorney general of Missouri is in direct conflict with decisions of the courts of our

Mr. COCHRAN of Missouri. I respect my colleague's opinion and accept the information as being correct, but I do not know anything about such decisions of the supreme court. I know that the Legislature of Missouri meets in January, and if this bill is passed and we can not participate under such a law, we will participate after January, because the present law of Missouri will be changed. I know the Legislature of Missouri will not dare deny the people of that State the right to participate in the benefits

Mr. McCORMACK. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. McCORMACK. Assuming the law of Missouri will not permit its associations to participate, my friend, I am sure, has no objection to the rest of the country benefiting from this law.

Mr. COCHRAN of Missouri. Absolutely not. I want the home owners all over the country to benefit, and also in Hawaii, I will say to the gentleman from Ohio [Mr. Mouser], and I guarantee we will participate in Missouri after the legislature meets in January, if we can not participate at the time the bill becomes a law. [Applause.]

Mr. REILLY. Mr. Chairman, I move that all debate on this amendment close in five minutes.

The motion was agreed to.

Mr. HOOPER and Mr. WICKERSHAM rose.

Mr. HOOPER. Mr. Chairman, I shall not take any time from the gentleman from Alaska, except to say that I am one of those who believed that the Island of Hawaii should be included in this bill.

Mr. LUCE. Will the gentleman yield to me long enough to say that I also thought so.

Mr. HOOPER. It is an integral part of the United States. It is a loyal and a patriotic part of the United States. I do not believe it would be a good thing for us at this time to shut off the Territory of Hawaii from the provisions of this bill. [Applause.]

Mr. WICKERSHAM. Mr. Chairman, Alaska is the one commonwealth under the American flag that has no debt. We have had no failures of banks in Alaska. We are in the best financial condition of any part of the United States. We want, however, to continue to develop and build up that Territory.

I have listened to the speeches in favor of this bill to-day in the hope it would pass and that we in Alaska could get the benefit of it. I hope you will not strike out these Territories, but will let us have an opportunity to build them up and make them what they are now-great assets of the United States.

I hope the amendment will not prevail. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. STEVENSON].

The amendment was rejected.

Mr. McFADDEN. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. McFadden: On page 2, line 2, after the word "Columbia," add a comma and the words "Puerto Rico."

Mr. McFADDEN. Mr. Chairman, I see no reason why Puerto Rico should be kept from the benefits of this bill, if there are any. There are institutions in Puerto Rico that can come in under the terms of this bill, and Puerto Rico is as much troubled over the problem intended to be solved by this bill as any State in the United States.

Furthermore, Puerto Rico is one of the best sources of trade with the United States that there is in the Atlantic. | FADDEN 1.

and would be a discrimination against it, to keep it from receiving the benefits of this particular legislation, if it is enacted into law. Therefore I hope the amendment will be favorably considered by the committee.

Mr. STAFFORD. I believe the gentleman is against the bill and wants to burden it down as much as possible.

Mr. McFADDEN. Yes; I am against this kind of legislation, but I am not attempting to burden it. I am proposing to take out of it this discrimination against Puerto Rico.

Mr. PESQUERA. Mr. Chairman, the organic act of Puerto Rico, in section 9, says:

The statutory laws of the United States not locally inapplicable, except as hereinbefore or hereinafter otherwise provided, shall have the same force and effect in Puerto Rico as in the United States.

The organic act of Puerto Rico was approved by the Congress of the United States in 1917, and by it American citizenship was granted to the 1,500,000 inhabitants of the island. The people of Puerto Rico have interpreted section 9 of the organic act in the only way in which they should have interpreted it, namely, as the intention of this Congress to make Puerto Rico participate, as a community of American citizens, in all legislation that is contemplated to be of benefit to the rest of the American citizens.

Mr. HARE. Will the gentleman yield?

Mr. PESQUERA. Yes.

Mr. HARE. Do you have building-and-loan associations in Puerto Rico, or other associations that could qualify under this bill?

Mr. PESQUERA. Yes; we have one and we have a very good law which provides for the granting of power to building-and-loan associations to make such loans. We have plenty of mortgages as security in the banks of the island on homes, and we have some millions of dollars in home mortgages on the island. We are perfectly qualified to make good use of the benefits that are afforded by this legislation.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. PESQUERA. I yield.

Mr. WILLIAMSON. What is the financial condition of the gentleman's building-and-loan associations out there? Are they in fairly good shape, most of them?

Mr. PESQUERA. They are not in very good shape. There is no association of that kind which is in very good shape, either there or here.

We are not asking alms. We are just pleading for proper recognition of the spirit and purposes of our organic

We pay no taxes, it is true, to the United States; but let me tell the gentlemen of this House that we are the best customer of the United States in Latin America.

We are your sixth best customer in the whole world. If it is true that the taxpayers of this country may have to make a little sacrifice in order to give us the benefits of this law, it is also true that they, being the business men of this country, are going to continue to get a benefit in their business with the island of Puerto Rico.

Now, gentlemen, we were dealt with as American citizens when the United States of America went into the World War. When the lives of American boys were necessary in order to maintain the principles of liberty and of democracy in the world, the American boys of Puerto Rico had their lives ready to give, together with the American citizens of the mainland.

We are now in a tremendous economic world war against depression, and we do not think we should be left alone, we do not think we should be excluded from any legislation in this emergency. [Applause.]

Mr. HARE. Would the gentleman favor the inclusion of the Virgin Islands?

Mr. PESQUERA. I would not object to it.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. McThe question was taken; and on a division (demanded by Mr. McFadden) there were—55 ayes and 26 noes.

So the amendment was agreed to.

Mr. McCORMACK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Line 13, page 2, strike out the word "two" and insert the word "three."

Mr. McCORMACK. Mr. Chairman, the purpose of the amendment is to increase the dwellings from two families to three families.

Mr. REILLY. I do not want to interrupt the gentleman's speech, but the committee will accept that amendment.

Mr. STAFFORD. If the gentleman will yield, I was seriously thinking of offering an amendment to make it four families. I can conceive of a double house of two stories, where the lower floor is occupied by two families and two families in the upper floor, making four families in all. I would like to have the gentleman's view upon that and why he should make it three families.

Mr. McCORMACK. Might I say that in my district at least 75 per cent of the dwellings are 3-family dwelling houses. The owner generally lives in one of the suites and lets the other two. Seventy-five per cent of the dwelling houses in my district—and undoubtedly that is true in many other districts—are 3-family or 3-tenement dwelling houses. My amendment is offered as that of a sincere supporter of the bill.

Mr. STAFFORD. There is no doubt about that; but I am seeking to include a double-tenement house of two stories, where the lower floor is occupied by two families and the upper floor by two families.

Mr. McCORMACK. But there are not a great many of

Mr. STAFFORD. Oh, there may not be in the gentleman's district, but there are in mine.

Mr. McCORMACK. In any event, the 3-family dwelling is not of the apartment type; it is simply a dwelling. It is a very common dwelling in the Northeast, and I assume in other sections of the country. So far as this bill is concerned it would have no injurious effects to the general purposes of the legislation. I hope the gentleman will interpose no objection.

Mr. STAFFORD. I am not interposing an objection to three; I am trying to make it four, to make it broader.

Mr. McCORMACK. I ask the gentleman not to compel me to go into that field.

Mr. STAFFORD. Oh, I shall relieve the gentleman of any embarrassment in that direction by offering the amendment myself.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. GOSS. I favor the gentleman's amendment, but I am wondering if one could get loans on those 3-family houses inasmuch as the limit is \$20,000.

Mr. McCORMACK. The average assessed value is \$14,000 to \$15,000.

Mr. GOSS. Does not the gentleman think that we should increase the limit above \$20,000?

Mr. McCORMACK. I have offered an amendment increasing the number of families from two to three. The committee is agreeable to that amendment. It is absolutely a proper, reasonable, and practical amendment. It will affect tens of thousands of dwellings throughout the country, and it will be of great benefit to the owners of those dwellings.

Mr. HANCOCK of North Carolina. Mr. Chairman, the original bill that came before our committee, the Luce bill, contained the word "three" instead of the word "two." After considering this feature or limitation with respect to families we decided, in order to make it conform more to the detached Anglo-Saxon conception of a real, true home, to make it two. However, it is my understanding that the President's conference, called here last year on home planning and home building, contributed much information toward the preparation of this bill; and in collaboration with

the Department of Commerce, after a very careful and exhaustive study of conditions in all of the States, it was determined, or it was the best thought of that conference and composite wisdom of those who attended it, that three families were the proper unit. This is, perhaps, unquestionably the reason why a house for three families was originally in the bill.

Mr. McCORMACK. Mr. Chairman, in conclusion I want to urge the passage of the bill. In my opinion, the committee has done a wonderful piece of work. The passage of this legislation will have a stimulating and strengthening effect upon the stability, independence, protection, and safety of our home life in America. It is a bill aimed in the direction of the preservation of the family life, which is centered around the home. It is also consistent with our ideals of government. I congratulate the committee, and congratulate those Members who so actively interested themselves in the preparation and drafting of this bill. I hope the bill will pass, and with as few amendments as possible that are not recommended by the committee.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment to the amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Stafford to the amendment offered by Mr. McCormack: Strike out the word "three" and insert in lieu thereof the word "four."

Mr. STAFFORD. Mr. Chairman, the gentleman from Massachusetts [Mr. McCormack] has given the committee the structural condition of the dwellings in his district and environs about Boston. I wish to give the committee the conditions existing in my home city. On many of the individual lots owned by a man he erects first a little 2story building. He lives in part of that building and rents the upper part. He then moves that dwelling later to the rear of the lot and erects a duplex apartment building in front and moves into that. A mortgage is placed on the property, which is a 4-family unit, and you would bar that man holding that small lot of 30 by 120 feet or more from the benefits of this law even though the property would be worth \$20,000 or under. There are instances where you may have a double building on a lot of 50 feet or so divided by a party wall, where the lower floor on each side of the party wall is occupied by one family and the upper floor by a tenant above. Each side of the party wall houses two families. The only question before the committee is as to the amount of the mortgage and the value of the land. We are not seeking to change that, but you should not prevent the benefits of this law going to those so situated in my home city. There would be many instances where a man wanted to borrow money from a building-and-loan association who will be barred if a two or three family limitation is placed in the bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. MAY. Is it not a fact that there are block after block in cities in this country where there are four families living in one building?

Mr. STAFFORD. Certainly. Each building has its own type. For instance, in Phladelphia they have the double building, one habitation each side of a party wall. In my city they have two duplex buildings on different parts of the lot. We are not seeking to enlarge the mortgage value of the property. We are seeking only to make available this law under existing living conditions as they are found in the respective parts of the country. I want this law to extend to my home district. I have no objection to it extending to the district of the gentleman from Massachusetts because he has acquainted me with a condition not known in my district.

Mr. CAMPBELL of Pennsylvania. This does not preclude the building-and-loan association from making loans to those people on mortgages, but such mortgages would not be eligible for rediscount.

Mr. STAFFORD. That is the point. The mortgage would not be eligible for rediscount, and I want the mortgage obtained from the building and loan association on such property to be rediscountable and to come within the

purview of this act. If you accept it for a 3-family dwelling, you should accept it for a 4-family dwelling.

Mr. CAMPBELL of Pennsylvania. But they are habitations, not homes.

Mr. STAFFORD. Oh, they are homes, with the owner occupying one of the parts.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is only about one farmer in a hundred thousand who can come within the provisions of this bill. There are very few of them who have their homes in building and loan associations. A very few of them, a mere handful, may get a little benefit from it.

Congress has been passing bill after bill, involving huge sums of money, concerning which we have been promised that the farm mortgages would be cared for, and not one single one has been relieved yet. How much longer is Congress going to camouflage the farmers?

I was amused this morning at the camouflage that came from our military friend, the gentleman from New York, Mr. Andrews, splendid fellow that he is, with a splendid military record, Major Andrews, when he rose in his place and made a declaration. Back in the memorable days of 1928 the gentleman was manager for the President in Erie County, N. Y., and because of that fact I take it the gentleman must have been speaking for the President this morning when he rose here, with the galleries full of ex-service men, and said, "Mr. Speaker, I ask unanimous consent that the soldiers' bonus bill may be taken up for immediate consideration," leading those splendid fellows in the gallery to believe that he was for it, and that his President was for it.

Mr. MILLARD. Mr. Chairman, I make the point of order that the gentleman is not speaking on the bill.

Mr. BLANTON. Oh, I am coming to the question of camouflaging the people. The gentleman from New York was camouflaging the ex-service men. The gentleman is not even for that bill. The gentleman told me in the presence of Mr. LaGuardia two minutes after he made that request that he intended to vote against that bill. The gentleman [Mr. Andrews of New York] did not even sign the petition to discharge the committee, and he got up here and camouflaged, making it appear he was for it.

We ought to stop such practice here. When are we going to quit camouflaging the farmer? There are 20,000,000 people in the United States, who constitute the families of the farmers, immediately dependent upon the farmers. They are being thrown out of their farm homes every day. The United States marshal is coming up and putting them out of their homes because they can not pay the interest on mortgages at \$7 an acre, when they paid as high as \$50 an acre for their farms. They are having those \$50-per-acre farms taken away from them, and they are being turned out of doors because they can not pay interest on a little \$7-per-acre mortgage.

Mr. COLLINS. They are not organized.
Mr. BLANTON. They are not organized. That is the trouble. They do not have any organization to sit here in the gallery to watch us and call us to taws.

I was surprised that my friend, the gentleman from New York [Mr. Black], would propose such a bill as he did the other day, a bill to use these farms that the Government has taken over. And the Government has taken them over. These Federal land banks are quasi-Government institutions. You know they have been subsidized in a thousand ways by the Government. These farmers know that their farms have been taken away from them by United States marshals on judgments entered in Federal courts. if you please, in many instances.

There is a farmer in my district who paid \$35 an acre for his farm. He has grubbed it out himself with his own hard work. It would have cost him \$15 an acre to grub it. He has fenced it. He has improved it. He has a little \$11 mortgage on it and he can not pay the interest, and they sued him, 400 miles away from his home.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

Mr. HART. Will the gentleman yield right there?

Mr. BLANTON. In just a moment. I only have two more minutes.

This farmer has to go 400 miles from home to defend this action in a Federal court. These farmers are too poor to employ a lawyer to go into court to defend them. I am wondering how long we will sit here and let that condition exist without putting into one of these bills a direction that will force the Reconstruction Finance Corporation to lend them enough money to take up these interest payments at maturity. It is a good investment for the Government, because the farms in ordinary times will sell for four times as much as the Federal land-bank mortgage. We must help the farmers to redeem their farms which have been sold under foreclosures.

I am in favor of a bill to grant relief to the urban home owners. I am in favor of this bill. I intend to vote for it: but why is it, I ask my colleagues, that we sit here, friends of the farmers as we profess to be, and we have not done a thing to redeem their farms that have been sold under mortgage? And I want to say that before the Seventy-second Congress adjourns, if I can do it by hard work, I am going to help you friends of the farmers to stay here until doomsday, before we let Congress adjourn, to see that the farmers are granted relief, and to see that they are loaned enough money to redeem their farms which have been sold under foreclosure.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. REILLY. Mr. Chairman, I move that all debate on the amendment and all amendments thereto do now close. The motion was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Wisconsin [Mr. STAF-FORD] to the amendment offered by the gentleman from Massachusetts [Mr. McCormack].

The question was taken: and on a division (demanded by Mr. Stafford) there were ayes 37 and noes 54.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. McCormack].

The amendment was agreed to.

Mr. EATON of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Eaton of Colorado: Page 2, line 4, after the word "institution" insert the words "or person."

Mr. EATON of Colorado. Will the gentlemen of the committee look at line 4, page 2, where you are attempting to define the word "member," and where you define "member" by stating that it means an institution?

You will not find in any of the statutes of the United States in the definitive part any definition of the word "institution." I only suggest to you the word "person" and trust that to-night you will find language that will fit in this place that will actually define who you mean shall be a member, whether it shall be an association of persons not called a partnership, or a trust, or a corporation, or an individual, or a partnership. The word "institution" is not the word that ought to be used here.

May I say further in regard to this bill, in our city we have some of the strongest building-and-loan and home-loan institutions of the entire United States? The first draft of this bill started a controversy between them. One side thinks you have something that is of benefit; the other side is sure that you have not; and some of the subjects in controversy have been the burden of my questions to you.

You have not provided in this bill any way whereby the present past-due mortgages can be taken care of. I have read the bill; I have read its predecessors. You have provided money to the people who are in the business of lending money on home loans just as in the farm loan bill you President, and is the only one which I will have the opporprovided money to the cooperative associations.

Here you furnish money to the building and loan associations and other lending institutions, but they are the ones that have the past-due paper, and this bill will not create any more value in the mortgagor's mortgage or security than he had before, and he is in debt and behind, and his taxes are not paid, his insurance premium is past due, and the value of his property has depreciated. The officials of institutions holding the paper say: "Values have gone down, we have got to foreclose and take over your home.

You have not provided anything here either to amortize the past-due amount into the future or to give a mortgagor a moratorium on any part of it. That is not in this bill. The part that you do put in is to finance the banks and let them renew or take more mortgages; that is, you let the central bank furnish the money to the lending banks, which is in furtherance of the policy of financing institutions during this depression so that foreclosures may be avoided. But in this bill foreclosure is not postponed or in any manner interfered with. The borrower continues in his plight.

Gentlemen, you are not giving a direct benefit at all to the people who are in trouble on mortgages. It is not here. You have not put it in this bill; but, as I understand the situation, it is your intention to leave that question up to the lenders who may receive benefits under this bill and trust to their good business judgment and sense of equity and fair dealing that this money will not be used for oppression, but to benefit the borrower.

I appreciate that it is the intention of the committee that this bill shall serve small savers and home owners by serving home-financing institutions throughout the United States, and that many of these are building and loan associations and small State banks. It includes almost every type of lending organization except national banks. Under no interpretation of the language of the bill, as I read it, can loans or extensions be made directly to home owners or home buyers. Certainly there can be found no language which would extend its terms to builders, speculative or otherwise, or to private mortgage companies or individuals who are not under governmental supervision. The benefit which the home owner may receive will occur when the institution from which he has borrowed or arranges to borrow his money has taken eligible loans to and rediscounted them with the newly created Federal home-loan bank. That institution, thus discounting, will then receive ready money whereby its money on hand may be deemed sufficient to carry for a longer time some of its past due paper or rewrite the mortgages upon longer time or with amortized payments to care for the amounts in default.

Commissions, bonuses, membership fees, withdrawal fees. and other devices to increase the cost of making and carrying a loan were discussed this afternoon. Not one word may be found in the bill which will discontinue or prohibit such practices. The gentleman from Wisconsin [Mr. Reilly], I think it was, explained that these could be covered by rules and regulations authorized to-be made by the board. Very well. Whatever is done in regard to such items ought to be fair and equitable and not amount to extortion.

As I read the present bill, many of the objections to the two prior bills have been met in the one before us. It is based upon the principle of creating a central bank during the present emergency where capital may be found to care for the most valuable of "frozen" or long-time loans and release ready money for further use during the de-pression. Not only has it the support of a majority of the Banking and Currency Committee, but it also has the recommendation of the President, as I understand the statements made by various Representatives both on and off the floor of the House. Therefore, notwithstanding I am of the opinion that the matter which I have mentioned and others might have been covered specifically or in a different manner. I realize that this is the final and conscientious work of the members of the committee charged with the duty of drafting a suitable bill to meet the recommendation of the it as quickly as possible.

tunity to vote for to comply therewith.

Mr. STEVENSON. The gentleman desires to strike out the word "institution" and insert the word "person"?

Mr. EATON of Colorado. No, add the words "or person." Mr. BLANTON. Not to strike out, but to add.

Mr. STEVENSON. Does the gentleman suppose any person is going to be ready to pay \$1,500 to secure the right to get in on this thing?

Mr. EATON of Colorado. If he is in the business of lending money on home mortgages.

Mr. STEVENSON. He is not eligible under the terms of this bill. It would have to be amended all the way through to extend eligibility to persons. Eligibility here is to insti-

Mr. EATON of Colorado. What is an institution?

Mr. LAGUARDIA. Is not the real purpose of the bill to get away from the personal-loan shark?

Mr. STEVENSON. We are trying to get away from the loan shark and the mortgage broker. We are not letting them in. I understand that is the purport of the bill, and I get that information from the subcommittee who worked up this bill.

Mr. EATON of Colorado. Will the gentleman yield? Mr. STEVENSON. I yield.

Mr. EATON of Colorado. I am not trying to open the bill to loan sharks. I am just drawing your attention to the fact that "institution" is a word that is not found in any definition in the United States statutes that would fit in here, and I presented this amendment for the purpose of directing your attention to it so the correction might be

Mr. STEVENSON. The word "institution" was written in here by the subcommittee, of which the gentleman from Massachusetts [Mr. Luce] is a member, and the gentleman from Massachusetts is our authority in the Banking and Currency Committee on language and its usage, and a very capable one.

Institutions are certainly dealt with and that word is absolutely defined when you come to section 4 which declares who shall be eligible.

The institution eligible is defined over there and there can be no confusion about it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. EATON].

The amendment was rejected.

The Clerk read as follows:

SEC. 3. As soon as practicable the board shall divide the continental United States and the Territories of Alaska and Hawaii into not less than 8 nor more than 12 districts. Such districts shall be apportioned with due regard to the convenience and customary be apportioned with due regard to the convenience and customary course of business of the institutions eligible to and likely to subscribe for stock of a Federal home-loan bank to be formed under this act, but no such district shall contain a fractional part of any State. The districts thus created may be readjusted and new districts may from time to time be created by the board, not to exceed 12 in all. Such districts shall be known as Federal home-loan bank districts and may be designated by number. As soon as practicable the board shall establish, in each district, a Federal home-loan bank at such city as may be designated by the board. Its title shall include the name of the city at which it is established.

Mr. McFADDEN. Mr. Chairman, I offer an amendment. On page 3, line 15, after the words "United States," insert a comma and the words "Puerto Rico."

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McFadden: On page 3, in line 15, after the words "United States," insert a comma and the words Puerto Rico."

Mr. REILLY. Mr. Chairman, that amendment is acceptable to the committee.

The amendment was agreed to.

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last word. It seems to me this bill is very valuable legislation. I certainly hope the committee will perfect it and pass There has grown up in this country, due to this depression, a very serious condition affecting the home owners of our country. Of course, I do not expect, and I suppose none of us expect, that this bill is going to stop all foreclosures on homes by people who hold mortgages on them. I wish it were possible to stop them by some legislative action of this House, but I do not think that is possible. However, I think this bill as permanent legislation is going to be very valuable to the country.

I am from a State that has borrowed large sums of money throughout the past generations from other parts of the United States. I think the building and loan associations which have sprung up recently in my State are among the most valuable financial institutions I have ever known. They encourage people toward thrift. They keep the interest paid on mortgages in the home community, and the most valuable thing I see in this bill is that it furnishes for the building and loan associations a system similar to the Federal reserve banks, whereby they can increase their loaning power. It gives them the prestige of Federal Government supervision and examination, and it will bring to them increased funds for loaning purposes.

I do not think it is going to have any great effect on the foreclosure of mortgages held by insurance companies because they have to have their funds to meet loans on policies, but I do think it will enable the building and loan associations in my State and in other sections to greatly expand their activities and to take over a great many of these mortgages that are being foreclosed or called by insurance companies and other mortgage-lending agencies that now hold them.

It is a deplorable situation where a man has saved for 4, 5, or 6 years and paid his savings out to buy a home and then in a time like this, when money is hard to secure, when his income has been reduced, to have the company that loaned him that money say to him, "We can not renew your loan unless you make a substantial reduction in it," and he has not the funds whereby he can make any reduction. As a result his mortgage is foreclosed and he loses all he has paid in, is thrown out into the street, and must rent a home. That is a very deplorable situation, and while this bill will not cure all this trouble it certainly will have a tendency to help that situation; it will improve the situation facing the home owners throughout this country, and I hope the bill will be speedily passed.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last two words. I invite the attention of the committee to that part of section 3 which provides that these Federal home-loan banks shall not contain a fractional part of any State. I would like to have the attention of the gentleman from South Carolina because I did not have his support of the good amendment I offered a few minutes ago, though I had the support of a good many other members of the committee. I call the gentleman's attention to the fact that in the Federal reserve act we do not ban portions of States from being made a member of a certain district. I can conceive in my home State where it might be advantageous to have the Upper Peninsula of Michigan and the northwestern part of Wisconsin, which is geographically a part of Minnesota, made a part of that Federal homeloan district. Before I made the motion I was going to suggest whether it would not be possible to strike out the clause in line 21, page 3, which provides that-

No such district shall contain a fractional part of any State.

Mr. STEVENSON. There is a provision that will take care of the gentleman's constituents who do not wish to be included in Minnesota but would rather stay in the State of Wisconsin and that is the provision that a member can be a member of a bank outside of his district, provided it is approved by the board and the conditions are such as render it necessary.

Mr. STAFFORD. Would it not be advisable to have the board divide the States into agricultural territorial units rather than have them follow the demarcations of the States proper?

Mr. STEVENSON. We are not dealing with the agricultural units in this bill. We are dealing with the urban people in this bill, and I do not see why the agricultural divisions of a State should have anything to do with it.

Mr. STAFFORD. Then I will ask whether it would not be better to have the districts formed regardless of State lines, based upon economic, financial, and business relations to the territory in which they are located.

Mr. STEVENSON. I take it the committee gave very careful consideration to that and I followed the subcommittee which prepared this bill absolutely on that matter and I am going to stay with them.

Mr. STAFFORD. Then I will ask my colleague what was the idea of having the State territorial lines govern in this matter

Mr. REILLY. I will say to the gentleman that the bill came to the committee from the administration people who drew it up with that provision in it. My understanding is that the desire is not to separate any part of the State, because it would be more convenient to administer the law in that way. The laws governing building and loan associations and other similar organizations are quite different in various States and it was desired to keep the State lines intact in dealing with all the home-loan institutions in that State.

Mr. CHINDBLOM. May I ask the gentleman from Wisconsin [Mr. Reilly] in the time of my colleague, also from Wisconsin, whether, inasmuch as the largest State in the Union has a population of approximately 10,000,000, which would be about one-twelfth of the entire population of the country, it is the idea of the committee that these 12 districts, if there are that many, shall be of approximately the same population?

Mr. REILLY. Not at all. I stated some States will be made one district.

Mr. CHINDBLOM. Of course, the State of New York would have to be made one district.

Mr. REILLY. And the State of New Jersey has one-tenth of the building and loan associations in the country and would probably be another division. It is not a question of population, it is a question of convenience.

Mr. STAFFORD. Mr. Chairman, I gave some consideration to the thought advanced by my colleague, and, in view of the statement he has made, I shall not press any formal amendment.

Mr. BRIGGS. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. BRIGGS. I want to ask the gentleman from Wisconsin [Mr. Reilly], who was a member of the subcommittee, a question.

[Here the gavel fell.]

Mr. BRIGGS. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Wisconsin may be extended one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRIGGS. The purpose of this provision, as I understand, is that no Federal district established under this bill shall consist of less than one State. It may consist of more than one State, but not less than one State.

Mr. REILLY. And, furthermore, it can not consist of a number of States and half of a State.

Mr. BRIGGS. Or any subdivision or part of a State; it has to be an entire State or two States or three or more States, as the case may be.

Mr. REILLY. Yes.

Mr. STAFFORD. And in that regard it is different from the Federal reserve act.

Mr. BRIGGS. That is what I understand.

[Here the gavel fell.]

Mr. STOKES. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am opposed to this bill because I think it puts the Government in business. I think we want to keep the Government out of business, and I think, furthermore, it puts the Government into a business about which it

knows nothing. We will run a chance of losing a great deal of money. In order to place mortgages, we have to have experienced men who know something about it. I do not think we are going to get any experienced men at the present time unless we take a great deal of time about it.

I want to read a letter which I have received from one of the leading mortgage men in the city of Philadelphia, Mr. Clark, who says:

I feel that the public will not regain confidence in real estate until the law of supply and demand creates a shortage, with a consequent rise in rents and sales prices. In my opinion, any agency that will tend to keep a surplus of houses on the market is dangerous and destined to end in failure. It seems to me the agencies for maintaining prices on wheat, cotton, rubber, etc., interfere with the law of demand and supply and only prolong the period of readjustment.

In a statement recently made the Mortgage Bankers Association of America said that of the replies to the association's inquiry, 95 per cent reported that homes are more plentiful in their communities, and the enactment of the home-loan bank measure would be harmful to present property owners as well as to those who might build during the period of speculative building certain to follow the passage of this bill.

Mr. STRONG of Kansas. Will the gentleman yield? Mr. STOKES. No; I only have five minutes.

This bill provides that debentures can be issued by the home-loan discount bank. We know that the Federal farm bonds and the joint-stock land bank bonds are selling at about 25 cents to 50 cents on the dollar. Who is going to buy these bonds? The investor will not buy them. It means that the Government will have to put up all the money itself.

We want to balance the Budget. We can not balance the Budget if we are going to spend a huge sum of money on this matter of rebuilding houses, because the home owner himself can not borrow. The small man is not permitted to borrow. He has to get this money through an institution.

I therefore hope you will not vote for this bill. I think it

is a very uneconomic and unsound policy.

Mr. SUMNERS of Texas. Mr. Chairman, I would like to have the attention of the House, I only want to speak for two minutes. I am speaking out of order, with your

May I suggest to the Committee on Banking and Currency and to all other committees, and to the Membership of the House, that while these measures we are considering for relief may each be good for temporary relief, but in my humble opinion-I am not going to say in my humble opinion, I know it-we are not going to reach the spot, we are not going to start rehabilitation until we do economic justice to the people of America who till the farm. That is where the economic paralysis began, and that is where the cure must begin. I want you to think about it.

The Clerk read as follows:

CAPITAL OF FEDERAL HOME-LOAN BANKS AND SUBSCRIPTIONS THERETO

SEC. 4. (a) Any building and loan association, savings and loan association, cooperative bank, homestead association, insurance company, savings bank, trust company, State bank, or other bank-ing organization (except a national bank) shall be eligible to become a member of, or a nonmember borrower of, a Federal homebecome a member of, or a nonmember borrower of, a Federal home-loan bank if such institution (1) is duly organized under the laws of any State or of the United States; (2) is subject to in-spection and regulation under the banking laws, or under similar laws, of the State or of the United States; and (3) makes such home mortgage loans as, in the judgment of the board, are long-term loans (and in the case of a savings bank, trust company, State bank, or other banking organization (except a national bank), if, in the judgment of the board, its time deposits, as defined in section 19 of the Federal reserve act, warrant its making such loans). No institution shall be eligible to become a member of, or a nonmember borrower of, a Federal home loan member of, or a nonmember borrower of, a Federal home loan bank if, in the judgment of the board, its financial condition is such that advances may not safely be made to such institution or the character of its management or its home-financing policy

or the character of its management or its home-inancing policy is inconsistent with sound and economical home financing, or with the purposes of this act.

(b) An institution eligible to become a member or a non-member borrower under this section may become a member only of, or secure advances from, the Federal home-loan bank of the district in which is located the institution's principal place of

business, or of the bank of a district adjoining such district, if demanded by convenience and then only with the approval of the board.

(c) Notwithstanding the provisions of clause (2) of subsection (a) of this section requiring inspection and regulation under law as a condition with respect to eligibility for membership, any building and loan association which would be eligible to become a member of a Federal home-loan bank except for the fact that it is not subject to inspection and regulation under the banking it is not subject to inspection and regulation under the banking laws or similar laws of the State in which such association is organized shall, for the period of 42 months after the enactment of this act, be eligible to become a member of a Federal home-loan bank. If, at the end of such period, legislation providing for inspection and regulation of building and loan associations has not been enacted by such State, such association shall cease to be a member and the same provisions shall apply with respect to the termination of its relations with the Federal home-loan bank as apply in the case of involuntary withdrawal of members under section 5 (1).

Mr. GOLDSBOROUGH. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 5, at the end of line 16, insert "or similar institutions."
Page 5, line 21, strike out all after the word "shall" down to
line 5, page 6, and insert: "On subjecting itself to such inspection and regulation as the board shall prescribe be eligible to become a member.'

Mr. REILLY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to; accordingly the committee rose, and the Speaker having resumed the chair, Mr. CELLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12280) to create a Federal home-loan bank, to provide for the superivision thereof, and for other purposes, and had come to no resolution

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HASTINGS, indefinitely, on account of important

TAX ON SULPHATE OF AMMONIA

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

There was no objection.

Mr. FULMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a statement made by me before the Under Secretary of the Treasury, Mr. Ballentine, against the placing of a duty on the importation of sulphate of ammonia:

Congressman Fulmer. Mr. Secretary, I realize that you have others who wish to appear before you this morning; and I want to ask permission to extend my remarks.

Under Secretary Ballantine. Please do.

Congressman Fulmer. Would I be permitted to ask just one or two questions, either of you or some one who has been engaged

in this investigation?

In this investigation?

Under Secretary Ballantine. Certainly.

Congressman Fulmer. I would like to ask, in this investigation, if any investigation has been made as to the financial condition of agriculture, which will have to pay this tax, and what it will mean as an added burden to millions of farmers in comparison with the small benefits to the few manufacturers of this product? Under Secretary Ballantine. I think we might answer you, Mr. Representative, by saying that we have a fairly good knowledge of that subject. The condition of agriculture is the thing that comes home very closely to us; mostly on account of its general

of that subject. The condition of agriculture is the thing that comes home very closely to us; mostly on account of its general business importance; and through the operations of the Farm Loan Board, which, as you know, is under this department; and I think you can rely upon our having the knowledge which you

I think you can rely upon our having the knowledge which you refer to.

Congressman Fulmer. I would like to ask this question: I realize that you held a number of conferences during this investigation, which has been going on for several months, and I would like to ask if in these conferences you have had some one representing agriculture present, so that they could get the facts as presented by the manufacturers in requesting this embargo?

Under Secretary Ballantine. In the hearings that we have held we have not had present representatives of agriculture any more than there is present here to-day a representative of these manufacturers who are seeking to have us invoke the antidumping

facturers who are seeking to have us invoke the antidumping clause. These hearings are conducted by hearing each side, just as we are hearing you now; but you can rely on the fact that the agricultural interests are not being lost sight of for a moment by the department.

Congressman Fulmer. Mr. Secretary, you realize that in appearing here this morning we would not be in position to go into the facts as presented by the manufacturers, because we have not had the privilege of sitting in on any of the conferences you have had with them; nor have we been able to get any information in connection with what has been presented to you. I would like to state that we all understand that the importation of sulphate of ammonia has increased for the last year or two; but if we will take the figures for 1930 and 1931, we will find that they are as large as the imports of sulphate of ammonia in some past years. We also find in comparison with 1930 and 1931 the past years. We also find in comparison with 1930 and 1931 the production of sulphate of ammonia in the United States has decreased somewhat. We will take the first two months of 1930 in comparison with 1931—the production in the United States perhaps decreased about 30 or 32 per cent.

It may be that the manufacturers of sulphate of ammonia would argue that this has been brought about because of the importation of sulphate of ammonia, and that they were not able to compete; but we have a report from the Department of Commerce; and it is a known fact, and I expect you realize it, that the steel manufacturers have not been very active in the last year or two; I imagine because of the conditions existing at this time. As stated by one of the witnesses, I am sure that the manufacturers of sulphate of ammonia, which is a by-product, manufacturers of suphate of aminonia, which is a by-product, would be well able to increase their production; and inasmuch as it is a by-product, be able to compete with any manufacturer in any country. I want to call your attention, Mr. Secretary, to the fact that practically everything that the farmer is buying at this time, he is paying a price much higher in comparison with the price that he is receiving for his product. Everything on the farm is selling considerably below the cost of production. Everything on the farm is selling considerably below the cost of production. I run a large farm myself, and I have to buy implements and all other things necessary to run that farm; and I know prices have not been materially reduced. I am now going into the market with truck and absolutely unable to get the cost of these products. It is absolutely necessary to either have nitrate of soda or sulphate of ammonia. The agency handling the nitrate of soda has been able to form a combination whereby they have been able to absolutely fix and control prices. Now that we have a certain amount of importation of sulphate of ammonia, on a competitive basis with this product in the Now that we have a certain amount of importation of sulphate of ammonia, on a competitive basis with this product in the United States at a fair price, it is proposed to increase the price with a tax to farmers who are absolutely broke and unable to buy sufficient quantity of fertilizer to produce their crops. It would be very unfair, especially at this time, to place a duty on sulphate of ammonia. As stated a while ago, thousands of farmers this year would be unable to carry on except for a very small loan from the Federal Government. If you, at this time, levy a duty on sulphate of ammonia, \$2 or \$5, you are simply taking back from the farmer a part of the money that he has borrowed from the Government. These farmers have pledged their whole crop to the Government to pay—and with this tax they would really be unable to carry on.

I would like to state this in closing: That this tax will affect largely the South, because we have to have fertilizer to produce crops. I want to call your attention to the fact that the Farm Board to-day is holding three or four million bales of cotton, and we have a surplus of around 13,000,000 bales, with no prospect

we have a surplus of around 13,000,000 bales, with no prospect of a price that will even bring about the cost of production. With the assistance of the board and the extension service farmers are barely trying to produce crops to maintain their families and carry on, and now to place this duty on sulphate of ammonia I can say to you frankly that I do not see any way out for the agricultural interests in that section.

for the agricultural interests in that section.

I am sure that you understand, even recently, that thousands of acres of land in cotton States in the South are being sold for the taxes; and if they are unable to pay State taxes they do not pay Federal taxes, because they are unable to make a profit. I am sure they can not pay a tax on this product. If you tax sulphate of ammonia, I am absolutely unable to see any hope for agriculture. If there is any reason why a tax should be placed on sulphate of ammonia, I would like to state that this is the inopportune time to do it. It appears to me that the Government would be going in a circle, so to speak. We loaned the farmer \$75 to produce his crop—buy his fertilizer, based on prices some time ago; and now we put a tax on sulphate of ammonia, taking back part of the funds the Government lent him.

Under Secretary Ballantine. You understand, Mr. Representa-

Under Secretary Ballantine. You understand, Mr. Representative, that the reason that is given for invoking this provision is the contention that foreign manufacturers of sulphate of ammonia are disposing of their product here in our market at prices which are very much less than prices which they charge for that product in the country where produced; and to the damage of our domestic producers of sulphate of ammonia. The manufacturers of sulphate of ammonia in this country are seeking to invoke the antidumping clause, and that is the issue which is pre-

voke the antidumping clause, and that is the issue which is presented to the department.

Congressman Fulmer. Mr. Secretary, that is the unfair part about it. In agriculture we plant various types of produce. We invariably lose on some of those products, and, perhaps, make a slight profit on others. That is the case in all lines of business; even the merchantile business. Sulphate of ammonia is a by-product, and a very small item in connection with the great steel industry; and, of course, they are the ones who manufacture sulphate of ammonia. That brings up the question as to whether or not, in your investigations, you went into the matter to the extent of ascertaining whether they have made a profit on their business as a whole. Thank you, Mr. Secretary.

(The table from the Department of Commerce, referred to by Congressman Fulmer, is copied below.)

Sulphate of ammonia produced in the United States according to the Bureau of Mines of the Department of Commerce

Calendar year:	nort tons
1929	744,000
1930	671,000
1931	471,000

Sulphate of ammonia produced in the United States according to the Bureau of Foreign and Domestic Commerce

Calendar year:	nort tons
1929	21,000
1930	38,000
1931	126,000

Sulphate of ammonia exported from the United States according

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Calendar year:	hort tons
1929	162,000
1930	91,000
1931	75.000

Sulphate of ammonia consumed 1 as fertilizer in the United States according to estimates of the National Fertilizer Association

Calendar year; includes Hawaii and Puerto Rico:	Short tons
1929	3 618, 500
1930	602,000
1931	490,000

Congressman Fulmer. Mr. Secretary, I would like to ask if I can not secure, at this time, a copy of the minutes of the hearing that was held, I believe, last Monday, with sulphate of ammonia

Under Secretary Ballantine. I do not think that would be in accordance with the practice. We can not have both sides in cross-examination, like in court procedure; because we would never get through if we undertook that procedure.

Congressman Fulmer. I mean, a copy of the minutes of the

hearing as presented.

Under Secretary BALLANTINE. The minutes are not printed. They are only typewritten for our own records; and we could not, there fore, comply with your request. However, I want you to be certain in your mind that you can rely upon our giving your side, and your evidence, thorough consideration. Do not think for a moment that because you are not present that we do not think for a moment that because you are not present that we do not sit down with the most earnest desire of getting the right answer; and that we do not take into consideration your side of the case.

Congressman Fulmer. Then, I understand that those of us opposing this proposition will not have an opportunity to even refute the statements made by the manufacturers or others who are asking that this antidumping clause be invoked.

Under Secretary Ballantine. You are going to be in exactly the same position as they are—they do not have a copy of what you say and you do not have a copy of what they say. You are treated exactly alike, and you are going to be fairly treated, Mr. Representative. This is just the difference between administrative and court procedure, but I do not think you need worry about the matter.

man Fulmer. I think it is unfair that we are not permitted to look over and review the statements made by the other

Secretary Ballantine. We review the statements ourselves, Mr. Representative, and we make independent investigations to find out the truth or untruth of the facts as presented. Do not think we are going to take any bad money.

Congressman Fulmer. I appreciate that.

ECONOMIC CONDITIONS AND DIVIDENDS FOR GOVERNMENT EFFICIENCY

Mr. BUCKBEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the economic conditions and also on dividends from Government efficiency.

There was no objection.

Mr. BUCKBEE. Mr. Speaker, during the past weeks we have given much time to the question of curtailing expenses of the Federal Government, and it has been a source of surprise and pleasure to me to find so many of the bureaus of the Government to be wholly or partly selfsupporting.

The earnings from individuals and corporations for the fiscal year 1931 of the Department of Justice total \$1,784,-806.40, and were collected by United States marshals, clerks of the United States district courts, and clerks of the United States circuit courts of appeal.

The fees turned into the Treasury of the United States for tests for private individuals and concerns by the Bureau of Standards during the calendar year 1931 amounted to \$61,180,44.

¹It is estimated that 15,000 tons of sulphate of ammonia are annually used in other industries.

²Includes 460,500 tons reported used in mixed fertilizer in the 1929 United States Census of Manufactures (Apr. 21, 1932).

The Insolvent Division of the Treasury Department, the division which issues and redeems Federal reserve notes, the division which redeems national bank currency, and the activities of that office and the field with respect to examination of national banks are self-supporting. In the fiscal year ending June 30, 1931, out of total expenditures of \$3,276,381.96 only \$308,662 were expended from appropriated funds and of this amount \$51,849 were reimbursed, or, in other words, paid back to the United States by the banks, so that \$256,813 was the total cost out of appropriated funds for the fiscal year 1931. If there were taken into consideration the tax of one-half of 1 per cent levied on national bank currency, which brings into the Treasury over \$2,000,000 each year, the entire office might be called self-sustaining. In fact, it would show a profit of over \$1,500,000 each year to the Government.

Incident to the operation of naval activities, some income is received, the total amount covered into the general fund of the Treasury as "Miscellaneous receipts" during the fiscal year 1931 being \$4,470,397.78. The principal sources from which this amount was received covers royalties, naval petroleum reserve, sales of surplus and condemned supplies, sales of hydrographic charts, radio service, and profit on work done for private parties.

The Passport Division of the Department of State and the passport agencies together issued 163,904 passports and renewals and collected \$828,789 for the fiscal year 1931, for passport, renewal, and execution fees. This is very profitable to the Government, since the total cost during the year amounted to \$73,018.54 for the agencies and \$196,141.32 for salaries, contingent, and printing expenses for the Passport Division in the department. In the Foreign Service there was collected a total of \$3,146,347.40 for invoice, visa, notarial, and other fees in the Consular Service. The total operating cost of the Foreign Service during the fiscal year 1931 was \$10,312,702. The stenographic section of the Department of State is in no sense a self-supporting division, although there was paid to the Government through that division \$509.79 for photostat copies of the laws of the United States. The Mixed Claims Commission, United States and Germany, may have been partly self-supporting during the fiscal year 1931, since there was deducted by the Treasury Department from each payment made on account of an award one-half of 1 per cent, totaling \$64,440.30, as against a cost of \$127,657.43 for the same period. I am advised that although the total deductions to date have not equaled the total cost of the operation of this activity, it is estimated that when all payments of awards have been made, the total deductions to be made by the Treasury Department will exceed the entire cost of this commission. The Division of Communications and Records of the department presents claims to the American-owned telegraph companies for refund on incoming messages of the difference between the full commercial rate paid at the point of origin and the outgoing Government rate on similar messages. During the fiscal year 1931, \$18,499.29 was recovered at a cost of \$1,800.

In regard to the Department of Commerce, I find that the Coast and Geodetic Survey, through sale of charts and publications for the fiscal year 1931, has collected \$74,674.88. The Bureau of Fisheries for sale of sealskins and foxskins has collected \$96,103.10. The Patent Office has collected in patent fees \$4,473,647.80. The Bureau of Mines has collected during this period for testing fees and sale of gas from helium \$23,054.52.

The net revenues from the operation of the Panama Canal total \$15,159,991.38. The interest on canal investments at 3 per cent approximates \$16,000,000, which is not included in the operating expenses. The gross income for the fiscal year 1931 from the operation of the Panama Canal Railway Co. is \$1,259,500.66. The net income from the operation of the Inland Waterways Corporation is \$298,756.51. The cost of the operation of Muscle Shoals, Ala., nitrate plants is \$83,000 as against \$99,233 receipts from leases. Twenty-four thousand four hundred and forty-five dollars and fourteen cents was received from the operation of the hydroelectric power plant at the Rock Island Arsenal, and the amount received

The Insolvent Division of the Treasury Department, the from the operation of the Rock Island Bridge is \$8,459.84 vision which issues and redeems Federal reserve notes, for the fiscal year 1931.

Through the office of the Secretary of the Interior a small amount is collected for the sale of official papers and certificates of authentication. A considerable amount of photostat work is also done for the bureaus and other offices of the department, which is subsequently sold and the amounts collected from this work are covered into miscellaneous receipts. The General Land Office is more than self-supporting. The cash receipts from all sources, none of which were collected from other Government agencies, aggregated \$4,835,761.85 during the fiscal year ended June 30, 1931, and the total expenditures for the conduct of its business, including its field activities, amounted to \$2,158,159.81.

The Bureau of Geological Survey is partially self-supporting. During the fiscal year 1931, \$43,430.17 was collected from private individuals, firms, and corporations. The conservation branch of this bureau makes no collections of funds from private individuals, firms, and corporations; but its work-land classification, supervision of power permits, grants and licenses, and supervision of mineral leasing operations—is a part of land administration that is self-supporting, the collections being made by other Government agencies. Funds collected during the fiscal year 1931 for the Indian Service aggregated \$986,927.70. In addition, sundry special funds amounting to \$70,743.11 were collected and retained for expenditures by disbursing agents. This represents money collected for expenses of special activities, such as dipping sheep, marketing cattle, threshing and grinding grain, and so forth.

With the exception of emergency charge-offs made pursuant to legislation, the Bureau of Reclamation is entirely self-supporting, collecting for the fiscal year 1931, \$12,367,-666.56. The National Park Service is partially self-supporting, having collected for the fiscal year 1931 revenues totaling \$940,364.49. During the fiscal year 1931 the Alaska Railroad collected \$1,209,575, of which \$191,973 was due connecting lines. The net amount was \$1,017,602. During the year 1931 St. Elizabeths Hospital received from private sources \$77,225. Columbia Institution for the Deaf collected from individuals and corporations \$15,262, and Freedmen's Hospital collected from pay patients \$20,629.75. The Territory of Hawaii was wholly self-supporting during the fiscal year 1931. Howard University collected from students, university activities, endowments, investments, donations, and so forth, \$486,318.90. The estimated revenues and private contributions for the Virgin Islands total \$200.755.

I do not wish to take up an undue amount of your valuable time on this subject, but I would like to submit further information for your earnest consideration, and therefore request unanimous consent to extend my remarks in the RECORD.

DIVIDENDS FROM GOVERNMENT EFFICIENCY

There are many activities, many types of research, which it is either impossible or impractical for the individual citizen of the United States to undertake for himself. As such activities and research are essential to the welfare of the whole people of the United States, the Federal Government has undertaken them. In many cases the Government renders these services free of charge. In other instances, usually where the benefits of the governmental service are restricted in application, nominal fees are charged. As an example of this, the Bureau of Standards makes nominal charges for testing products where the result of the test is not of general interest. Such fees in the fiscal year 1931 earned the bureau a total of \$66,576.15. Where an entire industry or the entire population is benefited services are rendered free. There are thousands of examples of this type of service. This bureau alone is responsible for thousands of scientific discoveries benefitting every citizen of the country. For example, a new method of making paper on which paper money is printed doubles the life of the money and saves the Government \$2,000,000 a vear.

In this bureau there is a division concerned with the utilization of waste products from the land. The discovery of a use for corn stalks and corn cobs has resulted in the establishment of a factory which purchases annually more than \$200,000 worth of corn waste from the farmers of Iowa and Illinois. This amounts to four times the annual appropriation for the entire division of the Bureau of Standards, which developed the process.

Cottonseed, once a nuisance difficult to dispose of, last year (1931) was worth \$265,000,000 to the cotton farmers of the South, because of the research which has made its by-products valuable.

Research now going forward in the development of high grade cellulose from wheat straw, corn stalks, cottonseed hulls, and so forth, all of which are usually waste products, will permit the manufacture of rayon, cellophane, and hundreds of other valuable products from this waste to a greater extent in the future.

Research in the textile division of the Bureau of Standards was estimated by the National Association of Hosiery and Underwear Manufacturers to be worth more than \$25,000,000 to the hosiery and underwear industries.

One division of the Bureau of Standards is concerned with standardization of sizes, grades, and so forth, in various industries with the object of eliminating industrial waste. Industries affected by this planning thus far have estimated their savings at over \$600,000,000.

The Bureau of Standards has an optical glass plant which manufactures all of the optical glass used by the United States Navy. The operation of this plant is essential to our national defense, as there is no commercial glass plant in the United States capable of doing the same kind of work. Discontinuance of this plant would necessitate importation of optical glass for the Navy.

The Bureau of Standards makes routine tests of articles purchased for Government use to insure the Government's "getting its money's worth." The value of these tests for the last fiscal year was \$683,170.67.

The bureau does a large amount of research work for the National Advisory Committee for Aeronautics in the development of new aluminum alloys, power plants, dopes, designs of wings, and so forth. This work is indispensable to the progress of aviation and has an obviously important bearing on our national defense.

It is obviously difficult to evaluate the services of another service bureau in the Department of Commerce, the Bureau of Foreign and Domestic Commerce.

This bureau maintains 58 foreign offices in the leading trade centers of the world. The activities of these offices are devoted to the promotion of the foreign commerce of this Nation. The aid they render to the American exporters is practical and definite.

Located in the large foreign markets and constantly alert for any trade opening for American goods, they immediately report these opportunities to the bureau in Washington. Here the information is disseminated to every interested manufacturer in the United States.

These foreign representatives secure credit information as to every leading firm in their territory and forward it to Washington. As a consequence the bureau has built up a commercial intelligence file that stands as one of the foremost sources of authentic credit information in the United States to-day. It is impartial, conservative, and reliable.

The men in the foreign offices report at once any changes or suggested revisions of foreign tariffs. As a result of this activity the Bureau of Foreign and Domestic Commerce has become the only source to which the harassed American producer can turn to find up-to-the-minute, reliable tariff data that separates rumor from facts. This service alone saves millions of dollars for American exporters each year.

The foreign offices conduct surveys on advertising in their territories. To-day an exporter can come to a district office of the Bureau of Foreign and Domestic Commerce and get immediately data as to how he should conduct an advertising campaign in any foreign area, what the potential market is, the type of people his literature will reach, the merchandising methods of the country, the best distributing point, and ture, recently described the United States Department of

so forth. In short, he can get at once all the information that he needs to plan an efficient and successful entrance into a foreign market.

The foreign office must report on the exchanging commercial and industrial conditions in the territory so that American interests concerned can be protected.

In effect, the foreign office serves as a sales agent for the American shipper. A certain manufacturer will address a foreign office saying that he would like to secure representation for the sale of his product in that area. The foreign office contacts the most suitable representatives in the trade and suggests a local merchant. The office follows up the correspondence of the American merchant until the agency is established and yielding a suitable return.

Through the foreign service of the bureau last year, in spite of the depression, American exporters obtained \$57,000,000 in new business, a return to American business of \$11 for every dollar expended on the entire bureau. It is estimated that this amount of business netted the Government a return of at least \$1,500,000 in income-tax collections.

Because of the aggressive policy of the Bureau of Foreign and Domestic Commerce in seeking new markets, we have become the largest exporting nation in the world. Exports in 1931, during the depression, were valued at \$2,500,000,000. It is estimated that upward of 1,400,000 men were employed in the production of products for export.

The services of the Bureau of Foreign and Domestic Commerce are primarily for the small diversified manufacturers who can not afford to make their own contacts in foreign countries. The manufacturer is the one who would be most seriously affected if the services of the bureau were curtailed. The large manufacturer can afford to send his own representatives to foreign markets. More than 80 per cent of the services of the bureau are for the little fellow.

Through the bureau's efforts last year, 2,873 new agency connections abroad were established for domestic industries. These may conservatively be valued at \$500 to \$1,000 each.

In domestic markets the bureau cooperates with trade associations in making surveys, and so forth. Last year the bureau spent \$100,000 in this type of work and industries involved contributed \$1,200,000. In one survey, of retail drug stores, 31 trade associations cooperated with the bureau and contributed \$75,000 as compared to the bureau's expenditure of only \$25,000.

The bureau last year furnished 730,000 lists of foreigntrade prospects; 940,000 definite trade opportunities for the sale of American goods abroad; and 190,000 reports on foreign concerns supplementing the reports of credit-rating concerns such as Dun's, Bradstreets, and so forth.

The Department of Commerce turns into the Treasury each year over \$7,000,000 received in the form of fees, etc.

The proposed reduction in the appropriations of the Department of Commerce for the next fiscal year will mean the closing of 20 foreign-trade promotion offices, 18 offices in the United States and the dismissal of 473 employees from the bureau. Five divisions of the Washington offices would have to be discontinued: Agricultural implements, boots and shoes, foreign construction, motion pictures, and aeronautics

The actual cash receipts of the Department of Commerce for the fiscal year 1931 were as follows:

l	Fines and penalties, aeronautics branch	
1	Fees, China trade act	2, 075. 00
1	Sale of publications, Bureau of Foreign and Domes-	
3	tic Commerce	5, 361. 97
1	Fees for statistical services, Bureau of Census	6, 868. 54
1	Tonnage taxes, Bureau of Navigation	
ı	Fines and penalties, Bureau of Navigation	
i	Navigation fees, Bureau of Navigation	
ì	Testing fees, Bureau of Standards	66, 576. 15
1	Sale of charts and publications of Coast and Geo-	
ı	detic Survey	
ı	Sale of seal and fox skins, Bureau of Fisheries	96, 103. 10
1	Patent fees, Patent Office	
1	Testing fees, Bureau of Mines	
ł	Sale of gas from helium, Bureau of Mines	11, 497. 00
ı	Total	7, 078, 055, 93

Sir Horace Plunkett, Ireland's great authority on agricul-

department has won its position as a public-service institution by scientific triumphs and in practical help, benefiting not only agriculture but industry and the general community as well. Much of the work promotes public health and wellbeing. Its research, by helping farmers to grow better crops and livestock, reduce their costs, and market their products more efficiently, benefits the consuming public every bit as much as it benefits the producing farmer. A few examples will show why practically everyone is interested in the department's activities.

The public has a vital interest in the Federal meat-inspection service, which costs more than \$5,000,000 annually. This service maintains a high standard of sanitation in packing plants, and aims to insure safe, clean animal products. The research and the veterinary work of the department promote public health by eradicating animal diseases or reducing their prevalence. Through enforcement of the pure food and drugs act, the tea and milk import acts, the caustic poison act, and other similar acts, the public is protected against unwholesome or adulterated foods and drugs, inferior disinfectants, and ineffective insecticides.

The weather service of the Weather Bureau of the Department of Agriculture is indispensable to innumerable commercial and industrial enterprises. Building contractors save on cement jobs by heeding frost forecasts. Shippers of perishable products prevent losses in the same way. Weather reports are indispensable for navigation and aviation, and many more matters.

The administration of our forest resources and their utilization with thought of the need for conservation is of interest to the entire population. The Department of Agriculture administers forests with an area of 160,000,000 acres. and cooperates in fire protection on 240,000,000 acres more. The perpetuation of our forest resources is of immense value to the public as a whole.

Few of us realize that more than half of the total expenditures of this department goes for the improvement of roads. The Federal aid system consists of the most important interstate and intercounty roads, thus benefiting both city dwellers and farmers.

Primarily, the department is a research institution. Research in the department from 1888 to 1893 proved that a microorganism found in the blood of cattle is the cause of splenetic fever, and that the disease is transmitted by the cattle tick. This was the first demonstration that a microbial disease can be transmitted exclusively by an insect host or carrier. The beneficial results were literally stupendous. They were not limited to an improvement in the health of cattle. The discovery ranks among the great achievements of medical science; it led to the knowledge that such diseases as yellow fever, malaria, typhus fever, African sleeping sickness, Rocky Mountain fever, and other maladies are similarly transmitted. It made possible the control of yellow fever in the Canal Zone.

Scientists in the department discovered, in 1903, that hog cholera is caused by a filterable virus, and developed a preventive serum that saved a threatened industry.

Research in the department discovered an effective remedy for hookworm in human beings, vastly extended the shipping range of citrus fruits, rehabilitated the disease-threatened sugarcane industry, protected the potato industry, and found uses for numerous farm by-products. These are merely examples.

The development of new varieties of plants and the introduction of foreign varieties to American soil has made it possible to better utilize our land resources. Pima cotton, for example, was developed by selection from cotton originally brought from Egypt. The new cotton is of great length and strength and is now grown in the Salt River Valley of Arizona. Hardy alfalfas have been brought from Siberia and other parts of Asia; the soybean from the Orient; Sudan grass, Rhodes grass, Napier grass, velvet bean, and purple vetch from Africa and elsewhere. We are indebted to Russia for the original Durum wheat, a crop that is now so improved that it has an annual value in this country of nearly \$100,000,000. Sudan grass now has an annual

Agriculture as "the most useful institution on earth." This | crop value of over \$2,000,000 in this country. The Washington navel orange, introduced from Brazil in 1872, which now makes up the bulk of the California orange industry, is only one example to show how American orchards and groves have been enriched by the introduction of scores of fruits and nuts from abroad. Through numerous investigations the department has improved this orange and perpetuated the best qualities through bud selection. In more recent years there has been added the date, the alligator pear, the mango, Chinese and Japanese persimmons, the papaya, and the pistachio nut, and many more fruits, nuts, and so forth.

Methods of growing cotton have been considerably modified in recent years by the new method of thick spacing of single-stalk plants, based on a technical botanical discovery that the cotton plant has two distinct kinds of branches. The single-stalk cotton is earlier and more productive, especially under boll-weevil conditions or in short seasons. The yields are often increased from 10 to 30 per cent, or even from 50 to 100 per cent under some conditions, by the new

In 1929, when the campaign to eradicate the Mediterranean fruit fly was in full swing, Department of Agriculture scientists developed a way to sterilize citrus fruit by heat. This permitted the orderly marketing of citrus fruit grown in the infected area and saved millions of dollars to

A calcium salt, once so rare that it cost \$150 a pound, now may be had for 50 cents a pound because of recent work by the department's chemists. In looking for molds to produce tartaric acid. 149 were examined without results. The one hundred and fiftieth unexpectedly produced gluconic acid. This is now used in making calcium gluconate, the only calcium salt that can be injected between the muscles, without causing abscesses, in treating human diseases.

Strawberry growers in North Carolina last year increased their yields by 400 to 500 quarts per acre, and their average profit by \$75 an acre, through the use of fertilizing methods recommended by the department.

The department was the first scientific organization to demonstrate that resistance to disease in plants is of a genetic character, and that resistant qualities can be bred into or out of plants. Intensive research by the department and developments in wilt resistant and disease resistant varieties of cottons, melons, beans, peas, lettuce, cantaloupes, tomatoes, onions, and so forth, have resulted in a saving of many millions of dollars annually.

Research in the Bureau of Animal Industry developed last year a way to control the liver fluke in sheep. This parasite has caused much loss in California and other Western States. Investigators found that the liver fluke spends part of its life cycle in a certain snail that lives in wet pastures and along the banks of water courses and irrigation canals. When such areas are treated with copper sulphate a chemical extremely poisonous even in minute quantities to snails, the life cycle of the parasite is ended. As a result of this discovery sheep raising in the areas affected has been reestablished on a safe basis.

Big savings to the hog industry have come from the bureau's discovery that roundworms in swine can be controlled by preventing newly born pigs from swallowing the microscopic worm eggs commonly found in old hog lots and on the bodies and udders of sows. This innovation reduces mortality among pigs, hastens their maturity, and saves feed.

Not long ago, the Bureau of Dairy Industry discovered how to condense skim milk so as to make the product selfpreserving. As a result, skim milk can now be readily converted into concentrated sour skim milk, in which form it can be preserved and transported. Manufacturers of concentrated sour skim milk provide the butter maker, the city milk dealer, and others with a convenient and practical means of utilizing one of the most important by-products of the dairy industry. About 75,000,000 pounds of skim milk annually are now converted, by the bureau's process, into concentrated sour skim milk.

Though it is impossible to set a money value on animal disease prevention, it can not be doubted that the value is

enormous. In the five years 1926 to 1930 the number of | been shaved with a razor. They were first used in making cattle affected with diseases or other abnormal conditions in Federally inspected slaughterhouses decreased from 59 per thousand to 42 per thousand. Affected swine decreased from 142 per thousand in 1926 to 115 per thousand in 1930. Cattle known to be free of tuberculosis are worth fully \$10 a head more than nontested cattle. Tuberculin testing in 1931, in which year more than 13,000,000 cattle passed the test, meant on this basis an increase in value of \$130,-000,000. Hog cholera losses, which used to exceed 5 per cent of all hogs in former years, now are below 3 per cent. This is a direct result of hog cholera prevention methods developed by the department.

Here is one attempt to place a money value on research. An analysis was recently made of 20 continuing projects in insect pest control; the projects cost \$300,000 a year, and they result in saving crops that are worth \$69,500,000 a year.

In the foregoing I have mentioned a few achievements of various branches of the department's research. Glance now at a single field—the utilization of by-products—and see this impressive record:

The little tomato seed was a waste of the catsup industry until chemists found a way to extract its oil. To-day this oil is used as food and in making fine soaps. Likewise, the kernel of the seed of the apricot was a waste of the apricot industry until chemists found a way to free it from its bitter principle. To-day the apricot kernel, tasting nearly like the almond, is used in flavoring macaroons. The seeds of the raisin were a waste with the seeded raisin industry until chemists found a way to use them. The oil of the seed is compatible in taste with the raisin, and work is now being done in spraying this oil on the seeded raisins to keep them soft and fresh until consumed.

Our chemical laboratories point out to us an age of cellulose, which challenges our imagination. What is cellulose? It is the substance-consisting of the three chemical elements, carbon, hydrogen, and oxygen-which is the principal part of the solid framework of plants. The wooden floors we walk upon, the newspapers and magazines and books we read, corncobs, cornstalks, wheat straw, and other straws-these and myriad other things are largely cellulose. Chemically, cellulose is very similar in composition to cornstarch and the sugars; it contains the same elements and is convertible into sugars by the action of heat and acid.

Cotton is nearly pure cellulose. The chemist already knows how to make rayon and artificial silks out of cellulose from cotton linters, cornstalks, and so forth, and industries of great size have sprung up to manufacture them. Who can imagine the future in store for the humble and lowly cornstalk? I have seen a beautifully printed and bound book entitled "Farm Products in Industry," the paper of which was made mainly of cornstalks. I have read farm journals printed on paper, the most costly part of which had been replaced by cornstalk pulp. I have handled samples of insulating and building board made of cornstalks, some as porous and light as cork and some almost as hard and dense as iron. Who can say now, in view of the industrial beginnings already made, what part cornstalks will play in the building construction and heat and cold insulation of the future? Some day most of our books and daily news may come to us on cornstalk paper.

For generations the cotton farmer has had as his main business the production of an industrial inedible fiber for the textile mills. At the time of the Civil War the by-product cottonseed, except the small quantity saved for planting, was practically waste; in 1870 it was used for fertilizer; in 1880 for cattle feed; and 1890, thanks to the chemist and his research, a cottonseed-oil industry came into being. Cottonseed oil is used in cooking and for many other purposes.

A by-product may even have by-products of its own. In pressing the cottonseed to extract the oil the cottony fuzz on the seed was a nuisance. This fuzz is called linters. Today we have a great industry which makes a product out of linters that looks and feels like silk. This is an accomplishment of the research chemist, made in the chemical explorations of cellulose. Linters have become so valuable that the seed is sometimes scraped so close that it looks as if it had

mattresses, batting, high explosives (nitrocellulose), and so forth. To-day they are used to make the finish and tops for our automobiles, substitutes for leather, brushes, combs. and mirrors, camera films (including our movies), casings for sausages, fine paper, collodion for skinned fingers, and so forth

In 1929 the value of the by-products made from cottonseed reached the staggering total of \$298,376,039.

The whole story of the utilization of the by-products of our farms, even only up to now, would fill many books. The chemists and other scientists of the United States Department of Agriculture, the State colleges of agriculture and experiment stations, and other institutions are working with intense interest to develop new products from our agricultural by-products. They have already found many things, but for many of them the economic place has not yet been found.

The department administers approximately 50 regulatory statutes. The most important are the animal quarantine laws, the meat inspection act, the virus serum toxin act, the packers and stockyards act, the 28-hour law, the renovated butter act, the plant quarantine act, the food and drugs act. the tea importation act, the import milk act, the naval stores act, the caustic poison act, the insecticide and fungicide act, the seed importation act, the migratory bird treaty act, the Lacey Act (affecting wild life), the Alaska game law, the cotton standards act, the grain standards act, the Federal warehouse act, the cotton futures act, and the grain futures

Results of the research and other work done in the department must be communicated to the public or their value is largely lost. Research must have a mouthpiece. It can not be done well in closed compartments without facilities for communicating results to scientific workers everywhere and to farmers and the general public. Work done in the dark means duplication of effort and loss of the stimulus that discovery in one field should have on other investigations in other fields. Hence the department maintains various informational services, which include a cooperative extension service, bulletins, motion pictures and exhibits, press and radio services, weather forecasts, crop and market reports and outlook reports, periodicals, soil surveys, and correspondence with individuals.

I insert here a table which shows the total expenditures charged to the Department of Agriculture for the fiscal year 1931. The net cash withdrawal from the Treasury was \$296.865,945 and the checks outstanding on June 30, 1931, \$14,514,248. This made a total of \$311,380,193. Did this all go for agriculture?

Here are the true facts of expenditures of Department of Agriculture, fiscal year 1931. On basis of Budget statement

No. 2, pages A32-A47 of Federal Budget	for 1933:	
1. Roads: Federal aid to States Forest roads and trails Mount Vernon Highway	\$158, 322, 940 18, 831, 020 3, 392, 959	KSS KOLDY
Total for roads, as above	180, 546, 919	57.98
2. Emergency drought loans	48, 824, 743	15.68
3. Payments to States: State experiment stations Extension work Forest-fire prevention, etc.	4, 340, 000 8, 650, 229 3, 434, 033	
Total payments to States, as above	16, 424, 262	5.28
4. Ordinary activities of department, including: (a) Some of the larger items clearly of general public interest, as follows: Weather Bureau (general) Weather Bureau (for aviation) Meat inspection Food and drug laws Forest Service Biological Survey Tuberculosis eradication	2, 745, 834 1, 241, 627 5, 592, 190 1, 614, 666 14, 979, 336 1, 956, 515 6, 252, 744	
Total, above items (11.04 per	34, 382, 912	

ing—Continued. (b) Remainder (10.02 per cent)		Per cent
	65, 584, 269	21.06
5. Total, Department of Agriculture, all purposes Less checks issued but unpaid June 30,	311, 380, 193	100.00
1931	14, 514, 248	

6. Net cash withdrawal from Treasury_____

Total expenditures of Federal Government, 1931 (net cash withdrawals from Treasury), including payments from postal revenues, 84.877.315.309.

Relation of Department of Agriculture expenditures to total expenditures of Government

All purposes, on the basis of net cash withdrawal (\$296,865,945)
Deduct roads and drought loans, leaving \$82,008,531, or...
Deduct roads, drought loans, and payments to States,
leaving \$65,584,269, or.
Deduct roads, drought loans, payments to States, and certain of the larger items of general public interest, as
listed above, leaving remainder of \$31,201,357, or... 1.68 1.34 64

Other departments of the Government are comparable to the Agriculture and Commerce Departments. The services rendered to the American people are of inestimable value. The Employment Service of the Department of Labor, the Children's Bureau of the same department; the Postal Service; antitrust work of the Federal Trade Commission; the Federal Board for Vocational Education; and dozens of others. Many bureaus and divisions of departments are self-supporting or partially self-supporting through fee and other collections. For example:

The Naturalization Service of the Labor Department

expended only \$1,156,970 in the fiscal year 1931, while its receipts were \$3,086,175.

The Immigration Service of the Labor Department, with an appropriation of \$9,562,085, received \$2,657,391. Due to immigration legislation in recent years, receipts have fallen off very considerably.

In the Treasury Department, the office of the Comptroller of the Currency turns into the Treasury more than \$1,500,000 a year over and above its expenses. Of course, those divisions concerned with the collection of the national revenue, the Customs Bureau, and Internal Revenue Bureau may be regarded as much more than self-supporting. The Bureau of the Mint had a profit on coinage in 1931 amounting to \$1,550,831, while total expenditures were only \$1,491,350.

The total Government receipts by departments (except

must fully and bostat receibts, were as for	OWS 101 1331.
Legislative establishment	\$1, 283, 568, 98
Executive Office and independent establishments.	33, 494, 018, 13
Department of Agriculture	12, 476, 268, 86
Department of Commerce	7, 145, 359, 73
Department of the Interior	13, 839, 681, 80
Department of Justice	6, 608, 737, 00
Department of Labor	6, 148, 001, 57
Navy Department	5, 702, 824. 53
Post Office Department	
State Department	4, 232, 609, 21
Treasury Department	3, 058, 096, 002, 36
War Department	41, 758, 315. 80
District of Columbia	68, 977. 27

While I realize that now is the time when Congress must enact such legislation as to curtail all unnecessary Government expenses, I believe that particular care should be taken in order that such divisions of Government that the country is so dependent upon for aid and assistance should not be curtailed to such an extent as would make them valueless to the citizens of the United States.

LEGISLATIVE APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, the committee of conference on the legislative appropriation bill is in session, and they expect to have a report ready, at least in part, to-day, and I ask unanimous consent that they may have until 12 o'clock to-night to file that report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. RAMSEYER. Reserving the right to object, if the report is filed, is it the intention of the gentleman to call it

Mr. BYRNS. I presume that the gentleman from Louisiana [Mr. Sandlin] will call it up. The gentleman from Iowa understands that in all likelihood it will have to go back to conference on the economy amendment.

Mr. BRIGGS. Have the conferees agreed? Mr. BYRNS. They have gone into conference.

Mr. BRIGGS. On legislative matters other than the economy program?

Mr. BYRNS. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an article on military appropriations.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, are these the gentleman's own

Mr. COLLINS. No: it is an article which I think is a very valuable document.

Mr. SNELL. Mr. Speaker, I object.

PATRONAGE

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD upon the subject of patronage and other matters.

The SPEAKER. Is there objection?

There was no objection.

Mr. McFADDEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an exchange of letters between the senior Senator from Pennsylvania, Hon. David A. REED, and myself, relative to patronage, as follows:

> CONGRESS OF THE UNITED STATES. House of Representatives, Washington, D. C., June 6, 1932.

Washington, D. C., June 8, 1832.

Hon. David A. Reed,
United States Senate, Washington, D. C.

My Dear Senator Reed: On December 18, last, you were quoted in the New York Times as having notified Postmaster General Brown that "from now on you and Senator Davis would handle post-office patronage in the fifteenth Pennsylvania district, which Mr. McFadden represents." That paper further quoted you as saying, "Mr. Brown was told by Senator Reed that in the future, so far as Mr. McFadden's recommendations for post-office appointsaying, "Mr. Brown was told by Senator Reed that in the future, so far as Mr. McFadden's recommendations for post-office appointments were concerned the Postmaster General would simply consider that the recalcitrant Representative had died." You are also quoted as announcing that you would do "everything within your power in the next primary election to defeat Mr. McFadden for renomination."

The Philadelphia Public Ledger of the same date quotes you in practically the same language, saying, "McFappen will be treated as if he were dead. Party is expected to drop him in 1932." To quote further from this article, it says, "The decision was made after Senators Reep and Davis conferred with Postmaster General

Because of these articles I addressed a letter under date of December 21, 1931, to Hon. Walter F. Brown, Postmaster General, Post Office Department, Washington, D. C., reading as follows:

DECEMBER 21, 1931.

Hon. Walter F. Brown,
Postmaster General, Post Office Department,

My Dear Ma. Brown: By the press I am informed that the two Senators from Pennsylvania have arranged with you in regard to all matters pertaining to postal affairs from this date on in the fifteenth congressional district of Pennsylvania; that they will in the future be handled with your concurrence by Senators David Aiken Reed and James J. Davis, and that so far as this particular district is concerned in matters pertaining to any description. district is concerned in matters pertaining to your department the Congressman will have no opportunity to confer with you nor to make recommendations for the appointments under civil-service regulations of postmasters or rural carriers.

As I have pending before me now several appointments of postmasters and other postal department matters, I am asking

you for definite and immediate advice as to the future conduct of the Post Office Department relative to postal matters in the fifteenth congressional district of which I am the elected Representative in Congress. I am asking you this in order that I may

advise my constituents properly. Your immediate reply will be expected. Very truly yours,

L. T. MCFADDEN.

Under date of December 22, the Postmaster General, Walter F. Brown, replied as follows:

DECEMBER 22, 1931.

HOD LOWIS T MCFADDEN

Hon. Louis 1. McFadden,

House of Representatives.

My Dear Mr. Congressman: Acknowledgment is made of the receipt of your letter of the 21st instant inquiring how the Post Office Department will deal with postal matters arising in the fifteenth Pennsylvania district, which you represent in the present Congress

Apparently you are under a misapprehension with respect to the relation of Congressmen to postal administration. Legally, Representatives in Congress have no responsibility or voice in the selection of personnel in the post office or other executive departments. Because most of the Post Office Department's major partments. Because most of the Post Office Department's major activities are in the field, frequently remote from the post of duty of departmental heads, it has been the practice of the department to invite the advice in matters relating to local personnel, and in limited cases relating to local policies, of Congressmen in whose capacity and desire to be of service the department has confidence. Both Republican and Democratic administrations have followed this practice for many decades with undoubted benefits accruing to the service.

As the views which you expressed in the House of Representatives on the 15th instant, as set forth on pages 571 and 572 of the Congressional Record, volume 75, convince me that your advice will not be helpful to the department, the heads of the several post-office bureaus have been directed from and after the date mentioned neither to invite nor to follow suggestions from you.

from you. Very truly yours,

WALTER F. BROWN.

Since then I have had no contact directly with the Post Office Department or any of its divisions on matters in which my constituents of the fifteenth congressional district were interested. Indirectly, without specific notice from you, I was informed that

stituents of the fifteenth congressional district were interested. Indirectly, without specific notice from you, I was informed that you and Senator Davis were handling all post-office matters in the fifteenth congressional district.

On February 22 I announced my candidacy for the Republican nomination in the fifteenth congressional district. My chief opponent was Cornelia Bryce Pinchot, wife of the present Governor of Pennsylvania. The basis of her candidacy, as announced by her, was my speech of December 15, 1931, and my record as the Representative of the district for the past 17 years in the House of Representatives. I accepted the challenge, and sent into the district approximately 60,000 copies of my speech delivered in the House of Representatives on December 15, 1931. This speech is apparently the basis which prompted your action in depriving the people of the fifteenth congressional district of their right to do business with the Post Office Department through their legally elected Representative in the House of Representatives. I attribute my nomination to a large extent to the distribution of this speech and of my speech of January 13, 1932, against the Reconstruction Finance Corporation, together with my speeches throughout the district against the international financial group's exploitation of American investors out of several billion dollars, including the sale in this country of \$100,000,000 worth of German reparation bonds.

the sale in this country of \$100,000,000 worth of German reparation bonds.

At the April 26 primaries, I was not only renominated on the Republican ticket, but on the Democratic and Prohibition tickets as well. This is equivalent to election. I contend that the people of the fifteenth congressional district are entitled to representation before the Post Office Department, of which they are now deprived through their chosen Representative in Congress. In this connection, I would like to call your attention to the resolution that was passed by the Pennsylvania Republican Delegation in Congress at a meeting held on December 9, 1930, and approved by Senator Davis and yourself, when the question of congressional patronage was raised. The resolution is as follows:

"Whereas it has for many years been the custom in our State for Members of Congress to make the selection of postmasters in their respective districts, except in the districts where the United States Senators reside; Therefore be it

"Resolved, That it is the sense of the Pennsylvania delegation in Congress that this time-honored custom should be continued."

Because of the fact that your action of December 17, as reported in the Philadelphia Ledger and the New York Times of the following day, has deprived the fifteenth congressional district of their rights heretofore accorded through their duly elected Representative, that of consulting with the Post Office Department and its various bureaus in regard to matters affecting the district, as well as the right to recommend the appointment of postmasters, and that you and Senator Davis have assumed these full prerogatives

various bureaus in regard to matters affecting the district, as well as the right to recommend the appointment of postmasters, and that you and Senator Davis have assumed these full prerogatives yourselves, I am calling your attention to the fact that this action violated the resolution which was to govern patronage matters in each congressional district in Pennsylvania, wherein you and Senator Davis agreed with the Pennsylvania Republican delegation that you would approve as a matter of course their recommendations, and that you would consider the appointment of postmasters as the patronage of the Congressman in each district. Because of this I called the attention of the delegation to these facts at a meeting of the Pennsylvania delegation held recently.

Because of this I called the attention of the delegation to these facts at a meeting of the Pennsylvania delegation held recently, where the matter was thoroughly discussed.

Inasmuch as your action was predicated on my speech of December 15, 1931, which was also used as the basis of the action by the Postmaster General, I desire to point out that in delivering this speech I was entirely within my constitutional rights, and your action is an attempted interference with my rights as a

Member of the House of Representatives and quite in contrast with what Voltaire said, "I do not believe in a word that you say, but I will defend with my life, if need be, your right to say it." The subject matter under consideration in the House of Representatives at that time was the Hoover moratorium. One of our fundamental constitutional privileges is that the management of the finances and appropriations of the Government belongs exclusively to Congress, and the constitutional method of getting the expression of Congress is "in Congress assembled," not by the private expression of opinion by the individual Members of Congress instead of collectively. This successful attempt on the part of the Executive to secure an expression of opinion from Members of Congress individually instead of collectively is a constitutional violation, because the Constitution says with reference to the legislative body "in Congress assembled," and there is a long series of decisions of our courts dealing with administrative boards that contracts are only valid when entered into by the boards regularly assembled and actively functioning as such, not simply by personal agreements with majorities of the members of the boards. This is the only way in which intrigue and secret negotiations can be prevented in the administration of public business, and I do not think that anyone will say that a government is not a public business. ment is not a public business.

Furthermore, in asking for action by Congress there ought to have been laid down before Congress as a whole, or, in case the documents were of such a confidential character that it was not advisable to make their contents public in the public interest, there ought to have been laid down before a private committee in there ought to have been laid down before a private committee in confidence all of the documents and communications passing between the respective governments and the confidential reports of the ambassadors, ministers, or consuls upon the economic conditions of their respective countries. None of these things were done in this particular case. A perusal of the debate in the House will show conclusively that Congress was requested to pass the measure upon the mere say so of the executive department with all of the diplomatic evidence withheld from its consideration. The guarantee previously given by the Members of Congress to the Executive at his solicitation without a disclosure of the full facts would tend to indicate a confident determination and assurance on the part of the Executive in further refusing to disclose the diplomatic evidence in his possession in connection with the negotiations leading up to the moratorium.

I desire to call your attention to another fundamental principle

the diplomatic evidence in his possession in connection with the negotiations leading up to the moratorium.

I desire to call your attention to another fundamental principle of our constitutional system of government; that is, by having each of the three departments of the Government independent of each other and in a position to fully analyze the policies and principles of the other departments, we would tend to eliminate the essence of tyranny and keep the general functions of our Government in harmony with the Democratic principles upon which it was founded. That being true it was the intention of our constitutional founders—this intention has steadily developed in practice—that the legislative branch of the Government should not only have the right to criticize the Executive, but, in fact, that it was the supreme duty of the legislative representatives so to do, and in order to secure the full exercise of his functions in that respect, the law makes him exempt from being called upon to answer in any court for any statement made in the faithful performance of his legislative functions upon the floor of the House. Not only that, but the House of Representatives through its Members has the right to impeach the Executive and bring him before the bar of its coordinate legislative body are not in harmony with the general interests of the people; while the general phraseology of most impeachment allegations is "high crimes and misdemeanors," yet no legal authority has ever accurately defined what those are, and in fact there is no rule of measurement of the causes for which the legislative branch may see fit to remove the Chief Executive other than the conscience and discretion of the legislative body itself acting through the majority of its Members.

In this connection it is noteworthy that there is no power of

In this connection it is noteworthy that there is no power of impeachment or disciplinary control on the part of the Executive over the Members of the legislative bodies whatsoever. In fact, in the progress and development of the constitutional basis of Democratic government the tendency is to increase the power and authority of the lower House as being directly representative of the will of the people and to decrease the power and authority of the Executive exercised in opposition to the will of the lower parliamentary body. Notwithstanding this constitutional principle, the action which has been taken in this case seems to assume an attitude to the general effect that the Executive has a divine right of arbitrary power and judgment, and that when the Executive determines one idea and policy, no matter how unsound the ideas of the Executive may be, the Executive ipso facto must be right, and if the legislative body or any Member thereof disagrees with him, that the legislator or the legislative body must automatically be wrong. In this connection it is noteworthy that there is no power of

Wrong.

Your announcement from the White House that I would be deprived of post-office patronage indicates the approval of the Executive and your unqualified right to speak as the leader of the Republican Party in general and Pennsylvania in particular. In this connection I desire to point out the fallacy of the assumption that the President is the titular party leader of the administration in power and exercises his functions in that respect similar to the Prime Minister in England, and that anyone disagreeing with the ideas and disobeying the wishes of the President must therefore be guilty of party treachery. Such an opinion is neither well founded in fact nor in accordance with the well-defined principles of politi-

cal polity in this country. The President is neither a member of the national committee nor is he a member of, nor eligible to membership in, the party caucus of the legislative body. He has no legislative function whatsoever except such as may be implied from his power of veto, which is simply an aid to the executive

Possibly there is no better illustration of the reason why the

no legislative function whatsoever except such as may be implied from his power of veto, which is simply an aid to the executive function.

Possibly there is no better illustration of the reason why the President should not be a party leader in the strict sense of the term than the present Executive. He never served in the ranks of any political party. He never was elected to office at any time until he was elected to the office of President through the aid and machinery of the Republican Party.

Members of the House of Representatives are elected directly by the voters of their respective districts without any distinction as to party leadership or affiliations except so far as the same may apply in a persuasive manner to the discretion of the individual voter. Consequently a Member of the House of Representatives is directly responsible to his constituents and not to the President or Senator of his State or even to the party, and, therefore, the criterion of his actions is simply whether or not the Member is serving the interests of his constituents rather than the interests of the party and of the President.

As you were not only reported to have announced the assumed prerogatives of the President but to have presumed to speak for the Republican Party as regards my renomination and election, it is worthy of consideration to call your attention to the fact that it is the duty of the party to serve the people and certainly it is the duty of the President to serve the people and certainly it is the duty of the party to serve the people and certainly it is the duty of the party to serve the people and certainly it is the duty of the party to serve the people and certainly it is the duty of the party to serve the people and certainly it is the duty of the party to serve the people and certainly it is the duty of the party to serve the people and certainly it is the duty of the party to serve the people and certainly it is the duty of the party to serve the people and certainly it is the duty of the party to serve

"When conquering Cæsars, flushed with pilfered pelf, Would placate plebes, for love of show and self, They showered gold from gilded equipage, As we do now—but call it patronage.

- "When feudal barons, home from raiding ride, Would scatter largesse thru the countryside, They shared the booty from their brigandage, As we do now—in party patronage.
- "In modern politics or war's turmoils, Still to the victor must belong the spoils; What is the difference, any place or age, If it be plunder—or just patronage?"

In this particular case you started in motion the party machinery to punish and handicap a Representative of the House of Representatives who was acting within his rights as a Member of the House under his oath of office. As that Representative's statement did not agree with your own views you arranged that the full force of party machinery and elements of intimidation were brought into being in an attempt to discipline that Member through the control of the patronage of the Executive. It is time to bring the abuse of this system prominently to the attention of the public so that the public may be induced to abolish this obnoxious practice. noxious practice.

It has become quite the common autocratic practice of late for officials in administrative departments when any criticism is for officials in administrative departments when any criticism is leveled at any, of their acts, instead of attempting to answer the criticism, to immediately make a counterattack upon the integrity of the accuser, be he a legislator or some other person, for the purpose of discrediting his action in the eyes of the legislative bodies or the public, and thus avoid a disclosure of that which had been pointed out as improper, and in the operation of this practice, the Secret Service is always made available to these department heads.

As an instance of this, I point to the action of the former Secretary of the Treasury, A. W. Meilon, when Senator James Couzens, of Michigan, began an investigation of fraudulent tax settlements of the Income Tax Bureau in the United States Treasury. Immediately the Secretary retaliated by bringing an action against Senator Couzens personally on a tax settlement which had been closed several years before. This action served its purpose. Senator Couzens was put to great expense and trouble and finally defeated the action, but it resulted in his stopping the investigation of the tax matter, and it was never completed.

As a further instance of this same practice I would cite the present investigation by the Senate Banking and Currency Committee of the New York Stock Exchange, where the same tactics are being pursued, which is evidenced by their dastardly attack upon the integrity and standing of the chairman of that committee for the sole purpose of intimidating him against any further investigation of the shady dealings of the New York Stock Exchange. In fact, I understand that the stock exchange authorities have investigated practically every member of the committee to see if somewhere in their career a skeleton can not be found so that the members of this committee will be intimidated against further proceedings in this investigation. This is a practice that has been growing in the Government and in circles where influence and nower predominate and is a natural sequence that follows further proceedings in this investigation. This is a practice that has been growing in the Government and in circles where influence and power predominate, and is a natural sequence that follows greed and the fight for power and more power in an individual capacity, in political capacities, in corporate capacities, and can but savor of dictatorship. Such practices as these can not be too strongly condemned as unprincipled, and if persisted in will further weaken and undermine our present form of government by destroying the people's confidence in law and order through constitutional government. In this connection, I would call your attention to a proclamation of the Council and House of Representatives of Massachusetts Bay, issued by John Adams in 1774, and which was sent to all town meetings in the Commonwealth, as follows:

"As the happiness of the people is the sole end of government so the consent of the people is the only foundation for it, in reason, morality, and the natural fitness of things. And, therefore, every act of government, every exercise of sovereignty against or without the consent of the people is injustice, usurpation, and tyranny. * * * The supreme power resides always in the body of the people; and it never was, or can be, delegated to one man or a few; the great Creator has never given to men a right to vest others with authority over them unlimited either in duration or degree." duration or degree."

A former Republican Senator of the United States stated on February 27, 1911:

February 27, 1911:

"The manner in which Federal patronage shall be used is of the greatest concern not to the Members of Congress but to the people of the United States, whose Government this is. I would call your attention to the fact that Senators and Representatives come and go. It is of comparatively little importance whether any one of us shall be here a few years hence. Individuals are of little consequence. But fundamental principles of justice and equality under law are of utmost importance. Disregard and defiance of law is the beginning of anarchy, and the law-respecting, liberty-loving people of this country will not tolerate it.

"Our Government was founded upon the proposition that all men are equal before the law, civil or criminal. I would have as much respect for a common ward heeler who buys votes at the polls as for a President of the United States who uses his appointing power as a means of forcing or persuading Members of Congress to determine or change their course of action. One transaction is as dishonest, as corrupt, and as depraving as the other, but the latter is more dangerous, more insidious, more pernicious than the former, because it strikes at the very foundation of free institutions, sets a precedent for corrupt methods in all official life, and marks the beginning of dictatorship and decadence of the Nation.

"It is interesting to note that the truth of the charge of corruption in high places as wall as low has been extended.

the Nation.

"It is interesting to note that the truth of the charge of corruption in high places as well as low has been established not so much by external proof as by the confessions of parties thereto. The purchase of votes in the Illinois Legislature was not proven by testimony of outside parties, but by confessions of bribe givers and bribe takers. In Ohio, where thousands of voters have been punished for selling their votes and where punishment of vote buyers will doubtless follow in due time, convictions have been based almost entirely upon confessions, and the same is true with regard to the charge of purchase of votes in Congress through distribution of patronage. The charge was practically unproven, whatever the general understanding may have been, until the issuance of the famous Beverly letter, in which, if authentic, it is confessed that the President had given the privilege of controlling patronage to those Members of Congress who voted upon legislation in accordance with his wishes and has withheld it from those who did not.

"Any interference * * with the free expression of the

those who did not.

"Any interference * * * with the free expression of the opinions of Members of Congress by their votes upon measures is a direct attack upon the section of the Constitution which declares that 'all legislative powers herein granted shall be vested in the Congress, which shall consist of a Senate and House of Representatives.' This quotation is part of that Constitution which every President of the United States has taken an oath to 'preserve, protect, and defend.' No President can interfere with the exercise of legislative power by Congress without violating his oath of office, a violation as direct and as complete as any other unlawful act by any other officer of the Government.

"To bribe a Member of Congress by means of Federal patronage is not different in principle from bribery by means of cash or other valuable consideration. Intimidation by threats of loss of prestige incident to withdrawal of patronage is not different in principle from intimidation by threats of violence or business injury. But this species of bribery and intimidation is more vicious than any other, because it assumes a character of gentility, due to the patriotic reverence for the office of President not enjoyed by the common ward heeler when he indulges in similar practices. It is too base to be called a crime. It is so far below the conception of law makers that no statute has been enacted directly prohibiting it. Nothing in our Constitution or laws expressly prohibits the President from trading Federal appointments for votes in Coning it. Nothing in our Constitution or laws expressly prohibits the President from trading Federal appointments for votes in Congress. The special-privilege seeker trying to influence legislation by offers of reward to Members of Congress must be fined or imprisoned. The possible corruption of Congress through the misuse of the presidential nominating power was never contemplated by the framers of the Constitution nor national legislators. It would, indeed, be a most humiliating admission of the weakness of representative government if disclosures necessitate legislative

would, indeed, be a most humiliating admission of the weakness of representative government if disclosures necessitate legislative action to prevent a repetition of such an evil."

The widespread interest of the public is proving that the people of the entire country are awakening to conditions that exist and are determined to improve their system of government, not necessarily by changing the present form of government but by making their Representatives solely accountable to the people and by giving assurances to public servants in return that demonstration of good service on their part rather than subservience to a political boss, temporary leader, or special interest, insures election or retention. The onward sweep of the movement for the full measure of human liberty can not long be stayed.

measure of human liberty can not long be stayed.

The purpose of this letter is to ask you whether it is your intention to continue to pass upon all postal and departmental matters before the Post Office Department pertaining to the fifteenth congressional district of Pennsylvania, which, of course, includes the recommendation for appointment of postmasters and other routine matters pertaining to post-office business in which my constituents of the fifteenth congressional district are interested. I want to say to you that if it is, you are acting contrary to the wishes of the people of this congressional district, who resent your unjustified interference in this instance, which is contrary to all precedents. all precedents

Awaiting your reply, I remain, yours very truly, L. T. McFadden.

UNITED STATES SENATE. COMMITTEE ON MILITARY AFFAIRS, June 7, 1932.

Hon. Louis T. McFadden.

House of Representatives, Washington, D. C.

House of Representatives, Washington, D. C.

Dear Mr. McFadden: Replying to your letter of June 6, you are quite correct in saying that you were wholly within your rights in uttering the beliefs that you hold regarding President Hoover, as you did in your speech in the House of Representatives on December 15 last, although I personally can not understand how you or any other sane man could hold such preposterous beliefs.

Under the custom observed for many decades in matters of post-office appointments the President does not follow the recommendations of Democrats or other political adversaries. So long as you choose to put yourself in that class, I can not ask him to respect your requests, and if I were to ask him he would doubtless refuse.

your requests, and if I were to ask him he would doubtless refuse.

Very truly yours,

HOUR OF MEETING TO-MORROW

Mr. RAINEY. Mr. Speaker, in order that we may get through with this bill to-morrow, and with several rules, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. Is there objection? There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday, next week, be dispensed with, and that it shall be in order on that day to call bills on the Private Calendar unobjected to, under the old rule, beginning at the last starred bill.

The SPEAKER. Is there objection?
Mr. CONNERY. Mr. Speaker, I reserve the right to object. I dislike to object, but I know that when I was here last week, or the week before, we lost our Calendar Wednesday. I do not see the gentleman from New York here; I shall be forced to object.

Mr. RAINEY. Mr. Speaker, I move to dispense with business in order on Calendar Wednesday next week.

The SPEAKER. The question is on the motion of the gentleman from Illinois to dispense with business in order on Calendar Wednesday next week.

The question was taken; and two-thirds having voted in favor thereof, the motion was agreed to.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that on Wednesday of next week it be in order to consider bills on the Private Calendar unobjected to, under the old rule, commencing where we left off last.

The SPEAKER. Is there objection?

There was no objection.

ECONOMIC DISTRESS IN A LAND OF PLENTY

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD upon the economic conditions confronting the country.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I need not state what every-body knows, that American business is sick. The blood stream is stagnant. The heartbeats are weak and faint. It is no time for ordinary and usual methods. Something heroic and fundamental must be done. We must startle the thinking of the whole people into new directions. We must send out a rallying call of confidence. We must convince the people that America and American institutions are safe and sound. We must prove that our democracy is capable of handling any crisis. We must show that our constitutional system not only permits but authorizes any proper measure for self-preservation. We have the power; and if we only had the combination of knowledge, courage, and bold leadership, within less than 60 days American business would be improving, American factories would be running, American banks would stop failing, American merchants would begin to prosper, American farmers would begin to see how they could pay interest and taxes, and American wage earners could find jobs at fair wages.

But, Mr. Speaker, it takes concerted and united leadership to do this. There is abundant information, here and there, of what ought to be done, but this information has not yet been coordinated, and common counsels taken, and united plans formulated as between executive and legislative branches of the Government. We are not obliged to have a Mussolini in America. It is not necessary that we should set up something like the War Industries Board. We can function under our existing machinery, if we will. But, if we do not, then I say in all seriousness that some individual with larger powers than any person now possesses, other than the President, should be clothed with authority over our transportation system, and thus with indirect authority over our industrial system, to bring about a coordination of activities and thus to overcome the paralysis which is destroying the life of America.

I regret to say that there seems to be a total and woeful lack of adequate leadership in the White House. I speak with great personal respect for the President. I would not unnecessarily add one ounce of additional weight to his great burden. But from the day that he entered the White House and called Congress into extra session, in order to revise upwards a Republican tariff then on the tax books, and permitted his party to raise tariff duties to the point of prohibition, and thus to destroy American foreign trade, and thus to make it impossible for us to sell our surplus cotton and wheat in foreign lands-from that day to this day the President has been blundering and staggering and stumbling from one mistake to another until he has about completed the wrecking of our whole business structure.

Following the insane and suicidal increase of the tariff duties, and on its very heels and as a part of the same general scheme, there developed the great bull market for stocks on the New York Stock Exchange. It soon grew into the greatest delirium of frenzied finance in the history of the whole world. Not hundreds of millions but billions and billions of money were drawn from every quarter of the Nation into that whirlpool of insane speculation. While this orgy of crooked, if not corrupt, speculation was at its height, far-seeing and shrewd and selfish international bankers in New York City unloaded upon a trusting and credulous American public, not hundreds of millions but literally billions and billions of dollars of foreign industrial securities and of foreign government bonds which are to-day practically worthless.

Mr. Speaker, it is no answer for the President and for his administration to say that they are in no way responsible for that wild and wicked period of speculation. Even Mr. Mellon looked down with what the public thought was a smile of benediction upon what he pretended to believe was the evidence of the strength and the permanency of Republican prosperity. Also the President benignantly and cheerfully seemed to regard that era of false values and of foolish gambling as the fulfillment of his campaign prediction that Republican policies would abolish poverty from America and would put a chicken in every pot, an automobile into every garage, and prosperity into every pocket in America.

Then, Mr. Speaker, when the craze and delirium of insane speculation had gone many times beyond the limit of danger, and when finally, on October 29, 1929, the market broke and the panic commenced and the rout started and pandemonium broke forth among the brokers and bankers of New York City, then the President and Mr. Mellon stood speechless and helpless as their frail house of cards fell crashing and crumbling about them. Since then Mr. Mellon, formerly proclaimed by many of his admirers as the greatest Secretary of the Treasury since Alexander Hamilton, has resigned his portfolio and retreated to the calm and peaceful precincts of the American Embassy in London. From that cool retreat he can send out his colorless utterances, formerly regarded as an oracle of wisdom and no longer seriously heeded. Several universities have conferred upon Mr. Mellon the degree of "doctor of laws." Of course, these universities ought to have a degree called "doctor of dollars." The presidents of these universities in conferring these degrees upon Mr. Mellon must have kept their tongues stuck into their cheeks as they passed out a sheepskin proclaiming him so learned and so profound as to be publicly proclaimed a wise man in all fields of learning. The conferring of such degrees under such circumstances actually discredits them. They ought to have another degree called "D. G. M.," signifying "do give money."

But Mr. Hoover could not get away. He is obliged to stick to his job and try to manipulate the postmasters and United States attorneys and United States marshals, appointed by him all over the Nation, so as to insure his renomination. Surely he does not hope for reelection, and he would not feel the hurt of defeat at the election in November. But he would feel disgraced if his party did not renominate him in Chicago. Hence all the little postmasters and other Federal appointees in every section of the country, and especially in the South, have been lined up for the last year in the solid ranks of Hoover delegates, pledged to put him over once more as the leader who can not lead, as the doctor who has no medicine, as the engineer who has no plans, as the financier who wrecks his own bank, as the miracle man who works a magic of destruction in less than one year of administration which is unparalleled for woe and misery and failure in all the history of the Nation.

STOP GAMBLING IN PEOPLE'S PROPERTY

Every fair and thoughtful person must admit that the people of America will never be able to pay their debts, including the Government's debts, aggregating about \$150,-000,000,000, unless the prices of commodities, and especially of farm commodities, are increased. This result can be brought about not by waiting for the slow processes of nature and of starvation to exhaust the present stores of cotton and grain and other supplies which labor has built up. Organized society, by the direct and conscious control of money as the medium of exchange, and as the measure of value, can plan and deliberately bring about the rise in such prices. Humanity, if it will think and cooperate, is not damned to endure these successive cycles of suffering, sorrow, and suicide, but they may be averted by thoughtful governmental action. To stabilize prices at the present level would be criminal. Prices must be raised to the average level of 1922 to 1929 and then and there must be stabilized. The statistics show that the price level from 1922 to 1929 registers about 100 on the index table of 550 wholesale commodities.

Stabilization is essential to civilization. These successive and certain fluctuations in prices constitute the gambler's heaven. If prices are stabilized, then the last reasonable pretext for the perpetuation of stock exchanges and produce exchanges will cease. It is claimed that under present conditions manufacturers and dealers must be able to hedge against future fluctuations in prices. After stabilization of prices there will be no such certain fluctuations, and, therefore, the only excuse for the exchanges will be removed. The revelations now being made by operators on the New York Stock Exchange convince even the partisans of short selling that the American public has been terribly imposed upon by the big monopolists in New York. They have brought about corners; they have staged conditions; they have rigged and fixed the market; they have created false demands and false supplies, and have fleeced the credulous public on both sides. When the prices were rising they sold to the public their worthless securities. When the prices were falling they bought from the public the securities they knew to be valuable. They have bled white the public under both states of speculation, and yet some of the public still cling to the idea of preserving these huge gambling institutions.

We abolished the Louisiana lottery because it was a gambling game. All the States have laws against most forms of gambling. But when poor and ignorant people gather around a table and throw their dice or play their cards for stakes, whether large or small, nobody is hurt but the losing gambler. But when the dice and cards are replaced by the cotton produced by the labor of millions of our people, by the corn and wheat and meat and mineral products and lumber products brought into marketable shape by man's labor, then the gamblers are playing with the very lifeblood of the people themselves.

To send an ignorant negro to the chain gang for gambling with dice behind the barn when the stakes are only 10 or 15 cents, and to legalize and to tolerate the gambling of the Wall Street speculators, who are dealing with the labor and the fruits of the labor of the masses of the people of this Nation is unconscionable, unjustifiable; and the American people will not much longer endure the injustice. The thing to do is to put them all in the same class and to measure the professional gambler and racketeer by the same yardstick that we should, and must, and will apply to the speculator in the products of human toil.

These international investment bankers have sold billions of worthless stocks and of worthless foreign bonds to the American public. On these transactions they made their enormous commissions. They sucked into the whirlpool of New York speculation about \$7,000,000,000 belonging to the American people. When their own bubble burst through excessive inflation they came running to Congress demanding that Congress set up the Reconstruction Finance Corporation to save them from their own folly. They virtually sandbagged Congress into passing this Reconstruction Finance Corporation law by threatening to commit financial and economic sabotage unless we did pass it. They told us that the insurance companies would collapse, and the railroads would stop running their trains, and the banks would close, and the whole country would be paralyzed unless we did their bidding.

Now that they have got their \$2,000,000,000 corporation for their own accommodation they say, "Let the public be damned, and let the people whistle for bread until it suits our good pleasure to put them back to work at our own prices." These same interests and many of these same individuals were not satisfied with the highest Republican tariff ever enacted into law up to 1922, and came before Congress, controlled by the Republican majority, and doped that majority with a double dose of lies and made it believe that American industry could not continue to operate under the rates of the 1922 tariff and that the same must be raised.

My office is just across the hall from the Ways and Means Committee room, and for about six months the room was not large enough to hold the representatives of big business, and it overflowed into the hallway; and as I labored my way through the crowds in the hallway, I caught their arguments in favor of boosting the tariff, in some cases, 500 per cent. That tariff revision helped to bring on the "bull market," which completed the ruin of business.

BIG GAMBLERS ARE PUBLIC ENEMIES

Speculation is the curse of American business. It brings "Black Fridays," panics, depressions, stagnation, bankruptcies, blasted hopes, blighted lives, and suicides. The only hope for steady stabilized prosperity is to stop speculation. Speculators can not live where prices are reasonably uniform. Sudden fluctuation up or down is the speculator's heaven. Speculation adds no value. It creates no cotton, or corn, or wheat, or meat, or steel, or lumber, or anything. It toys and trifles with wealth created by the labor of others. In a certain sense all buying and selling is speculative. But I mean mere marginal, optional purchases, with no intention to take and use the property. Such professional speculator merely intends to reap an unearned profit by the rise or fall in values, and thus he hopes to gain by the misfortunes either of those whose labor produced the commodity speculated in or the misfortunes of the consumers whose labor must buy these things. Thus the professional speculator is the economic enemy of both the producer and consumer.

The marginal optional speculator is a mere gambler. But his gambling is a thousand times worse than the gambling with cards, dice, horse racing, cockfighting, or roulette wheels. A few negroes throwing dice harm no one but themselves. So it is with poker players and those who visit the little Monte Carlos all over the country. There is some mental exhilaration in watching a horse race or chicken fight. Betting on the result is bad, but merely personal. So with betting on football and baseball games. It is personally demoralizing but is not an economic ill. It does not hurt nor destroy business. But professional marginal speculation in the things that men and women and children must have to eat and wear and use in their work and homes and schools hurts and harms the whole social and economic life. Such speculation demoralizes, deranges, and distracts the normal business life of millions of honest, patriotic, Godfearing toilers in field and shop, in factory and store, on trains and trucks, in homes and schools, in lodges and churches.

Why do we tolerate that which creates nothing but calamity, brings nothing but bankruptcies, helps nothing but home wrecking, serves nothing but suicide, deals nothing but death?

MELLON NOT A PROPHET BUT A PROFITEER

I notice that Mr. Mellon, now our ambassador to the British Government, in his introductory speech to the British people, refers to the stagnant condition of business affairs throughout the world and including especially the United States, and says that business activity rises and falls in "cycles"; and from his remarks, as well as from his previous record in office and in private life, one is forced to conclude that he accepts these "cycles" as inevitable. He has never suggested any remedy whereby to prevent the excess of speculation constituting the peak of so-called prosperity, and the very depth of disaster and calamity constituting the trough of depression. Therefore we are bound to conclude that Mr. Mellon thinks and believes that these successive periods of prosperity and of adversity, these cycles in business whereby at one time we are busy and contented and happy and at another time, and very shortly thereafter, we are unemployed and miserable, and ofttimes starving, are something that man can not prevent nor remedy. Evidently Mr. Mellon regards them as a fixed order of nature, as an inexorable and inevitable incident to civilization.

While Mr. Mellon has had a long and prosperous life, is one of the very wealthiest men in the whole world, and has for about 12 years held the position of Secretary of the Treasury, I do not believe that any fair student will assert that Mr. Mellon is great intellectually or spiritually. He has been a great money maker as an individual, and he has ad-

ministered the affairs of the Treasury with efficiency. But Mr. Mellon is not a great economist, he is not a great student of history, he has never indicated the slightest philosophic turn of mind, he has never shown any breadth of statesmanship, nor any vision of leadership. However, large numbers of our people have been disposed to attribute to Mr. Mellon something like superhuman vision and to feel that his approval is the last word in wisdom.

Mr. Mellon's attitude toward the financial and business world is purely that of a great business man. This means that his view is acutely and definitely individualistic. He studies problems from the point of view of how the individual can make money out of the situation. He has found by observation during his long life that the shrewd business man can make money during a period of prosperity as well as during a period of depression and general public disaster. He finds that the shrewd business man can sell his watered stocks to a credulous public during prosperity and unload a large part of the capital stock of business concerns on the masses of the people and yet retain a control of the corporation in the hands of a few individuals.

THE "CYCLE SYSTEM" IS THE "GAMBLER'S HEAVEN"

In the next place he has observed that, during a period of depression, those individuals and corporations that have the cash can buy property for much less than its actual value and sometimes for 10 or 20 per cent of what the property cost the stockholders during prosperity. This same physical property is held by the shrewd business individual, such as Mr. Mellon, until depression passes and good times return and then is capitalized at many times its cash cost to the new owners, and this same stock again sold to the credulous public.

In other words, according to the "cycle" theory of civilization advocated by Mr. Mellon, you pick the goose bare during hard times and then let some feathers grow, and in good times sell the feathers for more than the goose is worth, and then, when the "cycle" of calamity returns, you buy back goose, feathers and all, for many times less than what the feathers alone were sold for to the public. Naturally Mr. Mellon believes in this order of business, in this successive picking of the goose, and in this successive concentration of the fat of the land in the hands of the shrewd and grasping men for whom he is the spokesman.

With reference to these diseases of society, these afflictions of civilization, these economic disturbances, now called "cycles" by Mr. Mellon, his position is the same as that of many medical doctors hundreds of years ago. When the plagues visited the peoples of the earth and swept away human beings by the millions, most of the medical men said it was a visitation of Providence and could not be averted. So for a long time it was with smallpox, and most of the doctors believed that the successive "cycles" of smallpox infection would continue forever; and so it was with the almost annual and certainly the periodic coming of yellow fever. Most of the doctors did not understand it and therefore said it could not be helped. But a few medical men, with true scientific spirit and enough faith in Providence to believe that God does not intend that His children shall always suffer, tackled the problems of the plagues, assaulted the enemy of smallpox, charged upon the citadel of yellow fever, and to-day these afflictions to human beings have well-nigh disappeared from the face of the earth.

LET US EDUCATE "DOCTOR" MELLON

It would be well for Mr. Mellon to study something of the history of medicine. It would be well for him to study something of the history of civilization. It would be well for him to study something of the history of business, and especially of the history of money. Of course, it may seem presumption on my part to make those suggestions to Mr. Mellon. It may be said that since he is worth his hundreds of millions, and since I am almost a bankrupt—due to this disaster—that I ought to sit in silence and in submission and accept his dictum as to what order should be in the world of finance. But I do not agree.

The great medical discoveries have not been made by those practicing physicians that made fortunes dealing with human diseases. Pasteur, Koch, Ehrlich, Walter Reed, Goldberger, Noguchi, these pioneers in medical science, these victors over disease, these great benefactors of humanity, were not rich men but on the contrary were poor men. They did not parade themselves as money makers in their profession. On the contrary, they pursued the humble, inconspicuous way of tracing down the sources of diseases and thus learning to control diseases.

It does not take a rich man to understand the science of political economy: The very founder of that science, Adam Smith, was a poor student. Every man that has contributed to the advancement of knowledge concerning the study of economics has been a poor man. The men who understand most about the philosophy of finance are poor men. They have not devoted their talents to making fortunes at the expense of their fellow mortals. They have given their time and strength, and life itself, to promoting knowledge that will contribute to the diffusion of wealth and of happiness.

If Mr. Mellon had devoted his mental powers to the mastery of the broad subject of economics, he would not have had time to conserve and to accumulate the mighty fortune which is his. I honor him for his success, but I honor more the men who have been successful in the unselfish enterprises of promoting the well-being of all men.

I am saying these things to call attention to the fact that the advice of Mr. Mellon is not entitled to be accepted as gospel, nor is his opinion the last word of wisdom in the field of economics.

I believe if some members of the Federal Reserve Board could and would tell us all they know about that "big bull market" of 1929, Mr. Mellon would not appear the wise and unselfish patriot some sincere but misguided people think him to be.

Stop, look, and listen! Danger signal ahead!

I respectfully call to the attention of the Congress and the country the following language from a letter recently sent out under date of April 26 by Prof. Irving Fisher, head of the department of economics of Yale University, which is located at New Haven, Conn., in the very center of the most conservative influences in the Nation.

As I see it, the country is now hovering "on the brink." It can be saved by any measures which will bring reflation and stabilization, but care should be taken to select the best measures. The Goldsborough bill, now unanimously recommended by the Committee on Banking and Currency, represents an essential step. The Steagall bill for guaranteeing bank deposits, likewise recommended, is, I believe, another important emergency measure.

When a man like Doctor Fisher takes responsibility for the statement that this Nation is hovering "on the brink" but can be saved by measures bringing inflation of currency and credit, and subsequent stabilization, then it is for thoughtful men everywhere to give serious consideration to the enactment of the legislation favored by him.

WHY IS THE PARASITIC SPECULATOR RICHEST MAN OF ALL?

A thoughtful and observant friend of mine wrote me on November 2, 1931, commenting upon news items as to estates left by deceased business men reported in the New York Times of October 31, 1931, and I take this extract from his

In reading the New York Times last night I was struck by the comparisons of the values of the estates shown by the inclosed clipping. The vocations and values of the estates (omitting the hundreds) are as follows:

Coconut manufacturer	\$1,370,000
Real estate	1,083,000
Stock broker	2, 794, 000
Lawyer	278,000
United States marshal	95,000
Cotton broker	4, 782, 000
Doctor	236,000
	CH 43 0 2 4 1 4

Ine above are rich men, of course, but neither the manufacturer who built up a great business nor the veteran real-estate dealer combined had as much as the stock broker. The lawyer, the United States marshal, and the doctor had small estates, while the cotton broker left as much as all the others put together, omitting the stock broker.

A CONSERVATIVE SEES THE LIGHT

Dr. Albert Shaw, editor of that old New York journal, the Review of Reviews, in the May issue says:

A sound and coordinated national credit system would have supported these local banks in extending farm loans at greatly

reduced rates of interest. But while many billions of bank reduced rates of interest. But while many billions of bank credit were being used to stimulate frenzied speculation on the stock exchanges and in the commodity markets the farm situation was going from bad to worse, and local banks were beginning to fall by the thousands. What financier, arriving from Mars and scanning conditions with an impartial eye from Japan to Turkey and from Rumania and Patagonia to Saskatchewan, could have failed to say that our American system of credit, banking, and currency was in fact the very worst on this so-called planet?

ONLY CHEAP MONEY CAN BRING ABOUT HIGH PRICES

But all the "farm relief" that we are reading about does not emancipate the farmer from any part of his burden of indebtedness. It does not reduce his obligations in proportion to his ability to pay. Nothing can relieve him except higher prices for what he has to sell. Many western farmers incurred their present mortgage debts at a time when they were getting \$2 a bushel for wheat and excellent prices for cattle and hogs.

MODERATE INFLATION BETTER THAN OUR PRESENT DESTRUCTIVE DEFLA-TION-SACRIFICE OF PROPERTY FOR DEBTS

Even more serious than the cheapening of food and clothing has been the total failure of our credit system to support property values in the frantic competition of property of all kinds as it is now thrown upon the market. We have been engaged in a suicidal scramble for the acquisition of dollars.

Doctor Shaw continues:

"BONUS MONEY" WOULD BRING "MODERATE INFLATION" AND PROVE A BLESSING—DEFLATION WORSE THAN INFLATION

But our conservative financiers should not be unduly indignant But our conservative financiers should not be unduly indignant at the followers of Mr. Patman. They, themselves, have utterly failed to make the dollar behave in a reasonable and consistent way. Prof. Irving Fisher's remedies may not be wholly acceptable, but his diagnosis is not to be rejected. A unified banking system and a more far-seeing policy on the part of the Federal reserve authorities could have saved us from the evils of extreme inflation and could also have saved us from the worse horrors of a shamefully unchecked deflation. Banks are chartered by the Federal Government and by the States. Official bank inspection gives to the ordinary depositor a moral guaranty of solvency and safety. Bank failures such as we have witnessed can but imply a rotten system that is a disgrace alike to the Nation and to the States. We ought to have a banking system that would justify the full guaranty of all deposits. guaranty of all deposits

guaranty of all deposits.

Money placed in banks that are chartered and inspected by Government authority should be as safe as money deposited in the Postal Savings Bank System. Mr. Patman might truthfully argue that the volume of his proposed inflation would not equal in amount the volume of currency and liquid assets hidden by frightened citizens under mattresses or in safe-deposit boxes, and hoarded by banks that are afraid to exercise their normal functions. Until our finenciers whether holding national and State. tions. Until our financiers, whether holding national and State offices or engaged in banking and similar pursuits, will concentrate on this one problem and solve it, they may expect increasing support for palliatives such as are proposed by Congressmen from the Southwest. There is much more excuse for green-back inflation. to-day than there was for the free-silver delusion that took possession of the Democratic Party in 1896, and threatened to sweep the country in the Bryan-McKinley campaign.

Here is the root of our trouble. We must uproot our dishonest money system:

(By Clarence Poe, president the Progressive Farmer-Ruralist Co.)

Business men suffer equally with farmers: And not only is it impossible for agriculture to recover without either increased com-

possible for agriculture to recover without either increased commodity prices or deflated debts, but the same thing is true of all business. From no farm leader, from no spokesman of agrarian opinion, has Congress had any warning more emphatic or clear-cut than this voiced by the ablest organ of American business the Business Week, of New York City:

"The only remaining road to recovery for ourselves and the world is by concerted and courageous action, through governments and central banks, to raise the commodity price level and reduce the value of gold to the level at which it was when the bulk of the world's public and private debt burdens were contracted. Otherwise universal bankruptcy, default, and repudiations are unavoidable."

otherwise universal bankruptcy, default, and repudiations are unavoidable."

The fundamental dishonesty and immorality of our present money system: If "universal bankruptcy, default, and repudiation" were necessary as a result of following rigid rules of honesty and fair dealing, that would be one thing. But when all this disaster is the result rather of a fundamentally immoral and dishonest standard of values (or absence of standards), the situation becomes entirely different. When we reflect that all debts must really be paid in commodities, and when we find the financial committee of the League of Nations reporting that whereas in 1928 it took 100 units of commodities to pay a debt of 100 gold units, to-day it requires 170 units of commodities, we must agree that this is not only "the crux of the crisis," but presents a ghastly and flagrant perversion of essential morality. As C. V. Gregory says: "If Congress had passed a law in 1926 requiring every debtor to pay back \$1.50 for every \$1 he had borrowed, besides interest, we would have had a revolution. Yet that is what deflation has done."

What can Congress do about the situation? If the commodity price level of 1920–1930 can be restored and thereafter steadily

maintained wholly by Federal reserve action, good and well. But millions believe that it is going to be necessary to provide that hereafter the quantity of gold in our standard dollar shall be increased or decreased so as to equal the average 1920-1930 purchasing power of a dollar. This could be done by storing gold bullion in the United States Treasury and issuing not coin but certificates against it, just as is now done with our silver certificates.

After the tragic experiences America has just been through, all enterprises will lag, all business will halt, all enterprise will be frightened, all development will be checked if every man on the farms and in business must make future plans with no assurance as to whether the dollar at pay time will be worth 50 cents, \$1, \$1.50, or \$2 in commodity values. On the contrary, if as a result of this depression Congress will for all future time provide two such measures as are now under consideration: (1) Government guaranty of bank deposits, and (2) a stable currency system based on average 1920-1930 commodity prices—then both American agriculture and American business can at once go forward to an assured and permanent prosperity. an assured and permanent prosperity.

WHAT SHALL WE DO WITH THE "ROBBER DOLLAR"?

Dr. Clarence Poe, editor of Progressive Farmer, of North Carolina, a paper I have read for over 20 years, in his editorial of October 1, 1931, says:

VALUE OF A DOLLAR IN PURCHASING POWER (IN CENTS) AS COMPARED WITH PRE-WAR (1909-1914) PURCHASING POWER OF A DOLLAR

William William Canada and Canada
1917
1918
1919
1920
1921
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
Now
- 12 1 21 - 121 2 2 2 2 2 2 2 2 2 2 2 2

From these indisputable figures surely anyone can see the truth of a statement we have often repeated in recent months, as fol-

lows:
During every day from January, 1910, to this good hour in 1931 there has been no change in our standards of height or weight or quantity. A yard has always been 36 inches, no more and no less. A pound has always been 16 ounces, no more and no less. A gallon has always been 8 pluts, no more and no less. But in this brief period our measurement of value in buying and selling has varied 10, 25, 50 per cent, and even more than 100 per cent when we compare 1920 money values with present money values. Such a condition is as demoralizing as if a yardstick might be anywhere from 18 to 36 inches in length, varying by days, months, and years—fully as demoralizing and a thousandfold more disastrous.

WHAT ARE THE REMEDIES?

And now what shall we do about it all?

And now what shall we do about it all?

According to the judgment of many of our best informed authorities two things are necessary. First, drastic action should be taken at once by the great nations and banking powers that will drive prices as early as possible to the average level of 1920-1930. Second, the value of a dollar should be stabilized at that level. And perhaps the best general plan for stabilizing the dollar is that of Tinnes and Irving Fisher, which could be worked out substantially as follows:

1. Let the standard American dollar at any time contain just enough gold to represent the average purchasing power of \$1 in the years 1920-1930.

2. These dollars containing these varying quantities of gold

in the years 1920-1930.

2. These dollars containing these varying quantities of gold need not be actually distributed by the Government (there is in fact little actual gold coin in circulation now; most people hardly see gold money once a year) but the Government would at all times hold enough gold bullion in the Treasury to redeem its outstanding "Treasury certificate" dollars based on these 1920-1930 values—precisely as our \$1, \$5, \$10, and \$20 "silver certificates" or so-called "paper money" is now issued.

By this method we should have indeed a stable money system—
"a perfect and a just measure" in values; a standard fair alike to debtors and creditors, and seeking to do equal and exact justice between them. It is high time that our agricultural, political, and moral leaders in America unite in a demand for such a policy both as a moral and economic necessity.

both as a moral and economic necessity.

SPECULATION RUINED THE BANKS—BANK FAILURES RUINED THE COUNTRY—MONEY INFLATION WILL RESTORE THE COUNTRY

I quote from Weekly Business Review of Alexander Ham-

The length and the severity of the depression have been due in no small measure to the ill-functioning of the banking system. Last year no less than \$1.691,510,000 of depositors' funds were withdrawn from circulation by bank suspensions.

First half 1931. 2 Latest monthly report. The magnitude of this collapse may be seen by a comparison with former years. From 1921 to 1929, inclusive, the deposits of closed banks amounted to \$1,721,673,000. The failures of the single year 1931 were within \$30,000,000 of the total failures of this 9-year period. In 1930 the deposits of suspended banks amounted to \$864,715,000, so that the failures of 1930 and 1931 combined, totaling \$2,556,225,000, were 48.4 per cent greater than the failures of the preceding nine years. the preceding nine years.

Annual bank suspensions and reopenings, 1921-1931

	Deposits, sus- pended banks	Deposits, re- opened banks	Excess suspensions
1931 1930 1929 1929 1928 1927 1926 1925 1924 1923 1922 1921	\$1,691,510,000 864,715,000 234,532,000 138,642,000 138,891,000 272,488,000 172,900,000 213,338,000 188,701,000 100,721,000	\$158, 187, 000 61, 599, 000 25, 829, 000 15, 727, 000 60, 610, 000 16, 618, 000 22, 462, 000 11, 674, 000 35, 565, 000 17, 493, 000	\$1, 531, 323, 000 803, 116, 000 203, 703, 003 122, 915, 000 158, 162, 000 211, 878, 000 156, 282, 000 177, 927, 090 75, 156, 000 178, 967, 000

If the Reconstruction Finance Corporation should accomplish nothing else, its contribution to halting the trend of suspensions would be ample justification for its existence. Given a continuation of the trend in evidence since the corporation commenced functioning and the Glass-Steagall Act became operative, the ground is being prepared for solid improvement in the future.

ground is being prepared for solid improvement in the future. But these are emergency measures devised to remedy a serious condition. To prevent a recurrence of the condition is a problem which demands the utmost effort of banking and legislative leadership. The Reconstruction Finance Corporation is a two and one-half billion dollar organization, with \$500,000,000 of Government subscribed capital and authority to issue \$2,000,000,000 of bonds. Its total authorized stock, capital and bonds, barely exceed the net total of bank depositors' funds which have been made unavailable during the last two years. In the meanwhile Great Britain and Canada have been coping with a depression, prolonged and severe, but not made worse by the freezing of depositors' current balances but not made worse by the freezing of depositors' current balances and savings.

A READING, THINKING FARMER WRITES

AROLIAN HILL FARM, St. Matthews, S. C., April 15, 1932.

Hon. JOHN J. McSWAIN,

AROLIAN HILL FARM,

St. Matthews, S. C., April 15, 1932.

Hon. John J. McSwain,

House of Representatives, Washington, D. C.

Dear Mr. McSwain: I greatly enjoyed reading your speech made April 11, 1932, on Money Is the Blood Stream of Business. Many causes contribute to bringing about the terrible crisis in which we find ourselves, but I believe the "robber tariff" and our "robber dollar" are the main foundation stones upon which it rests. Our money system is wrong. The gold standard is crushing the life out of the people. There is not enough money in circulation. It can be cornered too easily. Our dollar buys too much of the products of agriculture. Land has practically lost its value. The great mass of the people are in debt. Many are hopelessly in debt. The country is bankrupt. If one buys "our money" with corn or cotton or oats or wheat or land with which to pay a debt of several years' standing, he pays the debt, not once nor twice, but three times or four times or five times. It can not be done. And yet the law says you must pay. Is it right? Is it just? Money should be the efficient, faithful, honest "servant" of the people—not a cruel, dishonest, tyrannical "master." Do you note how the "big boys," the big bankers, the capitalists, guard the gold standard? How they watch the doings of Congress? Our economic and financial system has enslaved a free people.

I was glad to read the paragraphs you quoted from an editorial in the Washington Post. "The dollar increases in value every day while everything else loses some of its relative worth," says the editor of the Post. He seems to be seeing the light. "Congress has the power to coin money and regulate the value thereof." is capitalism blind and deaf? Mr. McSwain, I believe Senator Wheeler's bill to remonetize silver would raise commodity prices, put value into land, put buying power into China and into India, revive international trade, and bring prosperity once more to the world. "Iron debts" can not be paid with "robber dollars." Mark this! Prosperity wi

JOHN E. WANNAMAKER.

FARM-MARKETING PROGRAM

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to extend in the RECORD my own remarks which I made before the Committee on Agriculture of the House.

The SPEAKER. Is there objection? There was no objection.

STATEMENT OF HON, HATTON W. SUMNERS BEFORE THE HOUSE COM-MITTEE ON AGRICULTURE MAY 11, 1932

Mr. SUMNESS. Mr. Chairman and gentlemen of the committee we require, in our committee, that those who come before us shall identify themselves with the subject under consideration.

Identify themselves with the subject under consideration.

I grew up way back in the hills of Tennessee. In the early nineties when I was a boy my family and my neighbors lost in in that panic all they had. I had read in one of my father's books there is no result without a corresponding antecedent adequate cause. My investigation had convinced me that is true. I wanted to know the cause and thus I became interested in the economic problems of agriculture. I soon discovered there is no real conflict between agriculture, its interest, and any other legitimate business. mate business.

PRESENT CONDITION RESULT OF VIOLATED NATURAL LAW

This condition that we are in now has not just happened. There has been somewhere a very serious violation of the natural laws which govern economic and political government. There can not be any question about it. It is remarkable that as a people we do not recognize that fact and seek the basic cause for our condition. If any of you gentlemen before an audience of your constituents were to discuss the laws of God that govern governments, political and economic, any doctor present would probably think you were trying to preach a sermon; a farmer would wonder where you got that out of the Bible. And yet that doctor would know if he would stop to think that he had gone to school for years and years to learn the laws of nature, the laws of God, that govern in the field of his activity, and so on, with the rest of us.

learn the laws of nature, the laws of God, that govern in the neid of his activity, and so on, with the rest of us.

I might have broken away from my interest in agriculture when I came to be a lawyer—at least I thought I was a lawyer, but shortly after I began the practice I was retained by Farm and Ranch, a great agricultural paper of the Southwest, owned then by one of the greatest men the country ever has known, Col. Frank P. Holland. I became, by reason of that connection, the lawyer for the agricultural interests in our section. That was when I was a very young man. when I was a very young man.

AGRICULTURE THE BASIC BUSINESS

Col. R. J. Kleberg, by the way, another one of the great men Texas has produced, the father of a member of your committee, was chosen about that time as the head of an organization having to do with the general interests of Texas. Through Colonel Holland, Mr. Kleberg consulted me and I persuaded him to have his organization, made up of all the country and city interests in Texas, recognize that agriculture is the basic business in our

State.

I worked with that organization in an advisory capacity. In 1913 I was elected to Congress. In 1914 I discussed in the House the City Man's Interest in the Economic Problems of Agriculture. From that angle I have examined these problems in America and in Europe; my interest has never waned. From that angle, as agriculture is related to our economic organization and our present difficulties, I want to discuss some of the problems of agriculture, or rather I want to discuss our economic difficulties and the fundamental relationship of agriculture's difficulties to them.

NECESSARY TO RECUR TO FUNDAMENTAL PRINCIPLES

The wisest thing that has come to us from the period of con-

The wisest thing that has come to us from the period of constitutional construction in America came from the deliberations of the Virginia convention. It was about to this effect, that there can be no liberty—and also enumerating a number of other things—except by frequent recurrence to fundamental principles. There is no greater truth than that.

The thing that stands out clearest in that period, in my judgment, is their recognition of that basic fact. When we come to look at the problems that you and I have to deal with now, and examine them fundamentally, we find, as compared with other times, that the first important change which we must take into consideration came with the application of steam and electricity to human activities. This application wrought a complete economic revolution and gave to us many governmental problems which we must deal with largely upon the responsibility of our own judgment.

By reason of the cheapness and rapidity of transportation resulting from this application and the devolpment of power factories, the manufacturing interests, theretofore distributed through the country as a part of the rural life, were concentrated in great industrial centers. The shoe cobbler and the old family loom moved out of the country and moved into the great cities, and the selling end as well as the producing end of business there became

organized.

They were able to write into their selling price the cost of production plus a profit, whatever the cost of production might be.

AGRICULTURE SELLS TO HIGHEST BIDDER

Agriculture was not able, for reasons which you gentlemen well understand, to make that progress. It was left behind. It remained in its relationship to other businesses as a sort of inexhaustible commissary to feed business, and was not recognized, either economically or under the laws, as a business out of which

either economically of under the laws, as a business out of which people have a right to make money for themselves.

One of the most interesting facts I have run across in the study of the economic difficulties of agriculture is that the farmers themselves, at a time when they were in great majority, permitted that sort of a situation to develop and accepted for themselves that station among the businesses of the country. By consent, apparently, agriculture became the nurse cow to industry.

A thing equally as remarkable is that industry seems to consider itself not concerned as to how much milk it takes or how little feed its nurse cow gets. It never seems to have entered the mind of us city people that it is possible to feed the old cow too little or to milk her too much, and thereby bring hurt to ourselves. We are soon to learn that fact. Some of the smartest of city people have learned it. The dumbest of our captains of industry apparently never will. Some of the biggest of them, outside of their own business, are the dumbest.

PROTECTIVE TARIFF A BOUNTY-AGRICULTURE NO PARTICIPATION OTHER THAN IN PAYING THE BURDENS

Among the important things that happened as a part of this revolution was the fact that industry was able to overbid agriculture for many of the brightest boys and girls of the country, those best endowed for leadership among those people, because industry was able to write the amount of its bid into its commodity selling price. Agriculture, selling to the highest bidder, could not do that. I wish you would make a mental note of this as major proposition

Added to this disadvantage, which is more or less a fundamental disadvantage and tremendously difficult to deal with, is the fact that we early began to operate under a protective-tariff system, from the benefits of which surplus producing crops are excluded. That system provides for a bounty to be paid to the beneficiarles of the system. That is what it is for, to raise their

beneficiarles of the system. That is what it is for, to raise their prices arbitrarily.

The purpose of it is to enable a part of the people, of whom generally speaking farmers are not a part, to have more than they otherwise would get. The place which these farmers hold in that scheme is to make the tariff system work by paying the tariff-boosted price out of their sales at nontariff-boosted prices. That is major proposition No. 2.

Under that general arrangement you see agriculture not only excluded from tariff benefits and paying tariff burdens, but generally at the end of the passing line, not only in regard to the tariff but in regard to freight rates, for instance, and other similar charges.

tariff but in regard to freight rates, for instance, and other similar charges.

When there is any increase in transportation rates, for instance, or any other charge, business people add those increases into their selling costs or production costs, and pass them on.

Whoever can make out a bill and say to you, "This is what I charge you for my services or my wares," is able to pass on these various costs. From one to the other they are passed until they get to such persons as those who produce wheat, corn, and cotton. There these passed-on charges are absorbed. They are passed no further, because these farmers sell to the highest bidder and in competition with the cheapest labor on earth. These farmers are at the end of the passing line.

AGRICULTURE AT END OF PASSING LINE

Now, gentlemen, may I ask this committee, in dealing with this question, to visualize the actual relationship of these producers of exportable surpluses, and observe that they do stand at the end of the passing line. Merchants, doctors, preachers, teachers, all of them, whoever they may be, who have had their living costs or their operation costs increased by any of the things that have happened in America, have undertaken to pass them on. They

or their operation costs increased by any of the things that have happened in America, have undertaken to pass them on. They are not able to do it now.

The thing that has happened in this country, that is making those of us who are in the big cities go broke, is the fact that these farmers who have heretofore absorbed these costs, or increased prices, are not able to absorb them any more. That is what is the matter with us in the cities. We have paralyzed them. We will not pay them enough for what they raise to enable them to buy from us or pay their debts. Those business communities directly dependent upon these farmers can not pay their debts or buy. There is nobody to employ the skilled laborers. So we can not sell or work. Our factories and our people are idle. We are becoming paralyzed also. Larger cities directly dependent upon these cities in agricultural States can not sell. They are becoming paralyzed also. There is nothing remarkable about it; it is inevitable.

There is another thing or two that I want to bring to your attention. I am just sketching these things, because I want to submit myself to interrogation as quickly as I can.

I have never been able myself to understand a thing unless I could get it where I could look at it and see it as though I were looking at it with my eyes.

The only way I have ever been able at all to understand the economic organization of this country is to look at it as a living, functioning thing, operating under natural laws. If we can visualize the situation and get it clearly before our eyes so we can look at it functioning, we can have a fair notion of what this economic organization of ours is and what is the matter with it.

In the old days, when nearly everybody lived in the country and farmed primarily to feed and clothe their families from the products of their respective farms, each little community was an industrial organization.

But when the farmers began to produce to sell, after this change

industrial organization.

But when the farmers began to produce to sell, after this change from the application of steam and electricity of which I have spoken, all businesses in a new sense became interdependent. The farmers' business became a part of every other business in a new sense. As that readjustment shaped up agriculture came to hold the position of the tap root to other businesses. I will not say the whole root structure, though in a sense shared by no other business that is true.

An examination will show clearly that it is the economic tap-root for all business and all vocations in this country, the source from whence most of the sap comes from. This is not a new relationship, but it has a new importance.

AGRICULTURE ROOT OF THE TREE

Those of us who are merchants or lawyers, and so forth, do not produce; we render an economic service and we are entitled to live; but we do not produce. That is an important fact to keep

A thing that those of us living in cities do not seem even now to comprehend—I mean we are not conscious of it—is the fact that farming is to our business, whatever we are or do, exactly as the root of a tree is a part of the tree to its topmost branch and as important to us as is the taproot of the tree to those branches of the tree out there which we can see. The recognition of that fact must find place, first place, in any effective scheme to revive

ract must find place, first place, in any effective scheme to revive prosperity in this country.

We are not reviving prosperity by loaning money to those who can not pay their debts. We have got to get up circulation. We have plenty of everything, including money. It is the lack of circulation, and only that. The treatment should begin where the paralysis began. That is medical science. That is common sense. This trouble, this paralysis, began with these farmers. We have overbled them. They are prostrate. They can not buy. The paralysis has reached us. We can not buy. How can the idle get a job? idle get a job?

tidle get a job?

This paralysis would have happened sooner but for one fact. When we started on our migration from the Atlantic Ocean to the Pacific Ocean, we had before us not only a soil of great fertility but we had invented farm machinery which enabled us quickly to plunder the soil of its fertility.

We had railroads that carried great numbers of people quickly from exhausted to virgin soil. While we have been bleeding agriculture to support industry, it has been bleeding the soil. We are at the end of the bleeding process. We are at the end of the road now; we have reached the Pacific Ocean.

It is a new day in a sense. It is a new problem in a sense. Recurring to the figure of the tree, we have not realized that to stimulate the tree above the ground, we have been destroying the root structure necessary to sustain the tree.

There is another picture that helps me to visualize this thing. So far as I can see, the laws of nature are the same everywhere.

This economic organization of ours, made up of our interrelated industries, in the operation of its circulatory system is almost identical with the human body.

NOT A PANIC BUT PARALYSIS OF CIRCULATION

NOT A PANIC BUT PARALYSIS OF CIRCULATION

NOT A PANIC BUT PARALYSIS OF CIRCULATION

This thing that is the matter with us, gentlemen, is not a panic, it is not a depression; it is not something that nature is going to cure, because it is not a thing that has happened as a result of natural action. That is the most important single fact guiding us to the determination of a wise policy. It has happened as a result of an arbitrary thing. It has resulted in paralysis of the economic circulatory system of this country. If you just look about, you can see that there is plenty of everything. It is not circulating. The importance of that problem, the nature of that problem, presents itself to you who sit around this table exactly as though you were physicians—that is what you are—you are doctors called in to examine and treat this patient. It is perfectly absurd for us who have responsibility, who get together in this sick room where the patient is paralyzed, to talk about the laws of nature taking care of the patient and getting him well.

If this condition had happened from natural causes, you might depend upon natural law; but it has happened as a result of something arbitrarily done, and which is still being done. You would not bind around the taproot of that tree beyond the window something that would cut off circulation and when the leaves were withering go on your optimistic way saying the tree is going to be all right just around the corner. There is a difference between an optimist and an ordinary fool. When such conditions exist, it is perfectly ridiculous for us to say the thing is going to get well itself.

Mr. Fulmer. I regret very much, Mr. Sumners, I am not going to be able to listen to the remainder of your speech, because it is very interesting. But I have to leave at this time. I agree with you in your statement.

you in your statement.

NOT GOING TO CURE ITSELF

Mr. Sumners. I want to get this over, gentlemen, and I am not going to be partisan. It does not make any difference what we have believed or what we preach; it does not make any difference what notions we have had about it. We have the responsibility. We have to do something intelligent and remedial about it. This condition is not going to cure itself. It does not have a chance. We are going to have a terrible time in this country this winter if the right thing is not done.

Go out there and look at the country people. How are they going to buy the products of the factory from the proceeds of the sale of their wheat and their corn and cotton? It can not be done. They are the root of the tree of which the business of your people is a part. As certain as we live there is where our paralysis began. That is where the remedy must be applied.

We men who come from the cities can not imagine those who

paralysis began. That is where the remedy must be applied.

We men who come from the cities can not imagine those who cultivate eighty-odd per cent of the cultivated acres of this country, those who produce exportable surpluses, being prosperous, selling at a fair price, and our people breaking in the cities, our people idle. We can not imagine it. It could not happen. Does that mean anything to us? It does if we have any practical

On the other hand, we can not imagine our people being prosperous in the cities and these farmers getting 15 cents for their cats, 40 cents for their wheat, and 5 cents a pound for their cotton. It can not be done. Does that mean anything? Does that not suggest the place to work, and the thing to do?

I do not care how much you loan the railroads or the banks, it will run off like water on a tin roof as long as the buying power of these farmers is paralyzed. It can not be done that way. God Almighty has fixed it, and that is the end of it.

You take the human bedy. You have got one part of the circulatory system that takes blood out and another that sends it back. The venous system takes it out and the arterial system puts it back.

back.

The prices of agricultural commodities is the arterial system, the only avenue through which you can put back the money paid for the wares of the cities so that these farmers may buy again. You can not get it back with 15-cent oats, 30-cent corn, 40-cent wheat, or 5-cent cotton. If you do not get it back they can not buy, and we can not sell to them. There is no other way to get already at the control of the control

buy, and we can not sell to them. There is no other way to get circulation started.

I am talking to you as doctors, called in here in solemn council at the bedside of a prostrate patient.

Take a country like this with the bounty of God upon it; think of it, gentlemen. We have been pretty stuck on ourselves. Just because we can fly through the air faster than other generations have been able to travel, because we can press a button and get a light instead of having to skin a yearling and get the tallow for candles, we hold ourselves superior. We have been on a grand jazz. We have jazzed off into the jungles. We have made an awful mess of our opportunities. We have gone fast, but in the wrong direction. We are at the end of the road. With the bounty of God unprecedented, with a country smothered in an abundance of things for feeding people, yet people are starving.

That ought to take the conceit out of us and send us in penitent humility to our knees.

NOT A PARTISAN MATTER

I shall try to be as free from partisanship as I possibly can in discussing this matter. You may say the protective-tariff system is justified. I will not argue that before this committee. That is the Agricultural Committee, not the Ways and Means Committee. But nobody can controvert this fact, that when our people cross the ocean with their cotton or grain and sell it in competition with the cheapest labor on earth, they are compelled by the might of government, out of what they sell for, to pay a bounty to those gentlemen in our cities, wards of the Government, who operate under tariff protection. That is what the protective tariff system is for.

We proclaim in the White House and in the Halls of Congress that it is our purpose to give to American producers a boost, a bounty equal to the difference between the cost of production here and abroad. But what about these farmers? There is no corresponding benefit for them. The tariff can not work for them. Their movement is out from this country. Why not give to them a corresponding boost? Why not give back to them that which is taken from them arbitrarily by the might of government through the tariff so that they may cease to be paralyzed and may begin to buy again? Justice and common sense can have but one answer. I do not care if we have no interest whatever in these farmers, they are the root of the tree of which our people's business is a part. It is a matter of self-interest and of self-preservation for those of us who live in the cities to do plain, ordinary justice to these farmers. justice to these farmers.

What are we going to do about it? What would you do if you were a doctor, called in to see a patient who was lying prostrate and bled white, and the blood still being taken from him? What would you do—shoot him? That seems to be the notion of many people. Are we going to drive them in desperation from sound notions of government and make them red?

AGRICULTURE BLED WHITE CAN NOT BUY

Mr. Andresen. Give him a shot in the arm.

Mr. Sumners. If you were a physician and had any sense, you would reduce the outflow of blood and give him a blood transfusion, would you not? Is not that what anybody who has a bit of sense would do? First you would reduce the blood taking as much as you could. But we do not want to get into a tariff debate

Then you would give him a blood transfusion. That is what you would have to do. That is what we are going to have to do to agriculture, bled white. There is no use of anybody shying around it. You have got to do it, if these farmers are made able to buy the products of our factories and the doctors, merchants, bankers, and everybody up the line, are made able to buy. Suppose the arrangement were reversed and industry had to sell in competition with the cheapest labor in the world and was forced by an arbitrary arrangement of government to pay these farmers a bounty out of the proceeds of such sales; how long could industry stand up? Are not farmers made of the same flesh and blood and their business subject to the same natural economic laws as those which govern industry?

We have been hearing a lot of perfectly absurd talk about prosperity being "just around the corner." I will teil you what is just around the corner unless we remove the economic and governmental injustice which is imposed on these farmers, and give their buying power a chance to revive and thereby give our factories a chance to open up. It is the dole, and maybe worse. That is what is just around the corner.

FARMER SELLS IN COMPETITION WITH CHEAPEST LABOR ON EARTH AND PAYS BOUNTY

We will have to give back to these farmers arbitrarily that which we are taking from them arbitrarily. There is no use shying around that, either.

when you make a man by the might of Government give up a part of the 40 cents he has got for his wheat, selling it in competition with the cheapest labor on earth, and turn it over to a manufacturer so as to boost his price, that is an arbitrary thing. You must give it back to that man and do it arbitrarily. It is a matter of justice and of necessity. How can these farmers buy products of the factory unless you give back to them what is taken? If agriculture is prosperous it makes certain the prosperity of others. It is the root of the tree.

Our whole policy by which we drifted into a condition making necessary a reconstruction program demonstrates the poverty of our statesmanship. With assurance that we were moving in the right direction, that all would be well around the corner, we have jazzed off into the jungles. We are not yet headed in the right direction.

I appreciate your attention very much, Mr. Chairman and gen-

the right direction.

I appreciate your attention very much, Mr. Chairman and gentlemen. Only the certainty of conviction that this is the only door through which we can with any reason hope to escape the grand smash is my reason for taking so much of your time and mine. Our apparent inability to comprehend our situation and its causes is my apology for repeating. I hope others than members of this committee may read what I am saying.

Mr. ADKINS. You have made a very interesting statement. I have dealt with this problem all my life. I started in as a cattle feeder at a dollar a day on a farm and made my living there all my life.

If have heard the very interesting statement here that agriculture has very largely arrived at its present condition because of the evolution of power. We have gone from a complete unit in manufacturing and producing all we needed for our individual farm uses to an industrial order when we sold our stuff and took in exchange what the other fellow processed, and then we have come along down, and that is largely responsible for the condition we find currelines in new. find ourselves in now.

Mr. SUMNERS. It is one of the causes.

Mr. ADKINS, I think every man on this committee—I know it is true with myself—as a matter of self-protection, when I was trying to make a living on the farm, looked into these other ques-

In the twenties we passed through just such a situation as this, when the condition you first explained, where the farm was a complete unit, was in full operation at that time.

complete unit, was in full operation at that time.

We passed through a condition where, for instance, corn was selling at 6½ cents a bushel and hogs at a dollar a hundred.

Mr. Nelson, Will you quote the years on that?

Mr. Adkins, That was in '23, '24, and '25. In 1824 cattle 4 or 5 years of age—I can give you the name of one man who fed the first cattle out there, D. Biltmore; I want to state this general proposition to you to see whether or not we are not up against the same game. From that time down to the present we have been up against the same game at intervals ever since our Republic started.

I want to point out the fact that a situation similar to the present situation existed at that time. Cattle 4 or 5 years old could be bought for \$8 a head. One man out in our country bought 1,200 feeding cattle at that time for that price.

You can go over here to the library and get Henry Clay's speech and see where he made very largely the same kind of a speech that you have made this morning, in which he outlined the desperate situation that existed, where land went down from 40 and 50 to 7.8 and 10. 7. 8. and 10.

He said at that time, on March 4, 1824, before the House, that He said at that time, on March 4, 1824, before the House, that our people were not less industrious than they had always been, our land was no less fertile, we were producing bounteous crops, the sun was shining, and there was plenty of rain, and yet we were languishing in the direst poverty.

That was at a time when the very same sort of condition existed which you outlined, and it existed at the beginning of our country, when it was in full operation.

From 1837 on down, at various intervals down to the present time, this same sort of a situation has prevalled. We find that the people in the cities, the people you represent here, were in the same bad condition.

the people in the cities, the people you represent here, were in the same bad condition.

In 1892, 1893, 1894, 1895, and 1896 we passed through the very same sort of a condition, carrying a big debt, and we could get no relief. We could not pay our debts; we got no relief; we could not pay expenses. Whenever men got to work they were sleeping in barns. But our problem was solved and we went along for a

considerable time again.

Now, we are up against the same kind of a proposition we have been up against at intervals ever since the Republic started, and

the same situation prevails.

Maybe you have lived long enough to have lived through three of these situations, like I have.

I remember the old clothes we wore in the seventies, and then again in the nineties, and then in this situation.

A very serious question is presented to this committee now. I do not care whether a man is a Democrat or a Republican. I do not believe there is any man on this committee but who would like if he could, to suggest some way out of it. But we run up against the same proposition that these other fellows did in times gone by.

That is the picture I have, and I expect some of the rest of us are thinking of conditions just like this that we passed through

NOT NECESSARY DISASTER BE REPEATED

Mr. Sumners. I would like, if possible, to help save my country

from the wreck and ruin of such periods.

Mr. Adkins. We are all of the same opinion. Let me ask you a practical question,

Mr. SUMNERS. Make it a question, please.

Mr. ADKINS. Here is this bill we have before us now, with a great demand for a reduced cost of government, and to reduce taxes, and so forth.

taxes, and so forth.

Do you believe, as a practical proposition, Mr. Sumners—and that is what we have got to get down to—that it will be possible to get such a law on the statute books and get it operating? Is that your honest opinion, that you could do that?

Mr. SUMNERS. It depends on whether the Members of Congress have the notion that because bad conditions have obtained in the past and obtain now they are inevitable, and we have to sit still and see them through.

Mr. ANNING Do way believe any considerable amount of this

Mr. ADKINS. Do you believe any considerable amount of this money would come back to the farmer?

Mr. Sumners. I do not know what bill you have your hand on

Mr. ADKINS. I refer to the debenture idea.

Mr. SUMNERS. Why, sure. I not only think it is feasible under the circumstances, but I am certain we have the choice between something of that sort and the big crash. That is my judgment.

Mr. ADKINS. We are in the big crash. That is my judgment.
Mr. ADKINS. We are in the big crash now.
Mr. SUMNERS. When we trace radical policies of government back to their sources we discover that almost without exception such policies come from the failure of government to do what it ought to have done when it ought to have done it. We ought to be warned by that fact. I hope I may be pardoned for expecting it.

ought to be warned by that fact. I hope I may be pardoned for repeating it.

We are at war with an economic condition. My judgment is, and I have tried to make it as clear as I can, that we have got to give back to agriculture at least as much vitality, or sap, or blood, or whatever figure helps you most, as is being taken from these farmers by the might of government, and do it arbitrarily, because we are taking from them arbitrarily. Does that make it clear? They would still be at a disadvantage as compared with tariff-protected industries. That would merely be putting them back on a free-trade basis. Suppose industry was forced to sell in competition with the cheapest labor in the world and had to pay to the wheat farmers from 25 to 100 per cent above the world market, how long could industry stand up? Is it to be marveled at that at last agriculture has crashed?

How are you going to revive the buying power of farmers otherwise? We are going at the task wrong. There is a vast difference between what I propose and the plan embodied in the Reconstruction Finance Corporation loan.

PLACE TO BEGIN RELIEVING PARALYSIS IS WHERE IT BEGAN

Basically what the railroads of this country need is freight, not credit. Debts can not be paid by borrowing more money. We do not need anything in this country except circulation of what we have. The place to begin to relieve our paralysis is where it began. The remedy is not credit but restoration of that which is arbitrarily taken so farmers can buy. We have grossly exaggerated the efficacy of credit, gentlemen. Because credit has worked under some conditions, we think it has efficacy for every ill that the country and the world are heir to ill that the country and the world are heir to.

NO BOULEVARD LEADING OUT

We have the challenge of a great difficulty. There is no boule-vard to lead out from where we have foolishly wandered. Do not make any mistake about that. We are in the jungles. We are going to have to cut down the trees and go out over the stumps. It is foolish to reject a road because it is difficult and not free from danger. There are three questions. Do we have to move from where we are? The answer is yes. What roads most certainly lead in the right direction? And when will we be on our way?

be on our way?

Anything that you can do to revive agriculture, to help the buying power of farmers, would be like rain falling on the watersheds, making green those hillsides, starting the little springs, starting the little creeks, starting the little rivers, starting the big rivers, starting the farmers to buying, starting the retail merchant to buying, starting freight to moving, starting factories to going, starting the idle to work, in a word, curing the paralysis of our economic circulatory system, the only thing the matter with us. There would be as much difference between that and what we are doing to revive conditions as there would be between what we are doing to revive conditions as there would be between rain on the fields and pouring the same amount of water out in the rivers hoping it would run upstream and finally reach the hillsides and the high table-lands.

Mr. Glover. You referred to this committee as a bunch of doctors dealing with a sick patient. As one of those doctors I think you are one of the most wonderful diagnosticians I have listened to. Usually a good diagnostician is one who knows how to prescribe a remedy.

What would be your remedy, based on your study, for the cure of this condition?

Mr. Sumners. Agriculture has two major problems. One is merchandising, the other is freedom from its present position of

resources? We are in the last trench.

I remember in 1919 I was in Belgium. We were up near the the sea. A man who had been in the army was showing us around. He told us the King of Belgium came up there and said to the army, "There is no retreat from this trench. It is the last trench. You have got to hold this trench or die here, because the sea is behind you."

That is exactly where we are this minute. The sea is behind us. There is no retreat from this trench. We have to throw every resource we have got into reestablishing and holding this far-flung economic battle line. The line was broken at the point held by agriculture, which we have drawn upon merclessly to strengthen the position of industry. What would a good general do? What would sensible people do, living behind a common levee in the event of a break at any point? We have been digging from the levee in front of agriculture, weakening it and adding what we dug away to the bank further up. That is exadding what we dug away to the bank further up. That is exactly where we have been going to get the material for building up much of the rest of our levee, and we seem to be surprised that at last this part of our levee has broken and the water coming through that crevasse has swept around, putting out the fires of our factories in the cities.

fires of our factories in the cities.

Does this not suggest to sensible people where we ought to get to work? Does that not suggest where we ought to throw in our resources? We do not have many more of these \$2,000,000,000 units to throw in either.

If the farmers hold, we hold; if they break, we break. Is there anybody who does not realize that now?

Mr. Clarke. May I ask you this question right there? There are two schools of thought in reference to the question as to how to help agriculture, as I view the question. At least, there are two schools of thought that prevail up in my country.

One is that the farmers themselves are not willing to come into the cooperative movement upon the commodity they produce and help to battle for themselves, federated nationally upon the commodity they produce. What more can Congress do than the commodity they produce. What more can Congress do than

it has done?

Mr. Summers. That is a fair question. Let me touch on that.

As I stated, agriculture has two problems; one of them is that
to which you refer, marketing. I have much respect for your
judgment and for your patriotism.

SPOT PRODUCE EXCHANGE

There ought to be established in this country something very akin to a produce exchange where actual spot commodities would be sold by their descriptive trade terms while still at the point

be sold by their descriptive trade terms while still at the point of first or secondary concentration. In the merchandising of agricultural commodities we find that production and consumption have moved so far apart that trade contact has been broken. When the farmer used to sell a few surplus hams to the people who lived in the little village, using on his farm practically everything he produced, selling was relatively unimportant. Besides, he could drive his wagon into the village and the consumers could examine his products. There was trade contact.

Now if there is a man in the Rio Grande Valley who raises

examine his products. There was trade contact.

Now, if there is a man in the Rio Grande Valley who raises spinach or oranges, or some other produce, he does not know where the people are who want those things, and the people who want them do not know where the supply is or how to establish trade contact. There has been improvement in that regard since I came to Congress. I have done my best to help, but there is yet much to do.

From the days of the manorial markets in England and on the Continent it was regarded as the duty of government with regard to commerce to establish public markets and thereby the possibilities of trade contact. That is a very interesting fact. It is only within the last 100 or 150 years that it has ceased to be recognized as the duty of government to establish and maintain such possibilities of trade contacts. Or rather there has been a failure to recognize the changes which improved transportation has wrought and adjust governmental policy to meet those changes.

those changes.

In order to establish the possibilities of general trade contact now, three or four definite things must be done. You gentlemen have done much in that direction, but there is one new thing needed, and then a general hook-up.

First, you have to standardize agricultural commodities so they may be dealt in by their respective trade terms. I do not think we have approached that job exactly from the right angle. I am not very familiar with what has been done during the last three

economic slavery to the businesses of our cities. I do not appeal to prejudice; I appeal to justice and to common sense.

This Agricultural Committee is the key committee of this Congress now. I know it is the key committee dealing with the whole economic situation.

Of course, we depend to a degree upon the Banking and Currency Committee and on the Ways and Means Committee, but I say here is the key committee, and upon your wisdom, your courage, and your determination is going to depend whether or not we are going to escape that which now impends. Nobody knows exactly what it is. It may imperil our form of government. It may imperil our form of government. It may involve the socialization of industry. But this we know, there is not a single private holding or public institution in America that is free from danger.

Do you suppose that a good general at a crisis in a major battle, realizing he is in the last trench, would withhold his resources? We are in the last trench, would withhold his resources? We are in the last trench, would withhold his around. He told us the King of Belgium came up there and said to the army, "There is no retreat from this trench or die here, because the sea is behind you."

That is exactly where we are this minute. The sea is behind us. There is no retreat from this trench. We have to throw every resource we have got into reestablishing and holding this reading and form and the point of prejudicing the proposed and the point of four years. We have standardized sufficiently remets of merchants who split again.

I would make this the goal—for each considerable quantity of an agricultural commodity having observable to which it is best adapted, a separate of the use to which will five the possibilities of physical protection and intermediary supervision and inspection, and generally guarantee integrity of transaction possible under the warehouse and then a place where these commodities, thus standardization, intermediary supervision, physical protection and intermediary supervision and

available trade route around the privately owned and controlled routes of distribution.

When you shall have done those three things you will have created the possibilities of building cooperation from the ground up, the only way it can be done. The failure thus to build and to have something permanent after the building has been responsible in large degree for the failure of cooperative effort in America. You would make it possible for communities to learn to cooperate, because you would give to small communities access to a general market. Afterwards they could confederate.

You also would make it possible to develop in centers of consumption small cooperative purchasing groups. There would be a place to which they could resort by wire, phone, or in person. As a practical proposition in the event distributors attempted the exercise of toll-taking power, if there be assurance of physical protection and integrity of transaction—in other words, delivery according to tender, and purchase and payment according to offer—you would have the possibilities of these people buying and selling with each other that which the purchaser had never seen. Our modern so-called cooperative marketing associations as a rule are not true cooperatives; they are too much, as is the organization of the army in some countries, largely generals. They are not true cooperative marketing associations where the officials carry out the cooperative marketing associations where the officials carry out the cooperative marketing associations where the officials carry out the cooperative marketing associations where the officials carry out the cooperative marketing associations where the officials carry out the cooperative marketing associations where the officials carry out the cooperative marketing associations where the officials carry out the cooperative marketing associations where the officials carry out the cooperative marketing associations where the officials carry out the cooperative marketing associations where the officials carry out t some benefit.

Cooperating is a mental attitude you have to acquire. It is acquired by doing things cooperatively.

THE DEBENTURE

This other problem of agriculture is related to marketing, but for the purpose of this consideration it may be examined apart from marketing. It is doing for agriculture the thing required of any government claiming to be just and impartial among its citizens. It is required of any government pretending to afford to its citizens equality before the law. It is now required of this Government by the most imperative necessity in behalf of the common good, the public necessity. I refer to what is known as the export debenture. I do not limit to specific details. I do limit to the general plan of an export debenture. The philosophy of the debenture is found in basic economic necessity and duty resting upon government to preserve equality of advantage, equality of benefits, and general equality among its citizens before the law in order not only to do justice but also to preserve good government and a normal development of the economic body functioning normally in obedience to natural law. Its plan of operation would be to a normal development of the economic body functioning normally in obedience to natural law. Its plan of operation would be to give back to the farmers who have no benefit from the protective tariff that which through the tariff is taken from them by the might of government and given to the beneficiaries of the tariff.

I do not know of anything in the history of governments pretending to be just which is more partial and under present conditions more brutal and less wise than the treatment of these producers who raise grain, cotton, and tobacco.

I do not mean this Government purposes to be brutal, but it is a brutal thing done by the might of government, and the disastrous effect has now reached to the most far away and the greatest of the units which make up our interdependent economic body.

nomic body

nomic body.

Let us look at this a minute. Here is a Government which says: "I am going to protect you, my producers, from the cheap labor of others. My purpose is to have you get prices as much higher than other peoples get as will make up for the difference in the cost of production under American standards of living and the lower standards abroad." After having thus declared the purpose and the policy it is made to apply only to a part of its producers. These farmers to whom I have referred are left out. That is done by a government which boasts of equality before the law. But it does not end there. In addition it denies to these farmers the right to buy where they must sell. Why? In order that they may be compelled to buy from those who are to have the benefits of the tariff system. So it is that to the fault of partiality the crime of economic slavery is added. of partiality the crime of economic slavery is added.

THE PENALTY OF INJUSTICE

Suppose a father should say to his two boys: "I am going to protect you against the cheaper living conditions of your neighbors. I want my family to live better and get more for their products than our neighbors get," and then would say, "Now, John, this does not apply to you. You must still sell in competition with your neighbors, but you may not buy from them. You must bring your money back home, and with that which you get in that cheaper market buy from your brother, Tom. Of course, you pay him more than you would have paid where you had to sell, and you must pay your brother more than he otherwise could get." Suppose John should say, "You see to it that Tom is given a boost in his prices, but you do not get any boost for me—you even make me pay Tom's boost. Am I not a part of this family?" What could the father say and tell the truth that would place him in any decent attitude as between his boys? It could not be done. That attitude is not decent. It is an attitude that violates every obligation of equality, of justice, and, looking to the far reaches of time, of sound public policy. We can not fall to see that. Somewhere down the line that sort of thing, that partiality, that injustice has to be paid for. This is that time. We of the cities are paying now. That is bad enough, but it is only a part of the picture.

THE ADDED DISADVANTAGE

Before the war we were able to dispose of a large part of our agricultural surplus, paying the interest we owed to other peoples. After the war we ceased to be a debtor nation and became the world's great creditor nation. We brought back a large part of the world's gold to this country and also brought back billions of dollars of bills receivable. It requires the gold which the rest of the world can get to pay the interest they owe to us. That left these farmers with a greater necessity to barter. That is a natural right. What did we do about that situation? We ran up the tariff wall still higher, cutting them off more completely from their accustomed markets.

their accustomed markets.

I want to touch on just one other thing. You take the bill you gentlemen reported for farm relief. It was drawn upon the theory that these surpluses are bad things and are to be got rid of.

Every one of the propositions being considered by you now except the debenture is based upon the assumption that our surpluses are things to be got rid of. What does that mean?

SURPLUS EAD ONLY TO PEOPLE DEVOID OF STATESMANSHIP

What are you going to do with these people who are now producing a surplus? Where are you going to drive them? What is going to happen to them? What right have you to drive them

In the first place, is it a good thing to have a surplus of agricultural commodities? Is it a good thing for a nation to be protected by a safe margin against all the hazards of current production, against the uncertainties of the ravages of insects and of climatic conditions?

conditions?

We face the fact, gentlemen, that there is not a statesman in central Europe perhaps who would not exchange half the natural resources of his country in order to have for his people the security—I mean every sort of security, including military security—guaranteed by an abundance of food and clothing material at home each year which would be afforded by such a surplus as we have. Yet we despise it. We despise God's earth and its bounty and are trying to get rid of this bounty of God, more important to the safety of any people of ability properly to order their economic and political government than a surplus of gold in their treasury, and more vital to their national security than a great navy upon the seas.

Are we utterly devoid of statesmanship and of common sense?

navy upon the seas.

Are we utterly devoid of statesmanship and of common sense? What are we going to do with these people, these grain and cotton farmers? Are we going to drive them into the cities, to add to the millions of unemployed people? They have to be somewhere; they have to go somewhere, they have to do something. What? In my country we are producing at least 50 per cent of our cotton for export. Is that an illegitimate thing? Is it a bad thing for people to be engaged in the production of commodities for the world market? When did it get to be a bad thing? What is the use of these millions expended to support the Bureau of Foreign Commerce? What is the justification for this \$17,000,000 building which the President and the last Congress approved for the Department of Commerce if we are going out of world commerce?

Take your corn and wheat growers. What are your people going to do? Ought they not to be given a fair chance, a fighting chance before we issue against them the decree of economic

death?

The fault with us and our policies is that we see difficulties in our road, and somebody says, "Look out; there is a broken culvert," and we whirl off into the jungle without any consideration as to the difficulties in that direction. Where will these people go? I do not know where they will go. Why not at least give them a chance to hold their accustomed world market?

Mr. Nelson. Speaking of a surplus, three years ago last April, when this committee met on the 15th of April, or before that, we had witness after witness before us, and I asked them the question, "Is the surplus a good thing?" And without exception the answer was that a surplus is a good thing; it is the only thing that will make for the safety of the country as a whole.

I have been greatly interested in what we have heard this morning. I think it has been one of the most constructive and fundamental talks that we have had. As I understand it, your thought

is that regardless of whether or not the tariff is good or bad, so long as we have a tariff, it should be made effective, as effective for agriculture as for industry?

HAVE GOT TO GIVE BACK TO AGRICULTURE WHAT IS ARBITRARILY TAKEN

Mr. Sumners. We have reached the point, gentlemen, where we have got to do that. I say that without the slightest uncertainty as to the soundness of my conclusion.

Mr. Nelson. I might say that was the view of some of us when the so-called farm relief bill, which has just about "relieved" the farmer of everything he has, was passed. At that time the present chairman of the committee, Mr. Jones, of Texas, offered an amendment to that bill to incorporate the debenture plan. It failed, as did the amendment I offered to incorporate the equalization-fee feature. The farm marketing act at that time was said to be written in a very definite way, and it was written in just that way. The farm marketing act, judged by its results, has been a failure, as I knew it must be. I was one of 35 Members to vote against it. Now, what can we do for agriculture? One thing we ought to do is to repeal the farm marketing act, to set a time when that act will be repealed, or at least when the stabilization feature of it will be taken out; or if this is impossible, then amend the present act. It can not do the job as it is.

We can no more make this scheme work, we can no more sus-

We can no more make this scheme work, we can no more suspend the law of supply and demand, than we can suspend the law of gravity. And if this committee does not do something along that line before this Congress adjourns, we will have failed to do

of gravity. And if this committee does not do something along that line before this Congress adjourns, we will have failed to do our duty.

That is one thing we can do. We can look forward to the time when we no longer have the Farm Board operating as it has been. We have spent \$500,000,000, or appropriated that much, for that enterprise, and the spread between the peak price and the present price of farm products in America has been larger than in any other country in the world. We have proved that stabilization, as it has been tried, will not work.

Now, if we can make the tariff effective, as it is proposed in this bill to do, I think perhaps we have taken a forward step.

You have referred to us as a committee of doctors to remedy this condition. The patient is dying and is almost dead. In my opinion we have got to do something else. The witness spoke a while ago of a time when the farmer was self-sufficient. I happen to have on my desk this morning a statement from one who is supposed to be an eminent authority on agriculture, suggesting that the farmer should go back to the old days, that he should buy little, that he should make on his farm the things that he used to make. He said he could do that very well except for two things, taxes and interest. That statement was rather amusing. Incidentally, if carried to its conclusion, if the farmer began to become all sufficient, it would destroy the city.

You have asked what would the railroads do if the farmer became all sufficient? We have got to pursue these things along the modern line.

Mr. Summers. That is perfectly ridiculous; that is just as ab-

along the modern line.

Mr. Sumners. That is perfectly ridiculous; that is just as absurd a proposition to submit to serious practical men as one can think of. To say that the thing to do is to revert to the old conditions of the oxcart and the tallow candle. I would not take up your time, gentlemen, to discuss such a proposition even in criticism.

Mr. Nelson. Yet we are hearing that to-day from many people.
Mr. Sumners. I know; there are a great many fools in the world
and they have large audiences now.
Mr. Nelson. Nobody should take it seriously.

Mr. Nelson. Nobody should take it seriously.

Mr. Sumners. No.

Mr. Nelson. Yet it is being proposed and from some so-called eminent authorities.

The Chairman. I think we have had a very fine diagnosis of the situation and a profitable discussion. I think any further discussion should be along the line of the remedy we have to suggest.

sion should be along the line of the remedy we have to suggest.

Mr. Larsen. Mr. Chairman, the gentleman from Texas and the gentleman from Illinois had quite an interesting discussion. The question propounded by the gentleman from Illinois was an important question and I wanted to see if he could answer it, so I asked him this question:

"What was found to be the remedy for the conditions which you say existed in 1824?"

He has not approximated.

He has not answered it, and I want to know if this gentleman

will answer it.

Mr. ADKINS. That question was answered; he answered it.

Mr. LARSEN. No; he did not. I am going to read your answer:

"Mr. Clay said we must have a protective tariff."

Mr. ADKINS. Read the question.

Mr. Larsen (reading):
"What was found to be the remedy?"

"What was found to be the remedy?"

I did not ask you what Mr. Clay said. I asked you, "What was found to be the remedy for conditions at that time, in 1824?"

Now, if the patient was sick in 1824, and he must have been, if corn was then selling for 6½ cents per bushel, the patient recovered. What I desire to know and am asking is, What was found to be the remedy for the patient in 1824? Not what Mr. Clay said you ought to do for him. Can you answer that question? What was found to be the remedy? Let me ask this question: We had a panic of 1837, as the histories put it, I think. It started about 1824. We had one in 1873 and we have had some others.

Mr. ADKINS. We had one in 1857.

Mr. Larsen. Yes. We had one in 1857 and in 1893. I guess those were the major panics. At that time agriculture was in a very serious condition. But it recovered each time. Old Man Agriculture is not quite dead yet.

Now, what I want to know is, What were the remedies that we applied in those years? Perhaps we ought to have the same remedies to apply now; I do not know. Can you give me those

Mr. Sumners. Let me see if I can not at least get the difficulty

out of the way.

Mr. Larsen. With relation to the three theories that have been suggested to the committee.

THE TARIFF IS A BOUNTY

Mr. SUMNERS. Reference has been made to Mr. Clay. Mr. Clay, Mr. Webster, and Mr. Hamilton each recognized the protective tariff as a bounty, and Mr. Hamilton seems to have favored a plan under which a part of the import duties resulting from the operation of the protective tariff system should be paid to those producers not the direct beneficiaries of the system.

Gentlemen, the time has come when we must decide basic policies guided by fundamental principles. We have had enough haphazard, hit or miss policies.

haphazard, hit or miss policies.

haphazard, hit or miss policies.

In so far as I know we of the Government are the only people engaged in serious effort in the world, I mean we, the legislators and Presidents, who fail to recognize that there are natural laws which suggest what ought to be done. That is an interesting fact, is it not? We are the only ones. We do not even recognize that there are natural laws that govern governments and govern the economic life of the people. We just sort of splatter around and go about.

Now, when Washington was sick—and that was a good while ago—they sent for one doctor and he came and bled him. Then they sent for another doctor and he bled him some more I believe, and ultimately they killed him. Our statesmanship is in about the stage of development of the practice of physicians in Washington. ington's time.

Ington's time.

When we come to deal with our economic disorders we are dealing with a sick patient. We are dealing with a sick economic body made up of many interrelated interdependent units, of which agriculture is an important part, the part where the present disorder originated, and the one from which this economic paralysis has spread to the other parts of the economic body as of necessity by the laws of nature, its penalties not accidentally, it had to happen if the policy be pursued which has been our policy. If not arrested it was bound to spread. I speak of paralysis of buying power, a paralysis of the circulatory system of this economic body. That is all there is the matter with us. I do not want to get into any partisan controversy about this matter, because I do not intend to discuss it that way.

THE REMEDY PRESCRIBED FOR A PATIENT BLED WHITE WAS MORE BLEEDING

At the beginning of this administration, in extraordinary session, we were summoned to come to this patient who had already been bled white, was prostrate, and still being bled to support the tariff system when we got here. What did we do? Did we reduce the blood being taken and give the patient a blood transfusion as any intelligent physician would have done under similar circumstances? Not a bit of it. We increased the quantity of blood being taken. We raised the tariff and refused the debenture, refused a blood transfusion. We bled agriculture more, raised the tariff, and have been sitting around expecting recovery. That was the program of the administration. Think of that.

raised the tariff, and have been sitting around expecting recovery. That was the program of the administration. Think of that. Saying everything would be all right "just around the corner."

I know the President is opposed to what I suggest, but the President is wrong. This is one thing I know more about than he and his advisers know. And I know I know it. Not about many things would I speak with such assurance. I do not want to interfere with the President's program. Politically the present situation is a bad one. I know all we Democrats can do is to try to help tide over until one or the other party can be placed in complete control. I would not press this matter now if I did not know the dangers immediately in front of us toward which we are headed as straight as a crow can fly. I have studied this matter for many years. The record will show that I have pointed out many times the destination to which our policies have led us, and have entered my protest and have offered what subsequent developments have demonstrated were constructive suggestions. suggestions.

I will tell you, and may I tell the President with all respect, what is "around the corner" if we do not revive the buying power of the farmers, it is the dole. As I said, the radical things which governments find themselves compelled to do have things which governments find themselves compelled to do have their origin in the fallure of government, to do what ought to be done when it ought to be done. I do not want to appear presumptuous or be egotistical. If I do so it is because I have given during many years study to this matter. I know what is the matter here. I know its importance and I see the danger. It is no time to permit modesty to interfere with the warning which it is my duty to give.

Now, may I make this observation, gentlemen? The debenture is in effect a tariff on agricultural commodities arranged to give

Now, may I make this observation, gentlemen? The dependure is in effect a tariff on agricultural commodities arranged to give back to agriculture what is taken, and which, in order to be made effective, must be made to operate in a reverse direction. It would return to farmers what the tariff takes from them, and give them a chance to pay their debts, and to buy, and give others and others on up to the greatest corporation the ability to do the same thing, and to put idle people to work.

Academically, I am a free-trader. But we are called here to responsibility after others have established an operating protective system. It is facts and not theories with which we must deal now. This I lay down as a sound public policy: Where you have a tariff system, and as long as you have it, the only way you can prevent injustice, or a lopsided industrial development, is to distribute the burdens and the benefits not merely of the system itself but of the policy sought to be made effective through the system. That is the only way you can prevent a part of your industry serving as a nurse cow for the rest of it. Agriculture has been serving for a long time as the nurse cow for a mighty big yearling. We have got to feed the old cow or wean the yearling. She is not giving enough milk for this yearling, and the yearling does not want to graze. As a matter of fact, it is not a yearling, it is a full-sized steer. What I say is, as long as the steer sucks you must feed the cow; otherwise both the cow and the steer will perish.

I am taking up too much of your time, gentlemen. I submit myself to the committee for questions.

Mr. MITCHELL. I would just like to ask you how you think the people in the respective States and communities would react to the idea of Government supervision and control in their respective localities and sections? Just what procedure would you indicate the strong arm of the Government might follow in our respective jurisdictions? Will you be good enough to give the committee the benefit of your opinion of the practical workings of the bill that you have in mind?

you have in mind?

ARBITRARY CONTROL SHOULD BE AVOIDED

Mr. Sumners. When you come to deal with these farmers—and I know them—you have got to consider the element of human nature that is involved and the attitude of that particular part

of our people.

I believe the farmers would not submit to arbitrary control, going into the details of their production, telling them what they can do with their farms and that little tract up on the hill. They

can do with their farms and that little tract up on the hill. They would submit with as much resentment, and more, than any other class of people in the United States. I think you would find a great deal of resentment.

The Charman. May I suggest right there that this debenture plan does not have any suggestion of that kind in it. That would simply be handled at the port.

Mr. Sumners. One great advantage of the debenture plan is that it is freer from the element of arbitrary control than any other plan I have seen suggested and would require smaller, Federal machinery and less expense to administer it, and would, therefore, have a tendency to give to the producer a larger share of that which the people are compelled to contribute. It would add least to our great army of Federal employees.

The Charman. If there are no further questions of Mr. Sumners, I desire to thank you for your presentation.

ners, I desire to thank you for your presentation.

Mr. Sumners. If anyone finds anything in my remarks that seems partisan, I shall be glad to eliminate it from the record.

This is not the place for such things.

Mr. Haugen, I would like to ask a question of the gentleman before he leaves. Your suggestion is for the establishment of a produce exchange?

Mr. Sumners. Yes. You know, you have tried to regulate these

Mr. Sumners. Yes. You know, you have tried to regulate these privately owned and merchant-controlled institutions called produce exchanges and to compel them to perform a public function. I doubt that you will ever be able to do it.

Mr. Haugen. You suggested the debenture plan in connection with that.

Mr. Sumners. Yes.

Mr. Haugen. Would it be wise to spend a large amount of money now to do what could be done otherwise without such a great expense?

Mr. Sumners. With regard to any other proposition, I would say that if our assumption is correct it is not wise.

I think we all understand the situation. I do not

Mr. Haugen, I think we all understand the situation. I do not think there is any question about that. We have understood it for all these years and we have been trying to get some remedy.

Mr. Sumners. Yes.

Mr. Haugen. We brought in a compromise measure. Everybody knew in advance in the absence of a prescribed plan and authority to carry it into effect that it would not produce the desired results, but still much of the time it benefited the wheat producers to the extent of 20 cents a bushel on their wheat. There has been a good deal of talk about the Farm Board. The trouble was with Congress not giving it a definite workship plan. there has been a good deal of talk about the raim board. The trouble was with Congress not giving it a definite, workable plan. The board did the best it could. Many had the idea that 100 per cent cooperation could be effected voluntarily. Others advocated trying it out. We knew that it would not work. They tried it out at an expense of several hundred million dollars, so it dropped the stabilization plan. I hope now that all are willing to try out something else. At least the board is not to be certificated.

criticized.

Criticized.

Mr. Sumners. I do not purpose to criticize the board. I do not want to get into any controversy. I want results.

Mr. Haugen. We want to clear that point up. I think we should protect the board and protect everybody else.

Mr. Sumners. I do not purpose to criticize anybody or any board in what I have said. I have a constructive purpose.

Mr. Haugen. I, of course, know that you don't. What have you to say about the plan suggested by these three farm groups?

Mr. Sumners. Unfortunately, I am not familiar with their suggestions. gestions

Mr. Haugen. One is the cost-of-production plans, one the de-benture plan, and one the equalization-fee plan. I think we

all agree that in some instances the equalization fee would work to the advantage of the farmer over the other plans, and in a number of instances, where there is a small surplus, the debenture plan or the cost-of-production plan might be applied. The suggestion submitted by the three farm groups is that the three plans be embodied in one bill, and the board directed to apply whichever plan or plans would serve the purpose best. What have you to say about that?

The Chairman. Mr. Sumners, the farm groups have suggested that we give the Farm Board the privilege or the option of using any one or all three remedies—the equalization fee, the debenture, and the so-called allotment plan.

any one or all three remedies—the equalization fee, the debenture, and the so-called allotment plan.

Mr. Sumners. Personally, with all due respect to the Farm Board, I do not yield as a Member of Congress to the Farm Board the right to determine whether or not in its judgment the equalization fee or the debenture plan should be put into effect. I would assume that responsibility as a legislator definitely for the very specific purpose of making the tariff—operate to the advantage—that is, the philosophy of the tariff—operate equally to the advantage of the farmer as well as to industry as long as that system operates.

Mr. Haugen. We have the tariff and the purpose is to make it effective. There is only one way of making it effective and that is one by debentures, at the expense of the Federal Treasury, or to do, as organized industry has been doing for the last 50 years, equalize the price. Every producer under that plan pays his proportionate share of the cost and receives his ratable share of the profit.

profit.
Mr. Sumners, Mr. Chairman, before I leave, I want to direct the attention of the committee and ask its consideration, if it sees fit, to H. R. 8896, a bill which I introduced. It is very brief, and with your permission I will read it.

The CHAIRMAN, Please do. (Mr. Sumners read H. R. 8896, which is as follows:)

"[H. R. 8896, Seventy-second Congress, first session]

"A bill authorizing compacts among States for agricultural and conservation purposes

"A bill authorizing compacts among States for agricultural and conservation purposes

"Be it enacted, etc., That two or more States are hereby authorized to enter into agreements and compacts, not in conflict with the laws of the United States, concerning the exercise of their governmental powers with reference to production, processing, and sale of agricultural products, development, and preservation of their natural resources, including soil fertility, and to create such agencies, joint or otherwise, as may be deemed necessary to make effective such agreements and compacts."

Mr. Sumners. This is merely permissive and is offered solely for the purpose of freeing the States from the restraint in the Federal Constitution against States entering into compacts. I had in mind that you gentlemen, if you will be good enough, some time, will consider the advisability of giving to these States engaged in the production of a given commodity congressional authority to enter into compacts and agreements with regard to those things concerning which they have a common interest.

I am very much obliged to you, gentlemen. Unfortunately I was not prepared properly to present this matter. You know the pressure we have all worked under. Nobody has had time really to prepare anything properly.

Mr. Andresen. Mr. Sumners, before you leave, may I ask this question? During the war an emergency existed, as far as agriculture was concerned. There was an effort to beat down the price on certain agricultural products and Congress took recognition of that and established a minimum price on wheat, to assure the farmer cost of production and a fair return, or a profit. We are in an emergency now possibly greater than we were during the war, as far as the country is concerned.

What would your idea be on a similar proposition now, to set up a governmental agency, to establish a minimum price on cer-

What would your idea be on a similar proposition now, to set up a governmental agency, to establish a minimum price on cer-

up a governmental agency, to establish a minimum price on certain basic agricultural commodities?

Mr. Sumners. Would you be carrying out the idea that the surplus is to be bought by some governmental agency and retained?

Mr. Andresen. During the war, of course, the Government—

Mr. Sumners. There we had no difficulty, because we knew there was not going to be enough produced to feed us and our allies, didn't we?

Andresen. An arrangement might be made whereby they

Mr. Andresen. An arrangement might be made whereby they would only purchase a certain amount of a man's crop.

Mr. Sumners. I do not want to give an opinion about it further than to say that any plan which holds in this country what we produce above domestic requirement is a threat to future prices and its retention here instead of letting it go into the world market is calculated to develop in other parts of the world large areas of competitive production, which in turn might cut us out permanently from the world market. We ought to try to hold that market against the day of better world conditions rather than keep the surplus here at the expense of storage and deteroriation and the danger of its being turned loose at any time in competition with any years' crops. I wish I could emphasize the importance of that suggestion during the world adjustment that we ought to make every reasonable effort to hold for agricultural producers the world market that is required to absorb their surpluses.

Mr. Andresen, But, Judge, they are producing more in all the other countries of the world, and soon the export market will

disappear.

Mr. Sumners. I do not know whether we can hold it or not.
But take cotton, for instance, and take your wheat, where you have 200,000,000 bushels of surplus; nobody knows exactly what

is going to happen, of course, but we are confronted with the very definite proposition, What are we going to do with our producers if they do lose their share of the world market?

Mr. Andressen. It is a real problem.

Mr. Sumners. Gentlemen, to my mind, this is the situation: Here are these people fighting for a share of the world's market and being bled to support industries in this country. Are we to refuse in this situation to give back to them that which we are taking from them and which we know is necessary to help them to make this fight against world competition, and give back to them enough to enable them to buy the products that we produce in the cities? Gentlemen, I just can not see the horse sense in not doing it. not doing it.

Mr. Andresen. But if they lose the world market, then your debenture will not be worth anything.

Mr. Sumners. It would help to hold the world market. I do not mean to say that it would insure them to hold the world market, but it would assist them in that direction. Can't you see it?

Mr. Andresen. I can not see it, because our wheat farmers can not compete with the wheat farmers of France.

Mr. Sumners. Take your wheat farmer. You export in round figures 200,000,000 bushels of wheat out of a total of some 800,000,000 bushels—something like that?

The Chareman. Those are the approximate figures.

Mr. Sumners. Suppose you have the debenture. That stimulates your wheat price in America. How much do you propose to stimulate it?

Mr. Andresen. Twenty-one cents.
Mr. Sumners. Let us say 20 cents a bushel. You stimulate your wheat price 20 cents a bushel on your American consumption. That gives you a 20-cent increase on 600,000,000 bushels of wheat, does it not?

Mr. Andresen. If it works out.
Mr. Sumners. Well, if it does give you 20 cents on 600,000,000 bushels of wheat, that is something that you have that comes to you as wheat producers. Then you can afford to sell 25 per cent of your product cheaper than you could otherwise if you had not received that assistance, could you not?
Mr. Andresen. Yes. But we will run up against the same thing when we go to do that, that we impose upon other countries when they put a bounty upon products that they ship into this country.

country.

Mr. Sumners. You are referring to the practice of dumping?

Mr. Andresen. Yes. That will be automatically taken care of

in that way.

Mr. Ketcham. The answer to that point, which is always raised, is that these nations will not invoke antidumping laws if they need or they want the crop. That is the answer to that objection. Mr. SUMNERS. That is correct

Mr. Sumners. That is correct.

The Charrman. A country that is short in any commodity certainly will not take those steps to keep it out of the country.

Mr. Sumners. I would be willing to see what they would do about it. I would not want to be too apprehensive about it. We had best cross that bridge when we get to it. Let us do our best. If we fail, we will not be at fault. That is the maximum of what can be required of anybody and it is also the minimum that is required. If we fail after I have done my best, I will not bother about it one split second. Difficulties are nature's gymnastic paraphernalia provided for the development of people.

I do not know how long this difficulty in the big economy is

I do not know how long this difficulty in the big economy is to challenge human thought and effort and result in human development, but I know it is here now to challenge us and we had better not lay down on the job if we would escape other

punishment.

LOOKING AGAIN AT THE WHOLE MATTER

Now, in conclusion, let us look again at this matter. We have a principle that taxation shall be uniform. Taxation is not uniform as to these agricultural producers of exportable surpluses. They are taxed through the tariff to provide a bounty for others. There is no tax upon those others for the agricul-

pluses. They are taxed through the tariff to provide a bounty for others. There is no tax upon those others for the agricultural producers.

We have a basic principle that there shall be equality before the law. There is no equality before the law as between the two great classes of producers. One gets a bounty. The other is excluded. To this is added a second inequality, which makes a double inequality. The excluded class is forced by the Government which excludes them from a bounty to contribute to the bounty of others from their world competitive prices received for what they sell. In addition to the tax directly levied upon them by the tariff in the form of enhanced prices for what they buy above world prices, they pay a much greater tax indirectly in the shape of the increased overhead of others, increased cost of living of others, increased price of commodities used in manufacturing, and so forth, increased wage scales, and so forth, which are passed on from one to another until they reach these farmers who sell to the highest bidder in competition with the cheapest labor in the world. There it remains. That is a fact. These farmers can not pass these increases, not a cent of them, because they can not say when they come to sell a bushel of grain or a bale of cotton: "I have figured this all out. My capital investment is so much, my cost of production is so much, so much for a reasonable profit, therefore my price is so much." They say to the rest of the producers: "What will you give us?" and sell to the highest bidder. They absorb whatever of these increases reaches them through the general passing process from one to another in our business transactions.

The basic principles of our Government and of ordinary justice support the proposition of giving back to these farmers that which is being taken from them by the aid of the power and policy of this Government

this Government.

There is another consideration of public policy involved. If you go out in the country, you will find the farm plant; his manufacturing plant is not being kept up. The farms of this country are the most important factories we have. There elements of the soil, of the air, and of the sunshine and the rain are manufactured into food and clothing material, from which most of the things seen in the shop windows come, the things which make the banquet possible, which make up the adornment of dress, which even if substantially reduced make sound thinking and sane acting impossible, the things without which life is impossible. No public policy could be more devoid of true statesmanship than the policy which would permit that factory to deteriorate.

policy could be more devoid of true statesmanship than the policy which would permit that factory to deteriorate.

You say reduce the wage scale and reduce commodity values so the farmer can trade. Of course, if farm values remain as they are, everything must come down; but this is what you run into if you move in that direction, an insurmountable wall of existing indebtedness. You can not pay these debts with a low wage scale and low commodity values. That route leads toward universal bankruptcy or repudiation.

What are we going to do about it? What are we going to do about our general situation? Balance the Budget. That is fine. But that will not pay these billions of debts. But how about the farmer's budget this fall? How about his interest and tax bills being balanced with present prices and other budgets up the line? If they can be balanced, we can balance the Federal Budget without difficulty. If they can not be balanced, the Federal Budget out difficulty. If they can not be balanced, the Federal Budget can not stay balanced.

can not stay balanced.

Why do not the factories open up? Why do not the wholesale merchants pay their debts and buy new wares? Why do not these idle people go to work?

Get a map of the United States. Look it over from east to west and from north to south. Of all the land which your eyes survey, eighty-odd per cent of what is cultivated is cultivated by these same farmers who are producing surpluses and selling to the highest bidder. As they are driven away from the staple crops which produce exportable surpluses they move into other fields of production—dairying, poultry, etc., and pull them down to the level of the staple crops.

What are we going to do about it? Are we going to continue the mental suggestion remedy, the foolish remedy, "Everything is going to be all right around the corner." We have wasted some precious years trifling with that remedy, much to the discredit

of our statesmanship and to the common sense of the people.

This trouble is not mental. It never was mental. It is sub-

This trouble is not mental. It hever was mental. It is substantial. It is basic.

Are we to find the remedy in loaning money from the Federal Treasury to those who can not pay their present indebtedness?

Railroads are in bad condition, not for equipment, not for men to operate them. They do not need to buy things. They need revenue. Can this condition be remedled by a loan from the Federal Government? It may keep them out of the hands of a receiver for a while and leave the Federal Government with some had debts which the texpayers will have to take care of. What receiver for a while and leave the Federal Government with some bad debts which the taxpayers will have to take care of. What they need is commodities and people moving on the trains. They have got to have some revenue and nobody ever derived any revenue from what he owes. The same thing is true of banks. The thawing out has got to begin at the far end, at the bottom, with these farmers. It is proposed to advance \$2,000,000,000 for public works to build roads, etc. It looks as if we are going to be compelled to do it. But what roads? Who is going to use them? Who is going to pay for them? The people, of course. But are these troubles of ours due to lack of roads? Are they revenue producers in the primary sense? Who is going to pay for them and who is going to keep them up? The people. How? By taxation. Where will it get us? Maybe past the dole this winter, and save people from starving. But where will this road program lead us to? I mean, will it lead us away from where we are now or will it lead us in a circle? will it lead us in a circle?

We will come back to where we are, and we will be \$2,000,000,000 nearer exhaustion than we were before if we do not get things

nearer exhaustion than we were before it we do not get things circulating, from these farmers up.

I do not want to be misunderstood. As we are going now, millions of destitute people will have to be fed this winter, and anything is better than a dole. The point I make is that it is a makeshift. It does not touch the basic trouble.

But there is a limit to the ability of the Federal Treasury to respond with hundreds of millions and billions of dollars. Most

of the other reservoirs of credit are already dried up and the water level of the Federal reservoir is going down mighty fast. Its sources of supply are drying up. If these sources of Federal financial resources dry up, become paralyzed, that paralysis must financial resources dry up, become paralyzed, that paralysis must soon reach back to the Federal Government. In fact it is reaching to it now. The fact remains that we are getting nowhere with this program except postpoining the inevitable consequences under that program, and adding with each passing day to the probable consequences when the limit shall have been reached.

All right; what ought to be done? In what direction should

All right; what ought to be done? In what direction should we move? What would you do if you were a tree doctor called to treat a tree in bad condition, and should find that an artificial arrangement had been installed by which the sap which nature allocates to the development of its root structure was being pumped away from the root into the trunk of the tree, and that now the root could not support the tree? What would you do? You would do two things. You would slow down the

pump, not too fast perhaps. That might not be safe for the tree. And then you would go to work in earnest to give back to the root, to the soil, that which would be most calculated to stimulate its recovery so that it could do its natural function in sus-

taining the tree.

You would not increase the pressure of the pump as we did when we raised the tariff, and try to keep the tree alive by taking still more sap from the roots, and refuse to give it water and fertilization as we did when we refused the debenture. You would not do the perfectly asinine things which have made up the reconstruction program of this Government trying to meet the present of the research of the res

ent crisis.

Suppose you were a physician called to see a patient whose hands were becoming paralyzed and you should find that the venous circulatory system, artificially stimulated, was taking more blood from the hands than the arterial system was pumping back. Would you increase the artificial stimulus of the venous system, and go away and leave the patient, saying it "would be all right just around the corner" or would you reduce the artificial stimulus operating on the venous system and give the patient a blood transfusion at least equal to what is being pumped out?

PROTESTING INDORSEMENT OF ENTRANCE INTO WORLD COURT

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a letter that I have written to the chairman of the committee on resolutions of the Republican National Convention in relation to the membership of the United States in the League Court.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object, though I shall not object. That is a matter strictly concerning Republican politics, is it not?

Mr. TINKHAM. I think it is Republican and Democratic politics.

Mr. BLANTON. The gentleman does not contend that anything that happens in the Republican convention at Chicago will have effect upon the people of the Nation as a whole, does he?

Mr. TINKHAM. I think so.
Mr. BLANTON. Other than adversely?
The SPEAKER. Is there objection?

Mr. GREENE. Reserving the right to object, does it have anything in it about the race question?

Mr. TINKHAM. Not a thing.

Mr. BLANTON. Is there anything about prohibition in it?

Mr. TINKHAM. Not a thing.
Mr. BLANTON. That is strange.
Mr. SCHAFER. Is there anything in it about birth control?

Mr. TINKHAM. There is not.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LETTER FROM HON. GEORGE HOLDEN TINKHAM, OF MASSACHUSETTS, TO HON. JAMES R. GARFIELD, CHARRMAN COMMITTEE ON RESOLUTIONS, NATIONAL REPUBLICAN CONVENTION, AGAINST INDORSEMENT OF MEMBERSHIP OF THE UNITED STATES IN THE LEAGUE COURT

Mr. TINKHAM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter:

JUNE 9, 1932.

The Hon. James R. Garffeld,
Chairman Committee on Resolutions,
National Republican Convention,
Congress Hotel, Cl

Congress Hotel, Chicago, III.

My Dear Mr. Garfield: I have been informed that it is proposed that the Republican platform recommend entry of the United States into the Permanent Court of International Justice of the League of Nations.

If this recommendation be adopted, the Republican Party would advocate violation of the American traditional policy of no foreign political entanglements. It would surrender to the internationalists and alien propagandists who seek to have us enter the European political field and the League of Nations. It would also stultify the repeated declarations of the Republican Party that it is opposed to the entry of the United States into the League of Nations. The Republican Party would be guilty of dishonesty

Nations. The Republican Party would be guilty of dishonesty and duplicity.

This court is a creation of the covenant of the League of Nations, which is a part of the Versailles treaty. The United States emphatically rejected the Versailles treaty. The covenant of the League of Nations is the constitution of the court, which the court must support and enforce. The court is part of the machinery of the League of Nations. It is a bureau of the League of Nations. It is called an "organ" of the League of Nations in its literature, and its official journal declares it "a most essential part of the organization of the League of Nations." The League of Nations uses the authority of the court for the

purpose of enforcing the Versailles treaty. It is the political instrumentality, agent, and servant of the League of Nations.

No reservations adopted to prevent the provisions of the covenant of the League of Nations applying to the United States could possibly preclude the moral liability of the United States for the decisions and acts of this court and her acceptance of them in good faith if the United States should become a member of the

ourt.

The recent "advisory opinion" of the court in relation to the proposed customs union between Germany and Austria is the most convincing evidence of the political character of the court. The unhappy state of the affairs of the American Republic, both domestic and foreign, is largely the result of our dangerous European war adventure of 1917. It bears witness to the dire consequences of departing from the American salutary policy of avoiding entangling alliances and of refraining from any interference or participation in the political affairs of Europe. It also makes manifest the utter folly of the further participation of the United States in the political affairs of Europe and the submission of its interests to European decisions.

The ruin about us must convince the American people that the United States should remain the unfettered agent of international peace and justice, with friendship for all nations and partnership with none.

Very truly yours,

George Holden Tinkham.

GEORGE HOLDEN TINKHAM.

SENATE BILLS REFERRED

Bills and resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 13. An act to regulate foreclosure of mortgages and deeds of trust in the District of Columbia; to the Committee on the District of Columbia.

S. 36. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

S. 256. An act authorizing adjustment of the claim of Madrigal & Co., Manila, P. I.; to the Committee on Claims.

S. 261. An act authorizing adjustment of the claims of John T. Lennon and George T. Flora; to the Committee on Claims.

S. 329. An act for the relief of Beatrice I. Manges; to the Committee on Claims.

S. 363. An act for the relief of Nannie Swearingen; to the Committee on Claims.

S. 763. An act to extend the provisions of the forest exchange act to lands adjacent to the national forests in the State of Oregon: to the Committee on the Public Lands.

S. 773. An act to facilitate the use and occupancy of national-forest lands for purposes of residence, recreation, education, industry, and commerce; to the Committee on Agriculture.

S. 850. An act for the relief of Michael J. Moran; to the Committee on Military Affairs.

S. 1877. An act for the relief of Francis N. Dominick; to the Committee on Military Affairs.

S. 1980. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.; to the Committee on Interstate and Foreign Commerce.

S. 2331. An act to provide for the care, maintenance, and education of children born out of lawful wedlock; to the Committee on the District of Columbia.

S. 2447. An act to provide for references in law cases by consent of the parties and declaring the effect of such submission; to the Committee on the Judiciary.

S. 2941. An act for the relief of the Holy Family Hospital, St. Ignatius, Mont.; to the Committee on Claims.

S. 3543. An act for the relief of Robert Emil Taylor; to the Committee on Military Affairs.

S. 4107. An act to amend section 3 of an act, as amended. entitled "An act making it a misdemeanor in the District of Columbia to abandon or willfully neglect to provide for the support and maintenance by any person of his wife or his or her minor children in destitute or necessitous circumstances," approved June 10, 1926; to the Committee on the District of Columbia.

S. 4273. An act to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission; to the Committee on Military Affairs.

S. 4339. An act repealing certain provisions of the act of June 21, 1906, as amended, relating to the sale and encumbrance of lands of Kickapoo and affiliated Indians of Oklahoma; to the Committee on Indian Affairs.

S. 4349. An act authorizing the President of the United States to present a Navy cross to Carlos V. Cusachs, late lieutenant commander, United States Navy; to the Commit-

tee on Naval Affairs.

S. 4374. An act to empower the superintendent of the Hawaii National Park to perform the functions now performed by the United States commissioner for the said national park, and for other purposes; to the Committee on the Territories.

S. 4425. An act relating to the immigration and naturalization of certain natives of the Virgin Islands; to the Committee on Immigration and Naturalization.

S. 4440. An act authorizing adjustment of the claim of George H. Hansen; to the Committee on Claims.

S. 4444. An act to provide for recording of deeds of trust and mortgages secured on real estate in the District of Columbia, and for the releasing thereof, and for other purposes; to the Committee on the District of Columbia.

S. 4510. An act to authorize exchange of small tribal acreage on the Fort Hall Indian school reserve in Idaho for adjoining land; to the Committee on Indian Affairs.

S. 4512. An act authorizing a preliminary examination of the McKenzie River in the State of Oregon, with a view to the control of its floods; to the Committee on Flood Control.

S. 4513. An act for the relief of Walter Thomas Foreman; to the Committee on Claims.

S. 4542. An act providing for the use by the Veterans' Administration of the old post-office building in Casper, Wyo.; to the Committee on Public Buildings and Grounds.

S. 4572. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

S. 4573. An act authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind.; to the Committee on Rivers and Harbors.

S. 4574. An act to extend the provisions of the national bank act to the Virgin Islands of the United States, and for other purposes; to the Committee on Insular Affairs.

S. 4759. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Florence, Nebr.; to the Committee on Interstate and Foreign Commerce.

S. 4791. An act to amend the United States mining laws applicable to the city of Prescott municipal watershed in the Prescott National Forest within the State of Arizona; to the Committee on Mines and Mining.

S. 4808. An act relating to the acquisition of restricted Indian lands by States, counties, or municipalities; to the Committee on Indian Affairs.

S. J. Res. 124. Joint resolution to provide for the determination of claims for damages sustained by the fluctuation of the water levels of Lake of the Woods in certain cases, and for other purposes; to the Committee on Foreign Affairs.

S. Con. Res. 7. Concurrent resolution to print and bind the proceedings in Congress, together with the proceedings at the unveiling in Statuary Hall of the statue of Gen. John Sevier, presented by the State of Tennessee; and

S. Con. Res. 21. Concurrent resolution to provide for the publication of the proceedings in Congress and in Statuary Hall in connection with the unveiling of the statues of Junipero Serra and Thomas Starr King, presented by the State of California; and

S. Con. Res. 24. Concurrent resolution to print and bind the proceedings in Congress and in Statuary Hall upon the occasion of the unveiling in the Capitol of the statues of Jefferson Davis and James Z. George, presented by the State of Mississippi; to the Committee on Printing.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereinon signed by the Speaker:

H. R. 11337. An act authorizing the Secretary of the Treasury to exchange the Federal building site in Dover, N. J., for another site.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.), under the order heretofore made, the House adjourned until to-morrow, Saturday, June 11, 1932, at 11 o'clock a. m.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Saturday, June 11, 1932, as reported to the floor leader by clerks of the several committees:

SHANNON INVESTIGATING COMMITTEE

(10 a. m.)

Hearing on Government competition with private enterprise.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. DOMINICK: Committee on the Judiciary. H. R. 194. A bill to amend section 6 of the national charter of the Great Council of the United States of the Improved Order of Red Men; without amendment (Rept. No. 1582). Referred to the House Calendar.

Mr. HOLMES: Committee on the District of Columbia. S. 1307. An act authorizing an appropriation for the alteration and repair of the buildings of Eastern Dispensary and Casualty Hospital; without amendment (Rept. No. 1583). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOMINICK: Committee on the Judiciary, H. R. 11676. A bill providing for the appointment of a commissioner to hear cases arising under contracts of war-risk insurance in the District Courts for the Eastern and Western Districts of South Carolina; without amendment (Rept. No. 1534). Referred to the Committee of the Whole House on the state of the Union.

Mr. McKEOWN: Committee on the Judiciary. H. R. 12076. A bill for the conservation of oil and gas and protection of American sources thereof from injury, correlation of domestic and foreign production, and consenting to an interstate compact for such purposes; with amendment (Rept. No. 1585). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Indian Affairs. H. R. 12529. A bill relating to the acquisition of restricted Indian lands by States, counties, or municipalities; without amendment (Rept. No. 1586). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 1173. A bill for the relief of Sophie Carter; with amendment (Rept. No. 1576). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 4038. A bill for the relief of A. Randolph Holladay; with amendment (Rept. No. 1577). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 5780. A bill for the relief of Mary Orinski; with amendment (Rept. No. 1578). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7134. A bill for the relief of Julia Santiago; with amendment (Rept. No. 1579). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 8009. A bill for the relief of Mabel Carver; with amendment (Rept. No. 1580). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 8668. A bill for the relief of Mrs. Joseph Roncoli; with amendment (Rept. No. 1581). Referred to the Committee of the Whole House

Mr. BACON: Committee on Claims. H. R. 3031. A bill for the relief of Robert Turner; with amendment (Rept. No. 1587). Referred to the Committee of the Whole House.

Mr. BACON: Committee on Claims, H. R. 3032. A bill for the relief of Frederick W. Peter; with amendment (Rept. No. 1588). Referred to the Committee of the Whole House.

Mr. BACON: Committee on Claims. H. R. 8525. A bill for the relief of Rosemund Pauline Lowry; without amendment (Rept. No. 1589). Referred to the Committee of the Whole House.

Mr. BACON: Committee on Claims. H. R. 9571. A bill for the relief of Joseph Ricco; with amendment (Rept. No. 1590). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MONTET: A bill (H. R. 12570) for the protection of the agricultural communities along Bayou Vermilion, in the State of Louisiana, against injury to or destruction of crops by reason of the increased salinity of the waters of said bayou resulting from the construction of the Intracoastal Canal; to the Committee on Irrigation and Reclamation.

By Mr. BUCKBEE: A bill (H. R. 12571) to amend the act approved June 25, 1910, entitled "An act to establish postal-savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes"; to the Committee on the Post Office and Post Roads.

By Mr. MONTET: A bill (H. R. 12572) to provide for the appointment of an additional district judge for the eastern district of Louisiana; to the Committee on the Judiciary.

By Mr. HAUGEN: A bill (H. R. 12573) to amend section 81 of the Judicial Code, as amended; to the Committee on the Judiciary.

By Mr. JONES: A bill (H. R. 12574) to provide for the issuance of agricultural export debentures, to secure to the farmers a fair price for agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of Washington: A bill (H. R. 12575) providing for Federal contribution to the local school district at McNeil Island, in the State of Washington; to the Committee on the Judiclary.

By Mr. CANFIELD: Joint resolution (H. J. Res. 427) proposing an amendment to the Constitution providing for a referendum on a proposed substitute for the eighteenth amendment; to the Committee on the Judiciary.

By Mr. SCHAFER: Joint resolution (H. J. Res. 428) authorizing the President to proclaim October 11, 1932, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BANKHEAD: A bill (H. R. 12576) for the relief of John A. Shannon; to the Committee on Military Affairs.

By Mr. BOWMAN: A bill (H. R. 12577) granting an increase of pension to Louise Taylor; to the Committee on Invalid Pensions.

By Mr. DAVENPORT: A bill (H. R. 12578) granting an increase of pension to Anna Duffy; to the Committee on Invalid Pensions.

By Mr. FIESINGER: A bill (H. R. 12579) granting an increase of pension to Barbara Binkley; to the Committee on Invalid Pensions.

By Mr. KNIFFIN: A bill (H. R. 12580) granting a pension to John Killion, jr.; to the Committee on Invalid Pensions.

By Mr. LICHTENWALNER: A bill (H. R. 12581) granting an increase of pension to Tillie Conrad; to the Committee on Invalid Pensions.

By Mr. MILLARD: A bill (H. R. 12582) for the relief of Arthur Van Gestel, alias Arthur Goodsell; to the Committee on Military Affairs.

By Mr. SMITH of West Virginia: A bill (H. R. 12583) for the relief of the Commercial Credit Co. (Inc.); to the Committee on Claims.

Also, a bill (H. R. 12584) for the relief of George Waldo; to the Committee on War Claims.

By Mr. SWANSON: A bill (H. R. 12585) granting a pension to Cora F. Bossingham; to the Committee on Invalid

By Mr. SWING: A bill (H. R. 12586) for the relief of Leo Emil Tiede; to the Committee on Military Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12587) granting an increase of pension to Ebb Hundley; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 12588) granting a pension to Emma Blosser; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8243. By Mr. CRAIL: Petition of M. G. Leach, of Los Angeles, Calif., offering a program which is a compromise between the \$2,000,000,000 prosperity loan for public works and the plan to buy municipal and State unemployment relief bonds to enable local communities to handle their own problems; to the Committee on Ways and Means.

8244. Also, petition of Aurora L. S. Hansen, recommending legislation which will encourage the raising of cattle and the drinking of milk and the use of dairy products for health and restoration of agricultural prosperity; to the Committee on Ways and Means.

8245. By Mr. FREAR: Petition of the Farmers' Union of Taylor County, Wis.; to the Committee on Agriculture.

8246. By Mr. LINDSAY: Petition of Railway Electric Supply Manufacturers Association, Chicago, urging defeat of House bill 12353, the "pork barrel" bill; to the Committee on Ways and Means.

8247. Also, petition of the Fifth Avenue Association, New York City, favoring modification of the Volstead Act: to the Committee on the Judiciary.

8248. Also, petition of the Fifth Avenue Association, New York City, favoring the recommendations of the National Economy Committee in balancing the Budget; to the Committee on Ways and Means.

8249. Also, petition of Railroad Employees National Pension Association (Inc.), Chicago, favoring the passage of House bill 9891 and Senate bill 4646, providing a retirement pension for transportation employees; to the Committee on Interstate and Foreign Commerce.

8250. Also, petition of the National Retail Hardware Association, Indianapolis, urging reduction of Federal expenditures and balancing the Budget; to the Committee on Ways and Means.

8251. Also, petition of American Savings, Building & Loan Institute, Chicago, favoring the passage of the Federal homeloan bank bill; to the Committee on Banking and Currency.

8252. By Mr. RUDD: Petition of the Welfare Council of New York City, referring to the safeguarding of Federal aid to housing: to the Committee on Ways and Means.

8253. Also, petition of the Fifth Avenue Association, New York City, favoring the modification of the Volstead Act, to permit the manufacture and sale of light wine and beer; to the Committee on the Judiciary.

8254. Also, petition of Railroad Employees National Pension Association, Chicago, Ill., favoring the passage of House bill 9891 and Senate bill 4646; to the Committee on Interstate and Foreign Commerce.

8255. By Mr. SPARKS: Petition signed by Seigel Lewallen and C. E. Dulin, of Glen Elder; N. P. Carl, of Cawker City;

Kansas, favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8256. By Mr. SUTPHIN: Senate concurrent resolution, adopted by the Senate and House of Assembly of New Jersey, petitioning Congress to appropriate sufficient funds to carry out the provisions of the national defense act of 1920; to the Committee on Military Affairs. '

SENATE

SATURDAY, JUNE 11, 1932

(Legislative day of Wednesday, June 8, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

Mr. McNARY. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Wednesday, Thursday, and Friday, June 8, 9, and 10.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst Robinson, Ind. Austin Bailey Bankhead Kendrick Cutting Schall Keyes
King
La Follette
Lewis
Logan
McGill Sheppard Smith Fletcher Frazier Smoot Barkley Steiwer Thomas, Idaho Thomas, Okla. Bingham George Goldsborough Borah Bratton Broussard Bulkley Gore Hale Townsend Trammell McKellar Harrison McNary Hastings Hatfield Tydings Vandenberg Metcalf Hawes Hayden Hebert Byrnes Norris Walcott Nye Oddie Walsh, Mass. Capper Watson Caraway Carey Cohen Howell Hull Patterson Pittman Connally Johnson Coolidge Jones

Mr. McNARY. I desire to announce that the followingnamed Senators are detained in a meeting of the Committee on Banking and Currency: The Senator from South Dakota [Mr. Norbeck], the Senator from Michigan [Mr. Couzens], and the Senator from Iowa [Mr. BROOKHART].

Mr. REED. I wish to announce that my colleague the junior Senator from Pennsylvania [Mr. Davis] is detained from the Senate on account of illness.

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

LEGISLATIVE APPROPRIATIONS-CONFERENCE REPORT

Mr. JONES. Mr. President, I desire to submit the conference report on House bill 11267, the legislative appropriation bill, and ask for its immediate consideration. report was printed in the RECORD this morning.

The VICE PRESIDENT. The question is on agreeing to the conference report.

[For report see Senate proceedings of yesterday, Con-GRESSIONAL RECORD, p. 12555.]

The report was agreed to.

Mr. JONES. I move that the Senate insist on its amendments still in disagreement, ask a further conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. Jones, Mr. Smoot, Mr. Hale, Mr. Broussard, and Mr. Bratton conferees on the part of the Senate at the further conference.

GROWTH AND DEVELOPMENT OF CHAIN STORES (S. DOC. NO. 100)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Trade Commission, transmitting a report of the commission entitled "Growth and and 77 other farmers of Mitchell County, all of the State of Development of Chain Stores," submitted in pursuance to Senate Resolution 224, Seventieth Congress, first session, being the seventh report of a series covering a study of the subject of chain stores, which, with the accompanying report, was referred to the Committee on the Judiciary and ordered to be printed.

AD VALOREM EQUIVALENTS OF SPECIFIC DUTIES (S. DOC. NO. 90, PT. 2)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Tariff Commission, transmitting a statement with respect to the ad valorem equivalents of specific duties in compliance with that part of Senate Resolution 156, which directs the commission to report "The ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of April 1, 1932," etc., which, with the accompanying papers, was referred to the Committee on Finance and ordered to be printed, with illustrations, as part 2 of Senate Document No. 90.

PETITIONS AND MEMORIALS

Mr. MOSES presented a resolution adopted by the Board of Mayor and Aldermen of the city of Manchester. N. H., favoring the passage of legislation providing for the immediate payment of World War adjusted-compensation certificates (bonus), which was referred to the Committee on Finance

Mr. GOLDSBOROUGH presented the memorial of the Association of Federal Storekeeper-Gaugers, Fourth District Unit, Baltimore, Md., remonstrating against the passage of legislation reducing the compensation of Federal employees and other measures adversely affecting such employees, which was referred to the Committee on Appropriations.

He also presented a letter in the nature of a petition from Frank B. Adams, of Ruxton, Md., praying for the adoption of a manufacturers' sales tax as the most effective means of balancing the Budget, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Philip George Lang, jr., Baltimore, Md., praying for the amendment or repeal of the Volstead Act and the placing of "a suitable tax on light wines and beer," discontinuance of "raids upon the Treasury, including bonus legislation," the prompt balancing of the Budget, etc., which was referred to the Committee on Finance.

He also presented a resolution adopted by the board of directors of the Hagerstown (Md.) Chamber of Commerce, favoring action by Congress inviting "the President to call into immediate conference the leaders of both parties in both Houses, the Cabinet and the advisory committee, headed by Owen D. Young, for the purpose of framing the legislation deemed necessary for the restoration of confidence and that both Houses pledge the immediate passage of such legislation when and as submitted," which was referred to the Committee on Finance.

AGRICULTURAL RELIEF

Mr. SCHALL. Mr. President, here is a typical letter from a typical farmer of McLeod County, in my State. It speaks volumes. I ask to have it printed in the RECORD and that it may lie on the table.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

HUTCHINSON, MINN., June 7, 1932.

Hon. Tom D. SCHALL,

Washington, D. C.

Dear Sir: In replying to the letter on the reverse side, will say that the raw deal that farmers get from Washington is enough to make any one skeptical of any of the representatives in Congress. It is just talk and no action and little help that affords

gress. It is just talk and no action and little help that affords one in distress. What we need now is united action on the Frazier bill before we lose everything by foreclosure.

Never mind past records of this or that, Senator, if you can line them up and get action on this bill before it is too late. Another year and we'll all be renting farms, or else be in the bread lines in the cities.

Personally, we are trying to meet, at \$150 per month, overhead expense with \$75 income from one of the best 100-acre farms in McLeod County. If we can not get cheaper money on our loans we are licked.

We think that Congress should remain in session until Government expenses are brought down, so that not more than 10 cents of our dollar is used for taxes, instead of the 30 cents that now

goes into tax to run the Government. Cut out the crazy bureaus. We are farmers, and we hear one bureau say, "Raise less," another says," "Raise more," and all such crazy contradictions, and duplications. Keep the Government out of business. A little sound horse sense would go a long way toward straightening things out, and those fellows who are up for reelection who can not make definite promises of government of and by and for the people will never get my vote. Big business takes the lion's share of everything, puts its money into tax-exempt securities, and the little fellow who makes up the rank and file of this Nation is reduced to poverty, the farmers to peasants—no better off than those of the Russia of old. Who feeds the world—who sends the boys to defend the Nation in time of war? Is it big business? A Government "of, by, and for "should be the by-word of those who are in Washington. A nation of bankrupt farmers will not exist long.

When the common people of the farm have extra work, we put in extra hours to take care of it, let Congress stay on the job till it is finished.

A. B. BISHMAN.

Mr. SCHALL. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter from the vice president of the Minnesota Farm Bureau Federation, Maple Plain, Minn., which I ask may lie on the table.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

MINNESOTA FARM BUREAU FEDERATION, Maple Plain, Minn., June 5, 1932.

Hon. THOMAS SCHALL,

Washington, D. C.

Dear Senator: The farmers in Minnesota are in desperate condition. Commodity prices are so low that few of us can pay our interest and taxes and other current bills. Every week registers a new low for commodities.

If Congress adjourns without passing favorable legislation for the farmers, it will be a crime. I believe the Goldsborough bill, the bill to amend the agricultural marketing act to include the equalization fee, the debenture, and the domestic allotment plan should be passed. Certainly the bills should be voted on before adjournment.

Will you do all in your power to see that these bills are favorably acted upon at once?

Yours very truly,

D. W MENDENWALL

P. S.—The loans to the banks have not helped the farmers one bit. I have no mortgage on my personal property, but I can not borrow one cent at any of the local banks. Merchants are drawing in on credit extensions, and the handwriting of continued defiation is plain to be seen if Congress does not take action at once.

ADMIRALTY NATIONAL PARK-SANCTUARY FOR BEARS IN ALASKA

Mr. SCHALL. Mr. President, I ask unanimous consent to insert in the RECORD a letter from E. T. Foley, St. Paul, Minn., which I ask may be appropriately referred.

There being no objection, the letter was referred to the Special Committee on Conservation of Wild Life Resources and ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN., June 3, 1932.

St. Paul, Minn., June 3, 1932.

Hon. Thomas D. Schall,

United States Senate, Washington, D. C.

My Dear Senator: Last year I had occasion to make a hunting trip to Alaska, and I was equally impressed with the great scenic beauty and with the splendid game opportunities. Rightly conserved, the Alaskan big game will offer excellent sport for many years to come. Nonresidents of Alaska are rightly required to be accompanied on their hunting trips by licensed guides, who are also game wardens, and the bag of the nonresident hunter is strictly limited. Unfortunately, I am given to understand that a year or so ago the limit on brown and grizzly bears was taken off as far as residents of Alaska are concerned. The result in slaughter is something similar to that of the buffalo. In the few districts where this limit has not been taken off, a resident may kill a bear at any time when, in his judgment, it is dangerous to life or property. My own experience, and that of all the Alaskan guides with whom I talked, including the chief game wardens, is that unless attacked, the Alaskan bears are quite harmless. To give a man permission to kill one of them whenever in his judgment it is dangerous is simply to remove all restrictions and permit him to kill as many as his whim dictates. I have always felt that the wanton slaughter of our wild life is a thing that should be resisted to the utmost, and I would urge on you putting the same restrictions as to the killing of big bears on the residents of Alaska as are put on nonresident sportsmen.

I would also urge your support for the Admiralty National Park

as to the killing of big bears on the residents of Alaska as are put on nonresident sportsmen.

I would also urge your support for the Admiralty National Park bill. This bill, as I understand it, provides a sanctuary for the big bears on Admiralty and Baranof Islands. While grizzly bears are protected in McKinley Park in central Alaska, the big brownies inhabit only the southern mainland and islands. These are the largest and finest of the wild life found on the American Continent, and if their extinction is to be prevented, they must have a sanctuary such as is proposed in this bill.

May I ask if you will be kind enough to advise me whether or not you will support this bill?

Yours very truly,

E. T. Foley.

REMEDIAL LEGISLATION URGED

Mr. CONNALLY presented a letter addressed to Hon. Marvin Jones, House of Representatives, Washington, D. C., from C. T. Schlagal, mayor, and sundry other citizens of Crowell, Tex., which was ordered to lie on the table and to be printed in the RECORD without the signatures, as follows:

CROWELL, Tex., June 2, 1932.

Hon. Marvin Jones,

Washington, D. C.

Dear Sir: We, the undersigned citizens of Foard County, are of the opinion that the present Congress is, in large measure, ignorant of the stupendous changes which have swept the country at large since the convening of this session. We wish, therefore, to take this means of calling to your attention some of the very serious unrest which is pervading the country and to take the liberty of suggesting to you our ideas as to some measures which might be of benefit in the present crisis.

It is our studied opinion that the chief cause of the present national calamity is a shortage of actual currency, which has rendered potent the panic, and lack of cooperation (to put it mildly) which has motivated the big bankers in restricting credit and thus depriving business of its lifeblood. Our business has doubled a number of times since our volume of currency has been increased. This expansion of business without currency was made possible through a widely extended and liberal credit policy. With the coming of the Wall Street crash in 1929 the men who controlled this enormous amount of credit were plunged into a state of mind which caused them, either through panic or design, to refuse further credit to carry on business operations, with the consequent cessation of such business activities as were dependent on credit—that is to say, the greater proportion of national industry.

The amount of money current at the beginning of the century was ample to care for all the needs of industry. However, with mass production of automobiles, radio, electric refrigerators, and the hundred and one other new inventions which acted as stimulants to industry this volume of currency was insufficient within itself to care for the commercial needs of the Nation, a deficiency which was palliated in the intervening years by an enormous expansion of credit. With the closing of these avenues of credit it now becomes imperative that they be reopened or that sufficient currency be issued by the Government to ca

amount of industry

Since the convening of this session of the Congress it has become increasingly evident to the people of this country that no inflation of the currency may be expected unless drastic steps are taken to bring to the attention of our legislators the fact that a desperate constituency is demanding the wherewithal to carry on its business. The state of the Nation is such that a very dangerous situation will be presented unless measures are taken to relieve the situation.

Time after time efforts have been made to reopen the sources credit. These efforts have failed signally and without exception. Time after time efforts have been made to reopen the sources of credit. These efforts have failed signally and without exception. We therefore call upon the men at the helm of the Nation to accept the other alternative. If expansion of our currency can be had by retaining the gold standard, retain it by all means. But if the expansion of our currency is dependent upon the shelving of the gold standard or the adoption of a bimetallic standard, then no hesitation should be felt at taking the necessary steps. The test of the sovereignty of a nation is its power to issue money. If in a crisis of this sort the United States can not meet this test, then it has failed of sovereignty and is no longer worthy of respect as a Government.

Ninety per cent of our people are at the mercy of that 10 per cent known as capitalists. We request that you use your vote and your influence to release us from this unwholesome domination.

Stated briefly, we wish to request that you use every possible means to bring about the passage of an act providing for the reasonable inflation of our currency. We request that, if you have not already done so, you sign the petition to bring the Patman bonus bill to the floor of the House and use every effort to bring about its passage. Failing its enactment, we request that you attempt to bring about the passage of other laws authorizing the issuance and immediate distribution to the masses of more currency in the quickest possible time.

We are sending copies of this letter to the two Texas Senators with the request that they cooperate in securing a currency expansion law of some sort.

May we ask that you communicate to the Foard County News any reply you wish to make to this letter? Thank you.

REPORTS OF COMMITTEES

Mr. BORAH, from the Committee on the Judiciary, to which was referred the bill (H. R. 9306) to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended, reported it without amendment.

Mr. HEBERT, from the Committee on the Judiciary, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4156. An act to provide for alternate jurors in certain criminal cases (Rept. No. 802):

H. R. 10599. An act to fix the date when sentence of imprisonment shall begin to run, providing when the allowance to a prisoner of time for good conduct shall begin to run, and further to extend the provisions of the parole laws (Rept. No. 803); and

H. R. 11336. An act providing for an additional justice of the Court of Appeals of the District of Columbia (Rept. No.

Mr. WALCOTT, from the Committee on Banking and Currency, to which was referred the bill (S. 4851) to amend section 5202, United States Revised Statutes, as amended (U. S. C., title 12, ch. 2, sec. 82), and for other purposes, reported it without amendment and submitted a report (No. 806) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 4830) granting the consent of Congress to the Niagara Frontier Bridge Commission, its successors and assigns, to construct, maintain, and operate a toll bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y., reported it with amendments and submitted a report (No. 807) thereon.

Mr. REED, from the Committee on Immigration, to which was referred the bill (S. 3698) to amend the sixth exception in section 3 of the immigration act of 1924 with reference to nonimmigrant status of certain aliens, reported it without amendment and submitted a report (No. 805) thereon.

Mr. PATTERSON and Mr. HATFIELD, from the Committee on Immigration, to which was referred the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, reported it without amendment and submitted a report (No. 808) thereon.

BILL AND JOINT RESOLUTION INTRODUCED

A bill and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. HAYDEN:

A bill (S. 4876) to amend the act of Congress approved June 7, 1924 (45 Stat. L. 475, 476), commonly called the San Carlos act and its supplements, and for other purposes; to the Committee on Indian Affairs.

By Mr. FLETCHER:

A joint resolution (S. J. Res. 176) amending Public Resolution No. 118, Seventy-first Congress, approved February 14, 1931, providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; to the Committee on Foreign Relations.

UNEMPLOYMENT RELIEF-AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, which was referred to the Committee on Banking and Currency and ordered to be printed.

TARIFF COMMISSION REPORTS

Mr. COSTIGAN submitted a resolution (S. Res. 229). which was read, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the tariff act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Gloves made wholly or in chief value of leather, classified under paragraph 1532 of such act.

Mr. COSTIGAN also submitted a resolution (S. Res. 230), which was read, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the tariff act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic article and of any like or similar foreign articles: Plate glass classified under paragraph 222 of such act.

Mr. COSTIGAN also submitted a resolution (S. Res. 231), which was read, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the tariff act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic article and of any like or similar foreign articles: Linseed oil, classified under paragraph 53 of such act.

Mr. COSTIGAN also submitted a resolution (S. Res. 232), | which was read, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the tariff act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic article and of any like or similar foreign articles: Cast-iron pipe, classified under paragraph 327 of such act.

Mr. COSTIGAN also submitted a resolution (S. Res. 233), which was read, as follows:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the tariff act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Cocoa, chocolate, and cacao butter, classified under paragraph 777 of such act.

Mr. COSTIGAN also submitted a resolution (S. Res. 234), which was read, as follows:

which was read, as follows:

Resolved. That the United States Tariff Commission is hereby directed, under section 332 (g) of the tariff act of 1930, to investigate, and to report thereon to the Senate as soon as practicable, with respect to the articles classified in paragraphs 354 to 358, inclusive, of such act, (1) whether the differences in costs of production of the domestic articles and of any like or similar foreign articles or other statistically measurable factors shown by such investigation would necessitate a readjustment of the duties on any such articles under section 336 of such act, and (2) whether any of the duties specified in such paragraphs have resulted in the practical exclusion of imports of any such articles.

Mr. COSTIGAN. Mr. President, I ask that the several resolutions be referred to the Committee on Finance and that the committee be requested to report thereon without delay. Perhaps I should say that at the last meeting of the Finance Committee it was suggested that resolutions of this character should be considered by that committee.

The VICE PRESIDENT. Without objection, the resolutions will be referred to the Committee on Finance.

HOME LOAN BILL

Mr. BORAH. Mr. President, I do not see the Senator from Indiana [Mr. Warson] present at the moment. I wish to ask what is the status of Senate bill 2959, what is called the home loan bill. Can anyone present enlighten me?

Mr. TOWNSEND. Mr. President, the bill as it is being considered by the House has been substituted for the Senate bill by the Committee on Banking and Currency and is now being considered by a subcommittee of that committee. of which the Senator from Indiana [Mr. Warson] is chair-

Mr. BORAH. Does the Senator expect to see the bill reported out from the committee during the present session?

Mr. TOWNSEND. Yes; my understanding is that it is the expectation and hope of the Senator from Indiana to report it early next week.

Mr. BORAH. Very well.

MESSAGES FROM THE PRESIDENT-APPROVAL OF BILLS

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On June 9, 1932:

S. 432. An act granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy.

On June 10, 1932:

S. 2436. An act for the relief of Alfred G. Simmons, jr.: and

S. 2698. An act for the relief of Herman Ingman.

AGRICULTURAL SITUATION

there appeared from the Department of Commerce, Herbert Hoover, Secretary, a publication of "statistics" by the United States Census of Agriculture, 1925, with the aid of which I pre-pared and as a delegate to the national Democratic convention of 1928 attempted to disseminate the information shown. While it then appeared that the shrinkage of the values of farm lands and buildings, from 1920 to 1925, had been more than \$16,000,000,000; yet in 21 of the States of the Union there seemed to have been quite an increase in the numbers of owners operating

000,000; yet in 21 of the States of the Union there seemed to have been quite an increase in the numbers of owners operating farms.

In 14 of the 15 States from Maine to Minnesota, inclusive, marked by me on a plan submitted as division 1, botunded on the north by Canada, on the east by the Atlantic Ocean, and south by Mason and Dixon line and the Ohio River, the number of owners operating farms had increased and in only one had there been a decrease. With the exception of the State of Vermont, where there had been a decrease of ownership, the States of the division were shaded red on the plan.

With regard to the five States—Washington, Oregon, California, Arizona, and New Mexico—bordering on the Pacific Ocean and Mexico, ownership of farms having increased in all of them as well as in Utah and Nevada, these seven States were also shaded red on the plan. But as ownership had decreased in all of them as left white. Divisions 1 and 2 shaded red; 3 and 4 white.

But with the publication of the United States census of 1930 it became apparent that in the full decade from 1920 to 1930 in place of owners operating farms in 14 of the 15 States constituting division 1 having increased and only in one State, to wit, Vermont, had there been a decrease of owners operating farms, as the United States census of agriculture, 1925, had indicated, the United States census for 1930 disclosed a decrease in 14 of the 15 States of this division 1 and an increase in only 1 State, Delaware, where there were 250 additional owners operating farms, but in the entire division of 15 States there had been a decrease of 120,876 from the 26,535 managers in 1920, and a decrease of 58,636 from the 35,1127 tenants operating farms in 1920. This seems to indicate 188,488 employers of farm labor forced out of the vocation of agriculture in this section in the 10 years which followed the Wilsonian era of Democratic administration. It is true that in 5 of the 15 States constituting this division 1 there had been an increase in the values of farm la

But when we consider the condition of the farmers in the other 10 States of this division we find the decrease in values of farms and farm buildings from 1920 to 1930 in Maine amounted to a loss of \$9,712,377; in New Hampshire, \$12,440,983; in Vermont, \$13,153,026; in New York, \$107,074,443; in Pennsylvania, \$121,395,381; in Michigan, \$268,353,110; in Wisconsin, \$455,295,326; in Ohio, \$966,957,306; in Minnesota, \$1,170,857,352; and in Indiana, \$1,236,606,203. A total loss in these 10 States of \$4,361,795,506, as against the gain in the other five of \$112,521,490; or a net loss of \$4,249,-224,016; or 68,585 owners gaining \$112,521,490 and 1,050,769 losing \$4,361,795,506; and 12,787,070 acres less under cultivation. Without any insinuation with regard to the small gain of the few and the great loss of the many, it is apparent that something is wrong in this division No. 1.

In division No. 2, in spite of the shrinkage in values of farms But when we consider the condition of the farmers in the other

wrong in this division No. 1.

In division No. 2, in spite of the shrinkage in values of farms and farm buildings in the five States of Washington, Oregon, Nevada, Utah, and New Mexico, amounting to \$225,148,951, the increase was so great in California, \$355,942,458, and in Arizona, \$11,960,935, as to make the net gain of the division \$142,755,246, with an increase of farms, 35,102, and acreage, 18,398,677. In six of the seven States there was gain in ownership; in one, loss.

Passing from these two divisions, 1 and 2, and considering No. 3 on the plan, we find that in the 11 States of this division from 1920 to 1930 the decrease in owners operating farms amounted to 83,840; of managers, 4,441; with an increase of tenants amounting to 64,367. In values of the farms and farm buildings, worth in 1920, \$29,625,361,688, shrinkage was, in Wyoming, \$28,054,806; Idaho, \$163,125,492; Colorado, \$235,840,419; Montana, \$250,844,022; North Dakota, \$535,149,779; Kansas, \$544,425,287; South Dakota, \$1.183,516,370; Nebraska, \$1,212,735,821; Missouri, \$1,262,153,039; Illinois, \$2,652,883,729; and Iowa, \$3,376,990,454—a loss in values of farms and farm buildings amounting to the stupendous sum of \$11,445,719,218, or ever 28 per cent, in 10 years.

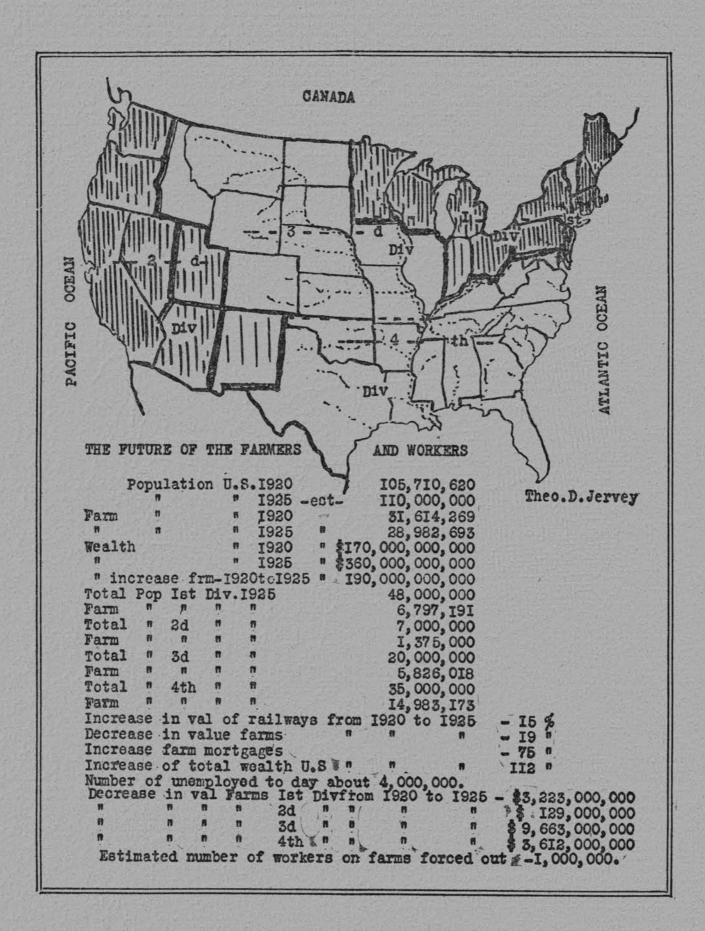
Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the Record a communication in reference to the agricultural situation from Mr. Theodore D. Jervey, of Charleston, S. C., and also some maps accompanying it.

The VICE PRESIDENT. Without objection, it is so ordered. The communication is as follows:

The communication is as follows:

In the 33 States of the North and West the values of farms and farm buildings, amounting in 1920 to \$51,224,103,326, had been reduced by 1930 to \$35,671,915,338.

In the remaining 15 States of the Union, generally designated as the Southern States, and containing in 1920 a little less than half of the 6,448,139 farmers of the United States, their farms and farm buildings, of course, were of less value, amounting in 1920 to only \$15,086,321,907. But they furnished occupation at that date to 1,591,115 owners, 18,155 managers, and 1,587,060 tenants, as compared to 2,333,875 owners, 50,275 managers, and 867,619 ten-



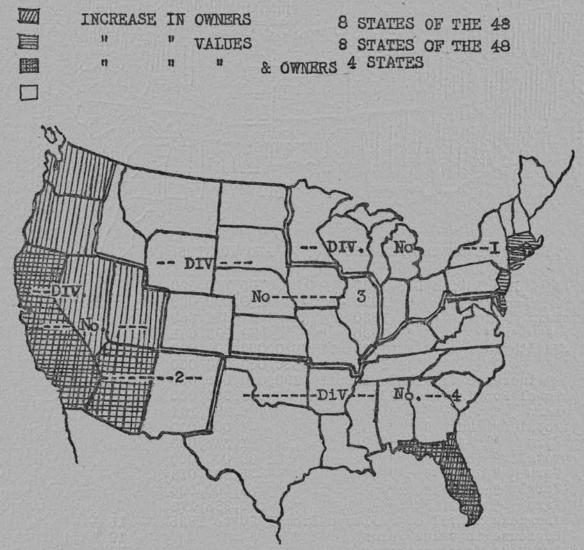
ants in the other 33 States of the Union. The total loss in values of farms and farm buildings in the 15 Southern States amounted to \$2,764,514,591, but it was a loss of \$2,909,092,809 in 14 of the Southern States, because in one, Florida, there was an increase in owners and in the value of farms and farm buildings amounting to \$144,578,218, second only to the increase in California. In the 14 Southern States, where the values of farms and farm buildings shrank, they fell in Maryland from \$386,596,850 in 1920 to \$360,156,066, a loss of \$26,440,784; in Alabama from \$543,657,755 to \$504,756,249, a loss of \$38,901,506; in Louisiana from \$474,038,793 to \$423,410,169, a loss of \$50,628,624; in West Virginia from \$1,033,406 to \$344,023,644, a loss of \$66,759,762; in Texas from \$3,700,173,319 to \$3,606,223,554, a loss of \$93,949,765; in Oklahoma from \$1,863,865,294 to \$1,244,937,126, a loss of \$118,928,168; in Virginia from \$1,024,435,025 to \$859,633,375, a loss of \$164,801,635; in Arkansas from \$753,110,666 to \$550,537,206, a loss of \$202,573,460; in Mississippi from \$789,896,773 to \$569,004,958, a loss of \$220,091,820; in North Carolina from \$1,024,979,894 to \$745,643,794, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,758, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,758, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,758, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,794, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,794, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,794, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,794, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,794, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,794, a loss of \$220,050,166; in Tennessee from \$1,024,979,894 to \$745,643,794, a loss of \$220,050,166; in Tennessee from \$1,024,979,994 to \$745,643,794, a loss of \$220,050,166; in Tennessee from \$1,

that one-twentieth of 1 per cent of the 430,000 corporations in this country earned 40 per cent of the profits; 40 per cent of the corporations actually lost money; one-fourth of 1 per cent of these corporations earned two-thirds of the profits of all of them. Specific industries are wholly prostrate and there is wide-spread business difficulty and discontent among the individual business men of the country. Prosperity to the extent that we have it is unduly concentrated and has not equitably touched the lives of the farmer, the wage earner, and the individual business man."

The wealth of the United States in 1920 was calculated to be

The wealth of the United States in 1920 was calculated to be then \$170,000,000,000. It is now stated to amount to \$400,000.000,000, and at 6 per cent income, the income-tax returns seem to establish that, certainly up to the gambling orgy of October,

As the value of all farm property in 1920 was found to be \$77,923,651,599, and by the census of 1930 was about \$55,000,-000,000, the farmers of the United States have apparently been "touched" to the extent of about \$22,000,000,000 in the depreciation of all farm property in the 10 years. Nearly four years



\$875,212,287, a loss of \$429,946,649; in South Carolina from \$813,484,200 to \$383,065,509, a loss of \$430,418,691; in Georgia from \$1,138,298,627 to \$578,833,399, a loss of \$559,465,228. In 7 of these 1.5 Southern States—Kentucky, West Virginia, Virginia, North Carolina, Tennessee, South Carolina, and Georgia—with but little more than one-third of the farm acreage of the whole division, the loss was three-quarters of the whole, or about \$2,156,476,525. In only 1 State, Florida, did owners increase. In his acceptance address, when nominated by the Republican Party for the office of President of the United States in 1928, Mr. Herbert Hoover said:

"The most urgent economic problem in our Nation to-day is in agriculture. It must be solved if we are to bring prosperity and contentment to one-third of our people directly, and to all our people indirectly. We have pledged ourselves to find a solution."

In his acceptance address, when nominated by the Democratic Party for the office of President of the United States in 1928, Gov. Alfred Smith said:

"When 4,000,000 men, desirous to work and support their

When 4,000,000 men, desirous to work and support their families, are unable to secure employment there is little in the picture of prosperity to attract them and the millions dependent upon them. In the year 1926 the latest figures available show

have elapsed since the President, Mr. Hoover, as nominee of the Republican Party, recognizing agriculture as "the most urgent economic problem in our Nation," pledged his party to a solution of the problem; but the result so far seems to have been but a doubling of the number unemployed, stated by the Democratic nominee in 1928 to amount to 4,000,000, now 8,000,000. If they continue to increase at this rate, it will be useless for anyone to contend that they shall not be politically arrayed, save as he thinks fit, they will array themselves against the forces of greed which have brought the country to the condition in which it is and in which the farmers and the workers, the foundations of the Republic, are being undermined.

Theodore D. Jervey.

CHARLESTON, S. C.

THEODORE D. JERVEY.

CHICAGO POLICE AND SPEAKEASIES

Mr. TYDINGS. Mr. President, I ask leave to have printed in the RECORD extracts from an article by Frank R. Kent in to-day's issue of the Baltimore Sun relative to conditions in Chicago.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, June 11, 1932]

And the Chicago situation itself should count some with the ates if it could be brought home to them. Because cer-the condition that exists here is almost incredible. What delegates if it tainly the condition that exists here is almost incredible. What you have is a city bankrupt through rotten politics in which it is generally admitted the police force is carried by the speakeasies. It is a startling thing to say, but there seems little doubt about it. Policemen in this town have received no salaries for three months. They frequently have gone that long in the past without any. The salary of a Chicago patrolman is \$45 a week, but he does not get it. There are between five and six thousand of them, and they have had no pay since March.

Yet there are no resignations from the force no distress among

Yet there are no resignations from the force, no distress among the families of policemen, no evictions for failure to pay rent, and very little complaint. And just as many men want to become very little complaint. And just as many men want to become policemen. Why? How do they keep going? The answer supplied by men who ought to know seems the only answer. It is that they are carried by the "speakies," Of these, there are between 12,000 and 15,000 in the city. Upon them, it is charged, the police force of Chicago largely depends.

The property of a well-leaded and are all leaded and all the police force of the property of a well-leaded and all the property of the property of

of Chicago largely depends.

The proprietor of a well-located and decently run speakeasy says quite frankly that he has 28 patrolmen on his pay roll at \$5 and \$10 a month. In this police district there are about 50 speakeasies. If the police collect from all of these at that rate, they more than make up for their lack of salary from the city. "How else," asked this man, "are they going to live? Where else are they going to get it? It isn't much for us to pay and it isn't much for them to get. It pays us to give it and they have got to have it."

have it."

"Of course," he continued, "they get all they want to eat and drink besides, and no one ever thinks of expecting a policeman without a salary to pay rent or grocery bills. What's the use of kidding about it? They are being carried by the "speakies," and drink besides, and no one ever thinks of expecting a policeman without a salary to pay rent or grocery bills. What's the use of kidding about it? They are being carried by the "speakies," and anybody with a grain of sense knows it. If we didn't carry them there wouldn't be any police force. You wouldn't have any town, because the gangs would just take it apart. You know that as well as I do. You have got to have policemen or you haven't got a town. We've got to have policemen just as well as anybody else. It's good business for us to carry them, but it's good for the town, too, and it makes it worth while for a policeman to stay a policeman. It doesn't hurt anything and everybody is satisfied."

That's the state of affairs in present-day Chicago. It does not

man. It doesn't hurt anything and everybody is satisfied."

That's the state of affairs in present-day Chicago. It does not apply, of course, to all policemen. There are individuals among them who manage to scrape by without "speakle" support, though how they do it for three months is more or less of a mystery. But that to a large extent the patrolman's living now depends upon speakeasy pay seems beyond question. There isn't any other way to explain how they keep going, and there seems to be no secrecy about it. It is simply accepted. None the less to an outsider it is more or less of a shock that in the third largest city in the world the forces of law and order should be so completely sustained by the law violators. the law violators.

"IS THE CONSTITUTION A MERE SOUVENIR?"

Mr. HARRISON. Mr. President, I present and ask leave to have printed in the Congressional Record an address delivered by Hon. Thomas P. Gore, United States Senator from Oklahoma, entitled "Is the Constitution a Mere Souvenir." This address was delivered under the auspices of the Sentinels of the Republic, over a nation-wide broadcasting network.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends, Americans, countrymen, eavesdroppers all, lend me your ears. Please keep quiet, as I have but 13 minutes in which to exhaust both you and my subject. I speak under the auspices of the Sentinels of the Republic.

Did it ever occur to you that even the crows, the chattering crows in the wildwood, have their appointed sentinels? But what crows in the wildwood, have their appointed sentinels? But what is stranger still, the crows heed the warnings of their sentinels. This contributes alike to the safety and to the happiness of the crows both individually and collectively. Thus the Sentinels of the Republic seek to safeguard the foundations of the Republic, to safeguard the citadel of your rights and liberties, to safeguard constitutional liberty itself—which means liberty regulated by law. My friends, there is no other liberty. Liberty unrestrained by law is mere license. Liberty unprotected by law soon falls, a helpless victim beneath the iron heel of arbitrary power. The Sentinels of the Republic, without making of the Constitution either a fetish or an idol, would smite those, and only those who would lay profane hands upon the Ark of the Covenant of your liberties. They would protect liberty against license on the one hand and against centralized power on the other. For ages, if I hand and against centralized power on the other. For ages, if I may say so, the unsolved riddle of the ages was this: How to reconcile liberty with power. Where power is unrestrained, liberty is dead. Where liberty is unrestrained, government is dead. In this country we have sought to reconcile liberty and power. We have solved this problem, as we believe, under our Constitution. Wherever men live together in organized society, there government exists. Wherever government exists, there power must be vested either in one or in the few or in the many.

The first form of government to arise was monarchy, where power was vested in the king. The will of the king was the law of the land. He could protect himself and his court, but the people had no rights that the king was obliged to respect.

Next came oligarchy, power vested in the few. The will of the few was the law of the land. The few could protect themselves, but the many had no rights that the few were obliged to respect.

Came next, democracy. I mean the democracies of Greece, where power was vested in the majority. The will of the majority was the law of the land. The majority could protect itself; the minority, however great, had no rights which the majority was obliged to respect.

was obliged to respect.

But in searching the family tree of our own institutions, we look less to the Republic of Rome or the democracies of Greece than to the popular assemblies of the ancient Teutonic tribes in Central Europe. Their assemblies met year after year, and they voted upon the laws that were to govern them and upon the rulers who were to administer those laws—no laws but of their own making—no rulers but of their own choosing. That was Government by consent. In two of the Swiss Cantons, these assemblies still meet year after year and vote upon the laws and the rulers who are to administer the laws. Mr. Freeman, the great constitutional historian of England, says that in these primitive constitutional historian of England, says that in these primitive assemblies is to be found the germ of every free constitution upon the globe to-day. Those institutions were transplanted by the Angles and Saxons to England and by our own ancestors were transplanted to the wilderness of the New World. The principle enunciated in the Declaration of Independence is, under our theory, that the minority, however small, has rights and liberties, which no majority, however great, has the right or should have the power to invade or to violate. Under our theory the minority, though consisting of only a single individual, and though that individual be the veriest tatterdemalion in the land, has certain rights which no majority, however numerous, and no government, however great, has the right or should have the power to invade or to violate.

I have said before that to my mind it is one of the chiefest

I have said before that to my mind it is one of the chiefest glaties of our free institutions that the Government of the United States, with all its armies and all its navies and with all its power States, with all its armies and all its navies and with all its power and all its majesty can not strip a street urchin of the rags upon his back—not without the urchin's consent—except upon the payment of just compensation for the rags. Thus far have we gone to protect the liberty of the individual against power, against the tyranny of the state. This principle was laid down in the Declaration of Independence when our fathers declared that all men are created equal; not equal in physical or mental or moral or material strength, but equal in the right to life, liberty, and the pursuit of happiness, and, as some of us believe, not only the right to pursue but the right upon occasion to overtake happiness. Is the happiness of the human race bound up with the freedom or with the slavery of the individual? Individualism versus communism may be the ultimate, the inevitable issue of the future. be the ultimate, the inevitable issue of the future.

This is the spirit of our free institutions. If the Declaration of Independence be the spirit of our free institutions, then the Con-

stitution is the body of our free institutions.

The Constitution was adopted to guarantee and preserve the rights and liberties proclaimed in the Declaration of Independence. rights and liberties proclaimed in the Declaration of Independence. The fathers of our Republic were wise men. They learned the lessons of experience. From experience they learned the truth so well expressed by Guizot: "Liberties are nothing until they have become rights, positive rights formally recognized and consecrated. Rights, even when recognized, are nothing so long as they are not intrenched within guaranties. And, lastly, guaranties are nothing so long as they are not maintained by forces capable of maintaining them—such are the successive steps in the progress toward a free government." To provide these guaranties the Constitution was ordained and established. a free government." To provide these guaranties the Constitu-tion was ordained and established.

tion was ordained and established.

To my mind, the preamble of our Constitution is the most eloquent passage in all political literature. "We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States of America." If the liberty of the individual is to be protected, then the power of the Government must be limited.

ment must be limited.

Ours is a government of limited powers. Under no other system can liberty survive. I speak not of the partition of power between the Federal Government and the States, nor of the partition of power either in the General or the State Governments into legispower either in the General or the State Governments into legislative, executive, and judicial departments. All governments have certain features in common. Free governments have more points of resemblance than they have points of difference. But, after all, it is the points of difference that give them character and individuality. I will speak of these points of difference.

I come now to the bill of rights, to the first 10 amendments to the Constitution of the United States. The American bill of rights, apart from the Federal system itself, is our chief contribution to the science of politics to the ext of covernment. The first

rights, apart from the Federal system itself, is our chief contribution to the science of politics, to the art of government. The first 10 amendments did three things—they limited the powers of the General Government; they secured the rights of the States; they guaranteed certain rights and liberties to the individual.

This brings me to one of the distinguishing differences between our system of government and all other systems of free government. Even in England the theory still prevails that the Government granted certain rights and liberties to the people—charter rights, they are called— and, as the Government granted those

rights to the people, the Government can revoke those rights at its pleasure. We accept no such theory in this country; we do not derive our rights and our liberties from our Government. We did not create the Government to grant us certain rights; we created not create the Government to grant us certain rights; we created our Government to safeguard our rights and our liberties. In England sovereignty resides in the Parliament, not in the people. In our country and under our theory sovereignty resides in the people themselves. They have delegated certain powers to the General Government. They have delegated certain powers to the State governments. They have reserved other powers to themselves, have delegated them to no government whatever. If the English Parliament to-day should pass a law abolishing freedom of press, freedom of speech, freedom of conscience, or trial by jury, no court in the realm could annul such an act. It would be a valid law and only revolution could rescue the people from such tyranny.

But under our system if Congress should pass an act to-day abolishing these inalienable rights and liberties, the Supreme Court would on the morrow declare such an act to be null and The court would declare that Congress had no constitutional void. The court would declare that Congress had no constitutional power to abrogate the constitutional rights and liberties of the people. This is another principle which differentiates our free institutions from all others. In no other country has the court the power to annul an act of the legislature—of Congress or Parliament. There are those who think that we ought to strip the courts of this extraordinary power. The people could deprive the courts of this power and could make Congress omnipotent. But you can not make the powers of Congress omnipotent on the one hand and make the rights of the people inviolate and inviolable upon the other. The people have made their choice. To abrogate this choice would render the Constitution a mere souvenir.

Remember this: Not all movement is improvement. Some one has said, "Be as revolutionary as science; be as reactionary as

has said, "Be as revolutionary as science; be as reactionary as truth." Conservatism, unspurred by liberalism, would degenerate into helpless stagnation. Liberalism, unbridled by conservatism,

would degenerate into hopeless confusion.

My time has expired. I can only allude to the incompatibility between civil liberty on the one hand and economic slavery on

The Sentinels of the Republic might well adopt as their motto the words of the great southern orator: "He who saves his country saves all things, and all things saved will bless him; he who lets his country die lets all things die, and all things dying curse him."

Americans, be of good cheer. Bet on America. No matter how dark or how long the night, the morrow cometh.

ECONOMIC CONDITIONS AND UNEMPLOYMENT RELIEF

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter received from Robert M. Harriss, of New York City.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The letter is as follows:

NEW YORK, N. Y., June 7, 1932.

Senator ELMER THOMAS.

Senator Elmer Thomas,

Senate Office Building, Washington, D. C.

Dear Senator Thomas: Last week foreign nations took \$120,000,000 of gold from our country. During the last 8½ months they have taken \$1,142,000,000 in gold. Foreign nations already have about 25,000,000,000 of our dollars, the principal and interest on a large part of which they are not meeting.

If the present policy is permitted to continue, they will not only have our dollars and our gold, but all we will have will be their debts. Therefore it is important that our Government lay aside false pride, banking technicalities, and the prejudiced advice of some, and immediately stop further shipments of our gold to foreign countries. This will stop this devastating deflation, quickly bring about currency expansion, and rise in prices of commodities and other values, and an equitable revaluation of the present destructive gold dollar in the neighborhood of its value when the existing stupendous inflated debts were incurred. incurred.

The unfair purchasing power of this gold dollar is paralyzing and destroying business. Stupendous inflated debts can not be paid with a dollar that is buying about three times as much in commodities as when the present debts were incurred. They simply will not match. Do you not believe this unfair dollar is the fundamental difficulty of balancing the Budget? Is there any valid reason for these unnatural failures, bankruptcies, loss of home forms of a when a country has short half the of homes, farms, etc., when a country has about half the gold of the world and is blessed with such an abundance of all the necessities of life? Is it not inevitable that we must come to some form of controlled inflation or currency expansion, fol-lowed by an equitable revaluation of the gold dollar, unless we wish to face financial and economic disaster?

There were about 25 nations involved in the World War, during which time they also incurred stupendous inflated debts. All of these countries except our own country have adopted some form of currency expansion and revaluation to avert economic ruin. Do you believe we can be any exception to this rule, with our existing impossible, stupendous, inflated debts?

There are three ways that this urgently needed currency expansion may be accomplished:

First. The Government immediately to stop further exports of

Second. A comprehensive Government building relief program financed with currency issued against Government long-term consol bonds. (The program should not be financed by selling of Government bonds, for the people have neither the money nor the incentive to purchase them, and if such bonds were issued and sold, they would only further increase the burden of the existing heavy and impossible taxes, and would not bring about the urgently needed controlled inflation.)

the urgently needed controlled inflation.)

Third. The prompt payment of the balance of the adjusted-compensation certificate obligation made optional at a reasonable discount of, say, 2 per cent per annum, payment to be made by currency issued against Government long-term consol bonds, for the reasons explained in No. 2. If payment is handled on a business basis and made optional at a discount to those soldiers in need, it will have the following beneficial results: It will save the Government approximately \$600,000,000 in the principal and reduce the Budget for the time being by about \$150,000,000 per annum, and defer payment until many years hence. It will greatly increase currency expansion and circulation equally in all greatly increase currency expansion and circulation equally in all parts of the United States, bring a halt to the defiation, and a quick rise in prices of all kinds. It will not be making a new Government obligation but discounting an existing Government

The enactment of any of the measures mentioned in Nos. 1, 2, or 3 will immediately halt the deflation, bring about controlled inflation, followed by an equitable revaluation of the existing destructive ratio of the gold dollar. We must cease adoring the golden calf, and the sooner we come to an equitable revaluation of this impossible gold dollar, the better it will be for our people, our country, and the world. Do you not believe quick action is imperative in this grave crisis, unless we wish to face a catastrophe? Are not human lives and rights more important than trying to preserve this existing unfair, destructive gold dollar and attempting to balance the Budget with it? During the war we were not concerned with balancing the Budget when we spent about \$25,000,000.000.

Inclosed is copy of my statement recently made before the Ways and Means Committee on the payment of the adusted-compensation certificates and currency expansion, which you may be interested in reading at your leisure.
With best wishes, sincerely yours,

ROBT. M. HARRIS.

ALFRED E. SMITH AS A PRESIDENTIAL CANDIDATE

Mr. REED. Mr. President, I ask unanimous consent to insert in the RECORD an editorial which appeared in the Pittsburgh Press and other Scripps-Howard papers yesterday, and likewise a short editorial appearing in to-day's papers of the same issue.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From Scripps-Howard papers of June 10, 1932]

GIVE US SMITH

Every item of his economic training and his international ex-perience cried out against the tariff bill, yet Herbert Hoover signed it. Every instinct in Franklin Roosevelt's make-up revolts against the New York City revelations, yet for over a year he has temporized

before Tammany.

Herbert Hoover and Franklin Roosevelt possess in common one dominating trait. Faced in a pinch with political consequences,

they yield.

And now, when decisiveness is called for as never before in his-

tory, our Nation is confronted with the possibility of four more years of vaciliation. Between the two it is a toss-up.

The nomination of Hoover is certain. The nomination of Roosevelt is possible, but not certain. Between Roosevelt and the White House there now stands a man endowed in the very highest degree with those qualities which both Hoover and Roosevelt lack and which the country so direly needs. That man is Alfred E. Smith. Something down deep in the human being determines the type.

As certain as it is that some eyes are blue and some brown, some men are negative and some positive. In Roosevelt and Smith we have the extremes. As Roosevelt generalizes, Smith is specific. As Roosevelt loves to delay, Smith loves action. Irresolution is ingrained in the one; boldness in the other. And the times plead desperately for boldness.

desperately for boldness.

It is necessary only to review the utterances of the two in recent weeks to get the full effect of the contrast. The speech by Smith, for example, on May 17; the one by Roosevelt five days later. On the issues that beset the Nation Smith declared himself in words that no one, no matter whether he agreed or disagreed, could misunderstand—on veterans' relief, that bugaboo of the pussymisunderstand—on veterans rener, that buganoo of the pussyfooter; on Federal appropriations for public works to help unemployment; on the war debts; on the sales tax; on prohibition; and
the beer tax. Not a soul who could read or hear was left in doubt
as to what Al Smith would do if he were at the helm.

On May 23 came Roosevelt. In columns of graceful generalities

On May 23 came Roosevelt. In columns of gracerul generalities this man discussed the situation, and not once did he touch on a single one of those issues on which Smith had so forcefully spoken—not one. The hope of youth he dealt with; clarity of vision he favored; enthusiasm and imagination and better planning and greater faith he indorsed. Waste in industry and speculation and the present price level he condemned, and so at last he did reach his conclusion. He came out for experimentation.

It is with regret that we say that in Franklin Roosevelt we have another Hoover. For him in the beginning our hopes were high. But the events that have occurred since Roosevelt became Governor of New York have drawn the parallel between the man in Albany and the man in Washington. The parallel is as inescapable as is the contrast between the Roosevelt-Hoover type and Smith. In our solemn judgment, the election of either Hoover or Roosevelt on November next would be a blow from which this Nation would not recover in a generation. We have had about as much as we can stand of government by doubt. The times call for courage and action. We have those qualities in Smith. There are other men in the Democratic Party who possess them. Judged by performance Roosevelt does not.

The Democratic delegates in convention assembled will have it within their power to name the kind of man the country needs. That man, as things now stand, is Alfred E. Smith.

[From Scripps-Howard papers of June 11, 1982] THE ANSWER

The Scripps-Howard declaration for Smith as against Roosevelt

has brought from many sources this query:

"If you think so much of Smith to-day, why didn't you support
him against Hoover in 1928?" him against Hoover in 1928?"
The answer is, we wish we had.

DISTRICT OF COLUMBIA APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The reading of the bill will be proceeded with.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, on page 2, line 7, to strike out "\$6,500,000" and insert "\$8.550,000," so as to read:

Be it enacted, etc., That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1933, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived shall be credited wholly to the District of Columbia, and, in addition, \$8,550,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1932, and all the otherwise appropriated, to be advanced July 1, 1932, and all the remainder out of the combined revenues of the District of Columbia, and the tax rate in effect in the fiscal year 1932 on real estate and tangible personal property subject to taxation in the District of Columbia shall not be decreased for the fiscal year 1933, namely:

The amendment was agreed to.

The next amendment was, under the subhead "Care of District Building," on page 4, line 13, after the word "labor," to strike out "\$89,080" and insert "\$90,280," and in line 14, after the words "in all," to strike out "\$104,080" and insert \$105.280," so as to read:

For personal services, including temporary labor, \$90,280; service of cleaners as necessary, not to exceed 48 cents per hour, \$15,000; in all, \$105,280.

The amendment was agreed to.

The next amendment was, on page 5, line 10, after the word "services," to strike out "\$89,780" and insert "\$97,-220," so as to read:

OFFICE OF CORPORATION COUNSEL

Corporation counsel, including extra compensation as general counsel of the Public Utilities Commission, and other personal services, \$97,220.

The amendment was agreed to.

The next amendment was, on page 6, line 7, after the word "markets," to strike out "\$7,500" and insert "\$8,700," so as to read:

For maintenance and repairs to markets, \$8,700.

The amendment was agreed to.

The next amendment was, under the subhead "Public Utilities Commission," on page 7, line 16, after the word "taxicabs," to insert a colon and the following proviso:

Provided, That this prohibition shall not be construed to affect any order or part of an order of said Public Utilities Commission other than with respect to the requirement of the installation of such meters.

So as to read:

No part of the appropriations contained in this act shall be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Utilities Commission requiring the installation of meters in taxicabs: Provided, That this prohibition shall not be construed to affect any order or part of an order of said Public Utilities Commission other than with respect to the requirement of the installation of

For incidental and all other general necessary expenses authorized by law, including the purchase of newspapers, \$1,950.

The amendment was agreed to.

The next amendment was, on page 8, line 2, to increase the appropriation for personal services in the department of insurance from \$19,880 to \$20,880.

The amendment was agreed to.

The reading of the bill was continued to line 5 on page 9. Mr. KING. Mr. President, I call the attention of the Senator from Connecticut [Mr. BINGHAM] to an amendment on page 2 involving an increase from \$6,500,000 to \$8,550,000. Is that the amount which it is expected the Federal Government shall appropriate to help pay the expenses of the District government?

Mr. BINGHAM. The Senator will remember that from about 1876 until 1920 the Federal Government paid one-half of the expenses of the District. From 1921 to 1924 the Federal Government paid 40 per cent of the expenses of the District government. Then a compromise was agreed upon whereby the Federal Government contributed \$9,000,000 to the District, and that lasted from 1925 to 1930, when a new compromise was reached, and the Federal Government has contributed \$9,500,000 for the past two years. The Bureau of the Budget in preparing the bill based its estimates on a continuation of the amount which had been agreed upon by the Congress in the past two years.

At the time that compromise was reached certain Members of the House of Representatives announced in the public press that the next time they had a chance they would lower it to \$6,000,000, so as to have something on which to contend with the Senate. That has been done by the House lowering it to \$6,500,000, which is very much less than any similar appropriation during the last 10 or 12 years. The committee was inclined to take the views of the Bureau of Efficiency that the proper contribution on the part of the Federal Government was something over \$10,000,000; but in view of the economy program, the committee finally came to the conclusion that the best thing to do was to continue in theory the appropriation at the same figure which has been made during the past two years, namely, \$9,500,000, and strike from that figure 10 per cent as a reduction for the present year, hoping that it might go back to the higher figure in the future. That leaves in this bill the figure \$8,500,000.

Mr. KING. Mr. President, there has been a protracted controversy as to whether the Federal Government should contribute to meet the expenses of the District government; and if so, the amount of such contribution. Before Washington assumed the proportions now attained and before it had the wealth and population which it now possesses there was a feeling upon the part of Congress that the Federal Government should give important aid in the development of the Capital of the Nation. Perhaps that view was correct, but since those early days Washington has increased in wealth and in population. Hundreds of thousands of people have been drawn to this city for various reasons. There are more than 100,000 Federal employees in Washington, and all important nations of the earth, as well as many that are limited in wealth and population, have their diplomatic and other representatives located here.

Business interests of the United States have permanent representatives located in Washington. Men of wealth spend a portion of their time in this city, and bring with them capital for investment. The many banks within the District and the heavy deposits therein are evidences of the growth, the business development, and the prosperity of the District. It is known that people of means establish not only domiciles but bona fide residences in the District of Columbia, and many of them engage in business activities, and, of course, materially add to the wealth and the growth of the city. The Federal Government expends annually enormous sums not only to meet the salaries of the tens of thousands of employees located in Washington but for the purpose of erecting important and, indeed, magnificent buildings for Federal purposes.

I think there is no doubt that Washington is the most prosperous city in the United States to-day, and that it gives less evidence of depression than can be found perhaps in any place in the world. There is a constant stream of money poured into the District by the Federal Government to pay the compensation of its employees, as well as to meet other obligations which it incurs. It is not a manufacturing city such as Detroit or Philadelphia, although there are important business concerns within the District. It is obvious, of course, that the large expenditures of the Government constitute the golden stream from which the majority of the residents of the District are nourished. If it were not for the money expended by the Federal Government within the District, Washington would shrink to insignificant proportions. It is the Federal Government that enriches the District. Every building that it constructs furnishes employment to a large number of people and puts additional money into the pockets of the people. The expenditures of the Government enrich the residents of the District and add immensely to the value of the privately owned property in

It is conceded that the value of real estate in Washington has reached very high levels, and that such values have been largely due to the activities of the Federal Government and the hundreds of millions of dollars which it has expended within the District. One has only to make inquiry as to the value of real estate in all parts of the District 15 or 20 years ago, and then ascertain the value in 1929, 1930, and even now, to appreciate the great increase in wealth brought to the people of the District by reason of the activities of the Federal Government.

Nearly every city in the United States is overwhelmed with debt; the cities, as well as the States, are cutting down expenses in order that existing deficits may be met and the necessary operating expenses for the coming year provided for. The result is that with the shrinking values the taxes imposed upon the people of the various cities and States weigh heavily upon their inhabitants. Indeed, it is difficult to find sources of revenue and millions of people find it impossible to meet the taxes levied by the States and their political subdivisions. The result is that millions of dollars worth of real estate and homes are sold under the hammer by the tax gatherer. This situation adds to unemployment, intensifies the depression, and contributes to the tragic and deplorable condition now confronting the American people. Many cities and school districts are unable to meet their bonds and we read of schools being closed and teachers being discharged and people being unable to obtain credit or meet their obligations.

Mr. President, in view of the deplorable situation, I think it improper to call on the Federal Government to make a contribution of \$8,500,000 to aid the District of Columbia in meeting its municipal expenditures. As I have indicated, there is no reason why the Federal Government should make as large a contribution to help the District of Columbia meet its expenses at the present time as it did many years ago. Indeed, there are many people who believe that in view of the advantages which the District of Columbia possesses the Federal Government ought not to make any contribution whatever toward the expenses of the District government.

Mr. McKELLAR. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKELLAR. I want to ask the Senator if he knows whether the Federal Government contributes to the taxes in the various cities of the country in which the Federal Government has Federal buildings? Take the city of New York, for instance, where the Federal Government owns a great number of buildings, or any other city of any size

where the Government owns buildings. As I understand, in not a single city outside of Washington does the Federal Government contribute to its taxes, and yet here in Washington, as I understand, the Federal Government contributes to city taxation because of the fact that it owns many buildings here.

I feel that we ought to be liberal toward the city of Washington; it is the Capital of our country, and we ought to contribute a reasonable amount, and we have contributed very large sums. We have appropriated during the last few years scores of millions of dollars toward the upbuilding and beautifying of this city. I think the taxpayers of the city ought to do their part, and that the Federal Government ought not to be required to contribute as much as the citizens of this city demand. I think they are demanding too much. I think this appropriation is too large. I think the amendment ought to be disagreed to, and that we ought not to pay more than what the House has provided.

Mr. KING. Mr. President, I am in substantial agreement with the statements made by the Senator from Tennessee. If people of the District of Columbia were taxed as heavily as the people are in many parts of the United States, then there might be stronger reasons for the Federal Government appropriating to help discharge the expenses incurred by the District government.

As Senators know, in many States in addition to heavy ad valorem taxes there are income taxes and estate taxes levied upon the people. I think the facts are that the inhabitants of the District of Columbia pay less taxes than are paid generally throughout the United States. In the States there are the State taxes, which are very heavy, then there are city taxes, county taxes, and various other burdens laid upon the people in order that funds may be obtained to meet State and municipal demands. We hear of thousands of homes, as well as personal property, being levied upon to meet the taxes imposed in various States and municipalities. There is incontestable evidence brought to our attention from day to day that in many parts of the United States real-estate values have been so reduced that holders of mortgages can not realize sufficient from the sale of the mortgaged property to meet their demands and not infrequently the taxpayers are unable to sell the property levied upon for sufficient to pay the taxes due the city or county or State.

I think the facts will establish that property values in the District have suffered less than those of any important city in the United States, and that the residents of the District of Columbia enjoy more of the comforts, indeed, the luxuries of life, than are enjoyed by, perhaps, any people of any city in the United States. Of course, we have an interest in the Capital of our Nation and desire to see it beautiful. For that reason Congress has been liberal in appropriations for parks and Federal buildings. The large construction program to which I have referred has furnished profitable employment to thousands of individuals, and those who supply the commodities and articles required in this large building program and in the equipment of the buildings for occupancy have derived large profits.

Mr. VANDENBERG. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Michigan?

Mr. KING. I yield.

Mr. VANDENBERG. The Senator from Utah referred to the relative tax situation in Washington and that in other municipalities of the country. As the Senator well knows, one of the prime difficulties in our other cities is tax delinquency. I was wondering whether the Senator had any information as to the extent of tax delinquency in the city of Washington. It seems to me that figures on that subject would be very illuminating and suggestive and would have a bearing upon the capacity of the municipality to pay. Has the Senator any figures on that subject?

Mr. KING. I regret to say that I have no authentic figures relative to that matter, although I asked one of the officials of the District several months ago if there was any considerable amount of tax delinquency, measured by the tax delinquency in other cities. As I understood him, the situation here was much better than in other cities.

Testimony has been presented from time to time to the Senate District Committee showing the increase in values of real estate and the enormous prices at which many pieces of real estate have been sold. The Senator from Kansas has recently stated that a combination has been entered into by owners of real estate to maintain unreasonably high prices for real estate and unjustifiably heavy rentals for their properties. As I understand, he has referred the matter to the Attorney General to ascertain whether the Sherman antitrust law has been violated. Senators are familiar with the fact that a number of years ago, because it was believed that extortionate rents were charged not only for residences but for business properties, a commission was created to inquire into the matter and to fix rents, and many persons resorted to this commission in order to be relieved of what they declared were unjust if not extortionate charges.

Mr. VANDENBERG. Mr. President, will the Senator from Utah permit me, in his time, to ask the Senator from Connecticut whether he has any information with respect to tax delinquency in the District of Columbia?

The VICE PRESIDENT. Does the Senator from Utah yield for that purpose?

Mr. KING. I yield for that purpose.

Mr. BINGHAM. Mr. President, in the testimony given before the subcommittee on this bill, of which the Senator is a distinguished member, the auditor of the District reported the falling off in revenue collections was about \$1,500,000; he intimated that the revenue collections for 1932 might drop a further \$1,500,000, and that the tax sales this year had been for the first time very unsatisfactory. I quote from the auditor's testimony:

This year, for the first time, we sold very little of the property at the tax sale. * * * In the past we have received from \$800,000 to \$900,000 from the sale of property at the annual tax sales.

But this year it appears that those who have been making it their business to purchase property at tax sales were unable to obtain money from the banks and consequently the District has been unable to get even at the tax sales some \$500,000, and has the property technically on its own hands. The number of delinquencies is constantly increasing, and this is the first year when the District has been unable practically to make up the delinquencies by tax sales.

Mr. VANDENBERG. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield further to the Senator from Michigan?

Mr. KING. I yield.

Mr. VANDENBERG. If the delinquencies are in the neighborhood of a million and a half dollars, will the Senator indicate what percentage of the total tax that would be for a year?

Mr. KING. My recollection is that the revenues of the District for 1932 were considerably more than \$30,000,000; in fact, approached \$40,000,000.

Mr. VANDENBERG. The delinquencies, then, would not be more than 3 or 4 per cent?

Mr. KING. I think the Senator is right.

Mr. VANDENBERG. Of course, in the average city the percentage is infinitely higher than that.

Mr. KING. Mr. President, no doubt there have been sales of real estate to meet tax levies. There have been many real-estate additions and houses built thereon. In some instances there were several mortgages or trust deeds upon a parcel of real land because of inflated values and unsound methods of financing buildings, and purchasers' equities in many instances have been destroyed and the taxes levied were not met by mortgagees. Of course, from the inflated levels there have been declines in values in various parts of the District and persons who had legal or equitable interests in these properties where the values were inflated have suffered losses, and undoubtedly some of them have been delinquent in meeting the tax imposed upon the same.

Mr. President, notwithstanding all that the Federal Government has done and is doing for Washington and the benefits which the people of the District enjoy at the hands of the Federal Government, the House was willing to appropriate \$6,500,000 toward the expenses of the District government for the ensuing year. In my opinion that was a generous contribution, and I do not approve of the action of the Senate committee in adding \$2,000,000 to that sum. The amount so contributed is taken from the taxpayers of the United States, and they not only have their own cities, counties, and States to maintain, but they are called upon to aid in meeting the expenses of the District government.

The Senator from Tennessee asked pertinent questions when he inquired as to whether the Federal Government contributed to the expenses of the various cities in the country in which it had Federal buildings. Only a negative answer is admissible. Undoubtedly the millions which the Government is spending for public buildings in New York City and Chicago and other parts of the United States add to the values of the real estate within those cities, but the Government is not called upon to pay money into their treasuries for the purpose of meeting municipal expenses.

The cities are anxious to have Federal buildings erected, knowing that work is furnished to the people, money is brought into the cities, real-estate values are increased, and the general interests of all the people are served. If the expenditures made by the Federal Government within the District were of no advantage to the District and did not increase property values and add to the wealth of the people living therein, another question would be presented; but every dollar expended by the Federal Government in the District is of material advantage to its inhabitants.

Mr. President, conceding that there should be some contribution made by the Federal Government, the condition of the Treasury at the present time demands that it should be less than heretofore made. It goes without saying, in view of the economic situation, that the expenses of the District government should be materially reduced. In my opinion, neither the Appropriations Committee of the House nor of the Senate has taken proper cognizance of the economic conditions, and particularly of the condition of the Federal Treasury. I need not tell Senators that there is a Federal deficit of \$3,000,000,000 for the current year, and that there is no certainty that, notwithstanding the revenue measure recently passed by Congress, a deficit for the coming year will be avoided. Indeed, with the demands that are being made for additional appropriations, it seems certain that the revenues that will be derived by the Federal Government will be inadequate to meet the appropriations which will be made. In examining the pending bill I can not help but feel that many of the items of appropriation are entirely too large, and that the committee failed to make reductions where it should have made them. Only a few years ago the expenditures of the District were considerably less than \$20,000,000, and a measure now calling for the stupendous sum carried by this bill can not, in my opinion, be fully justified.

The VICE PRESIDENT. The next amendment will be stated.

The next amendment was, under the subhead "Department of vehicles and traffic," on page 9, line 7, after the word "services," to strike out "\$81,380" and insert "\$83,000," and in line 8, after the words "in all," to strike out "\$86,380" and insert "\$88,000," so as to read:

For personal services, \$83,000; temporary clerk hire, \$5,000; in all, \$88,000.

The amendment was agreed to.

The next amendment was, on page 9, line 15, after the word "vehicle," to strike out "\$70,000" and insert "\$100,-000," so as to read:

For purchase, installation, and modification of electric traffic lights, signals and controls, markers, painting white lines, labor, maintenance of nonpassenger-carrying motor vehicles, and such other expenses as may be necessary in the judgment of the commissioners, including not to exceed \$700 for the purchase and/or exchange of one nonpassenger-carrying motor vehicle, \$100,000; Provided, That no part of this or any other appropriation contained in this act or that is now available shall be expended for building, installing, and maintaining street-car loading platforms and lights of any description employed to distinguish same.

The amendment was agreed to.

The next amendment was, on page 10, after line 22, to

For a building for the Georgetown branch library, including necessary furniture and equipment and improvement of grounds, \$75,000, and the commissioners are authorized to enter into contract or contracts for the completion and equipment of the building at a cost not exceeding \$150,000: Provided, That not to exceed \$5,500 of the unexpended balance of the appropriation of \$30,000 for the grading of the Georgetown Reservoir for utilization as a site for a Georgetown branch library, and for drawing plans for a library building to be erected on such site contained in the District of Columbia appropriation act for the fiscal year 1932, shall be available for erecting necessary retaining walls at such branch library site. library site.

The amendment was agreed to.

The next amendment was, on page 11, line 12, to increase the appropriation for personal services in the office of the register of wills from \$70,000 to \$74,720.

The amendment was agreed to.

The next amendment was, on page 11, line 21, to increase the appropriation for personal services in the office of the recorder of deeds from \$100,000 to \$105,020.

The amendment was agreed to.

The next amendment was, under the heading "Contingent and miscellaneous expenses," on page 13, line 9, after the word "offices," to strike out "\$37,500" and insert "\$41,000," so as to read:

so as to read:

For checks, books, law books, books of reference, periodicals, newspapers, stationery; surveying instruments and implements; drawing materials; binding, rebinding, repairing, and preservation of records; ice; repairs to pound and vehicles, not to exceed \$500; bookkeeping and accounting machines for the auditor's office, not to exceed \$7,500, to be immediately available; calculating and adding machines for the department of insurance, not to exceed \$1,000; traveling expenses not to exceed \$4,000, including payment of dues and traveling expenses in attending conventions when authorized by the Commissioners of the District of Columbia; expenses authorized by law in connection with the removal of dangerous or unsafe and insanitary buildings, including payment of a fee of \$6 per diem to each member of board of survey, other than the inspector of buildings, while actually employed on surveys of dangerous or unsafe buildings; and other general necessary expenses of District offices, \$41,000.

The amendment was agreed to.

The next amendment was, on page 13, line 15, to strike out the subhead "Printing and binding."

The amendment was agreed to.

The next amendment was, on page 13, line 19, after the figures "\$65,000," to insert a semicolon and "for exchange of two motor ambulances, \$3,000; in all, \$68,000," so as to read:

For maintenance, care, repair, and operation of passenger-carrying automobiles owned by the District of Columbia, including personal services, \$65,000; for exchange of two motor ambulances, \$3,000; in all, \$68,000.

The amendment was agreed to.

Mr. KING. Mr. President, I should like to ask the Senator from Connecticut how many automobiles have been furnished to the employees of the District of Columbia from the commissioners down? It seems to me that wherever one goes he sees an official automobile here.

Mr. BINGHAM. Mr. President, I agree with the Senator that we have been too liberal in the past in furnishing automobiles. Under this bill the only new ones allowed are the two motor ambulances that must be provided for the sake of health and sanitation, and there is made a small allowance for those using their own automobiles in attending to the business of the District. I agree with the Senator that we have been too liberal in the past, and I assure him that we will not be so liberal in the future. We have provided too many automobiles.

Mr. KING. I will ask the Senator if the officials or semiofficials or halfway officials who have been having automobiles in the past are being provided automobiles now, either the old ones they have had or those that were purchased last year or new ones, and whether provision is made that they shall continue to operate automobiles they have been furnished?

Mr. BINGHAM. Mr. President, I do not quite understand the Senator's question.

Mr. KING. What I am trying to get at is, Have any of those who in the past have been furnished automobiles been restricted by this bill?

Mr. BINGHAM. They are restricted to using them for official purposes. The committee has not recommended that they be taken away from them, but that they be permitted to use them as they have in the past, but for official uses.

Mr. KING. In my opinion, too many officials have been awarded automobiles in the past who were not entitled to them. I think there has been great extravagance and waste in the number of automobiles which have been furnished to employees of the District of Columbia, and that goes for the entire Government. You can not go down the streets of Washington without encountering a large number of official automobiles, those in use by the various departments as well as those employed in the service of the District of Columbia.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, on yesterday I asked unanimous consent to hold night meetings, beginning on the 17th of this month, for the consideration of the Philippine independence bill. Senators, of course, are familiar with the fact that the House bill has been here since the 4th of last April. At the request of several Senators, I am changing that request, and ask that the Senate be in session on Monday, the 13th day of June, from the hour of meeting until 10.30 p. m., and that at the hour of 6.30 any unfinished business then before the Senate except a conference report be temporarily laid aside, and that the Senate proceed to the consideration of H. R. 7233.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request proposed by the Senator from Missouri?

Mr. VANDENBERG. Mr. President, may it be stated? We could not hear the request.

The PRESIDENT pro tempore. The clerk will state the proposed unanimous-consent agreement.

Mr. HAWES. The proposal is that we meet on Monday evening at 6.30, and that from that time on we consider the Philippine question, giving priority to conference reports.

There seems to be a disposition for the Senate to adjourn a week from Saturday. I want to assure some of the Senators that, in my opinion, there will not be an adjournment a week from Saturday or a week from that time. The House sent this bill to us on the 4th of April by a vote that was most impressive; and the friends of this measure have not occupied the time of the Senate. This request is not to displace the measure that the Senator from Nebraska [Mr. NORRIS] has in mind, or the Senator from Virginia [Mr. GLASS] or the Senator from Nebraska [Mr. Howell]. It is merely to start the discussion of the Philippine independence bill, which, in my opinion, will not occupy 10 hours.

Mr. VANDENBERG. I am inquiring of the Senator the nature of his unanimous-consent proposal. Is he requesting that the consideration proceed to a finality?

Mr. HAWES. No.

Mr. BORAH. Just a night session.

Mr. VANDENBERG. May the request be read in full,

The PRESIDENT pro tempore. The clerk will state the proposed unanimous-consent agreement.

The legislative clerk read as follows:

I ask unanimous consent that the Senate be in session on Monday, the 13th day of June, from the hour of meeting until 10.30 p. m., and that at the hour of 6.30 o'clock any unfinished business then before the Senate, except a conference report, be temporarily laid aside, and that the Senate proceed to the consideration of

The PRESIDENT pro tempore. Is there objection? Mr. VANDENBERG. There is nothing involved in the consent, as I understand, except the consideration of the bill on Monday evening.

The PRESIDENT pro tempore. The Chair understands that the effect of the unanimous-consent request is that the Senate shall devote itself to the consideration of the Philippine independence bill from 6.30 p. m. until 10.30 p. m. on Monday.

Mr. KING. Mr. President, will the Senator make that 7 o'clock?

Mr. SMOOT. Is that all of the request?

Mr. KING. Some of us have a disposition to eat once in a while; and I suggest that the Senator permit us at least an hour within which to return to our respective abodes and get something to eat and come back again. I suggest 7 o'clock. Mr. HAWES. I very gladly accept the suggestion.

The PRESIDENT pro tempore. But the Chair understands that this unanimous-consent request implies a continuous session from the time of assembling of the Senate until 10.30 at night, and that at 6.30 during that period the Philippine bill shall be taken up. That is the Chair's understanding of the unanimous-consent request; and the author of the request nods his head in acquiescence.

Mr. SMOOT. Does that mean that at 10.30 o'clock we will vote upon the bill without further discussion?

The PRESIDENT pro tempore. No; there is nothing in the request regarding final action on the bill. The request is only for a discussion of the bill for four hours.

Mr. SMOOT. That is all there is to it—to discuss it from 7 to 11, and after that the bill will be in the same status that it is at the present time?

The PRESIDENT pro tempore. It might have been amended in the meantime.

Mr. SMOOT. Yes; of course, it might have been amended in the meantime, but it will not displace any other business except during the four hours asked for?

The PRESIDENT pro tempore. That is the Chair's understanding.

Mr. HOWELL. Mr. President, I suggest to the Senator from Missouri that he withdraw his request for a moment, as I have a request which I want to present, and then he can present his afterwards.

Mr. HAWES. I am very glad to do so, Mr. President.

Mr. McNARY obtained the floor.

Mr. HOWELL. Mr. President, I ask unanimous con-

Mr. McNARY. Just a moment, please; one at a time.

The PRESIDENT pro tempore. There can be only one unanimous-consent request pending at a time. Until the Senate disposes of the one proposed by the Senator from Missouri there can not be another one.

Mr. McNARY. Mr. President, I came in just at the time the matter was being discussed informally. The request is that we convene at 7 o'clock?

The PRESIDENT pro tempore. The Chair's understanding of the request preferred by the Senator from Missouri is that the Senate shall assemble on Monday at 12 o'clock, unless otherwise ordered by action of the Senate to-day; that it shall adjourn at 10.30 at night; and that the last four hours of that session of the Senate shall be devoted to a discussion of the Philippine bill.

Mr. McNARY. There is nothing in the request that would affect the status of the bill if no disposition is made of it at the end of the night session, namely, at 10.30? It would then remain on the calendar as though nothing had been done?

The PRESIDENT pro tempore. That is the Chair's understanding, inasmuch as it is being done under unanimous consent.

Mr. McNARY. So far as I am concerned, regarding the presentation of the subject matter for one evening and a possible vote, I have no objection; but if we are going to enter into this agreement, I would rather that we convene at 11 o'clock on Monday instead of 12.

The PRESIDENT pro tempore. That can be taken care of by an order to be made later in the day without reference to this proposed agreement.

Mr. McNARY. But if this agreement is to be made, I want 11 o'clock inserted as the hour of meeting instead of 12. I insist on that insertion.

The PRESIDENT pro tempore. Does the Senator from Missouri modify his request accordingly?

Mr. HAWES. I shall be glad to accept that suggestion.

Mr. HOWELL. Mr. President, as I understand, there is no request now before the Senate.

Mr. HAWES. At the request of the Senator from Nebraska I am temporarily withdrawing my unanimous-consent request while he presents one of his own.

The PRESIDENT pro tempore. The Senator from Missouri for the time being withdraws his request. The Senator from Nebraska is recognized.

AMENDMENT OF AGRICULTURAL MARKETING ACT

Mr. HOWELL. Mr. President, I ask unanimous consent that following the completion of the consideration of the District of Columbia appropriation bill, Order of Business 780, Senate bill 4536, the amendment to the agricultural marketing act, be made the unfinished business.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. Mr. President, the Senator must make that subject to the appropriation bills, or I shall object.

Mr. HOWELL. If I make it subject to the appropriation bills, and the appropriation bills are gotten through, we shall adjourn, and nothing will be done for agriculture.

Mr. SMOOT. Then, Mr. President, I shall have to object. The PRESIDENT pro tempore. Objection is made.

Mr. BORAH. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kean	Robinson, Ind.
Austin	Cutting	Kendrick	Schall
Bailey	Dill	Keyes	Sheppard
Bankhead	Fletcher	King	Smith
Barkley	Frazier	La Follette	Smoot
Bingham	George	Lewis	Steiwer
Blaine	Goldsborough	Logan	Thomas, Idaho
Borah	Gore	McGill	Thomas, Okla.
Bratton	Hale	McKellar	Townsend
Broussard	Harrison	McNary	Trammell
Bulkley	Hastings	Metcalf	Tydings
Bulow	Hatfield	Moses	Vandenberg
Byrnes	Hawes	Norris	Walcott
Capper	Hayden	Nve	Walsh, Mass.
Caraway	Hebert	Oddie	Watson
Carey	Howell	Patterson	Wheeler
Cohen	Hull	Pittman	White
Connally	Johnson	Reed	
Coolidge	Jones	Robinson, Ark.	

Mr. McNARY. Mr. President, I desire to announce that the Senator from Michigan [Mr. Couzens], the Senator from South Dakota [Mr. Norbeck], and the Senator from Iowa [Mr. Brookhart] are detained in a meeting of the Committee on Banking and Currency.

The PRESIDENT pro tempore. Seventy-four Senators having answered to their names, a quorum is present.

Mr. BORAH. Mr. President, the junior Senator from Nebraska [Mr. Howell] has asked unanimous consent that the bill designated and known as the farm relief bill be made the unfinished business following the bill now before the Senate. The Senator from Utah has objected unless there are excepted from the unanimous consent the appropriation bills.

I think that the leaders ought to be candid with the Senate about this matter. I understand that it is the purpose of those in charge of the program to adjourn a week from today. Of course, when the appropriation bills are out of the way, they can bring over their motion for an adjournment from the House, which, I understand, would not be debatable, that all we could do would be to vote on it. May I ask the Chair whether or not a motion to adjourn is debatable?

The PRESIDENT pro tempore. It is not debatable; but it may be amended.

Mr. BORAH. Amendment would not avail anything, if it is not debatable.

I think there are several measures here which, in all good conscience, we ought to dispose of before this session ends. I understand perfectly how interesting the Democratic convention is going to be, and, in all probability, in the way of contrast, exceedingly interesting. But we have the appropriation bills, we have the farm relief bill, the Philippine independence bill, the home loan bill, and the measure reported by the Senator from Virginia [Mr. Glass], as a sub-

stitute for what is known as the Goldsborough bill, such bills as are in every sense essential to the public interest. It ought to be understood, and I hope we may have an understanding, that we may have a reasonable opportunity to dispose of those measures before we adjourn. There are other measures which ought to be disposed of, but they do not appeal to me as being so vital. I want to ask the Senator from Nebraska to renew the unanimous-consent request which he made a few moments ago.

Mr. HOWELL. Mr. President, I renew the unanimousconsent request, that after the District of Columbia appropriation bill is disposed of, the Senate shall proceed to the consideration of Senate bill 4536, an act amending the agricultural marketing act.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. Mr. President, I shall have to object to the proposed unanimous-consent agreement. I am perfectly willing, as far as I am concerned, to stay here until we get a vote upon the bill. I have no intention whatever of delaying it, or of interfering with its final passage, or whatever the action may be. I am perfectly satisfied to stay here, but I do not feel that the appropriation bills ought to be laid aside now for that particular bill.

So that my idea may be known, I would suggest to the Senator that he include this language, or something like it, "subject, however, to appropriation bills, with the exception of the second deficiency appropriation bill."

I would be perfectly willing to have such an agreement as that, so that the Senator's bill would be considered before the second deficiency appropriation bill is taken up and passed; and we can not adjourn until that bill is passed.

I want the Senator to know that my objection is not because of the fact that I want to defeat the bill in which he is interested.

Mr. NORRIS. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. NORRIS. I would like to suggest to my colleague, before he agrees to that, that there will be no assurance, if the suggestion of the Senator from Utah is agreed to, that we will even have a vote on the farm bill at this session. There will be practically a certainty that we would not be able to pass it through both Houses, because as soon as the appropriation bills are out of the way a motion to adjourn will be held to be privileged, and we can take it up at any time and Congress can adjourn even in the midst of the consideration of the farm relief bill. So I do not see that that would help any. That would give no assurance that we would act on the farm bill at this session.

Mr. SMOOT. It is an assurance that the Senate will act upon it.

Mr. NORRIS. No; we could adjourn while that bill was before us, if we wanted to.

Mr. SMOOT. We can not adjourn without the second deficiency appropriation bill being acted upon.

Mr. NORRIS. Is the Senator willing to have that follow the farm bill?

Mr. SMOOT. As far as I am concerned; yes. That is what I suggested.

Mr. NORRIS. Let me make another suggestion.

Mr. LA FOLLETTE. Mr. President, will the Senator from Idaho yield?

Mr. NORRIS. I am not quite through.

Mr. LA FOLLETTE. I merely wish to say something in response to the remarks of the Senator from Utah. I remember very well when the senior Senator from Pennsylvania [Mr. Reed] was running his filibuster against the continuation resolution for the so-called Reed investigating committee, they did kill the deficiency appropriation bill here, and we adjourned just the same.

Mr. McNARY. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. BORAH. I yield.

Mr. McNARY. The able Senator from Idaho expresses the desire that certain legislative action be taken regarding

bills now on the calendar. What may be done in that regard, of course, I can not say at this time.

It has been my hope, and I have expressed it several times, that we might recess or adjourn next Saturday, a week from to-day. I recognize the necessity of considering some of the measures which have been referred to. For one, I should protest violently against any final adjournment until the Senate shall have an opportunity to pass its judgment upon the bill proposed by the junior Senator from Nebraska [Mr. Howell], the so-called farm bill. I am also conscious of the necessity of getting through the appropriation bills as fast as possible.

I am going to suggest to the Senator from Utah—and I think this will meet with the general approval of Members of the Senate who honestly desire to have a vote on the farm bill—that the status of the bill proposed by the Senator from Nebraska be fixed, subject, however, to the pending bill, the emergency bill, and the conference report on the economy bill, which will be here Monday.

I think the farm bill can be explained and a vote can be

I think the farm bill can be explained and a vote can be had upon it within two hours. It is not a new measure. It proposes three amendments to the marketing act, all of which are understood and have been passed upon heretofore by the Senate and the House. There is no reason for any prolonged debate. I am satisfied that the Senator from Nebraska can present the provisions of his bill in a brief address, and I desire to speak briefly on the subject with respect to its application to the present economic conditions.

I appeal to the Senator from Utah to settle the matter in this fashion: Let the status be fixed as to the pending appropriation bill and the conference report on the economy bill, which will be here Monday. Then the Senator can be assured that we propose to take action, and the other bills can come along without objection.

Mr. BORAH. The conference report will be here Monday?

Mr. McNARY. The conference report will be here Monday, and we ought to act on it promptly.

Mr. BORAH. That would be privileged anyway.

Mr. McNARY. Yes.

Mr. JONES. Mr. President, I do not think the Senator from Oregon can assure us that the conference report will be here Monday. We will start conferring Monday.

Mr. McNARY. I am suggesting that in case it is here,

Mr. McNARY. I am suggesting that in case it is here, it will have the right of way; it will have its status fixed. In the meantime let the Senator have his proposal as to the unfinished business laid aside. I suggest that as a compromise which I think will work to the advantage of the whole program, and give those who desire consideration of the farm bill an opportunity to be heard.

Mr. SMOOT. Mr. President, will the Senator from Idaho yield?

Mr. BORAH. I yield.

Mr. SMOOT. I want again to assure the Senate that I shall do all in my power to see that a vote is taken upon the bill in which the junior Senator from Nebraska IMr. Howell is so deeply interested. I thought he would be perfectly secure in getting that assurance by an agreement that it should be voted on before the second deficiency appropriation bill was passed. But if the Senator from Oregon thinks that that is too indefinite, I am not going to object.

Mr. ROBINSON of Arkansas. Mr. President, we can not hear what is going on.

The VICE PRESIDENT. The Senate will be in order.
Mr. SMOOT. Will not the Senator restate his unanimousconsent agreement, so the Senate may know just what it is?

Mr. ASHURST. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.
Mr. ASHURST. It may be, and it is entirely probable, that there is something wrong with my audition this morning, or the acoustic properties of this Chamber have suddenly depreciated. I frankly say that I am unable to hear a thing that is going on, although I have been listening intently for 20 minutes. I do not hear what is going on. There is something wrong with the Chamber or with my

Senate will please be in order.

Mr. BORAH. Let the clerk read the proposed unanimousconsent request.

The VICE PRESIDENT. The clerk will read it.

The CHIEF CLERK. The Senator from Nebraska proposes the following unanimous-consent agreement:

That after the District of Columbia appropriation bill is disposed of the Senate proceed to the consideration of Senate bill 4536, an act amending the agricultural marketing act.

Mr. SMOOT. Mr. President, I understood the Senator from Nebraska to include the Executive Office and sundry independent executive bureaus appropriation bill, which has been reported and is on the calendar.

Mr. BORAH. Mr. President, that bill can be taken up Monday, anyway. It will necessarily have to go over for a day or so in order that some interested in the matter may get some information in order to discuss it.

Mr. SMOOT. The bill itself?
Mr. BORAH. Yes; the bill itself. Therefore it seems to me that we can take the farm relief bill up following the pending appropriation bill and, as the Senator from Oregon has suggested, in all probability the bill will not take over a couple of hours, we can dispose of it and get it to the other body for consideration.

I ask the Senator from Utah to let us proceed with this unanimous-consent agreement and take up the measure referred to by the Senator from Nebraska after the disposition of the District of Columbia appropriation bill.

The VICE PRESIDENT. Is there objection?

Mr. MOSES. Mr. President, there is an appropriation bill pending before us now which is held up wholly by reason of this discussion, wherein we are attempting to arrange the order of business of the Senaté by a unanimous-consent agreement, which is a most unusual proceeding, as I see it.

It is in order for the Senator from Nebraska at any time to move to take up his bill, and get every advantage which he could get from a unanimous-consent agreement, without taking up a lot of the time of the Senate. My suggestion would be that we go on with the District of Columbia appropriation bill and get rid of it as speedily as possible, and then take up the discussion of what we are going to do afterwards. I think it is a most unusual proceeding to undertake to set out a program for the Senate for the next week or the next two weeks. My own opinion is that we are not going to adjourn a week from to-day.

Mr. SMOOT. That is my opinion, too. Mr. MOSES. Not before two weeks from to-day. That would be the earliest date, as I see it.

Mr. SMOOT. Mr. President, so far as I am concerned, I shall not object to the unanimous-consent agreement. We have spent so much time on it now that if we had devoted that time to the District of Columbia appropriation bill we would have been half through it. I withdraw my objection.

The VICE PRESIDENT. Is there objection?

Mr. MOSES. Mr. President, the colleague of the senior Senator from Utah agrees with me, and therefore for the present I object.

The VICE PRESIDENT. Objection is made.

Mr. NORRIS. Mr. President, while we are on the subject and discussing, as I am, the District of Columbia appropriation bill, I want to recall to the minds of Senators a little history. I had intended to do this when the Senator from Idaho [Mr. Borah] interrupted me, and I was not able to complete what I started to say. I want to say it now.

A parliamentary inquiry was propounded by the Senator from Idaho to the Chair, the President pro tempore, the Senator from New Hampshire [Mr. Moses] then being in the chair, as to whether a concurrent resolution to adjourn without day would be debatable.

The Senator from Idaho was told by the President pro tempore that it would not be debatable, but that it could be amended. I want to call the attention of the Senate and the Vice President to what happened in the Senate on December 22, 1931, when we were about to take a holiday recess and

The VICE PRESIDENT (rapping with his gavel). The | having passed the House. There was some objection to it. Some inquiry was made about it. Our then Presiding Officer, the President pro tempore, the Senator from New Hampshire [Mr. Moses], being in the chair, said—and I quote from the RECORD of that day at page 1129:

The President pro tempore. The concurrent resolution is privileged, not debatable, may be amended, and a motion to recommit is in order, which would be debatable.

So I will say to the Senator from Idaho that we will be able to debate all day or all week that motion if such a concurrent resolution is presented, provided we make a motion to recommit and provided also the Presiding Officer does not change his ruling.

Mr. BORAH. Is that the view of the present Presiding Officer?

The VICE PRESIDENT. The present Presiding Officer has not had time to look up the question. The present Presiding Officer is of the opinion at this time that a motion to recommit is debatable.

Mr. NORRIS. If we can be assured that the ruling of the President pro tempore, who presided at the time the motion was made on the occasion to which I have referred, will be sustained by the present Presiding Officer, there will not be much question about the debatability of the motion to recommit the concurrent resolution. Of course, this is bringing home the chickens to roost. The chickens will come home to roost, and the only thing we are concerned about is whether the Presiding Officer is going to be the same and whether the ruling is going to be the same.

The VICE PRESIDENT. It would be hardly fair to ask the Chair to pass upon a question when he has not had time to look up the precedents. The present occupant of the chair would be governed by the precedents.

Mr. NORRIS. The last precedent then was established by our President pro tempore, and if the Vice President feels disposed to follow the last precedent there will not be much danger, when this matter comes over in the form of a concurrent resolution, because it will, in effect, be debatable.

Mr. ASHURST. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska vield to the Senator from Arizona?

Mr. NORRIS. Certainly.

Mr. ASHURST. It almost is an act of temerity-and I say it respectfully-to disagree with the conclusions of the Senator from Nebraska. He tries to be fair. But I doubt if it would be fair to the Chair to ask in advance what its ruling would be. I join, however, with the Senator from Nebraska and the Senator from Idaho and with all other Senators who make the suggestion that the Senate should not adjourn unless and until the farm relief bill and the Philippine independence bill shall have been disposed of.

I have no knowledge superior to that possessed by every other Senator, but any man who has been here six months knows that just as soon as the appropriation bills pass, the Senate will adjourn. Nothing can keep this Senate in session after the appropriation bills have passed.

I now suggest to Senators who are interested in the Philippine independence bill and the farm relief bill that the only way they will get action on either of those bills is to delay action on appropriation bills until a final vote is had on these two bills, namely, farm relief and Philippines. I believe that every Senator here knows-at least, he ought to know-that when the appropriation bills are out of the way the Senate will evaporate, dissolve, adjourn, and disappear.

Mr. NORRIS. Mr. President, I think the Senator from Arizona has given us some of his usual good advice. As a practical proposition, when appropriation bills are out of the way probably even the President, if he wanted to do so, could not keep us here with the assistance of the Army.

Mr. ASHURST. That is quite true. It sounds like an exaggeration, but the entire Army of the United States would not be able to keep the Senate here after the appropriation bills are passed.

Mr. NORRIS. Mr. President, I want to continue reading a little more from the Record to show what happened on had a concurrent resolution here for that purpose, the same | the 22d day of December, 1931, so as to emphasize the decision of the Chair. It was not just an accident that the Chair made that decision. I read further:

Mr. BARKLEY. Mr. President, a parliamentary inquiry.
The PRESIDENT pro tempore. The Senator will state it.
Mr. BARKLEY. At what time is a motion to recommit in order?
The PRESIDENT pro tempore. At any time.
Mr. BARKLEY. I wish to make that motion if the Senator from Idaho will yield to me to do so.

Mr. Borah. Certainly.
Mr. Barkley. I move to recommit the concurrent resolution to the Committee on Appropriations.

The PRESIDENT pro tempore. The question is on agreeing to the motion proposed by the Senator from Kentucky, and that motion

Then the Senate proceeded to debate it.

Mr. McNARY. It has been suggested that the junior Senator from Nebraska [Mr. Howell] might, with propriety, renew his unanimous-consent agreement.

Mr. HOWELL. Mr. President, I ask unanimous consent that following the vote on the District of Columbia appropriation bill the Senate proceed to the consideration of the bill to amend the agricultural marketing act.

The VICE PRESIDENT. Is there objection?

Mr. MOSES. Mr. President, in connection with the episode, having succumbed once to the solicitations of the junior Senator from Utah [Mr. King], I have now yielded to the blandishments of the senior Senator from Utah [Mr. Smootl, and I shall not object.

The VICE PRESIDENT. Is there objection? The Chair

hears none, and it is so ordered.

The unanimous-consent agreement was reduced to writing, as follows:

Ordered (by unanimous consent), That after the District of Columbia appropriation bill is disposed of the Senate will proceed to the consideration of Calendar No. 780, the bill (S. 4536) to amend the agricultural marketing act, approved June 15, 1929.

Mr. President, a parliamentary inquiry. The VICE PRESIDENT. The Senator will state it.

Mr. KING. I did not understand the entire request. It is not intended that there shall be a vote on the bill to-day?

The VICE PRESIDENT. Not at all. The unanimousconsent agreement just entered into merely provides that after the disposition of the District of Columbia appropriation bill the Senate will then proceed to the consideration of Senate bill 4536, the bill mentioned by the junior Senator from Nebraska.

PHILIPPINE INDEPENDENCE

Mr. HAWES. Mr. President, a little while ago I presented a unanimous-consent agreement and withdrew it at the request of the Senator from Nebraska [Mr. Howell]. I now present it and ask that it be read.

The VICE PRESIDENT. The clerk will read the unanimous-consent proposal submitted by the Senator from Mis-

The Chief Clerk read as follows:

Ordered (by unanimous consent), That when the Senate concludes its business to-day it take a recess or adjourn until 11 o'clock a. m. Monday; that at the hour of 7 o'clock p. m. on said day the unfinished business, if any, be temporarily laid aside, and the Senate thereupon proceed with the consideration of the bill H. R. 7233, the Philippine independence bill, and continue the same until 10.30 o'clock p. m., at which time the Senate shall take a recess until 11 o'clock a. m. Tuesday.

The VICE PRESIDENT. Is there objection?

Mr. REED. Mr. President, I thought it was arranged that we were to have a call of the calendar on Monday and that we would adjourn to-day until 11 o'clock a. m. on Monday. Is not that the arrangement?

Mr. McNARY. Yes. Let me say to the able Senator from Pennsylvania that the proposal applies to Monday evening. Mr. REED. Oh, no; it calls for a recess to-day until 11

o'clock on Monday morning. The VICE PRESIDENT. The Chair is advised that the request contains both expressions, "recess" and "adjourn."

Mr. McNARY. It is the desire of a number of the Members of the Senate to have a morning hour Monday. It is my hope that we may adjourn to-day until Monday at 11 o'clock a. m. and have routine morning business until 1 o'clock, when the unfinished business would come before the Senate.

Mr. ROBINSON of Arkansas. Mr. President, I shall make no objection. In fact, I am in sympathy with the suggestion of the Senator from Oregon; but in this connection I wish to state that I think the Senator from Missouri is entitled to a time for the consideration of the Filipino independence bill. It has been on the calendar a long time. It is well known that there are the votes here to pass the bill with such amendments as the Senate may see fit to adopt. It is not quite right to deny the bill consideration. I should like to have the unanimous-consent request restated.

The VICE PRESIDENT. The Chair is informed that the Senator from Missouri wishes to modify his request so as to provide for an adjournment to-day. The clerk will read the unanimous-consent request as modified.

The Chief Clerk read as follows:

Ordered (by unanimous consent), That when the Senate concludes its business to-day it adjourn until 11 o'clock a. m. Monday; that at the hour of 7 o'clock p. m. on said day the unfinished business, if any, be temporarily laid aside and the Senate thereupon proceed with the consideration of the bill H. R. 7233, the Philippine independence bill, and continue the same until not later than 10.30 o'clock p. m., at which time the Senate shall take a recess until 11 o'clock Tuesday.

Mr. ROBINSON of Arkansas. Mr. President, may I suggest to the Senator from Missouri the insertion of the words "unless the measure shall sooner be disposed of '

Mr. HAWES. I have no objection to that.

Mr. ROBINSON of Arkansas. The Senator from Utah [Mr. Smoot], who knows everything, declares sotto voce that it would not be disposed of before the time set for a recess on Monday evening.

Mr. SMOOT. I am quite sure of that. What I want to be sure about is that the unanimous-consent agreement does not provide that if the bill is not disposed of Monday evening it will not then displace the unfinished business, but will simply go to the calendar.

The VICE PRESIDENT. The unfinished business will be taken up on the next day. Is there objection?

Mr. SMOOT. I do not want it to interfere with the unfin-

Mr. BORAH. Mr. President, I quite agree with the Senator from Arkansas that there ought to be inserted the words "unless sooner disposed of." If those words shall not be inserted there will not be half a dozen Senators here that night and it will not be possible to obtain a vote.

Mr. McNARY. I also agree with the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I make that suggestion, and, as I understand, the Senator from Missouri accepts it. The VICE PRESIDENT. Is there objection to the modi-

fied request? The Chair hears none, and it is so ordered. BUSINESS OF THE SESSION

Mr. ROBINSON of Arkansas. Mr. President, I do not intend to take any great length of time to discuss matters irrelevant to the bill immediately under consideration. The fact is, I think the Senate should proceed to dispose of that measure and other measures that are to come before it just as speedily as possible. I have not any doubt there is a feeling, almost universal in this country, that the Congress ought to dispose of the measures upon which it deems necessary to act with promptness and then adjourn. I have not any sympathy with the idea that we ought to string out this session indefinitely; but, on the contrary, it is my belief that the quicker we get away from here the greater will be the satisfaction on the part of the public. At the same time we must recognize the necessity for disposing of certain measures which, because of the importance of their subject matter, are prominently in the minds of Members of the Congress, if they are not prominent in the thought of the people of the country.

I agree that the so-called farm relief bill should be acted upon; that the Philippine independence bill should be acted upon; and I think also that the measure, being Calendar No. 851, Senate bill 4755, to provide for the expansion of the loaning power of the Reconstruction Finance Corporation so as to provide that self-liquidating projects and certain carefully selected public works may be carried forward should be disposed of. That measure is of very great importance; it is a part of the program which was separated from the bill that was passed yesterday; it has the unanimous support of the Banking and Currency Committee; and while there are some controversial features in the bill, particularly that relating to the construction of public works, it is a matter of such recognized importance that it ought to be acted upon and sent to the other House, so that that body may have an opportunity to consider it.

It is my thought that the bill already here from the House of Representatives, which is known as the Garner bill, should be taken up, with a view to substituting the Senate measure for it. That will put the substance of the two bills in conference; it will give the Senate an opportunity to amend the Senate bill on the calendar as also the House provisions; and it will enable the Congress to include them in its program for enactment before adjournment.

I am in sympathy with the passage of appropriation bills just as rapidly as that can be done consistently with proper deliberation and the determination of whether the measures that have been referred to shall be acted upon, the passage of them in such form as the Senate shall agree to, and then I favor an adjournment of Congress just as quickly as possible.

DISTRICT OF COLUMBIA APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11361) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes.

The VICE PRESIDENT. The Secretary will state the next amendment.

The next amendment of the Committee on Appropriations was, on page 13, after line 20, to insert:

For allowances for furnishing privately owned motor vehicles in the performance of official duties at the rate of not to exceed \$312 per year for each automobile, \$7,380.

The amendment was agreed to.

The next amendment was, on page 14, line 11, after the figures "\$650," to insert a comma and "except as may be herein specifically authorized," so as to read:

All of said motor vehicles and all other motor vehicles provided in this act owned by the District of Columbia shall be used only for purposes directly pertaining to the public services of said District, and shall be under the direction and control of the commissioners, who may from time to time alter or change the assignment for use thereof or direct the joint or interchangeable use of any of the same by officials and employees of the District, except as otherwise provided in this act: Provided, That no passenger-carrying automobile, except busses and ambulances, shall be acquired under any provision of this act, by purchase or exchange at a cost, including the value of a vehicle exchanged, exceeding \$650, except as may be herein specifically authorized. No motor vehicles shall be transferred from the police or fire departments to any other branch of the government of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 15, line 19, after the word "of," to strike out "\$8,300" and insert "\$9,500," so as to read:

The commissioners are authorized, in their discretion, to furnish necessary transportation in connection with strictly official business of the District of Columbia by the purchase of street-car and bus fares from appropriations contained in this act: Provided, That the expenditures herein authorized shall be so apportioned as not to exceed a total of \$9,500: Provided further, That the provisions of this paragraph shall not include the appropriations herein made for the fire and police departments.

The amendment was agreed to.

The next amendment was, on page 16, line 7, after the word "regulations," to strike out "\$5,000: Provided, That this appropriation shall not be available for the payment of advertising in newspapers published outside of the District of Columbia, notwithstanding the requirement for such advertising provided by existing law," and insert "\$9,500," so as to read:

For general advertising, authorized and required by law, and for tax and school notices and notices of changes in regulations, \$9,500.

The amendment was agreed to.

The next amendment was, on page 16, line 16, to strike out "\$8,000" and insert "\$9,500," so as to read:

For advertising notice of taxes in arrears July 1, 1931, as required to be given by the act of February 28, 1898, as amended, to be reimbursed by a charge of 50 cents for each lot or piece of property advertised, \$9,500.

The amendment was agreed to.

The next amendment was, under the heading "Municipal center," on page 17, after line 20, to strike out:

For the acquisition of land in the municipal center, and for grading and paving of streets, and relocation and construction of District of Columbia owned utilities within and/or adjacent to the municipal center, \$222,000, and in addition thereto not to exceed \$1,278,000 of the unexpended balance of the appropriation for the municipal center contained in the District of Columbia appropriation act for the fiscal year 1932, of which sums not to exceed \$900,000 shall be available for the acquisition of land in the municipal center, and not to exceed \$600,000 shall be available for grading and paving of streets, and relocation and construction of District of Columbia owned utilities within and/or adjacent to the municipal center.

And in lieu thereof to insert:

For continuing the construction of the first unit of the municipal center, \$1,000,000, of which sum not to exceed \$900,000 shall be available for the acquisition of land in the municipal center and not to exceed \$100,000 together with not to exceed \$500,000 of the appropriation for beginning the construction of the first unit of the municipal center contained in the District of Columbia appropriation act, fiscal year 1932, shall be available for grading appropriation act, fiscal year 1932, shall be available for grading and paving of streets and relocation and construction of District of Columbia owned utilities within and/or adjacent to the municipal center: Provided, That the Commissioners of the District of Columbia are authorized to enter into a separate contract for the construction of the foundations of the said first unit: Provided further, That not to exceed \$85,000 of the unexpended balance for the municipal center contained in the District of Columbia appropriation act for the fiscal year 1932 is hereby made available for the preparation of plans and specifications for the second unit of the municipal center.

Mr. KING. Mr. President, I inquire of the Senator from Connecticut whether under all the circumstances—and I suppose they were duly considered by the committee—it is deemed wise to go ahead with the Municipal Center project?

Mr. BINGHAM. Yes, Mr. President. The land has been bought, the old buildings have been cleared from it, and the site is at present in the nature of an eyesore. Furthermore, all this money will be used for employment purposes. The project has already been begun. I will say to the Senator I was not in favor of the expenditure proposed for that project, but I was outvoted. The land, as I have said, has been acquired, and what is provided is a certain step toward the improvement. I would not, however, be in favor of taking a greater step at this time. I only regret that the measure was put through some years ago providing for the project, and that the land was purchased. I think the Senator and I united in opposing it at that time; but this makes a step forward and provides a certain amount of employment in the District, which is greatly needed.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 19, line 8, after the word "vehicles," to strike out "\$250,000" and insert "\$260,000," so as to read:

STREET AND ROAD IMPROVEMENT AND REPAIR

Salaries, highways department: For personal service, \$217,710. For assessment and permit work, paving of roadways under the permit system, and construction and repair of sidewalks and curbs around public reservations and municipal and United States buildings, including maintenance of nonpassenger-carrying motor vehicles, \$260,000.

The amendment was agreed to.

The next amendment was, under the subhead "Gasoline tax road and street fund," on page 19, after line 21, to insert:

Southeast: Good Hope Road, Minnesota Avenue to Naylor Road, \$96,300.

The amendment was agreed to.

The next amendment was, on page 21, after line 15, to in-

Northeast: Sixteenth Street, Irving Street to Lawrence Street, \$13,700.

The amendment was agreed to.

The next amendment was, on page 21, after line 17, to insert:

Northeast: Varnum Street, Tenth Street to Twelfth Street,

The amendment was agreed to.

The next amendment was, on page 21, after line 19, to in-

Northeast: Fourth Street, Franklin Street to Michigan Avenue,

The amendment was agreed to.

The next amendment was, on page 21, after line 21, to in-

Northwest: Third Street, Sheridan Street to Underwood Street,

The amendment was agreed to.

The next amendment was, on page 21, after line 23, to in-

Northwest: Tuckerman Street, Eighth Street to Georgia Avenue,

The amendment was agreed to.

The next amendment was, at the top of page 22, to in-

Northwest: Piney Branch Road, Georgia Avenue to Van Buren Street, \$26,000.

The amendment was agreed to.

The next amendment was, on page 22, after line 2, to

Northwest: Dahlia Street, Georgia Avenue to Ninth Street,

The amendment was agreed to.

The next amendment was, on page 22, after line 4, to

Northwest: Hamilton Street, Thirteenth Street to Fourteenth Street, \$12,700.

The amendment was agreed to.

The next amendment was, on page 22, after line 6, to

Northwest: Forty-third Street, Jenifer Street to Military Road, 89.000.

The amendment was agreed to.

The next amendment was, on page 22, after line 8, to

Northwest: Ingomar Street, Forty-second Street to Wisconsin Avenue, \$10,700.

The amendment was agreed to.

The next amendment was, on page 22, after line 10, to

Northwest: Waterside Drive, Massachusetts Avenue south, \$15,300.

The amendment was agreed to.

The next amendment was, on page 22, after line 12, to insert:

Northwest: Fifteenth Street, Florida Avenue to Euclid Street, \$37,500.

The amendment was agreed to.

The next amendment was, on page 26, line 17, after the words "in all," to strike out "\$1,671,100" and insert "\$1,960,000," so as to read:

In all, \$1,960,000, to be immediately available; to be disbursed and accounted for as "Gasoline tax, road and street improvements," and for that purpose shall constitute one fund: Provided, That assessments in accordance with existing law shall be made for paving and repaving roadways where such roadways are paved or repaved with funds derived from the collection of the tax on motor-vehicle fuels and accretions by repayment of assessments.

The amendment was agreed to.

The next amendment was, under the subhead "Street Mr. BINGHAM. That has not as yet been repair, grading, and extension," on page 28, line 7, after the item to which the Senator refers is on page 80.

words "In all," to strike out "\$1,671,100" and insert '\$1,015,000," so as to read:

Repairs: For current work of repairs to streets, avenues, roads, alleys, including the reconditioning of existing gravel streets and roads, including purchase, exchange, maintenance, and operation of nonpassenger-carrying motor vehicles used in this work, and the rental of necessary garage space therefor; and including the surfacing and resurfacing, or replacement, with the same or other approved materials, of such asphalt or concrete pavements as may be done within the funds available under this appropria-tion, \$1,015,000.

The amendment was agreed to.

The next amendment was, on page 29, after line 13, to insert:

For widening to 73 feet and repaving the roadway of Constitution Avenue NW., North Capitol Street to First Street, and for widening to 80 feet and repaving the roadway of Constitution Avenue NW., First Street to Pennsylvania Avenue, and for widening to 80 feet and repaying the roadway of Constitution Avenue NW., Pennsylvania Avenue to Sixth Street, in accordance with plans NW., Pennsylvania Avenue to Sixth Street, in accordance with plans therefor to be jointly approved by the National Capital Park and Planning Commission and the Commissioners of the District of Columbia, including the necessary reconstruction, relocation, changes, and adjustments of all water mains, sewers, and for storm water sewer in Constitution Avenue, Sixth Street to Tenth Street (at a cost not to exceed \$30,000), in advance of paving, trees, sidewalks, lamp-posts, fire hydrants, or other structures affected and including personal services and all necessary incidental expenses, at a total cost not to exceed \$203,000, of which sum \$126,200 is hereby appropriated out of the revenues of the District of Columbia, to be immediately available, and not to exceed \$76,800 shall be transferred from and in accordance with the appropriation in be transferred from and in accordance with the appropriation in the independent offices appropriation act, 1933, for the construc-tion of the Arlington Memorial Bridge.

The amendment was agreed to.

The next amendment was, under the subhead "Bridges," on page 30, line 15, after the word "warehouse," to insert and not to exceed \$15,000 for surveys, engineering investigations, and preparation of plans for viaducts in the line of Michigan Avenue and New Hampshire Avenue, over the tracks and right of way of the Baltimore & Ohio Railroad, and including the employment of engineering or other professional services," and in line 22, to strike out "\$87,500" and insert "\$102,500"; so as to read:

For construction, maintenance, operation, and repair of bridges, including not to exceed \$2,500 for the construction of a tool and warehouse and not to exceed \$15,000 for surveys, engineering investigations, and preparation of plans for viaducts in the line of Michigan Avenue and New Hampshire Avenue, over the tracks and right of way of the Baltimore & Ohio Railroad, and including the employment of engineering or other professional services, and maintenance of nonpassenger-carrying motor vehicles, \$102,500.

The amendment was agreed to.

The next amendment was, on page 31, line 12, after the word "That," to strike out "one-fourth" and insert "one-sixth," so as to read:

Benning Bridge over the Anacostia River: For the construction of a bridge to replace the bridge and trestle in line of Benning Road over the Anacostia River in accordance with plans and profile of said work to be approved by the Commissioners of the profile of said work to be approved by the Commissioners of the District of Columbia, including construction of and changes in sewer and water mains, traveling expenses in connection with the inspection of material at the point of manufacture, employment of engineering or other professional services, by contract or otherwise, and without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) or the classification act of 1923, as amended, and engineering and incidental expenses, \$300,000; and the commissioners are authorized to enter into contract or contracts for the completion of said bridge at a cost not to exceed \$600,000: Provided, That one-sixth of the cost of constructing the said bridge and approaches shall be borne and paid by the the said bridge and approaches shall be borne and paid by the Washington Railway & Electric Co., its successors and assigns, to the collector of taxes of the District of Columbia, to the credit of the District of Columbia, and the same shall be a valid and subsisting lien against the franchises and property of the said railway company and shall constitute a legal indebtedness of said company in favor of the District of Columbia, and the said lien. company in favor of the District of Columbia, and the said lien may be enforced in the name of the District of Columbia by a bill in equity brought by the said commissioners in the Supreme Court of the District of Columbia, or by any other lawful proceeding against the said railway company.

The amendment was agreed to.

Mr. BLAINE. Mr. President, may I inquire of the Senator from Connecticut if there is a provision in the bill making appropriation for relief work and relief aid?

Mr. BINGHAM. That has not as yet been reached. The

Mr. BLAINE. This bill was only reported a day or so ago, | and I have not had time to read it, and perhaps hardly any other Senator has had time to read it.

Mr. BINGHAM. The item is exactly in the form in which it came from the Bureau of the Budget and the House, except that it also provides for employment. In the form in which it came from the Bureau of the Budget it was merely for loans or direct relief, but we were advised by the Department of Public Welfare that it would be much better to frame the provision so that the money could be used for employment purposes. The amount appropriated is the full amount recommended by the Bureau of the Budget.
Mr. BLAINE. That amount is \$600,000, is it not?

Mr. BINGHAM. Yes.

Mr. BLAINE. For the purpose of unemployment relief?

Mr. BINGHAM. For the purpose of affording relief in the District of Columbia. I may say to the Senator that Washington is the only large city in the United States which has never provided what is known as outdoor relief.

Mr. BLAINE. This is the only proposition before the Congress, as I understand, for the direct relief of unemployment and for outdoor relief payment for which is to come, in part, out of the Treasury of the United States.

Mr. BINGHAM. Of course it is payable out of the revenues of the District, most of which comes from the taxpayers of the District, less than 22 per cent coming from the Federal Government.

Mr. BLAINE. The Federal Government contributes 22 per cent; that is, the people of the United States contribute 22 per cent of the amount appropriated for direct relief of unemployment in the District. I say that this is the first proposition before the Congress for direct relief of unemployment, and of those who need food and clothing, as to which there is afforded any opportunity for passage.

Mr. BINGHAM. I suppose that is a fair statement of the case, although in lines 15 and 16 it is explicitly provided that the amount shall be payable from the revenues of the District of Columbia; but, since part of the revenues of the District of Columbia are Federal contributions to the District, which are regular, and which are ordinarily used properly for such purposes as parks, police protection, and so forth, it is not an additional sum payable by the Federal Government. However, of course what the Senator has said has a certain amount of truth in it.

Mr. BLAINE. What I was getting at is that it is a recognition by the Federal Government that there is a responsibility on its part to afford direct relief.

Mr. BINGHAM. The Senator knows my views on that subject. I should dislike to take up the time of the Senate to argue it with him at present. Personally I do not recognize any such obligation, but I do recognize an obligation on the part of the Federal Government to pay part of the costs of running the District of Columbia. The people of the District of Columbia have never provided outdoor relief, and this is the first provision for that purpose. Like every other large city, Washington should provide such relief and ought to use a part of its revenues for that purpose. Therefore I am in favor of it.

Mr. BLAINE. The Senator reverses his position in this respect. Twenty-two per cent of this relief is to be paid out of the Public Treasury direct, which money comes out of the taxpayers. Why does the Senator contend that that is perfectly proper concerning the city of Washington when he denies that it would be proper to pay 22 per cent of direct relief in the city of New York or the city of Chicago, or Cleveland, or Buffalo, or Hartford, Conn., or any other city?

Mr. BINGHAM. I think the Senator's argument would have more force if we were under the old 50-50 or 60-40 basis of appropriation, when any addition to the District bill would have to come out partly of the Federal Treasury. As a matter of fact, the amount paid by the Federal Government this year toward the District under the present bill is considerably less than it was last year, when there was no amount for direct outdoor relief. It is only indirectly that the Federal Government contributes, because it is merely paying its proper share—and not all that, in my opinion, I

may say to the Senator-to the District, and the District revenues are used for this purpose. The Senator, of course, is quite within his rights in making that claim, but I hope he will not take time to debate the matter now. It is a matter which is at least open to debate, in view of the fact that this is a definite amount of money or contribution to the District in lieu of taxes by the largest business concern in the District of Columbia. The District uses its revenues as the Congress may direct.

Mr. BLAINE. But the Senator does now contend that we are not paying quite enough out of the Public Treasury, and therefore out of the pockets of the taxpayers, for direct unemployment relief in the city of Washington?

Mr. BINGHAM. No, Mr. President; the Senator misunderstood me. What I said was that in my opinion the Federal Government was not making its proper contribution to the total expenses of the District of Columbia. The Bureau of Efficiency has prepared a very able document in which it states and works out mathematically and scientifically the fair share of the Federal Government in maintaining the District of Columbia as something over \$10,000,000, and that does not include this item.

Mr. BLAINE. I was perfectly willing to have the Senator state his position in his own words; but, as I view the situation, the more money that is paid out of the Public Treasury of the United States, the greater will be the taxes of the people of the whole of the United States for District purposes. The situation now seems to be that the Senator thinks that the Government is not contributing what it ought to contribute toward District expenses—that means the total District expenses—and of course the total District expenses include every item in the appropriation bill and include the \$600,000 for direct unemployment relief.

What I was getting at is this: I was glad that the Senator from Connecticut had finally, probably in a small degree, however, recognized the responsibility of the Government of the United States in this crisis, and that the same logic that can be applied in favor of this appropriation of \$600,000 for direct relief can be applied for direct relief respecting all cities in the country.

I am just interested in the change in the viewpoint of the Senator from Connecticut. I do not want to misrepresent his position. I think I state it fairly when I say that he believes that we are not paying quite enough of the total District expenses, among which is the \$600,000 for unemployment relief. I wanted to have the matter made clear and to emphasize it by having the interrogatories that I put to the Senator answered as frankly as he has answered them, and, of course, perhaps with slight apology for the change in his position, but yet indicating a change in his position.

I just want to say now, however, that this appropriation demonstrates that there has now and presently grown up a feeling respecting this one city, at least, that there ought to be direct aid out of the Public Treasury for unemployment relief. We are contributing for unemployment relief out of the Public Treasury of the United States, and that means out of the taxes collected from the people of the United States, 22 per cent of the total amount that is to be appropriated for unemployment relief under this bill; and it represents a change in heart—a very slight change, but the heart does throb with a little greater flutter-and it may and perhaps will be with perfect logic applied to aid when other cities find themselves without sufficient money with which to take care of the unemployment situation, for which those cities are in no way responsible.

The existing unemployment arises out of a situation that is national and not local, and for that reason the obligation for relief is national; and that obligation is recognized in the appropriation of \$600,000 for unemployment relief, of which the people of the United States will pay 22 per cent.

Another suggestion has just come to me in respect to this appropriation. I notice in the first line of page 80:

For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency.

I assume that that phraseology is broad enough to include aid for the relief of the veterans who are presently residents of the District of Columbia. The Senator will appreciate that residence within the District of Columbia can not be fixed by the rule that is applied in the respective States respecting qualifications for voters, and therefore anyone who is within the District of Columbia-I do not mean just passing through—is a resident of the District of Columbia. Was it the intention of the Senator to exclude from the benefits of this provision the visitors who are here and are now residents down on the flats of the Anacostia River and in other sections of the city, whose presence here is due to an existing emergency, and who are unemployed and in great distress? I hope the language is broad enough to cover the veterans who are here.

Mr. BINGHAM. Mr. President, from the fact that the Senator from Colorado [Mr. Costigan] introduced the authorization into the District of Columbia Committee, of which the distinguished Senator from Wisconsin is a member, providing \$75,000 for that purpose, I rather gathered that he did not conclude that the phrase "residents" could be used to apply to transients who might be here for a few days or a few weeks. I rather gathered that he construed it contrary to the construction of the Senator from Wisconsin.

Personally I feel that the matter being paid largely out of the District of Columbia taxpayers' pockets should be confined to those who may properly be called residents of the District rather than to those who are transients and are here only for a few days or a few weeks.

Mr. BLAINE. Mr. President, I doubt if the construction suggested by the Senator from Connecticut is a proper construction. The aid that is rendered to persons within the District of Columbia independently of this appropriation proposal goes to transients and persons who are homeless, people who are merely passing through the District, or for some purpose have come to the District and found themselves stranded, with no shelter, no food, and no medical care. They have been taken care of to a certain extent, and very likely the District has carried out its full responsibility, out of funds that were designed for the purposes to which the Senator has referred. As a matter of fact, however, those funds have been used for the purpose of assisting transients and homeless persons within the District of Columbia who have been here but a few hours, some of whom remain only overnight. It seems to me that this \$600,000 would be available for identically the same purposes as the relief funds in the District have heretofore been available; and, since the Government of the United States contributes 22 per cent of the \$600,000, I think perhaps a portion of that at least ought to be made available to those whom we may regard as transients and homeless persons within the District.

We have to-day I do not know how many thousand World War veterans here. I understand that the number is increasing very rapidly. I do not know that a complete census has been taken; and even if a complete census has been taken at any particular hour, the number here in the District, of course, has increased since that enumeration was made. I understand that a large number of additional veterans of the World War are coming to Washington. I have met some of these men. Some of them, I find, were members of the Thirty-second Division, which was made up largely of troops from Wisconsin and Michigan and which performed such signal service in the World War. They are now wearing the badges and the insignia of honor and meritorious service which they acquired overseas, and I understand that at least those who had arrived by Friday noon were men who were overseas veterans. I understand that at these improvised cantonments or camps there is a roll call at mess time, and the men produce evidence of their being soldiers, and that it is found from the discharge papers that 90 per cent of them have seen service overseas.

I met a small group this morning, some of them overseas veterans.

Out of this one group, three of them were overseas veterans. Those men made an appeal to me this morning, which I think was very logical and a very proper appeal.

I understand that there are about 300 of those men here. or who soon will be here, from my State. Of the committee which called upon me, I think all were men with families, all of them without jobs. I personally knew some of them. They are all clean, decent, wholesome young men. They come from our industrial centers, where there is tremendous unemployment; no work to be had. Those men want to preserve their health and their decency. They have asked for a camp where they may be segregated so that they will not be subjected to the possibility of typhoid and to the possibility of other epidemics which are bound to break out where there is a large group of men lacking sanitary facilities and housing facilities.

I understood from some of the men that the most improvised utensils are used for preparing their food. There are in evidence swarms of flies, which are carrying the germs of disease everywhere within the District, and those men, who are going to be subjected to the possibility of typhoid and the possibility of other epidemics which are transmissible, where the germs may be carried with them to their homes, those men, through no fault of their own, may be the means of spreading an epidemic throughout our whole country.

I do not think those men can be charged with the responsibility for the sort of thing which is bound to happen. They are located over on the low flats of the Anacostia River. with the dense humidity which prevails at the altitude of their camp, almost at sea level. They are subjected to typhoid and other epidemics. They are forced, in effect, to live under those conditions, and I think it has become a real serious problem here in the District of Columbia.

Mr. THOMAS of Oklahoma. Mr. President-

The PRESIDING OFFICER (Mr. CUTTING in the chair). Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. BLAINE. I yield.

Mr. THOMAS of Oklahoma. I desire to ask the Senator what percentage of our unemployed, in his estimation, are made up of ex-service men? I understand the records show that there are now more than 8,000,000 men unemployed in the United States, some estimating as many as 10,000,000. What percentage of the unemployed would probably be made up of ex-service men?

Mr. BLAINE. My opinion would be based entirely upon conjecture, but I think there is some ground upon which a reasonable estimate can be made. Those men who were overseas enlisted in 1917 and 1918. They were young men, generally of the age of 18 to 25 years. It has been about 12 or 13 years since they were discharged from the service. Therefore those men have reached the age of anywhere from 31 to 40 years. They are men who naturally would go into industry and transportation because of their youth and their vigor. Outside of the men who came from the farms, no doubt a large portion of the veterans went into industry and into transportation. As I have said, they were of that age and of that physique and of that determination where they were choice men for positions.

When the young men who came from the farming communities and enlisted in the service came back, they were unable to purchase farms, there was no employment to speak of upon the farms, so a large number of those men drifted into the industrial cities, and took their places as well with the industrial workers. So it would seem to me that a very large number are out of employment to-day. I do not know whether it would run to 50 per cent or not. Approximately 4,000,000 men were enlisted in the World War, and I am rather under the impression that the number of those men out of employment would probably exceed 50 per cent.

Mr. THOMAS of Oklahoma. The facts are that there were about four and a half millions in the training camps and in the service overseas during the World War. Does the Senator think that a million of those men are, more than likely, now in the unemployed class, which would mean about 25 per cent?

Mr. BLAINE. My own opinion, based upon the analysis I have made, would be that a million men would scarcely

out of employment.

Mr. THOMAS of Oklahoma. I think it is safe to assume that at least a million of our unemployed are ex-service men. Mr. MOSES. Mr. President, will the Senator from Wisconsin yield to me?

Mr. BLAINE. I yield.

Mr. MOSES. As the Senator from Wisconsin has said, this is a matter of conjecture. As a matter of fact, however, we know from statistics that the total number of men in the Army during the World War was slightly over 3 per cent of the population. I do not think it necessarily follows that such an excess of the percentage of those men is to be found in the ranks of the unemployed as the Senator from Oklahoma seems to think. I can well understand how the Senator from Wisconsin feels about it, that because of the spirit of adventure, because of the active temperaments of those young men, they would have gone into employment of a character which necessarily would result in great unemployment in times like these, but it seems to me that the figures are highly exaggerated, when Senators undertake to say that a million of the ex-service men, 25 per cent of the total enrollment of the ex-service men, are now out of

Mr. BLAINE. Mr. President, I think the number the Senator from Oklahoma has stated may approximate the number out of employment.

I think that, if an accurate census were taken in this period of unemployment, the number of ex-service men out of employment would be found to be not less than a million men.

Assume that it is less, assume that it is only three-quarters of a million, 750,000 men. Most of those men are married and have families. In this period of their lives their families consist, probably, including themselves, of about four persons on an average. That would mean that there were about 3,000,000, including the veterans and their dependents, facing a very desperate situation.

I do not speak this morning from excitement or emotion, but I speak with a deep seriousness of the realities which certainly ought to be obvious to everyone. I am concerned about the situation.

I am not objecting to this appropriation of \$600,000, 22 per cent of which is to come out of the taxpayers of the country. I opened the discussion to demonstrate that there is, in a degree, a recognition of the fact that the emergency is a national emergency, and therefore the responsibility is a national responsibility.

I discussed the former service men who are present here in Washington in the hope that I could persuade the Senator from Connecticut and the Senate to make an appropriation out of the Federal Treasury to take care of what I regard as the gravest emergency we have faced in any community in the country.

I do not want to take out of the \$600,000 the money necessary to provide the shelter, the food, the sanitation, and the hospitalization for the veterans who are here. I am aware of the fact that the District needs that money for those who are dependent upon the District, whether they are residents in the popular and legal sense or transients and homeless people who find themselves stranded within the District of Columbia.

The \$600,000 is necessary for these local purposes. I think we are short-sighted when we do not recognize the possibilities that may come not only to the veterans, but to the people of the District. As I said these men will become carriers of the typhoid germ and other germs that produce other epidemics, carriers of those germs to their home communities when they return, not because the men want to be carriers of these devastating germs, but that is unavoidable unless we protect against it.

There are some places where the men are camped where there is an entire lack of adequate water supply, barely enough water for their meager cooking requirements, wholly inadequate for the ordinary sanitary requirements, and grossly inadequate for complete sanitation. There is no op-

cover the number of the former service men who are to-day | portunity for the men, because of a lack of the necessary water, to keep themselves in the condition in which they want to keep themselves. Many of the camps have improvised housing facilities. Sometimes the men rig up shelter by carrying from the dump heap, the refuse pile near their camp, old pieces of tin that have come off the roofs of buildings, or an old automobile top they have rescued from the refuse; sometimes an old piece of carpet. At best their shelter is only that of rough boards for the roof without any siding. They are not objecting to the physical hardships to which they are subjected. They will not be found complaining because of hardships. But what these men do fear is the possibility of an outbreak of epidemics to which they will be subjected. They are not going to leave the District for some time, at least until the Congress votes upon the soldiers' bonus bill.

> Senators may rise in their places and demand that these men must show their good faith that they are going to leave the District before any consideration will be given the bonus. Of course such a demand on the part of a Member of Congress is easily made.

> But that does not answer the question I have been discussing. These men can not be put aboard trucks and freight cars and shipped out of the District. I am not discussing whether they should or should not be here. I have my own views about it. I think they have a perfect right to be here. I can pay a tribute to these young men for the splendid discipline they have shown. They have observed every rule of conduct that would apply to the people of the District. They have made no demonstration of force, no suggestion of violence. They constitute as pacific an aggregation of human beings as ever assembled-yes, even as ever assembled at the peace conferences of the world. They are not hoboes or tramps or vagrants. They have not come to the city of Washington for unlawful purposes. They have come for a perfectly legitimate purpose. There is no more demonstration of force applied by them than there is applied by the army of lobbyists just outside the Senate door who accost a member of the Senate, taking him by the coat collar, detaining him until they can present their demands, and usually those demands are for some sordid. selfish interest. These men as I have observed them are dignified, courteous, gentlemanly.

> So, Mr. President, it seems to me that we can not discharge our duties in these premises unless we make an appropriation to the authorities of the District of Columbia to provide for additional housing facilities for the men, for sanitation purposes, for food, and medical supplies. Up to this point the authorities of the District of Columbia have done the best they can, and have done remarkably well when we consider the limited amount of funds which come into the hands of the police department and into the hands of the superintendent of police, General Glassford. Those funds come in small amounts. This morning another hundred dollars was turned over to the department out of some local charity. But they must have more than \$100, they must have more than \$1,000 if they are to provide for the bare essential necessities of food, shelter, and sanitation.

> I think that the police department are entitled to great praise for handling the situation as well as they have and with the limited amount of money available to them. I do not believe any criticism can justly be heaped upon the police department of the District. I do not believe any just criticism can be heaped upon the heads of the veterans who are

> In their parade the other evening there was a large group of men, thousands of them, who for two long years had been taught how to shoot. That was the purpose of their training for the front. Yet those men in that march, grim, it is true, and determined, demonstrated a self-control which I think is entitled to the encomiums of the people of the country. I could deliver encomiums attesting the restraint and the deliberation exhibited by these men during the many days they have been among us. I confess, Mr. President, that I am unable to choose language properly to describe the splendid conduct of these men while they have been with us

temperate in their speech, peaceful in their conduct, and courteous and gentlemanly to everyone with whom they have come in contact.

Mr. President, unfortunate as these men may be, they are choice men; those whom I know who come from my State are splendid citizens of that State; they are men to whom I would be willing to intrust the gravest affairs of their communities, with the assurance that they would carry out their trust as diligently and as gloriously as they carried out their trust in war.

Mr. President, what I have said is wholly inadequate to paint the picture as it really is. In calmness and deliberation I have endeavored to point out the responsibility of this Government in protecting the lives and the health of our people everywhere, and I shall ask that the \$600,000 appropriation provided on page 80, in line 16, be increased by \$100,000, which hundred thousand dollars shall be appropriated out of the Treasury of the United States to the District of Columbia, and shall be available for emergency temporary care of the visiting veterans in the District of Columbia, and which sum shall be made immediately available.

I understand that such an amendment is not in order at this time, but when we come to the consideration of the amendment on page 80 I shall submit that amendment to the bill. I propose it now as an amendment, and will offer it at the proper time.

The VICE PRESIDENT. The amendment intended to be proposed by the Senator from Wisconsin will lie on the table.

The next amendment will be stated.

The next amendment of the Committee on Appropriations was, on page 32, line 4, before the word "of," to strike out "one-fourth" and insert "one-sixth," so as to make the further proviso read:

Provided further, That after the completion of said bridge and approaches herein authorized no street-railway company shall use said bridge or approaches until the said company shall have paid to the collector of taxes of the District of Columbia a sum equal to one-sixth of the cost of said bridge and approaches, which sum shall be paid to the collector of taxes of the District of Columbia for deposit to the credit of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 32, after line 15, to insert:

P Street Bridge over Rock Creek: For the construction of a bridge to replace the existing bridge in line of P Street over Rock Creek in accordance with plans and profile of said work to be approved by the Commissioners of the District of Columbia, including construction of and changes in sewer and water mains, employment of engineering or other professional services, by contract or otherwise, and without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) or the classification act of 1923, as amended, and engineering and incidental expenses, \$250,000: Provided, That any street-railway company using said bridge shall install thereon at its own expense an approved standard underground trolley system of street-car propulsion, and at its own expense shall thereafter maintain such underground construction and bear the cost of surfacing, resurfacing, and maintaining in good condition the space between the railway tracks and 2 feet exterior thereto: Provided further, That no street-railway company shall use the bridge herein authorized for its tracks until the said company shall have paid to the collector of taxes of the District of Columbia a sum equal to one-fourth of the cost of said bridge, exclusive of the cost of the installation of said trolley system, which sum shall be paid to the collector of taxes of the District of Columbia for deposit to the credit of the District of Columbia for deposit to the credit of the District of Columbia.

Mr. KING. Mr. President, I inquire of the Senator from Connecticut whether plans for this bridge have been prepared and if it is deemed expedient to go forward with this project during the coming year?

Mr. BINGHAM. Yes; it is very important in order to relieve traffic congestion, because this bridge, when completed, will permit Rock Creek Parkway to be joined with the parkway below Pennsylvania Avenue and thereby give a new north and south avenue for traffic, which will relieve congestion on Sixteenth Street, Connecticut Avenue, and some of the other north and south streets.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, under the subhead "Trees and parkings," on page 34, line 3, to strike out "\$112,500" and insert "\$122,500", so as to read:

For contingent expenses, including laborers, trimmers, nurserymen, repairmen, teamsters, hire of carts, wagons, or motor trucks, trees, tree boxes, tree stakes, tree straps, tree labels, planting and care of trees on city and suburban streets, care of trees, tree spaces, purchase and maintenance of nonpassenger-carrying motor vehicles, and miscellaneous items, \$122,500.

The amendment was agreed to.

The next amendment was, under the heading "Sewers," on page 34, line 16, to strike out "\$238,000" and insert "\$248.000," so as to read:

For cleaning and repairing sewers and basins, including the replacement of the following motor trucks: Two at not to exceed \$900; two at not to exceed \$1,200; two at not to exceed \$1,800; one at not to exceed \$4,000; for operation and maintenance of the sewage pumping service, including repairs to boilers, machinery, and pumping stations, and employment of mechanics and laborers, purchase of coal, oil, waste, and other supplies, and for the maintenance of nonpassenger-carrying motor vehicles used in this work, \$248,000.

The amendment was agreed to.

The next amendment was, on page 34, line 18, to strike out "\$190,000" and insert "\$210,000," so as to read:

For main and pipe sewers and receiving basins, \$210,000.

The amendment was agreed to.

The next amendment was, on page 34, line 22, after the word "trucks," to strike out "\$610,000" and insert:

Six hundred and fifty thousand dollars, of which not to exceed \$40,000 shall be available for the construction of a temporary sewage-treatment plant in the vicinity of First and Atlantic Streets SE., by day labor or otherwise, in the discretion of the commissioners, including not to exceed \$5,000 for the employment of engineering or other professional services, by contract or otherwise, without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) or the classification act of 1923, as amended, and engineering and incidental expenses.

So as to read:

For suburban sewers, including the maintenance of nonpassenger-carrying motor vehicles used in this work, and the replacement at not to exceed \$1,800 of three motor trucks \$650,000, of which not to exceed \$40,000 shall be available for the construction of a temporary sewage-treatment plant in the vicinity of First and Atlantic Streets SE, by day labor or otherwise, in the discretion of the commissioners, including not to exceed \$5,000 for the employment of engineering or other professional services, by contract or otherwise, without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) or the classification act of 1923, as amended, and engineering and incidental expenses.

The amendment was agreed to.

The next amendment was, on page 35, line 7, after the word "sewers," to strike out "\$200,000" and insert "\$250,000," so as to read:

For assessment and permit work, sewers, \$250,000; and the unexpended balance of the appropriation for this purpose for the fiscal year 1932 shall remain available until June 30, 1933.

The amendment was agreed to.

The next amendment was, on page 35, after line 13, to insert:

For beginning surveys of the Rock Creek drainage area, including engineering investigations and preparation of preliminary plans and estimates, and including personal services, traveling expenses, and supplies and equipment, \$25,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 35, line 22, after the word "including," to strike out "not exceeding \$14.800 for"; in line 23, after the word "services," to insert "purchase not exceeding \$750, and"; and on page 36, line 1, after the word "expenses," to strike out "\$20,000: Provided, That of the amount herein appropriated not to exceed \$3,525 may be transferred to the Public Health Service of the Treasury Department to be available for the objects herein specified" and insert "\$40,000," so as to read:

For the control and prevention of the spread of mosquitoes in the District of Columbia, including personal services, purchase not exceeding \$750, and operation, maintenance, and repair of motor-propelled passenger-carrying vehicles, purchase of oil, and other necessary expenses, \$40,000.

The amendment was agreed to.

The next amendment was, on page 36, line 5, to insert a colon and the following proviso:

Provided, That of the amount herein appropriated there may be transferred for direct expenditure not to exceed \$10,500 to the Director of Public Buildings and Public Parks of the National Capital, and, in the interest of coordinating the work of mosquito control in the District of Columbia, not to exceed \$5.600 to the Public Health Service of the Treasury Department, the amounts so transferred to be available for the objects herein specified.

The amendment was agreed to.

The next amendment was, under the heading "Collection and disposal of refuse," on page 37, line 2, to strike out "\$550,000" and insert "\$575,000," so as to read:

For dust prevention, sweeping, and cleaning streets, avenues, alleys, and suburban streets, under the immediate direction of the commissioners, and for cleaning snow and ice from streets, sidewalks, crosswalks, and gutters in the discretion of the commissioners, including services and purchase and maintenance of equipment, rent of storage rooms; maintenance and repair of stables; hire and maintenance of horses; hire, purchase, maintenance, and repair of wagons, harness, and other equipment; maintenance and repair of nonpassenger-carrying motor-propelled vehicles necessary in cleaning streets, and purchase of motor-propelled street-cleaning equipment; and necessary incidental expenses, \$575,000.

Mr. KING. Mr. President, I inquire of the Senator concerning the item just referred to and the following one which appropriates \$1,115,000, an increase of \$115,000 over the House provision. It seems to me there are no sufficient reasons for these increases.

While I have the floor permit me to say that in this period of depression, while all States and municipalities are cutting their expenses and abandoning projects not indispensably required, the Appropriations Committee reports a measure for the District of Columbia that fails to take cognizance of the financial situation of the Government or the nation-wide distress and depression. The bill before us is top-heavy with enormous appropriations aggregating more than \$43,000,000. This sum is much larger than the entire appropriations of some States and their political subdivisions. An examination of the items of the bill reveals the fact that reductions could and should be made aggregating at least five or six millions of dollars. Indeed, measured by the economies adopted in other parts of the country, an appropriation of \$30,000,000 or certainly not more than \$33,000,000 would more nearly meet the present situation. But when the Federal Treasury can be resorted to for \$8,500,000, it is an invitation to enlarge the District appropriations and to embark upon projects which otherwise would not be considered. Senators will recall that not many years ago the District appropriation bills were less than one-half of the amount carried in the pending measure.

Mr. President, this bill should be recommitted to the Appriations Committee as a number of other appropriation bills have been, with instructions to reduce by at least eight or ten million dollars the total amount carried in the bill.

Mr. FLETCHER. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Florida?

Mr. KING. I yield.

Mr. FLETCHER. I should like to inquire how the items in line 2 on page 37, and in line 9, on the same page, compare with the Budget estimates?

Mr. BINGHAM. They are the Budget estimates. There is only a slight increase over the present cost of removing rubbish and garbage, and so forth, and the increase is caused by the growth of the city. The appropriations proposed are exactly the Budget estimates.

Mr. FLETCHER. That is, the Senate amendments are in accordance with the Budget estimates?

Mr. BINGHAM. Exactly.

Mr. KING. Mr. President, our experience with presidential budgets confirms the view that they are not safe guides to be followed. They are universally larger than the appropriations made by Congress. The President of the United States is required, as Senators know, to prepare and submit to Congress when it convenes, Budget estimates and recommendations for appropriations for the following fiscal year. In other words, the President of the United

States with a large Budget force at his command, prepares Budget recommendations covering all items of appropriation which it is expected the Congress will make. Last December the President submitted his recommendations for appropriations for the fiscal year 1932–33. We have discovered that his recommendations were in excess of what Congress is willing to appropriate—in excess of what the condition of the Treasury permits. Accordingly Congress has been engaged in cutting and mutilating the Budget recommendations, in order, if possible, to bring the expenditures of the Government so far below Executive recommendations that with the increased taxes a balanced Budget might be provided.

The Budget recommendations during the administrations of Presidents Harding, Coolidge, and Hoover have exceeded by \$440,000,000 the appropriations made by Congress. In this statement I do not take into account the recommendations made by the President for the coming fiscal year and the reductions below it which will be made during this session of Congress. I do not desire to criticize the Chief Executives, but it is a fact that it has been claimed by them or for them that they were the protagonists of economy, while Congress was extravagant if not wasteful. I concede that appropriations made by Congress have been in many instances unwarranted and properly could be characterized as wasteful and extravagant. Nevertheless they have been less in the aggregate than those recommended by the three Presidents who have held office since the Budget law was enacted.

Mr. President, the country is in a serious condition financially. States and municipalities are reducing expenses, eliminating unnecessary projects, cutting the salaries of all employees. In private business economies are being introduced and activities abandoned which in days of prosperity would be carried forward. The situation demands a readjustment in our business, economic, and political life. The orgy of extravagance which has characterized the country has come to an end; and the sooner the people learn prudence in expenditures, wisdom in business and public concerns, and a proper understanding of industrial and economic principles the better it will be for the people and the sooner will we tread the path of security, safety, and prosperity.

Mr. President, I know my criticism of this bill will be unavailing. The very few Senators present during the consideration of the bill reveals the lack of interest in its provisions. It is taken for granted that it will pass as it emanates from the Committee on Appropriations. I can only, therefore, voice my disapproval of some of its provisions and protest against an appropriation which in the aggregate is greatly in excess of what under all the circumstances may be justified, and also against the provisions which take from the Treasury of the United States \$8,500,000 to be applied in meeting the operating expenses of the District for the coming year.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 37, line 9, after the word "expenses," to strike out "\$1,000,000" and insert "\$1,115,000," and in line 11, after the word "plant," to insert "of which not to exceed \$10,000 shall provide for the construction, by day labor or otherwise, in the discretion of the commissioners, of a 2-story brick bunk house," so as to read:

To enable the commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, dead animals, night soil, and miscellaneous refuse and askes in the District of Columbia, including inspection; fencing of public and private property designated by the commissioners as public dumps; and incidental expenses, \$1.115,000, including not to exceed \$25,000 for repair and improvement of the garbage-reduction plant, of which not to exceed \$10,000 shall provide for the construction, by day labor or otherwise, in the discretion of the commissioners, of a 2-story brick bunk house, and there is further made available for the purposes of this paragraph not to exceed \$72,500 of the unexpended balance of the similar appropriation for the fiscal year 1932.

Mr. KING. Mr. President, may I have the attention of my friend from Connecticut? On line 15 I notice that \$72,500 appropriated heretofore has not been expended, and it is reappropriated. Ought not that \$72,500 to be returned to the Treasury? Of course it means, if not, that an additional amount is to be expended by this particular organization—that is, the amount of \$72,500.

Mr. BINGHAM. Mr. President, I will say to the Senator that that is needed for the improvement of the garbage-reduction plant. That is why the unexpended balance is reappropriated. The amount needed for the collection and disposal of garbage, dead animals, night soil, and miscellaneous refuse and ashes, and so forth, is not too large to provide for the necessary keeping clean of the city.

Mr. KING. I was not adverting to the item to which the Senator has just referred, but I was wondering why that \$72,500 had not been expended, and, if not, why it

should not be covered into the Treasury.

Mr. BINGHAM. The Budget estimate was based on the fact that that money would be available to be used. If there had not been an unexpended balance, the estimate would have been larger.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, under the heading "Public playgrounds," on page 38, line 2, after the word "services," to strike out "\$115,940" and insert "\$117,560," so as to read:

For personal services, \$117,560.

The amendment was agreed to.

The next amendment was, on page 38, line 11, after the word "truck," to strike out "\$35,000" and insert "\$40,000," so as to read:

For general maintenance, repairs and improvements, equipment, supplies, incidental and contingent expenses of playgrounds, including labor and maintenance of one motor truck, \$40,000.

The amendment was agreed to.

The next amendment was, under the heading "Electrical department," on page 39, line 21, to strike out "\$25,000" and insert "\$28,000," so as to read:

For placing wires of fire alarm, police patrol, and telephone services underground, extension and relocation of police-patrol and fire-alarm systems, purchase and installing additional lead-covered cables, labor, m-terial, appurtenances, and other necessary equipment and expenses, \$28,000.

The amendment was agreed to.

The next amendment was, on page 40, line 13, before the word "of," to strike out "\$910,000" and insert "\$1,006,000," so as to read:

Lighting: For purchase, installation, and maintenance of public lamps, lamp-posts, street designations, lanterns, and fixtures of all kinds of streets, avenues, roads, alleys, and public spaces, part cost of maintenance of airport and airway lights necessary for operation of the air mail, and for all necessary expenses in connection therewith, including rental of stables and storerooms, livery and extra labor, operation, maintenance, and repair of motor trucks, this sum to be expended in accordance with the provisions of sections 7 and 8 of the District of Columbia appropriation act for the fiscal year 1912 (36 Stat., pp. 1008-1011, sec. 7), and with the provisions of the District of Columbia appropriation act for the fiscal year 1913 (37 Stat., pp. 181-184, sec. 7), and other laws applicable thereto, and including not to exceed \$26,000 for operation and maintenance of electric traffic lights, signals, and controls, \$1,006,000, of which not to exceed \$10,000 shall be available for the completion of a study of the power needs of the District of Columbia with a view to establishing a municipally owned and operated service.

The amendment was agreed to.

The next amendment was, under the heading "Public schools," on page 41, line 23, after the word "twelve," to strike out "\$6,510,333" and insert "\$6,556,700," so as to read:

For personal services of teachers and librarians in accordance with the act approved June 4, 1924 (43 Stat. pp. 367-375), including for teachers colleges assistant professors in salary class 7, and professors in salary class 12, \$6,556,700.

The amendment was agreed to.

The next amendment was, under the subhead "Care of buildings and grounds," on page 44, line 23, after the word "allowed," to strike out "\$889,260" and insert "\$900,000," so as to read:

For personal services, including care of smaller buildings and rented rooms at a rate not to exceed \$96 per annum for the care of each schoolroom, other than those occupied by atypical or ungraded classes, for which service an amount not to exceed \$120 per annum may be allowed, \$900,000.

The amendment was agreed to.

The next amendment was, under the subhead "Furniture," on page 45, line 18, after the words "as follows" and the colon, to strike out "Douglass Simmons School, \$5,880; Harrison School, \$5,880; Giddings School, \$9,250; Taft Junior High School, \$36,960; Crummell School, \$760; Kenilworth School, \$1,270; in all, \$60,000," and insert Douglass-Simmons School, \$7,000; Harrison School, \$7,000; Giddings School, \$10,288; Taft Junior High School, \$40,294; Crummell School, \$900; Kenilworth School, \$1,500; in all, \$66,982," so as to read:

For completely furnishing and equipping buildings and additions to buildings, as follows: Douglass-Simmons School, \$7,000; Harrison School, \$7,000; Giddings School, \$10,288; Taft Junior High School, \$40,294; Crummell School, \$900; Kenilworth School, \$1,500; in all, \$66,982; to be immediately available and to continue available until June 30, 1934.

The amendment was agreed to.

The next amendment was, on page 46, line 4, after the name "Roosevelt High School," to strike out "\$150,000" and insert "\$180,000," so as to read:

For furniture and equipment, including pianos and window shades, for the Roosevelt High School, \$180,000.

The amendment was agreed to.

The next amendment was, on page 46, line 12, after the word "labor," to strike out "\$150,000" and insert "\$175,-000," so as to read:

For contingent expenses, including furniture and repairs of same, stationery, ice, United States flags, paper towels, and other necessary items not otherwise provided for, and including not exceeding \$8,000 for books of reference and periodicals, not exceeding \$1,500 for replacement of pianos at an average cost of not to exceed \$300 each, not exceeding \$5,000 for labor, \$175,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 47, line 2, after the word "services," to strike out "\$200,000" and insert "\$225,000," so as to read:

For textbooks and other educational books and supplies, as authorized by the act of January 31, 1930 (46 Stat. 62), including not to exceed \$7,000 for personal services, \$225,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 47, after line 19, to strike out:

No part of the appropriations herein made for the public schools of the District of Columbia shall be used for the free instruction of pupils who dwell outside the District of Columbia: Provided, That this limitation shall not apply to pupils who are enrolled in the schools of the District of Columbia on the date of the approval of this act.

The amendment was agreed to.

The next amendment was, at the top of page 48, to insert:

The children of officers and men of the United States Army, Navy, and Marine Corps, and children of other employees of the United States stationed outside the District of Columbia shall be admitted to the public schools without payment of tuition.

The amendment was agreed to.

The next amendment was, on page 48, line 20, after the word "trucks," to strike out "\$400,000" and insert "\$475,000," so as to read:

For repairs and improvements to school buildings, repairing and renewing heating, plumbing, and ventilating apparatus, installation and repair of electric equipment, and installation of sanitary drinking fountains, and maintenance of motor trucks, \$475,000, of which amount \$100,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 48, line 25, to strike out "\$10,000" and insert "\$15,000," so as to read:

For necessary remodeling, painting, and equipping of three rooms at the Western High School for a chemical laboratory, a biological laboratory, and a typewriting room, \$15,000.

The amendment was agreed to.

The next amendment was, on page 49, line 5, before the word "old," to strike out "\$150,000" and insert "\$155,000," and in line 6, after the word "building," to strike out "\$12,000; in all, \$162,000" and insert "\$14,000; in all, \$169,000," so as to read:

For the necessary remodeling, painting, and equipping, including the repair and refinishing of suitable existing equipment because of contemplated change of use of buildings, as follows: Old Business High School building, \$155,000; old Cardoza High School building, \$14,000; in all, \$169,000.

The amendment was agreed to.

The next amendment was, on page 49, after line 21, to

Not to exceed \$10,000 of the unexpended balance of the appropriation for buildings and grounds, public schools, contained in the District of Columbia appropriation act, fiscal year 1932, is hereby made available, and shall continue available until June 30, 1933, for moving to the old Columbia Junior High School building the library, laboratory, and cafeteria equipment of the Wilson Teachers College, pending rehabilitation of said teachers college building, including the installation of shelving and other equipment, and repainting and minor structural changes in the Columbia Junior High School building, removing and return of all teachers college equipment to the Wilson Teachers College building upon the completion of rehabilitation of that building, and other necessary expenses, such work to be performed by day labor or otherwise in the discretion of the Commissioners of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 52, line 3, to strike out "\$100,000" and insert "\$135,000," so as to read:

For the completion of construction, and for improvement of grounds, of the Roosevelt (Business) High School, \$135,000.

The amendment was agreed to.

The next amendment was, on page 52, after line 12, to

For the construction of a school building on a site acquired for that purpose in the vicinity of Foxhall Village to provide four classrooms and unfinished space for four additional classrooms, \$100,000.

The amendment was agreed to.

The next amendment was, on page 53, line 3, after the words "In all," to strike out "\$1,356,000" and insert "\$1,491,000," so as to read:

In all, \$1,491,000, to be immediately available and to be disbursed and accounted for as "Buildings and grounds, public schools," and for that purpose shall constitute one fund and remain available until expended.

The amendment was agreed to.

The next amendment was, under the heading "Metropolitan police, salaries," on page 55, at the end of line 10, to strike out "\$3,092,964" and insert "\$3,163,000," so as to

For the pay and allowances of officers and members of the Metropolitan police force, in accordance with the act entitled "An act to fix the salaries of the Metropolitan police force, the United States park police force, and the fire department of the District of Columbia" (43 Stat. 174–175), as amended, including compensation at the rate of \$2,100 per annum for the present assistant property clerk of the police department, \$3,163,000.

The amendment was agreed to.

The next amendment was, on page 55, line 11, to increase the appropriation for personal service, under the Metropolitan police, from \$123,050 to \$137,270.

The amendment was agreed to.

The next amendment was, on page 55, line 13, to increase the appropriation for fuel, under the Metropolitan police, from \$7,500 to \$8,500.

The amendment was agreed to.

The next amendment was, on page 55, line 15, to increase the appropriation for repairs and improvements to police stations and station grounds from \$12,500 to \$15,000.

The amendment was agreed to.

The next amendment was, on page 55, line 22, after the word "charges," to insert "purchase"; in line 23, after the word "broadcasting," to strike out "system" and insert "systems"; and on page 56, line 7, after the word "patrol," to strike out "\$65,000" and insert "\$78,988," so as to read:

to strike out "\$65,000" and insert "\$78,988," so as to read:

For miscellaneous and contingent expenses, including rewards for fugitives, purchase of modern revolvers and other firearms, maintenance of card system, stationery, city directories, books of reference, periodicals, newspapers, telegraphing, telephoning, photographs, rental and maintenance of teletype system and laborsaving devices, telephone service charges, purchase, maintenance, and servicing of radiobroadcasting systems and purchase of equipment, gas, ice, washing, meals for prisoners, medals of award, not to exceed \$300 for car tickets, not to exceed \$1,500 for travel and other expenses of members of the force at the police school at Camp Perry, Ohio, furniture and repair thereto, beds and bed clothing, insignia of office, police equipments and repairs to same, and mounted equipment, flags and halyards, storage of stolen or abandoned property, and traveling and other expenses incurred in prevention and detection of crime, and other necessary expenses, including expenses of harbor patrol, \$78,988, of which amount a sum not exceeding \$2,000 may be expended by the major and superintendent of police for prevention and detection of crime, under his certificate, approved by the commissioners, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

The amendment was agreed to.

The next amendment was, on page 56, at the end of line 24, to strike out "\$65,000" and insert "\$85,000," so as to read:

For purchase and maintenance of passenger-carrying and other motor vehicles and the replacement of those worn out in the service and condemned, \$85,000.

The amendment was agreed to.

The next amendment was, under the heading "Fire department, salaries," on page 58, line 8, after the word "amended" and the comma, to strike out "\$2,165,100" and insert "\$2,198,000," so as to read:

For the pay of officers and members of the fire department, in accordance with the act entitled "An act to fix the salaries of officers and members of the Metropolitan police force, the United States park police force, and the fire department of the District of Columbia" (43 Stat., p. 175), as amended, \$2,198,000.

The amendment was agreed to.

The next amendment was, on page 59, line 4, to increase the appropriation for fuel, under the fire department, from \$23,000 to \$28,000.

The amendment was agreed to.

The next amendment was, on page 59, after line 12, to

For house, furniture, and furnishing for a truck company to be located in the vicinity of Fourteenth Street and Rhode Island Avenue, NE., including the cost of necessary instruments for receiving alarms and connecting said house with fire-alarm head-quarters, \$83,500.

The amendment was agreed to.

The next amendment was, under the heading "Health Department," on page 61, line 12, after the word "expenses," to strike out "\$36,000" and insert "\$44,000"; in line 13, after the word "exceeding," to strike out "\$7,000" and insert "\$15,000," and in line 15, after the word "equipment," to insert a comma and "such work to be performed by day labor or otherwise in the discretion of the Commissioners of the District of Columbia," so as to read:

For the maintenance of a dispensary or dispensaries for the treatment of indigent persons suffering from tuberculosis and of indigent persons suffering from venereal diseases, including payment for personal services, rent, supplies, and contingent expenses, \$44,000, of which not exceeding \$15,000 shall be available for the alteration of quarters, expenses of moving, and purchase and installation of equipment, such work to be performed by day labor or otherwise in the discretion of the Commissioners of the District of Columbia. District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Hygiene and Sanitation, Public Schools," on page 62, line 9, to strike out "\$95,980" and insert "\$107,200," so as to read:

Salaries: For personal services in the conduct of hygiene and sanitation work in the public schools, including the necessary expenses of maintaining free dental clinics, \$107,200.

The amendment was agreed to.

The next amendment was, on page 63, line 9, after the word "milk," to strike out "\$5,300" and insert "\$8,300," so as to read:

For contingent expenses incident to the enforcement of an act relating to the adulteration of foods and drugs in the District of Columbia, approved February 17, 1898 (30 Stat. 246-248), an act to prevent the adulteration of candy in the District of Columbia, approved May 5, 1898 (30 Stat. 398), an act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes, approved June 30, 1906 (34 Stat. 768-772), and an act to regulate, within the District of Columbia, the sale of milk, cream, and ice cream, and for other purposes, approved February 27, 1925 (43 Stat. 1004-1008), including traveling and other necessary expenses of dairy-farm inspectors; and including not to exceed \$100 for special services in detecting adulteration of drugs and foods, including candy and milk, \$8,300.

The amendment was agreed to.

The next amendment was, on page 63, at the end of line 9, to insert a colon and the following proviso:

Provided, That inspectors of dairy farms may receive an allowance for furnishing privately owned motor vehicles in the performance of official duties at the rate of not to exceed \$480 per annum for each inspector.

The amendment was agreed to.

The next amendment was, on page 63, line 21, after the word "supplies," to strike out "\$52,000" and insert "\$54,-000," so as to read:

For maintaining a child-hygiene service, including the establishment and maintenance of child-weifare stations for the clinical examinations, advice, care, and maintenance of children under 6 years of age, payment for personal services, rent, fuel, periodicals, and supplies, \$54,000.

The amendment was agreed to.

The next amendment was, under the heading "Courts and Prisons, Juvenile Court," on page 64, at the end of line 14, to strike out "\$2,750" and insert "\$3,500," so as to read:

For fuel, ice, gas, laundry work, stationery, books of reference, periodicals, typewriters and repairs thereto, preservation of records, mops, brooms, and buckets, removal of ashes and refuse, telephone service, traveling expenses, meals of jurors and prisoners, repairs to courthouse and grounds, furniture, fixtures, and equipment, and other incidental expenses not otherwise provided for, \$3,500.

The amendment was agreed to.

The next amendment was, under the subhead "Police Court," on page 65, line 14, to increase the appropriation for compensation of jurors from \$33,600 to \$37,200.

The amendment was agreed to.

The next amendment was, on page 67, line 9, after the name "District of Columbia," to strike out "\$38,330" and insert "\$39,410," so as to read:

Courthouse: For personal services for care and protection of the courthouse, under the direction of the United States marshal of the District of Columbia, \$39,410, to be expended under the direction of the Attorney General.

The amendment was agreed to.

The next amendment was, on page 67, line 14, after the word "thereto," to strike out "\$6,500" and insert "\$8,500," so as to read:

For repairs and improvements to the courthouse, including repair and maintenance of the mechanical equipment, and for labor and material and every item incident thereto \$8,500, to be expended under the direction of the Architect of the Capitol.

The amendment was agreed to.

The next amendment was, on page 69, line 8, after the name "District of Columbia," to strike out "\$65,000" and insert "\$75,000," so as to read:

Miscellaneous court expenses: For such miscellaneous expenses as may be authorized by the Attorney General for the Supreme Court of the District of Columbia and its officers, including the furnishing and collecting of evidence where the United States is or may be a party in interest, and including such expenses, other than for personal services, as may be authorized by the Attorney General for the Court of Appeals, District of Columbia, \$75,000.

The amendment was agreed to.

The next amendment was, under the heading "Public Welfare," on page 69, line 16, to increase the appropriation for personal services, Board of Public Welfare, from \$116,300 to \$118,100.

The amendment was agreed to.

The next amendment was, on page 70, line 15, after the word "exceed," to strike out "\$13,280" and insert "\$14,900," and in line 16, after the name "District of Columbia," to strike out "\$153,280: Provided, That this appropriation shall be so apportioned by the commissioners as to prevent a deficiency therein, and no more than \$75 per month shall be paid therefrom to any one family" and insert "\$164,900," so as to read.

To carry out the purposes of the act entitled "An act to provide home care for dependent children in the District of Columbia," approved June 22, 1926 (44 Stat., pp. 758-760), including not to exceed \$14,900 for personal services in the District of Columbia,

The amendment was agreed to.

The next amendment was, on page 71, line 8, after the word "services," to strike out "\$38,000" and insert \$42,360," so as to read:

For the maintenance, under the jurisdiction of the Board of Public Welfare, of a suitable place in a building entirely separate and apart from the House of Detention for the reception and detention of children under 17 years of age arrested by the police on charge of offense against any laws in force in the District of Columbia or committed to the guardianship of the board or held as witnesses or held temporarily or pending hearing or otherwise, including transportation, food, clothing, medicine and medical supplies, rental, repair, and upkeep of buildings, fuel, gas, electricity, ice, supplies and equipment, and other necessary expenses, including not to exceed \$20,260 for personal services, \$42,360.

The amendment was agreed to.

The next amendment was, under the subhead "Jail," on page 72, at the end of line 3, to strike out "\$65,000" and insert "\$70,000," so as to read:

For maintenance and support of prisoners of the District of Columbia at the jail, expenses incurred in identifying and pursuing escaped prisoners and rewards for their recapture, repair and improvements to buildings, cells, and locking devices, books and periodicals not to exceed \$100, maintenance of nonpassenger-carrying motor vehicle, and expense of electrocutions, \$70,000.

The amendment was agreed to.

The next amendment was, under the heading "General administration, workhouse and reformatory, District of Columbia," on page 72, line 14, to strike out "\$300,000" and insert "\$348,000," so as to read:

For maintenance, care, and support of inmates, rewards for fugitives, discharge gratuities provided by law, medical supplies, farm implements, tools, equipment, transportation expenses, purchase and maintenance of livestock and horses, purchase, exchange, maintenance, operation, and repair of non-passenger-carrying vehicles and motor bus; fuel for heating, lighting, and power, and all other necessary items, \$348,000.

The amendment was agreed to.

The next amendment was, on page 72, line 17, after the word "buildings," to strike out "\$60,000" and insert "\$70,000," so as to read:

For continuing construction of permanent buildings, including sewers, water mains, roads, and other necessary utilities; for equipment for new buildings, \$70,000.

The amendment was agreed to.

The next amendment was, on page 72, line 21, to strike out "\$17,000" and insert "\$32,000," so as to read:

For repairs to buildings and grounds, and maintenance of utilities, marine and railroad transportation facilities, and mechanical equipment not used in industrial enterprises, \$32,000.

The amendment was agreed to.

The next amendment was, on page 73, line 4, after the word "requirements," to strike out the comma and "and in fixing prices the Federal Government as a whole shall be treated as a single customer," so as to read:

To provide a working capital fund for such industrial enterprises as may be approved by the Commissioners of the District of Columbia, \$50,000: Provided, That the various departments and institutions of the District of Columbia and the Federal Governinstitutions of the District of Columbia and the Federal Government may purchase, at fair market prices, as determined by the commissioners, such surplus products and services as meet their requirements; receipts from the sale of products and services shall be deposited to the credit of said working capital fund, and said fund, including all receipts credited thereto, shall be used as a revolving fund for the fiscal year 1933 for the purchase and repair of machinery, tools, and equipment, purchase of raw materials and manufacturing supplies, purchase, maintenance, and operation of non-passenger-carrying vehicles, purchase and maintenance of horses, and purchase of fuel for manufacturing purposes; for freight, personal services, and all other necessary expenses; and for the payment to inmates or their dependents of such pecuniary earnings as the commissioners may deem proper.

The amendment was agreed to.

The next amendment was, under the subhead "National Training School for Girls," on page 75, at the end of line 4, to strike out "\$34,180" and insert "\$35,200," so as to read:

For groceries, provisions, light, fuel, soap, oll, lamps, candles, clothing, shoes, forage, horseshoeing, medicines, medical attendance, transportation, labor, sewing machines, fixtures, books, magazines, and other supplies which represent greater educational advantages, stationery, horses, vehicles, harness, cows, pigs, fowls, sheds, fences, repairs, typewriting, stenography, and other necessary items, and including compensation not exceeding \$1,500 for additional labor or services, for identifying and pursuing escaped inmates and for rewards for their capture, for transportation and other necessary expenses incident to securing suitable homes for paroled or discharged girls, and for maintenance of non-passenger-carrying motor vehicles, \$35,200.

The amendment was agreed to.

The next amendment was, under the subhead "Tuber-culosis Hospital," on page 76, at the end of line 2, to strike out "\$55.000" and insert "\$63.000." so as to read:

For provisions, fuel, forage, harness, and vehicles, and repairs to same, gas, ice, shoes, clothing, dry goods, talloring, drugs and medical supplies, furniture and bedding, kitchen utensils, books and periodicals not to exceed \$200, temporary services not to exceed \$1,000, maintenance of motor truck, and other necessary items, \$63,000.

The amendment was agreed to.

The next amendment was, on page 76, line 13, after the word "expenses," to strike out "\$225,000" and insert "\$240,000, and the Commissioners of the District of Columbia are authorized, from this appropriation, to provide superintendent's quarters and other necessary structures by remodeling and repairing any existing structures now on the property," so as to read:

For completion of the erection of suitable buildings and structures for use as a children's tuberculosis sanatorium on the site acquired for that purpose, including nurses' and employees' home, superintendent's quarters, and necessary approaches and roadways, heating and ventilating apparatus, water, sewer, lighting and fire protection facilities, and other necessary expenses, \$240,000, and the Commissioners of the District of Columbia are authorized, from this appropriation, to provide superintendent's quarters and other necessary structures by remodeling and repairing any existing structures now on the property.

The amendment was agreed to.

The next amendment was, under the subhead "Gallinger Municipal Hospital," on page 76, at the end of line 20, to strike out "\$358,620" and insert "\$368,960," so as to read:

Salaries: For personal services, including not to exceed \$2,000 for temporary labor, \$368,960.

The amendment was agreed to.

The next amendment was, on page 77, line 8, after the word "expenses," to strike out "\$175,000" and insert "\$211,000," so as to read:

For maintenance of the hospital; for maintenance of the quarantine station, smallpox hospital, and public crematorium, including expenses incident to furnishing proper containers for the reception, burial, and identification of the ashes of all human bodies of indigent persons that are cremated at the public crematorium and remain unclaimed after 12 months from the date of such cremation; for maintenance and purchase of horses and horse-drawn vehicles; for medical books, books of reference, and periodicals, not to exceed \$500; for maintenance of non-passenger-carrying motor vehicles; and for all other necessary expenses, \$211,000.

The amendment was agreed to.

The next amendment was, on page 77, line 10, after the word "grounds," to strike out "\$6,500" and insert "\$7,500," so as to read:

For repairs and improvements to buildings and grounds, \$7,500.

The amendment was agreed to.

The next amendment was, under the subhead "District Training School," on page 78, at the end of line 6, to strike out "\$88,140" and insert "\$93,720," so as to read:

For personal services, including not to exceed \$1,000 for temporary labor, \$93,720.

The amendment was agreed to.

The next amendment was, on page 78, line 10, after the word "implements," to strike out "\$75,000" and insert "\$93,000." so as to read:

For maintenance and other necessary expenses, including the maintenance of non-passenger-carrying motor vehicles, the purchase and maintenance of horses and wagons, farm machinery, and implements, \$93,000.

The amendment was agreed to.

The next amendment was, on page 78, line 12, after the word "grounds," to strike out "\$12,500" and insert "\$15,000," so as to read:

For repairs and improvements to buildings and grounds, \$15,000.

The amendment was agreed to.

The next amendment was, under the subhead "Industrial Home School for Colored Children," on page 78, line 14, after the word "services," to strike out "\$38,260" and insert "\$41,620," and at the end of line 15, to strike out "\$38,760" and insert "\$42,120." so as to read:

Salaries: For personal services, \$41,620; temporary labor, \$500; in all, \$42,120.

The amendment was agreed to.

The next amendment was, on page 78, line 20, to strike out "\$25,000" and insert "\$33,000," so as to read:

For maintenance, including purchase and maintenance of farm implements, horses, wagons, and harness, and maintenance of non-passenger-carrying motor vehicles, and not to exceed \$1,250 for manual-training equipment and materials, \$33,000.

The amendment was agreed to.

The next amendment was, on page 78, line 22, to strike out "\$2,500" and insert "\$3,000," so as to read:

For repairs and improvements to buildings and grounds, \$3,000.

The amendment was agreed to.

The next amendment was, on page 78, at the end of line 25, to strike out "\$2,500" and insert "\$5,000," so as to read:

For furniture and household furnishings, kitchen equipment, and other necessary effects for two additional cottages and additional school facilities, \$5,000.

The amendment was agreed to.

The next amendment was, at the top of page 79, to insert: For the purchase of one 11/2-ton motor truck, \$700.

The amendment was agreed to.

The next amendment was, under the subhead "Industrial Home School," on page 79, line 8, after the word "services," to strike out "\$26,100" and insert "\$28,140," and at the end of line 9 to strike out "\$26,600" and insert "\$28,640," so as to read:

Salaries: For personal services, \$28,140; temporary labor, \$500; in all, \$28,640.

The amendment was agreed to.

The next amendment was, on page 79, at the end of line 12, to strike out "\$20,000" and insert "\$25,000," so as to read:

For maintenance, including care of horses, purchase and care of wagon and harness, maintenance of non-passenger-carrying motor vehicle, \$25,000.

The amendment was agreed to.

The next amendment was, on page 79, line 14, to strike out "\$5,000" and insert "\$6,000," so as to read:

For repairs and improvement to buildings and grounds, \$6,000.

The amendment was agreed to.

The next amendment was, under the subhead "Home for Aged and Infirm," on page 79, line 22, after the word "vehicles," to strike out "\$60,000" and insert "\$65,000," so as to read:

For provisions, fuel, forage, harness, and vehicles and repairs to same, ice, shoes, clothing, dry goods, tailoring, drugs and medical supplies, furniture and bedding, kitchen utensils, and other necessary items, and maintenance of non-passenger-carrying motor vehicles, \$55,000.

The amendment was agreed to.

The next amendment was, on page 79, at the end of line 25, to strike out "\$7,500" and insert "\$9,000," so as to read:

For repairs and improvements to buildings and grounds, such work to be performed by day labor or otherwise in the discretion of the commissioners, \$9,000.

The amendment was agreed to.

The next amendment was, on page 80, at the end of line 4, to strike out "\$10,000" and insert "\$12,500," so as to read:

For the construction of an addition to colored men's ward, such work to be performed by day labor or otherwise as in the judgment of the commissioners may be most advantageous to the District of Columbia, \$12,500.

The amendment was agreed to.

The next amendment was, under the subhead "Municipal lodging house and wood yard," on page 80, line 6, after the word "maintenance," to strike out "\$3,340; in all, \$7,000" and insert "\$4,340; in all, \$8,000," so as to read:

For personal services, \$3,660; maintenance, \$4,340; in all, \$8,000.

The amendment was agreed to.

The next amendment was, on page 80, after line 7, to insert:

For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia, by loan, employment, and/or direct relief, under rules and regulations to be prescribed by the Board of Commissioners, and without regard to the provisions of any other law, fiscal year 1933, to be immediately available, payable from the revenues of the District of Columbia, \$600,000: Provided, That not to exceed \$60,000 of this amount shall be available for necessary personal services and expenses.

Mr. BLAINE. Mr. President, I desire now to offer the amendment I proposed a few moments ago.

The VICE PRESIDENT. Will the Senator restate the amendment?

Mr. BLAINE. On page 80, line 16, I move to strike out the figures "\$600,000" and insert "\$700,000," and to add thereafter the following language:

\$100,000 of which is hereby apprapriated out of the Treasury, and which shall be immediately available for emergency temporary care of transient and homeless persons in the District of Columbia.

Mr. BINGHAM. Mr. President, in view of the fact that this amount has not been recommended by the Budget or by the Appropriations Committee, it is necessary that I should make a point of order against it.

Mr. BLAINE. I am very sorry the Senator has made the point of order.

The VICE PRESIDENT. The point of order is sustained.
Mr. BLAINE. I therefore propose the following amendment: In line 18, after the word "expenses," I move to strike out the period and insert the following:

\$100,000 of which shall be made available immediately for the sole purpose of affording emergency temporary care of transient and homeless persons in the District of Columbia.

Mr. BINGHAM. Mr. President, I make the point of order that this is new legislation, not recommended by the Budget.

The VICE PRESIDENT. The Chair sustains the point of order.

Mr. BLAINE. Mr. President, I offer this amendment: At the end of line 18, after the word "expenses," I move to strike out the period and insert the following language:

\$100,000 of which shall be limited for relief of transient and homeless persons in the District of Columbia for emergency temporary care, available immediately.

I submit that that is a limitation upon the appropriation, and, in my opinion, is in order, because the first paragraph of this appropriation is:

For the purpose of affording relief to residents of the District who are unemployed or otherwise in distress.

This language limits the use of \$100,000 of the \$600,000 appropriation.

Mr. BINGHAM. Mr. President, I am obliged to make a point of order against it, since it is not strictly a limitation, but, in fact, broadens the language. This in effect would broaden the provision so as to apply the money recommended by the Budget and adopted by the committee, the \$600,000, for use among residents of the District of Columbia, to those not residents of the District, but transients.

The VICE PRESIDENT. The Chair sustains the point of order.

Mr. BLAINE. Mr. President, I offer the following amendment: On page 80, line 18, after the word "residents," to strike out the period and insert "Provided, however, That not exceeding \$100,000 shall be immediately available for those who are temporarily unemployed or otherwise temporarily in distress because of the existing emergency."

Mr. BINGHAM. Mr. President, I have not seen the wording of the amendment, but it strikes me that that is provided for in lines 9 and 10 and therefore is not necessary, but is not new legislation, and therefore that a point of order would not lie against it. In order to make sure, however, and protect the committee which I have the honor to represent, I make the point of order and submit it to the Chair.

The VICE PRESIDENT. The Chair is of opinion that the amendment is out of order.

Mr. BLAINE. Then, Mr. President, I offer this amendment, on line 8, page 80, to strike out the words "residents of" and insert in lieu thereof the words "persons in."

Mr. BINGHAM. Mr. President, I make the same point of order against that, since it enlarges the scope of the proposed appropriation.

The VICE PRESIDENT. The Chair sustains the point of order.

Mr. BLAINE. Mr. President, before passing over this matter, I want to present an observation. First, however, I would like to ask the Senator from Connecticut if the appropriation of \$600,000 is for the present fiscal year?

Mr. BINGHAM. Yes, Mr. President.

Mr. BLAINE. It is for the present fiscal year?

Mr. BINGHAM. Starting with July 1. Mr. BLAINE. Not available until June 30?

Mr. BINGHAM. I call the Senator's attention to the fact that in line 15 the entire appropriation is made immediately available.

Mr. BLAINE. I thank the Senator for the information. So that the Record may be perfected, and there may be no misunderstanding about this appropriation, I direct the attention of the Senator from Connecticut to the language, "for the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress."

The interpretation of the language "residents" it would seem to me would be broad enough to include those who are here constituting the so-called bonus expeditionary force, former service men. They are not homeless in the sense that they have no shelter, no protection. Temporary places have been afforded them, in some buildings, in some cases improvised shelters, and to all intents and purposes they are now residents of the District of Columbia. They are here. They reside here. They actually live here. They eat and sleep here. They may be here temporarily, but they are not of the character of that person who is a transient. In other words, we do not know how long they will be here. They are here for more than a night. They are men who are not just passing through the District. They are men who have come to the District, and, for all I know, unless some relief measure is afforded, a large number of them may remain here and become permanent residents of the District of Columbia.

It would seem to me, therefore, that under the language of this bill in the present emergency the District authorities in all probability would be authorized to provide relief for those who are here, and for those who are unemployed and who are in distress out of this appropriation.

Mr. President, I am not going to discuss at any length the proposition of what constitutes residence in the District of Columbia. The people here in the District do not vote; therefore we can not by any rule relating to franchise define who is a resident of the District of Columbia. There are men and women in the District who do vote in their respective States, maintaining their voting residence in those States, but a voting residence and an actual residence are two entirely different kinds of residences.

A person domiciled in the District would therefore appear to be a resident of the District, and the interpretation no doubt would be that when we determine the domicile of a person, we then determine the residence of that person, and if a person is domiciled here he is a resident within the District of Columbia.

These ex-service men are not transients. They have come, of course, for an indefinite period of time, but they are not just passing through; they are not temporarily here in the sense of being transients, here to-day and somewhere else to-morrow. They are here, domiciled here, for a specific purpose, and while it is possible that some of them may not be residents it is very probable that a large number of them have become residents of the District of Columbia and would come within the provisions of this appropriation.

However that may be, I want to discuss another feature. My purpose in carrying on this debate is to find some way by which the District of Columbia will be afforded sufficient money to provide for the health of the people of this District and those who are here as veterans. I want to propose that the District authorities should have made available sufficient funds to provide for proper sanitation for these men, as a matter of self-interest, or self-protection, to the people who live in this District, as a matter of protection to the men who are here, and as a matter of protection to the men, women, and children in the respective vicinities from which these men come. I am not going into a further discussion of the eventualities which may come out of the very possible menace that confronts the health and welfare of the people of the District of Columbia.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. BINGHAM. May I suggest to the Senator that it would scarcely be fair to expect the taxpayers of the District of Columbia to provide a considerable amount of money for the care of transients who have come here for the purpose of lobbying with the Congress of the United States to secure what they believe is their right, and who have come here in very large numbers. It is scarcely fair to ask the taxpayers of the District of Columbia to do more than provide, as well as they can, for those of their fellow residents who are bona fide residents, and who are in trouble.

May I suggest to the Senator that yesterday the second deficiency appropriation bill came to the Senate and is now before the Committee on Appropriations, and that the proper way to secure the fund for the object which the Senator has in view is through securing an item in that deficiency appropriation bill, so that the money would not come out of the taxpayers of the District of Columbia alone, but would come, as the Senator believes it should come, out of the Federal Treasury. Will not the Senator take the matter up with the Committee on Appropriations in that connection, and let us get on with the District of Columbia appropriation bill, and protect the taxpayers of the District against any undue burdens being laid on them at this time?

Mr. BLAINE. Mr. President, I think I can outline a method by which money may be made immediately available under this bill, and I want to pursue what I think ought to be made a matter of record.

I do not desire to urge unduly the Senator from Connecticut, but to delay this matter until the deficiency bill is considered means over Sunday, Monday, Tuesday, long into next week, and if we have a spell of weather such as is threatening now, Mr. President, instead of sending these men back as living human beings, the chances are that we will be loading many of them upon railroad cars in wooden boxes. I want to say, Mr. President, here this afternoon, that a real menace confronts these men.

The danger to their health, the danger to the health of the people of the District, and the several communities of the country, is a grave danger. It is immediate action that we should have. I hope we can get immediate action even under the strict provisions of the pending bill. I preferred to go at the matter directly and make a direct appropriation. I have failed in that because of the objection made by the Senator from Connecticut. This bill will pass to-day, it will go to conference Monday, possibly it will get to conference this afternoon. It can become a law Monday morning.

Under the provisions of the bill the District of Columbia may use any part of the \$600,000 for relief of residents of the District who are unemployed or otherwise in distress because of the existing emergency. There is no specific emergency defined in the bill. The existing emergency in the District of Columbia is a general emergency that exists all over the country, and specifically there is an immediate existing present emergency and that is the danger which threatens the large group of men and the people to whom I have referred. It would seem to me that those who conduct the financial affairs of the District would have justification in law for using a part of the \$600,000 for the purposes I have pointed out.

I appreciate that the people of the District of Columbia should not be burdened with the expense of the present existing emergency, but, as the Senator from Connecticut has suggested, there is a second deficiency bill coming on, and if the District authorities will take money presently and devote it to the present existing emergency, then that money can be covered into the District treasury by an appropriation made in the second deficiency appropriation bill. There is a failure to appreciate that haste is the essential thing in the present existing emergency. Thousands of additional men, I understand, are coming to Washington, in spite of all the warnings that have been sent out. These men have been meeting in the rooms of their service organizations all over the country, selecting committees to come here, selecting large groups to come here. Those men, notwithstanding the warning, are determined and they are coming. There is no force in this country that can prevent their coming. It is a serious situation that confronts us, and we ought to have a realization of the very things that we know are now here presently with us. It is to avoid an untoward situation that I am seeking the relief for which I am pleading.

Mr. President, I want to say now in closing that if there is a single one of these veterans who are here to-day who, by reason of the inadequate sanitary conditions and inadequate housing conditions, is subjected to an epidemic that takes his life, his blood will be on the hands of those who fail to respond as they ought to respond in these times.

Mr. President, I have endeavored to make a record here so that if there is sufficient courage, as I believe there is, on the part of the District commissioner of police and on the part of the District superintendent of police, these authorities will do everything in their power to prevent the untoward situation which is bound to come from the causes to which I have referred. But I do not want to place that full responsibility upon them. There may be questionable authority, but I think when the emergency is grave enough and the danger is impending, then there is authority to take some of this money for the relief of the residents of the District who are in distress. It may be that they will be compelled to apply the appropriation beyond a point which would not be justified in ordinary times; but when this menace becomes a reality and an epidemic of typhoid breaks out in the District, the District authorities will have moral justification, if not absolute legal justification, to protect the people who live here or who may be sojourning here.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 80, line 8.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, under the heading "Militia," on page 85, line 1, after the word "services," to strike out "\$19,000" and insert "\$27,150," and in line 2, after the word "labor," to strike out "\$6,000; in all, \$25,000" and insert "\$7,000; in all, \$34,150," so as to read:

For personal services, \$27,150; temporary labor, \$7,000; in all, \$34,150.

The amendment was agreed to.

The next amendment was, on page 85, line 24, to strike out "\$7,500" and insert "\$12,500," so as to read:

For expenses of camps, including hire of horses for officers required to be mounted, and for the payment of commutation of subsistence for enlisted men who may be detailed to guard or move the United States property at home stations on days immediately preceding and immediately following the annual encamp-

ments, damages to private property incident to encampment, instruction, purchase and maintenance of athletic, gymnastic, and recreational equipment at armory or field encampments, not to exceed \$500; practice marches, drills, and parade, rent of armories, drill halls, and storehouses; fuel, light, heat, care, and repair of armories, offices, and storehouses, machinery and dock, dredging alongside of dock, construction of buildings for storage and other purposes at target range, telephone service, horses and mules for mounted organizations, maintenance and operation of passenger and nonpassenger motor vehicles, street-car fares (not to exceed \$200) necessarily used in the transaction of official business, not exceeding \$400 for traveling expenses, including attendance of meetings or conventions of associations pertaining to the National Guard, and for general incidental expenses of the service, \$12,500.

The amendment was agreed to.

The next amendment was, at the top of page 86, to insert:

For pay of troops other than Government employees, to be disbursed under the authority and direction of the commanding general. \$11.000.

The amendment was agreed to.

The next amendment was, on page 86, line 4, to increase the appropriation for printing, stationery, and postage for the militia from \$500 to \$950.

The amendment was agreed to.

The next amendment was, on page 86, line 6, to increase the appropriation for cleaning and repairing uniforms, arms, and equipment, and contingent expenses of the militia from \$400 to \$1,000.

The amendment was agreed to.

The next amendment was, under the heading "Public buildings and public parks, salaries, public parks, District of Columbia," on page 86, line 14, to increase the appropriation for personal services under the public parks from \$400,-000 to \$405,900.

The amendment was agreed to.

The next amendment was, under the subhead "General expenses, public parks," on page 87, line 11, after the word "exceed," to strike out "two" and insert "four," and in line 14, after the words "and so forth," to strike out "\$500,000" and insert "\$625,000," so as to read:

"\$500,000" and insert "\$625,000," so as to read:

General expenses: For general expenses in connection with the maintenance, care, improvement, furnishing of heat, light, and power of public parks, grounds, fountains, and reservations, propagating gardens and greenhouses under the jurisdiction of the Office of Public Buildings and Public Parks of the National Capital, including \$5,000 for the maintenance of the tourists' camp on its present site in East Potomac Park, and including personal services of seasonal or intermittent employees at per diem rates of pay approved by the director, not exceeding current rates of pay for similar employment in the District of Columbia; the hire of draft animals with or without drivers at local rates approved by the director; the purchase and maintenance of draft animals, harness, and wagons; contingent expenses; city directories; communication service; car fare; traveling expenses; professional, scientific, technical, and law books; periodicals and reference books; blank books and forms; photographs; dictionaries and maps; leather and rubber articles for the protection of employees and property; the maintenance, repair, exchange, and operation of not to exceed four motor-propelled passenger-carrying vehicles and all necessary bicycles, motor cycles, and self-propelled machinery; the purchase, maintenance, and repair of equipment and fixtures, and so forth, \$625,000. 8625,000

The amendment was agreed to.

The next amendment was, under the subhead "Park police," on page 88, at the end of line 4, to strike out "\$180,885" and insert "\$183,800," so as to read:

Salaries: For pay and allowances of the United States park police force, in accordance with the act approved May 27, 1924, as amended, \$183,800.

The amendment was agreed to.

The next amendment was, on page 88, at the end of line 9, to strike out "\$12,500" and insert "\$15,400," so as to

For uniforming and equipping the United States park police force, including the purchase, issue, operation, maintenance, repair, exchange, and storage of revolvers, bicycles, and motor-propelled passenger-carrying vehicles, uniforms, ammunition, and radio equipment, \$15,400.

The amendment was agreed to.

Mr. KING. Mr. President, I invite attention to one item just passed. On page 85, under the head of "Militia," for personal service, the House allowed \$19,000, which the Senate has increased to \$27,150. The House allowed for temporary labor \$6,000, in all \$25,000, which the Senate has increased to \$34,150. I am wondering if there is any justification for that. As a matter of fact, I do not see the necessity for very large appropriations for the militia at this time. Following the items to which I have just called attention there is an appropriation of \$12,500, and on the next page a further appropriation of \$11,000.

Mr. KENDRICK. Mr. President, the Senator from Connecticut [Mr. BINGHAM], in charge of the bill, is temporarily absent. However, the clerk of the committee tells me that this is exactly the same amount that was employed for this purpose last year.

Mr. KING. I can not understand the reason for such a large sum for personal services.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the heading "National Capital Park and Planning Commission," on page 88, line 14, after the figures "\$1,000,000," to strike out the colon and the following proviso:

Provided, That until otherwise permitted by law no further obligations shall be incurred under the appropriations heretofore made pursuant to the provisions of the act entitled "An act fore made pursuant to the provisions of the act entitled "An act for the acquisition, establishment, and development of the George Washington Memorial Parkway along the Potomac from Mount Vernon and Fort Washington to the Great Falls, and to provide for the acquisition of lands in the District of Columbia and the States of Maryland and Virginia requisite to the comprehensive park, parkway, and playground system of the National Capital," approved May 29, 1930 (46 Stat. 482-485), except such as may be for reimbursement of the United States or necessarily incidental to the discharge of obligations heretofore incurred.

For reimbursement to the United States in compliance with section 4 of the act approved May 29, 1930 (46 Stat. 482), as amended, \$1,000,000.

The amendment was agreed to.

The next amendment was, under the heading "National Zoological Park," on page 90, line 9, before the word "no," to strike out "\$228,880" and insert "\$233,880," so as to

For roads, walks, bridges, water supply, sewerage, and drainage; grading, planting, and otherwise improving the grounds, erecting and repairing buildings and inclosures; care, subsistence, erecting and repairing buildings and inclosures; care, subsistence, purchase, and transportation of animals; necessary employees; traveling and incidental expenses not otherwise provided for, including not to exceed \$2,000 for travel and field expenses in the United States and foreign countries for the procurement of live specimens and for the care, subsistence, and transportation of specimens obtained in the course of such travel; maintenance and operation of one motor-propelled passenger-carrying vehicle required for official purposes; for the purchase, issue, operation, maintenance, repair, and exchange of bicycles and motor cycles, revolvers and ammunition; not exceeding \$2,500 for purchasing and supplying uniforms to park police, keepers, and assistant keepers; not exceeding \$100 for the purchase of necessary books and periodicals, \$233,880, no part of which sum shall be available for architect's fees or compensation.

The amendment was agreed to.

The next amendment was, under the heading "Water service, Washington Aqueduct," on page 92, line 6, after the word "maintenance," to strike out "\$341,000" and insert "\$366,000," so as to read:

sert "\$366,000," so as to read:

For maintenance of the water department distribution system, including pumping stations and machinery, water mains, valves, fire and public hydrants, and all buildings and accessories, and motor trucks, and the replacement by purchase and/or exchange of the following motor-propelled vehicles: Two 750-pound trucks not to exceed \$1,000, two 1½-ton trucks not to exceed \$2,400, two 3-ton trucks not to exceed \$7,000, one 5-ton truck not to exceed \$4,500, and two 1½-ton trucks not to exceed \$1,500; purchase of fuel, oils, waste, and other materials, and the employment of all labor necessary for the proper execution of this work; and for contingent expenses, including books, blanks, stationery, printing, and binding not to exceed \$2,000, postage, purchase of technical reference books, and periodicals, not to exceed \$75, and other necessary items, \$7,500; in all for maintenance, \$366,000, of which \$30,000 shall be available for continuing a survey of water waste in the distribution system, including personal services, and \$5,000 shall be available only for operation of pumps at Bryant Street pumping station upon interruption of service from Dalecarlia pumping station.

The amendment was agreed to.

The next amendment was, on page 92, line 14, after the word "system," to strike out "\$250,000" and insert "\$275,-000," so as to read:

For extension of the water department distribution system, laying of such service mains as may be necessary under the assessment system, \$275,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 92, at the end of line 22, to strike out "\$20,000" and insert "\$25,000," so as to read:

For installing fire and public hydrants, \$25,000.

The amendment was agreed to.

The next amendment was, on page 93, line 2, after the word "payments," to strike out "\$125,000" and insert " \$150,000," so as to read:

For replacement of old mains and divide valves in various locations, on account of inadequate size and bad condition of pipe on account of age, and laying mains in advance of payments, \$150,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 97, after line 16, to strike out:

strike out:

Szc. 6. No appropriation under the government of the District of Columbia, or for any other activities for which appropriations are made in this act, available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the government of the District of Columbia, or such other activities, which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: Provided, That this inhibition shall not apply (1) to absolutely essential positions the filling of which may be approved in writing by the President of the United States, or (2) to temporary, emergency, or seasonal positions. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes, but shall be impounded and returned to the Treasury to the credit of the District of Columbia, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session. next regular session.

The amendment was agreed to.

The next amendment was, on page 98, after line 14, to strike out:

strike out:

Sec. 7. No appropriation under the government of the District of Columbia, or for any other activities for which appropriations are made in this act, available during the fiscal years 1932 and/or 1933, shall be used after the date of the approval of this act (1) to increase the compensation of any position within the grade to which such position has been allocated under the classification act of 1923, as amended, (2) to increase the compensation of any position in the field service the pay of which is adjustable to correspond so far as may be practicable to the rates established by such act as amended for the departmental service in the District of Columbia, (3) to increase the compensation of any position under such act through reallocation, (4) to increase the compensation of any person in any grade under such act through advancement to another position in the same grade or to a position in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation, or (5) to increase the comtion in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation, or (5) to increase the compensation of any other position in the government of the District of Columbia or in such other activities: *Provided*, That so much of the act of June 4, 1924 (43 Stat. 367), as provides automatic increases in salary to teachers, school officers, and other employees of the Board of Education of the District of Columbia, and so much of the acts of July 1, 1930 (46 Stat. 839), and April 13, 1928 (45 Stat. 429), as provides automatic increases in salary to officers and members of the Metropolitan police force and the Fire Department of the District of Columbia and members of the United States park police force, shall not be operative during the period between the date of the approval of this act and July 1, 1933: *Provided further*, That from the date of this act to and including June 30, 1933, payment for personal services made in accordance herewith shall constitute payment in full for such services. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes, but shall be impounded and returned to the Treasury to the credit of the District of Columbia, and a report of the amounts so impounded for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

The amendment was agreed to.

Mr. KENDRICK. Mr. President, that completes the committee amendments as set forth in the printed copy of the bill. I have a committee amendment which I desire to offer.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 28, line 11, after the numerals "\$30,000," insert the following:

And the commissioners, under such conditions as they may prescribe, are further authorized to utilize the existing testing laboratory of the highway department for making tests of all materials for other departments and activities of the District government.

Mr. KING. Mr. President, will the Senator explain the purpose of the amendment? Is it an amendment offered by the committee?

Mr. KENDRICK. Yes; the committee authorized the amendment. I desire to say that there was a good deal of discussion before the committee as to the wisdom of this course. The hearings developed the fact that the District owns and operates a complete testing plant. The contention was made by the commissioners that a good deal of expense could be saved by using their own plant in testing materials. Furthermore, that a considerable saving would be effected in the one item of hauling material back and forth from the city to the Bureau of Standards.

Mr. KING. Is there any purpose to set up a new organization?

Mr. KENDRICK. Oh, no. The District owns this laboratory and it is fully equipped. The contention was that there would be no extra expense whatsoever, but there would be real economy in the actual cost of testing the materials.

Mr. KING. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming on behalf of the committee.

The amendment was agreed to.

Mr. KENDRICK. I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The CHIEF CLERK. In the committee amendment, on page 18, line 21, after the word "unit," it is proposed to insert a colon and the following additional proviso:

Provided further, That the Washington Railway & Electric Co. is hereby directed to rebuild and relocate at its own expense the tracks of said company in D Street NW., between Fifth Street and Indiana Avenue, and in Indiana Avenue east of Fifth Street to the vicinity of Second Street, in accordance with plans and profiles to be approved by the Commissioners of the District of Columbia, and in the event of the failure of said Washington Railway & Electric Co. to perform the work herein directed within the time fixed by the said commissioners the said work shall be performed by the District of Columbia and this appropriation shall be available for such purposes, and the cost of said work shall be a valid and subsisting lien against the franchises and property of the said railway company and shall constitute a legal indebtedness of said company in favor of the District of Columbia, and ness of said company in favor of the District of Columbia, and the said lien may be enforced in the name of the District of Columbia by a bill in equity brought by the Commissioners of the District of Columbia in the Supreme Court of the District of Columbia, or by any other lawful proceeding against the said railway company.

The VICE PRESIDENT. The vote whereby the committee amendment was agreed to will have to be reconsidered in order that the amendment proposed by the Senator from Wyoming may be offered. Is there objection? The Chair hears none, and the vote whereby the committee amend-ment was agreed to is reconsidered. Without objection, the amendment proposed by the Senator from Wyoming to the committee amendment is agreed to, and without objection the committee amendment, as amended, is agreed to.

Mr. KENDRICK. I have another amendment to offer, which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Wyoming will be stated.

The CHIEF CLERK. On page 40, line 15, after the word "service," and before the colon, it is proposed to insert a comma and the words "said sum to be expended by contract or otherwise and without reference to section 3709 of the Revised Statutes and the classification act of 1923, as amended."

Mr. KING. Mr. President, what is the purpose of that amendment?

Mr. KENDRICK. This fund, which is being used at the present time, is intended for the study of power needs in the District of Columbia.

Mr. KING. Will it increase the expenses?

Mr. KENDRICK. It will not involve any increase in expenses.

Mr. KING. Nor create any new jobs?

Mr. KENDRICK. I do not understand that it will do so.
The VICE PRESIDENT. The question is on agreeing to
the amendment offered by the Senator from Wyoming.

The amendment was agreed to.

Mr. FRAZIER. Mr. President, I offer the amendment which I send to the desk, to come in on page 52.

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 52, line 4, it is proposed to strike out article "a"; in line 5, to strike out the word "school" and insert "schools"; and in line 6, after the word "section," to insert the following: "and on a site already acquired in the Manor Park section."

Mr. FRAZIER. Mr. President, I have consulted with the Senator from Connecticut [Mr. Bingham], who is in charge of the pending bill, in regard to this amendment. He has no objection to it. The amendment simply provides for the preparation of plans and specifications for the school, which is to be built on a site already purchased at Manor Park, out near Takoma Park. The two plans are to be considered at the same time under the same appropriation. There is no additional appropriation. It simply means considering of two plans instead of one. I hope the amendment may be adopted. The Senator from Connecticut has stated that he had no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

The VICE PRESIDENT. If there be no further amendments, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF AGRICULTURAL MARKETING ACT

The VICE PRESIDENT. Under the unanimous-consent agreement, the Chair lays before the Senate Order of Business 780, being Senate bill 4536.

The Senate proceeded to consider the bill (S. 4536) to amend the agricultural marketing act, approved June 15, 1929, which had been reported from the Committee on Agriculture and Forestry with amendments.

PROPOSED INTERNATIONAL TRADE AGREEMENT

Mr. LEWIS. Mr. President, at this moment I desire to make free to express my personal and official congratulations to the President of the United States and the Secretary of State upon the decision which is being announced through the public press as to the attitude that shall be taken by the United States toward the invitation that has subterraneously filtered in our direction suggesting that the United States enter a conference at Lausanne, there to be met with a compact, which it is assumed our Government will adopt, seductively entitled "An Arrangement for the Adjustment of World Trade."

It appears, Mr. President, that the real meaning of this inivitation has been communicated in more complete detail to the officials of our Government than has been related in the public press to our countrymen, but if the response, as gathered from the public press, be accurate, as I shall assume it is, upon investigation on the part of the President and that of his Secretary of State, we have informally but with directness given notice that we do not propose to join into an understanding precipitated by the diplomatic representatives of the countries which are in debt to the United States

The proposition from time to time has been allowed to trickle to us, and after it takes a form in which it may be recognized in its watery substance it appears as a duplication of a very old theory previously applied, but with a result that has been the same under the circumstances either of its refusal, followed with enmity, or of its acceptance, with national loss.

The proposition, sir, which does not seem to arrest any attention on the part of our countrymen generally, is that

there shall be assembled the representatives of the nations which are in debt to the United States to meet at Lausanne and from there to such other locations as shall be recessed to or designated for future, there to be presented what is already framed and shaped, a proposition that the United States shall enter into an arrangement wherein she subscribes herself that the products of our country shall not be sent to the world at large in export except upon the basis of such prices as shall have been agreed upon by these countries in the assemblage where they meet. It is assumed that a price list of the products of our country and the countries which are in debt to us can be reached, sir, and we are asked to join in the suggestion that there be no sale of our products in any European or other lands save at the price agreed upon under what may be called in homely parlance "a price-fixing arrangement," this to be international.

In this connection it is now more audaciously presented that we shall enter into an agreement that whatever goods may be sold to America under the theory of the fixed-price and standard shall be accepted by us in some form of payment of outstanding indebtedness which has been incurred since the war in private commercial engagements.

Mr. President, the plan is adroit, but it very impudently suggests that this is a time when the debts due our country and the debts of those who owe us may be completely wiped out or a reason found for suspending them for such length of time that the present generation will be exhausted before any payments from these nations shall find their way into the Treasury of the United States.

Mr. President, I have often assumed that many of the errors committed by our country, that many of the complications into which we have been drawn, have been due to the fact that we did not understand at the beginning the purport of those things initiated against us. It is only when it has grown too late for us wholly to oppose them and defeat them we enter into some form of compromise with them to find ourselves subdued in our rights and defeated in our dignity. In the language of Mr. Hamlet, "Let us to the full stop and ask what is the design."

Mr. President, by slow process it has now reached us, the newspapers of the larger metropolitan centers this morning aiding us in giving more definite details, that by agreeing with the other nations under the name of a trade treaty upon a single price for commodities those from us and those from other nations which are like unto each other, we will establish a definite schedule of international price lists.

It will be impossible, of course, for America to yield the legitimate prices of her products measured by the cost of their production. On the other hand, the foreign countries will not raise their prices to the point which essentially must be the prices of America. But when we have been entrapped into the design, then will come the proposition which is the underground purpose:

"Gentlemen, before you can have the exchange of the trade you must put us in a position where we can pay this high price which your America says she can not reduce, out of due regard to the dignity of your Nation and the legitimate earning power of your people.

"Therefore, in order that we shall be those who are your customers and purchase your products "-which will be professed to be their very earnest desire-" you must wipe out the debt you have over us, thus exempting us from having to expend our money in the payment of these debts, and we then will expend the money, instead, upon your products and at the prices which you are compelled to maintain. Otherwise we are unable to buy anything from you, because the sum of money which we may possess, if we could have enough, is demanded by the debt we owe you; and as we can not pay the debt we owe you in money, the only way you can be assured of payment is to take it in the goods we will give you at a much less price than they can be created in America under your system of free government. You then can raise the price from that at which we let you have the material to the price which you would charge in America and gain the profit between that at which we let you have it and that which you will obtain from your own American customers."

who are willing to speculate upon their country's dignity and to profit by the loss of their country's credit.

Now, in addition to this, comes a second proposition:

"If you gentlemen will not agree to wipe out the debt in some form by which we can hold the money and distribute it to you in the purchase of material, there is nothing left for us to do under the trade treaty but obtain from your Government something of a perpetual moratorium, one that shall suspend all payment of money in every form and in any form during the present generation."

Mr. President, as I am complimented to have the attention of the chairman of the Foreign Relations Committee [Mr. Borah]-I attract the attention of the eminent chairman of the Foreign Relations Committee-conscious as I am of how he personally keeps abreast the current-day events of the world. I am anxious to ascertain from him if he had knowledge of this last bargain that is suggested, as it comes to us this morning.

Mr. BORAH. Mr. President, I want to say, first, that I was listening intently to what the Senator had to say, he may be sure. Now, what is the question?

Mr. LEWIS. I was merely asking the chairman of the Foreign Relations Committee if he had had time to give a little note to these propositions. Since he was listening to me, he has already caught them. A little later I will take the liberty, possibly, of presenting some other suggestion in his presence.

Mr. KING. Mr. President, will the Senator yield?

Mr. LEWIS. Let me finish this phase, please, then gladly I vield.

The second suggestion is, "Well, then, gentlemen, if you can not find it agreeable to grant the cancellation by which we may have the money which we flatter you with the prospect of expending in your country as a consideration for suspending the obligation, then we would seek a moratorium for such length of time as will enable us to accumulate money in excess of the interest or installment payments. which money, we beg to assure you, it is our purpose to spend in America." This will do much to induce the moratorium to those whose minds ascend no higher than private financial profit, or whose patriotism to their land has so lapsed that it may be seduced by the suggestion of private advantage.

Mr. President, it is now apparent to me that the President of the United States and his Secretary of State have been advised with a just completeness, and that they have awakened to the design, and in the statement given out it is made plain that while they may have some one attend some of these meetings as a mere courtesy, as one of the observers, it is no purpose of theirs to enter into a compact which will carry out by contract an agreement such as I have suggested is the object of these foreign nations.

Mr. President, never since I have had to do with public life-limited as my experience necessarily is in point of time and in point of responsibility compared to many-never have I seen a design that has worked such a farce under the designation of international affairs as the result at Lausanne and the one at Geneva. We have not moved one inch looking to the reduction of the great armaments of the war lands of the world. We have spent months of time and millions of money.

It is evident to me that the spirit of America, properly caught and justly appraised by the President of the United States and his Secretary of State, has suggested to them with great potency very early-indeed, at an immediate momentto inform these who design this trick of trade that the American people will not accept it; that there has come an end to these different forms of multiple calculations to influence what is assumed to be the adaptability of the American mind to any plausible pretext or influenced by deliberate absurdity in the conclusions it may reach in the name of diplomacy.

In my estimation, speaking as I do in the presence of my friend of long years, the distinguished chairman of the Foreign Relations Committee and the Senators who flatter me with their close relations, I say we shall do a service to these

The suggestion, of course, has a bit of seduction to those | foreign lands who avail themselves of what they think is the hour just before the election, when vast millions are out of employment in our country, and when, to their conception, we are in need of something that can give some promise either of reward, return, and compensation to those who seek employment, or create an issue political that might be of avail to one political party and adverse to another, we do them a service if we very early say to these master manipulators and those who fancy they create a Frankenstein in which they may grind us at the proper hour, that we now know their object, that it is to the single purpose of either the cancellation of the debts or a moratorium that shall perpetuate itself through the generations, and make impossible the collection of these debts to be applied in behalf of ourselves to our Treasury.

I feel, Mr. President, that much will be gained by having it go out from this body, which it is well understood by the parliamentary masters of Europe must ratify any agreement that shall be made by the President or his representatives, that here comes the announcement again from the United States Senate that no specious devisement on the part of these who calculate themselves superior in the finesse of diplomacy will succeed where the ultimate object is the cancellation of the debt or the dragging of our Nation in one form or another into a moratorium by which we are robbed of the final results of the debt.

Mr. President, may I be so bold as to say that these suggestions that have come to us in relays have no originality. I am vain enough in the presence of old friends, Senators and Members of the House assembled, to remind you that there is a book existing, to be seen on one or two of the desks here, of which I am the author. This is only mentioned to designate it, and that in the preparation of that volume of the Two Great Republics, which I have written, there was a necessity for my investigation of the records of ancient lands at their capitals, by which I could make comparison of the institutions of this, our land, and those of others from the point of view as I would perceive them. It is an interesting thing for me to confess here that only through those investigations did I learn-as I profess no general information in excess of any of my fellows upon the general subject of the world-that when Greece was in debt by reason of a relay of wars upon Rome the representatives of oriental lands, led by the land we now speak of as China, but which was then in power, at the suggestion of officials who came from a lesser community which we now designate in geography as Korea, marched across the country, aided by those we speak of now as the Muscovites, and proposed to Greece the suggestion that she propose to Rome that they have an understanding for a combination trade cartel, and that Greece, being semioriental, would be able to bring the aid of these of China and those of Korea and the Muscovites of Russia to the purposes of Greece and thus offer a new profit to Rome; then when once the agreement was made that in the exchange of these products in the manner I have pointed out as between them upon a stated price for the same commodity grown by either country, then and there Rome would abandon her claim against Greece for the sesterces of money and would be willing to take the goods which Greece could send over as payment and wipe out the debt. It was then seen that the real object, of course, was to prevent the dealing by Rome with Egypt for the grain, which it was readily understood, coming by way of Egypt, would supply the demand and cut off the market of those who were seeking to ally themselves with Greece to the objects which are being suggested now in this day by these eminent statesmen of modern

Mr. President, when France succeeded in subjecting 11 lands of the European world to her military domination under Napoleon, and there was the announcement of the indebtedness due from them through the fury of war and the exactions of Napoleon, these lands under the leadership, if it will be recalled by my good friends around me, of Metternich, then of Austria, and the first of Machiavellian diplomats, revived the plan and made it specifically in the exact language of these eminent gentlemen who are now sending

Sir, I pause to suggest that the dolorous philosophy of Ecclesiastes, that "there is no new thing under the sun," more completely applies to matters of government and diplomacy than to any other subject with which mankind is

Mr. President, the time that I have taken is longer than I expected. I know that our excellent friend from Oregon [Mr. McNary] has his calendar, which I must aid him in carrying out as the leader of the floor for the present. I want to conclude, then, by saying that I have often criticized the President of the United States and his Secretary of State in matters wherein I felt their position was wrong; and, while entertaining great respect concerning them as gentlemen, I have not at all been reluctant to condemn their conduct in expressions that gave evidence of antagonism. Now, however, as a Senator representing in part the great tribunal of what might be called the courts of justice and honor of my State of Illinois, and representing the State and being one of her ambassadors here, I desire to extend both to the President of the United States and to his Secretary of State my congratulations and commendation that they have been so quick to gather the design, and so prompt in giving evidence of its rejection; but more, sir, of the announcement that the Senate of the United States would not tolerate a movement that had for its purpose that which is confessed on the part of these eminent masters of modern diplomacy, of these European lands that are our debtors.

Mr. President, no one wishes more than I that all of these lands shall have quick prosperity and blessedness; but I can not conceive for a moment that our citizens in this country would wish us to sacrifice the rights of America or defer from protecting the dignity of her station merely to serve that which in mercy and charity we would be glad to extend to any of God's humanity.

I yield to my friend the Senator from Utah, who a moment ago desired to interrupt.

Mr. KING. Mr. President, the Senator has departed from the point about which I desired to inquire, and I shall take the floor when he gets through.

Mr. LEWIS. Mr. President, I have stated my position. I yield to whoever desires to take the floor, conscious of the fact that the subject is worthy of consideration of such splendid minds as sit around me.

Mr. KING. Mr. President, I have not been in the Senate Chamber during the entire address of the distinguished Senator from Illinois, and therefore may not accurately interpret his position with respect to matters which he has been discussing. If I correctly understood his remarks he was criticizing, and indeed condemning, representatives of some European governments, among them Ramsay Mac-Donald, perhaps the outstanding political figure in Europe to-day. Many of us have the pleasure of knowing Mr. MacDonald, and I am sure that those who do know him will acquit him of an intriguing mind, and do not attribute to him a malevolent feeling toward this or other countries, or regard him as belonging to a group of "master manipulators." He organized the fragmentary labor forces of Great Britain into a militant political party, which, under his leadership, achieved political and economic victories, and influenced domestic and foreign policies of Great Britain, if not the British Empire. He has been frank and candid in his political expressions, and when he broke with the Labor Party, or rather when the Labor Party broke with him, he gathered around him leaders from all political parties and formed a national or coalition organization in order to cope with the disturbing and difficult problems, domestic and foreign, with which Great Britain and the British Empire has been and is confronted.

Mr. President, I am not prone to be critical of other peoples and of political leaders in other lands. We do not always realize our own infirmities or perceive our own unwise political and economic policies. I recall not long ago, when some enthusiastic and overzealous American patriots were denouncing another country because of its alleged imperial-

it, through some form of percolating process, to the United | istic policies, reference was made in reply to the record of this Republic and its dealings with other nations. It was asserted that this Republic had waged war with Mexico and compelled the defeated nation to cede a vast empire to the United States; that in the War with Spain the United States annexed foreign territory containing millions of inhabitants without the consent of the latter. Reference was also made to incursions by the United States into Latin America and into Santo Domingo and Haiti. The Hawaiian Islands and Guam also came under the flag of this Republic. It was further averred that policies had been pursued by this Republic and by American citizens which could properly be called economically imperialistic.

I allude to these matters merely for the purpose of indicating that our conduct may be the subject of discussion in other countries.

There has been no little criticism, not only in the United States but abroad, growing out of credits which have been extended by American financial interests and the deplorable consequences that have attended the sale of foreign securities in American markets. In my opinion, international misunderstandings are not infrequently the result of unfounded criticisms, if not aspersions, upon the character and integrity of those occupying responsible governmental positions.

We should not forget that statesmen and leaders in other lands are as desirous of peace and world fellowship as those in our own land. There are, of course, in this and in all lands chauvinists, disturbers of the peace, agitators who seek to arouse national and international resentments: but, as I read history, progress, though slow, is being made, and men and nations are plodding courageously from the lowlands to the uplands which are bathed in a radiance which some day will envelop all nations.

We can not forget Stresemann-that mighty apostle of peace and world fellowship who struggled with the immortal Briand to promote peace in Europe and in all the worldand Benes and Mazaryk, of Czechoslovakia; Lord Cecil, of England; Heymans, of Belgium; Branting, of Sweden; and a multitude of others in this and other lands, who have labored for the eradication of maladies harmful to the health and happiness of the world.

Europe is beset with difficulties that seem insurmountable. The World War left wounds that have not yet healed and scars that only time will efface. Political problems, serious though they are, perhaps are less difficult of solution than economic problems. Throughout the world there are unstable forces, many of them disintegrating and challenging. Old forms-political and economic-are compelled to answer these challenging elements which seem omnipresent. Even in this blessed land, which seems to have been the heir of all the ages, is not immune from questioning and disturbing forces that bring apprehension to the hearts of many. Humanity is not a protoplasmic mass, but it is responsive to evolutionary growth. There is social evolution and political evolution, and the progress of the world is measured by the triumph of the forces of evolution. But these forces are not blind; there are moral and spiritual influences which manifest themselves and powerfully influence the foundations of society and governments. History is replete with examples of the far-reaching effects of violent international conflicts. The marching legions of Rome, planting the symbol of Roman authority in many lands, set in motion forces which changed the face of the world. And other mighty contests have wrought economic, social, and industrial changes. The effects of the Napoleonic wars still persist, and it is to be expected that many hundred years will elapse before Europe and other parts of the world will be beyond the periphery of its influences.

In this disturbed and critical period—and it is a natural sequence of the World War-there should be voices raised by men of influence and leaders of thought in all lands should seek to temper the elements and to calm the passions and, so far as possible, eradicate the prejudices and antipathies so prevalent throughout the world. The world needs to-day not narrow and provincial leaders, not agitators and bitter partisan critics, but men who not only understand the problems of their own countries but whose vision enables them to comprehend the problems of other lands. The progress toward world peace and brotherhood to many seems scarcely perceptible, but that should only increase the zeal of world leaders and, indeed, of all animated by a desire for the happiness and welfare of their own and other lands to reach the objective which in all ages has been before the eyes of inspired men and women.

The World War imposed upon Europe a mountain of indebtedness. Many of the people feel that they are in chains and that unless released therefrom the future is but a prison house. In our own land millions of American citizens are being crushed beneath the increasing burdens of debt. The obligations of the National Government have been augmented to the extent of millions of dollars during the past year and it is certain that the coming year will add to this stupendous sum of indebtedness. States and all of their political subdivisions are bowed beneath heavy burdens and in all the land are heard the cries of the debtors who plead to be released from their chains of bondage. It has been claimed that private obligations in the United States have reached the staggering sum of between one hundred and two hundred billion dollars. Are not the American peop!e all concerned with this oppressive burden which depresses the spirits of some and constitutes an apparent insurmountable obstacle to happiness and national prosperity? We live in a land choice above all other lands. America seems to be the favored land of earth. If we, in this favored land, have problems we are seeking to solve and burdens from which we are struggling to be freed, may we not expect that European peoples, less fortunate than we are, are looking forward to a day of deliverance? If we are critical of others and of ourselves should we expect that the peoples of Europe and of other lands should be silent and satisfied and uncritical? I am not attempting to excuse European statesmen or the nationals of European nations. We have been generous in dealing with nations indebted to our Government, but we have clearly indicated that contracts which have been signed and the bonds which have been given may not be repudiated.

Undoubtedly our debtors as well as other nations are attempting to reach an agreement that they believe will enable them to arrest any retrograde movements threatening to the social, economic, and political structure of Europe. We can not complain, indeed we should approve of policies devised and executed that will prevent further degenerative conditions in European countries.

If European nations can adjust their intergovernmental obligations and compose their differences and unite upon just and sound policies promotive of peace and social and economic progress and development, they should not encounter opposition from us but their efforts should be commended and their hands strengthened. If among themselves they can reach an agreement to extinguish or forgive their obligations inter se, there can be no doubt that Europe would witness a renascence. If France and Germany reach an accord so that neither will fear the other, if all other European nations reach a like understanding, it is obvious that a new day will dawn not only for Europe but for other lands. It may be that appeals will be made to this country to make contribution to the intergovernmental settlements which are being sought by our debtors. We have, however, clearly indicated that the obligations due the United States from the nations to which I have referred will not further be reduced. I can not find it in my heart to denounce our debtors or any nation seeking in a proper manner relief from crushing burdens, nor can I see in any of the conferences to which my attention has been called any conspiracy or wicked and meretricious scheme aimed at this Republic.

That many of the peoples of Europe believe that all intergovernmental obligations should be canceled I have no doubt, but I am not willing to denounce such persons as "master manipulators" or intriguing enemies of my country because they entertain that view. Senators know that Great Brit-

ain extended credits to her associates in the war in excess of the credits which she obtained from our Government; and when Lord Balfour, speaking for Great Britain, suggested that there should be an intergovernmental cancellation of war obligations there were many persons in this and in other countries that looked with favor upon the suggestion, believing that if accepted the results would be beneficial not only to the debtor and creditor nations but to the entire world. It was understood that the allied nations owed Great Britain more than Great Britain owed the United States. Those who favored the suggestion believed that if Europe were freed from war obligations resentments growing out of the war would be diminished, if not dissipated; that the fierce spirit of nationalism which obstructed international agreements, understandings, and relations would be exercised from the nations involved; and that the peoples would take new courage and address themselves with zeal and earnestness to the rehabilitation of their shattered fortunes and the restoration of their respective countries.

Mr. President, I have not intended in anything I have said to advocate that the United States relieve European nations who are indebted to it of their obligations, but I am attempting to convey the thought that the efforts of European statesmen and the people themselves to adjust the problems that are obstacles to peace and progressive development, should not be condemned. It will be recalled that when former Premier Laval visited the United States the President, if we are to believe the public press, suggested that European nations settle their own intergovernmental obligations, and, as I understood the President's position, that they should attempt to reconcile their differences with a view to promoting the welfare, prosperity, and concord of such nations. Undoubtedly, European nations have in their various conferences attempted to improve their material economic and political conditions, to adjust tariff duties, and to remove obstacles to trade and commerce.

The Senator from Illinois has referred to one of these conferences, which I have no doubt discussed international questions and particularly European problems. As I have indicated, it is quite likely that some of the European nations urged a cancellation of all intergovernmental obligations, and that German reparations be materially reduced, if not entirely canceled. It is probable that the suggestion of Mr. Balfour, to which I have referred, was in mind in these discussions.

Mr. NORRIS. Mr. President-

The PRESIDING OFFICER (Mr. Johnson in the chair). Does the Senator from Utah yield to the Senator from Nebraska?

Mr. KING. I yield.

Mr. NORRIS. The suggestion the Senator called to our attention is often made, and I am wondering whether those who make it are acting in good faith or whether they realize how unfair such a proposition would be even if we were inclined to accept it.

For instance, if Great Britain should forgive \$100,000,000 of what Germany owes Great Britain, on the ground that we would forgive \$100,000,000 which Great Britain owes to us, on its face to some at first blush that might appear to be a fair proposition; but let us see about it. What sacrifice would Great Britain make in that kind of a bargain? She would get a cancellation of \$100,000,000 of her debt by canceling \$100,000,000 that somebody owed her: She would not lose a penny; she would not make any sacrifice whatever. What would that mean to us? We would sacrifice \$100,-000,000 which Great Britain owes to us. On the other hand, nobody would sacrifice anything which they owed us. In other words, it would be a loss to us of \$100,000,000, while not a loss to Great Britain of a single cent. The only way our Government, not owing other governments, could be made whole in that kind of a proposition would be for our Government to repudiate \$100,000,000 which it owes to its own citizens, who were induced, under great pressure, to buy bonds during the war, and sometimes made great sacrifices in order to do it. Is there any justice in that kind of Mr. KING. Mr. President, I have indicated that Congress has declared against the cancellation of debts due the United States from European nations, and I am not advocating that the United States adopt for itself the suggestion made by Lord Balfour. I am only attempting to indicate that it is quite natural that European nations, with the unsettled problems before them, and the heavy burdens resting upon them, which undoubtedly are obstacles to economic prosperity and indeed political stability, should confer together for the purpose of reaching agreements or adopting policies that would improve their economic and political situation.

Immediately following the war, in this and other countries, there were many who believed that if the intergovernmental obligations were extinguished and Germany was subjected to the payment of a limited sum in reparations, economic conditions would revive and the political structure of Europe would be strengthened.

I think those who have been familiar with Europe since the war will be in substantial agreement that some of the conditions of the Versailles treaty have proven oppressive or at least have been provocative of unrest and discontent, and the view has been entertained by many not only in Europe but in the United States that the burdens resulting from the war must be reduced or lifted from the shoulders of the people in order that the world may emerge from the morass in which it is now found. We find in our own country that the people are oppressed with burdens of debt. It is obvious, therefore, that if they were relieved of these burdens new hope would spring up in their hearts and, as if touched by some magic wand, the whole industrial and intellectual life of the people would be quickened.

It is believed by many that the debts resulting from the World War will never be fully discharged, and, realizing that fact, many farseeing persons of recognized statesmanship have not hesitated to approve a policy that would relieve nations of those obligations and claimed reparations resulting from the war.

Mr. NORRIS. Mr. President, will the Senator yield again? Mr. KING. I yield.

Mr. NORRIS. The suggestion to which the Senator has referred has come from a great many Americans in addition to foreigners, a great many eminent men, whom the Senator calls farseeing. To my mind, at least in this respect, they are shortsighted. The proposition always is that the foreign nations will forgive their debtors if we will forgive them in the same amount in which they release those who owe them.

It is quite manifest that if they wanted to be fair in that kind of a proposition and let each government sacrifice equally, they would propose that they would forgive the amount owing to them from other governments in twice the amount they would ask us to forgive them.

In the illustration I gave awhile ago, if Great Britain said, "We will forgive \$100,000,000 if you will forgive \$50,000,000," that would involve Great Britain sacrificing \$50,000,000 and our sacrificing \$50,000,000, which, to me, would be some evidence of fairness.

Mr. KING. Mr. President, in adjusting the problems resulting from the World War it is a difficult matter to unravel the skeins and to determine just what would be wise and a just and equitable course to pursue. May I say to the Senator from Nebraska that there were some in 1920 and 1921 who foresaw what would be the result of the heavy reparations required of Germany and the attempts to collect intergovernmental debts and who believed that nothing would so much contribute to the rehabilitation of the world and the strengthening of the morale of the people as to remove the chains of bondage created by these obligations. Time, I think, has demonstrated that if in 1920 or 1921 a policy of that nature had been adopted many of the economic ills, as well as the political vicissitudes, which have come to the peoples and governments of the earth would have been averted. Europe would have been in a sounder and saner condition than she is to-day. World trade and commerce would not have languished as it has languished and the surplus products of our land would have found hospitality in the markets of the world to the material advantage of the United States, to say nothing of the moral values that would have been enjoyed by this and other lands.

The Senator from Illinois has referred to a conference which is to be called. I do not understand that it is to deal with the matter to which the Senator refers. I read in the press a few days ago that an economic conference was to be called by Great Britain, and that our Government had signifled its willingness to participate. I am betraying no confidence when I state that a few days ago in a conversation with the President I referred to the economic conference and respectfully urged that the question of silver and its restoration to its proper monetary status be one of the subjects of consideration. From the Under Secretary of State, Mr. Castle, as well as from the President, I obtained the impression that the economic conference to which the press referred was not for the consideration of intergovernmental debts or for the purpose of dealing with the question of reparations, but its sole purpose was to consider questions of trade and commerce and what steps, if any, might be taken to promote and improve international commerce.

I knew that our Government would not participate in a conference called for the purpose of dealing with intergovernmental debts or their cancellation. An economic conference devoted to improve world trade and commerce and to remove barriers prohibitive of the same is one, it seems to me, that should be desired and from which results important and advantageous to all peoples would follow.

The Senator from Illinois will recall that recently the Senate passed a measure which contemplated that economic conferences would be called for the purpose of dealing with international trade. It was believed that treaties of reciprocity might be entered into or agreements made which would prove effective in increasing world trade.

The people of the United States should be interested in the rehabilitation of other nations, particularly those indebted to it, whose nationals are owing billions of dollars to the people of the United States. In addition to the more than \$10,000,000,000 owing to the United States by foreign governments, there are many billions of dollars owing by the nationals of other countries to American banks and to American citizens who hold their obligations.

While the Senator from Illinois was speaking I wa: wondering how he thought our Government and the American people were to be paid the more than \$25,000,000,000 due from foreign governments and their nationals. There is not sufficient gold in the world with which the obligations due may be paid. It is obvious that payment can only be made in services or in commodities. Manifestly an international economic conference is required in order that artificial barriers erected by reason of fear or enmity or from any ignoble cause should be removed. The day of isolation is past. Moral and intellectual currents are sweeping around the world and bringing men and nations into closer relationship. Cultural development demands the removal of narrow and provincial restrictions. Even from a material standpoint, it is important that wider and broader fields within which trade relations may be conducted, should be opened. This Nation should take the lead in every movement that would be promotive of international trade and commerce and world fellowship.

I repeat when I state that if our Government and the American people are to receive payment for but a moiety of that which is due from foreign nations and their nationals, it must come through the channels of trade and commerce. The monetary gold of the world is but \$11,000,000,000, nearly seven-tenths of which is held by the United States and France. Many nations have been forced from the gold standard because of the paucity of gold and the restrictive trade policies that have been imposed.

Though perhaps not germane to the theme which engaged the attention of the able and eloquent Senator from Illinois, it is not inappropriate in a discussion of economic questions and world indebtedness to refer to the situation caused by the gold standard and the difficulties which nations and peoples are encountering by reason of the scarcity of gold and the attempts to maintain such standard. The limited world supply of gold has resulted in a catastrophic decline in commodity prices; perhaps it would be better to say that gold has appreciated to the advantage of the creditors and to the serious injury of the debtors. How are the debts of the world to be paid with this limited supply of gold? All economists concede that with the normal increase in population and with the normal development in trade, there should be an accretion of at least 3 or 4 per cent annually to the basic money of the world in order to prevent falling commodity prices with the disastrous consequences that inevitably will ensue. Instead of there being this augmentation of the gold supply of the world, it is the view of those thoroughly familiar with the subject that within a very few years the gold fields of South Africa, which yield the greater part of the world's gold supply, will be practically exhausted.

This portends economic and financial disturbances and admonishes the world that commodity prices may reach still lower levels and that the world will continue to labor under a weight of debt which will arrest progress and produce economic and political disturbances. The world needs not only credit but a metallic base upon which to rest credit. Some of the leading economists in the world perceive the menacing situation resulting from the maintenance of the gold standard and the failure of governments to adopt sound and progressive banking and financial policies.

When Great Britain demonetized silver in 1816 disastrous consequences followed. When in 1873 silver was demonetized by the United States and other nations the world was visited by most serious financial and economic disasters. Commodity prices fell and the debtors of the world had their burdens increased far beyond their capacity to bear. The indebtedness of the world to-day is perhaps four of five hundred billion dollars. It is absurd to even suggest that this stupendous sum may be met with the limited supply of gold or that the limited supply of gold can bear the strain of currencies and credits which rest upon it.

Quite recently Cailleaux, the eminent statesman of France, in condemning the gold standard declared that the credits of the world were like a pyramid the apex of which was the narrow point of gold. He advocates the rehabilitation of silver, the enlarging of the metallic base upon which currencies and credits may rest.

Quite recently a committee of able experts known as the McMillan committee submitted a report in which they discussed world economic conditions and declared that until commodity prices were increased there could not be improved economic conditions, and that a world economic conference is needed at which the rehabilitation of silver should occupy the most conspicuous position upon the agenda. A few months ago some of the leading statesmen, bankers, and business men of Great Britain formed an association known as the silver association and issued a manifesto which is an invincible argument in favor of the restoration of silver to a proper monetary status.

In this manifesto reference is made to the diminishing quantity of gold, its maldistribution, the world depression, and the importance of broadening the base upon which to rest the commerce and credits of the world. The manifesto states that the—

World's monetary psychology still demands that currency and credit should rest upon tangible metallic substances possessing intrinsic, universally recognized value, easily stored, and easily transported. Experience shows that without such basis confidence in times of crisis gives way to panic and inflation becomes all too likely.

The further statement is made that strengthening the metallic basis is the easiest and quickest way of restoring the confidence, raising values, and stabilizing them when raised, and that this would be accomplished by widening the metallic basis of currency and restoring confidence in silver "by reintroducing it into the world's monetary system." The British Government is requested, in the manifesto, to convene or to agree to participate in an international

conference on silver, with a view to its reintroduction into the world's monetary system.

If time permitted, I should like to quote from this remarkable document. It has been signed by, as I have stated, some of the leading statesmen of Great Britain, and among them are Sir Robert Horne, M. P.; Hon. L. S. Amery, M. P.; Lord Barnby; Mr. R. Boothby, M. P.; Mr. John Buchan, M. P.; Sir G. Clarke; Sir H. Cunliffe-Owen; Lord D'Abernon; Sir W. Dampier; Mr. J. F. Darling; Lord Desborough; Lord Greenway; Mr. S. S. Hammersley, M. P.; Lord Hunsdon; Lord Lloyd; Sir Bernard Mallet; and many others

A few months ago there was held in London an important meeting presided over by Sir Robert Horne, former Chancellor of the Exchequer. At that meeting the following resolution was adopted:

That this meeting states its conviction that the raising of the price of silver and its restoration to a place in the world's monetary system offers the quickest and most effective remedy to the present disastrous fall in prices, and expresses the hope that the governments principally concerned will at the earliest possible moment confer with this object in view.

At this meeting, which was attended by a large number of the most eminent statesmen, bankers, and financiers of Great Britain, addresses were delivered showing that the gold standard had failed to meet the financial needs of the world and that the rehabilitation of silver was indispensable to bring about economic recovery and the stabilization of prices.

Mr. President, if time permitted, I should be glad to discuss what some are pleased to call the "silver question," and to show the necessity of steps being taken to restore silver to its proper monetary status. It is unfortunate that the President of the United States has failed to call an international conference as requested by the Senate for the purpose of considering this vital and important question. In my opinion, those suffering from the gold mentality have exercised too great an influence in determining the fiscal policies of our Government as well as the governments throughout the world.

The gold standard has failed to meet the needs of the people; under its dominion nations have been brought to ruin and the world encumbered with obligations which it can not meet, which may lead some nations and millions of people to repudiate their obligations. A financial policy that is chiefly concerned with creditors and is heedless of the cries of debtors will produce repercussions dangerous to the economic, and particularly to the political, structures of the world. We perceive in our own an increasing demand that governmental policies shall not be adopted that will not increase the values of creditors' claims and narrow the opportunities and the chances of the debtors to discharge their obligations. There is a growing belief that financial policies during the past few years have unjustly enhanced the wealth of creditors by reducing commodity prices with which debtors must meet their obligations. As indicated by the eminent British statesmen and authorities to whom I have referred nothing will contribute more to raise and stabilize commodity prices than the restoration of silver to its proper monetary status. An international monetary conference for the consideration of the silver question should be immediately called by the President of the United States. Upon two previous occasions joint resolutions were passed declaring it to be the policy of the United States to continue the use of both gold and silver as standard money and to coin both gold and silver into money of equal intrinsic and exchangeable value, and authorizing the President to call or participate in any international conference for the purpose of securing international bimetallism. One of the measures referred to carried an appropriation of \$100,000 to pay the joint expenses of any conference called for such purpose. The time for the calling of such conference is propitious. Our Government should make the call. Other nations would gladly participate in such conference, and it is certain results would follow of incalculable benefit not only to the United States but to the entire

EXECUTIVE SESSION

Mr. VANDENBERG. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. George in the chair) laid before the Senate messages from the President of the United States, submitting several nominations, which were referred to the appropriate committees.

REPORTS OF THE POST OFFICE COMMITTEE

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably several nominations of post-masters.

Mr. SCHALL, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Silas A. Brown to be postmaster at Windom, Minn., in place of J. H. Johnson.

The PRESIDING OFFICER. The reports will be placed on the calendar. The first business on the calendar will be annuanced.

TREATIES

The Chief Clerk proceeded to read Executive A and Executive K.

Mr. VANDENBERG. In the absence of the chairman of the Committee on Foreign Relations, let the treaties go over. The PRESIDING OFFICER. The treaties will be passed

UNITED STATES SHIPPING BOARD

The Chief Clerk read the nomination of T. V. O'Connor, of New York, to be a member of the United States Shipping Roard

Mr. VANDENBERG. That nomination goes over by agree-

The PRESIDING OFFICER. The nomination will be passed over.

THE JUDICIARY

The Chief Clerk read the nomination of B. B. Montgomery, to be United States marshal, northern district of Mississippi.

Mr. VANDENBERG: That nomination also goes over by

Mr. VANDENBERG. That nomination also goes over by agreement.

The PRESIDING OFFICER. The nomination will be passed over.

The Chief Clerk read the nomination of Carlos A. Imperial, of the Philippine Islands, to be associate justice of the Supreme Court of the Philippine Islands.

Mr. KING. Mr. President, I objected the other day to the confirmation of the two nominations for the Supreme Court of the Philippine Islands, not that I had any objection, but on the contrary I was very much in favor of their being confirmed, provided there was not to be an increase in the number of judges in the Philippine Islands.

Mr. BINGHAM. The Senator will see from the statement on the calendar that both the nominees are to take the places of judges who have resigned. Therefore there is no increase.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of George C. Butte, of Texas, to be associate justice, Supreme Court of the Philippine Islands.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES TARIFF COMMISSION

The Chief Clerk read the nomination of Edgar B. Brossard to be a member of the United States Tariff Commission.

Mr. VANDENBERG. The nomination had better go over, inasmuch as it was not generally known that we were to have this executive session.

The PRESIDING OFFICER. The nomination will be passed over.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. VANDENBERG. I ask that the nominations of post-masters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTER AT PRESCOTT, ARIZ.

Mr. ASHURST. Mr. President, on yesterday, as will appear from the Record, I gave notice under Rule XXVI of the Senate, of my intention to move to-day to discharge the Committee on Post Offices and Post Roads from the further consideration of the nomination of Helen A. McNutt to be postmaster at Prescott, Ariz.

The name of the nominee was sent to the Senate on April 1 of this year, and it remained with the committee until May 26, when it was favorably reported to the Senate and then, upon the suggestion of a Senator, it was returned to the committee and now is before that committee. The committee has had the nomination before it for a total of 71 days. No charges have been filed against the nominee. I insist on my motion that the committee be discharged and the nomination placed on the calendar. I do not make this motion out of any discourtesy to the committee. In fact, I have notified the chairman; and while he has not consented to the motion, he is not offended by it and will not resist the same; as I say, the nomination has been before the committee for 71 days.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona to discharge the Committee on Post Offices and Post Roads from the further consideration of the nomination referred to by him.

The motion was agreed to.

Mr. ASHURST. I do not know whether or not it would be in order for me to ask at this time for the confirmation of the nominee.

Mr. VANDENBERG. I should have to object to that at the present time, Mr. President.

Mr. ASHURST. Then let the nomination go to the

The PRESIDING OFFICER. The nomination will go to the calendar.

JUDGES OF PHILIPPINE SUPREME COURT

Mr. BINGHAM. Mr. President, as we are nearing the end of the session, as we may not have many more executive sessions, as there is need for haste, and there is no objection to the nominees concerned, I ask unanimous consent that, with regard to the two justices of the Philippine Supreme Court whose nominations we have confirmed, the President may be notified.

The PRESIDING OFFICER. Is there objection?

Mr. ASHURST. Mr. President, I can not find it in my heart to object to anything that the esteemed Senator from Connecticut might wish, but a sentence dropped from his classic lips which concerns me very much. If I heard him correctly, he said that there might not be any more executive sessions before the adjournment of Congress.

Mr. BINGHAM. No; I said that there might not be a sufficient number; I am sure that there will be one or two more; but the Senator knows, under the rules of the Senate, that it is only after the second executive session that notification can be sent to the President; and, in view of the necessity for haste, I asked unanimous consent that the President may be notified.

Mr. ASHURST. Repeating what I said before, that only confirms and strengthens my opinion that, unless I secure the confirmation of the nominee for the post office at Prescott, that nominee might be isolated. While the nomination indeed might be confirmed, there might not be a sufficient number of days elapse whereby it would be possible to have the President notified.

I have learned a vast deal from the Senator from Connecticut during my senatorial experience. He is diligent and prudent, and I think I would better emulate his pru-

dence and insist that this particular nomination be confirmed before any other nomination is confirmed or before the President is notified as to the confirmation of other nominations. So, unless my able friend from Michigan insists upon his objection, I should like to have the nomination confirmed now.

Mr. VANDENBERG. Let me assure the Senator from Arizona that there will be an additional executive session

which will amply suit the Senator's purpose.

Mr. ASHURST. The assurance of the Senator from Michigan is to me as good as a bond; but that is not satisfactory, because the Senate might indeed confirm the nominee, and yet the President might not be notified. Will the Senator guarantee that a sufficient number of days shall elapse and a sufficient number of executive sessions be held so that the President may be notified of the confirmation of the nomination?

Mr. VANDENBERG. I would not care to take in too much territory.

Mr. ASHURST. The Senator will not give the guaranty, because he is too honest.

Mr. VANDENBERG. I think the Senator is unnecessarily borrowing trouble.

Mr. ASHURST. Mr. President, to win a battle nowadays one must go out and anticipate trouble and be ready for it.

I assert respectfully, of course, that when a nomination for postmaster has been before the committee for 71 days and no charges have been filled and the nominee is a person of good character, the Senate should be an example of diligence and confirm the nominee; and if other Senators desire nominations confirmed and desire the President to be notified of such confirmation, I must be in that same omnibus at the time they ask for such action.

Mr. BINGHAM. Mr. President, will the Senator permit me a moment to state that we have been trying for more than 371 days to secure the necessary judges for the Philippine Supreme Court in order that the court may function?

I hope the Senator will not object.

Mr. ASHURST. The Senator is right; I did not fully catch from him that the nominations to which he referred were those of judges of the Philippine Supreme Court. The Senator is correct. I think they should be confirmed; I know the circumstances; I hope they may be confirmed and that the President may be notified.

Mr. BINGHAM. I thank the Senator. Mr. ASHURST. Before I leave the question of postmasters I should like to secure-

Mr. BINGHAM. Mr. President, will the Senator permit the Presiding Officer to put the request?

The PRESIDING OFFICER. Without objection, the President will be notified-

Mr. McKELLAR. One moment, Mr. President. I ask if the report on the nominations was unanimous?

Mr. BINGHAM. I so understand. The Senator from Arizona [Mr. ASHURST] is a member of the committee; I am not a member of the committee, but I have been informed that the report was unanimous, no objection whatso-

ever having been made. The PRESIDING OFFICER. Is there objection to the President being notified?

Mr. CONNALLY. Mr. President, what is the request?
The PRESIDING OFFICER. The request is that the President be notified of the confirmation of judges of the Philippine Supreme Court.

Mr. CONNALLY. I object to the notification to the President.

The PRESIDING OFFICER. Objection is made.

Mr. CONNALLY. I do not mean to object to the confirmation of the nominations.

Mr. BINGHAM. They have been confirmed. One of them, I may say, is a constituent of the Senator from Texas.

Mr. CONNALLY. I realize that. Mr. BINGHAM. I refer to Judge Butte. The court has been unable to function for some time, due to the fact that there has not been a quorum present, and I am merely trying to expedite the business of the court. That is the only object I have in view.

Mr. CONNALLY. I shall say to the Senator that I am friendly to the appointee to the Philippine Supreme Court who comes from my State, Judge Butte; I am not making this objection on any personal grounds; but there is no quorum present, and under the holding of the Supreme Court when we notify the President of the action of this body upon those nominations the matter is at an end. So in justice to other Senators I do not propose to agree to a unanimous-consent request that a confirmation shall be had and the President immediately notified, because such action prejudices the rights of Senators with respect to these matters and cuts off any opportunity to reconsider. For that reason, and that reason alone, I think I am certainly standing up for the rights of the Senate as a confirmatory body, and I shall have to object to notifying the President. I do not object to confirmation; I am for confirmation.

The PRESIDING OFFICER. The Senator from Texas

HELEN A. M'NUTT

Mr. ODDIE. Mr. President. I want to comment for a moment on the question of the nomination of the postmaster at Prescott, Ariz., which the senior Senator from Arizona [Mr. Ashurst] has been discussing. A week or more ago I reported that nomination to the Senate, but on the request of another Member of the Senate I allowed it to be recommitted to the committee. Since then a second Member of the Senate has requested more time in order to investigate some matter in connection with it.

I have no objection to the confirmation, and so as soon as it is possible to have the objections withdrawn and the request of one of the Members of the Senate for an investigation determined, I will be very glad to report the nomination from the committee.

Mr. ASHURST. Mr. President, the present state of the record is that I gave notice yesterday of my intention to move that the Committee on Post Offices and Post Roads be discharged from the further consideration of the nomination. That motion has been made and agreed to; the committee has been discharged, and the nomination is now on the calendar.

Mr. ODDIE. I was not aware of that fact, but that is perfectly satisfactory to me.

Mr. ASHURST. Mr. President, a parliamentary inquiry. Is the nomination on the postmaster at Prescott, Ariz., now on the calendar?

The PRESIDING OFFICER. It will be on the calendar. Mr. ASHURST. It is now on the calendar, is it not? The PRESIDING OFFICER. It is now on the calendar.

TARIFF COMMISSION

Mr. COSTIGAN. Mr. President-

Mr. VANDENBERG. I yield to the Senator from Colo-

Mr. COSTIGAN. Am I correctly advised that the nomination for a position on the United States Tariff Commission has been passed over to a future executive session?

Mr. VANDENBERG. That is correct.

The Senate resumed legislative business.

Mr. VANDENBERG. Mr. President, pursuant to the unanimous-consent agreement I move that the Senate adjourn.

Mr. JONES. Mr. President, will the Senator from Michigan withhold the motion for a moment?

Mr. VANDENBERG. I withhold it.

Mr. JONES. I ask unanimous consent that the House bill 11452, the naval appropriation bill, may be considered as reported to the Senate. The report is practically ready. but the Senator in charge of the bill has not got it here. So I ask unanimous consent that the bill may be considered as reported, in order that it may be on the calendar and ready for consideration on Monday.

The PRESIDING OFFICER. Is there objection? Mr. LA FOLLETTE. I object. The PRESIDING OFFICER. Objection is made.

ADJOURNMENT

Mr. VANDENBERG. I renew my motion that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 25 minutes p. m.), under the order previously entered, the Senate adjourned until Monday, June 13, 1932, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 11 (legislative day of June 8), 1932

UNITED STATES DISTRICT JUDGE

Phillip Forman, of New Jersey, to be United States district judge, district of New Jersey, to succeed William A. Runyon, deceased.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY GENERAL OFFICER

To be brigadier general, reserve

Brig. Gen. Daniel Wray De Prez, Indiana National Guard, from June 10, 1932.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 11 (legislative day of June 8), 1932

ASSOCIATE JUSTICES, SUPREME COURT OF THE PHILIPPINE

Carlos A. Imperial to be associate justice, Supreme Court of the Philippine Islands.

George C. Butte to be associate justice, Supreme Court of the Philippine Islands.

POSTMASTERS

MINNESOTA

Theresa Jondahl, Hallock. Myrtle E. Carlson, Rose Creek.

Hosea A. Spaulding, Delaware. Harold E. Woolson, Laurelville. John F. Adams, Lisbon.

OKLAHOMA

Harry L. Zimmerman, Antlers.

PENNSYLVANIA

John J. Mack, Philadelphia.

TENNESSEE

Mac R. Culbertson, Church Hill. Charles W. Moore, jr., Lawrenceburg. Henrietta Whaley, Liberty. Bassil G. Taylor, Mason. Beulah O. Hughes, Murfreesboro. Carlos C. Davis, Redboiling Springs. Lefford E. Sarten, Sevierville. James A. Horn, Sharon. Alice L. Needham, Trimble.

TEXAS

Maggie Thomas, Petersburg.

Porter F. Hunt, Derby Line. Lucy W. Gaul, North Bennington.

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 11, 1932

The House was called to order by the Clerk of the House of Representatives.

The Clerk read the following communication:

THE SPEAKER'S ROOMS,

House of Representatives, Washington, D. C., June 11, 1932. I hereby designate Hon. Henry T. Rainey to act as Speaker pro

JNO. N. GARNER.

Mr. RAINEY took the chair as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Awaken our souls, gracious Lord, that we may walk in Thy light. Let there be to-day radiant manifestations of harmonious wisdom. In the urgency of a courageous confidence may we be willing to work, to bear, and even to suffer. Restrain all intemperate words, and may kindness and prudence be exercised as matters of duty. Bless us with the excellency of strength and cooperation that all decisions may be impartial, calm, and dispassionate. May the inextinguishable glory of our flag be preserved; no man can compute it. It gathers up in its immortal folds the wealth and the fullness of a nation's life and embodies and emblazons it all in one gorgeous emblem. As we behold it may we gaze upon and adore it. Amen.

The SPEAKER pro tempore (Mr. RAINEY). I am requested by the Speaker to state that he is suffering with a severe cold and will not be able to preside to-day. The House physician informs me there is nothing serious about his

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is

S. 4860. An act to provide for loans or advances to States and Territories for the relief of distress arising from unemployment, and for other purposes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11267) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes."

The message also announced that the Senate further insists upon its amendments Nos. 46 to 168, inclusive, to the above-entitled bill, disagreed to by the House, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Jones, Mr. Smoot, Mr. Hale, Mr. Broussard, and Mr. Bratton to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. REED and Mr. FLETCHER members of the Joint Select Committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the War Department.

EXTENSION OF REMARKS

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

Mr. BANKHEAD. Reserving the right to object, I was wondering if this is an advance copy of the speech the gentleman intended to make as permanent chairman of the Republican National Convention?

Mr. SNELL. No. I think that is what is the matter with our Speaker. I read him some portions of my speech and he collapsed immediately afterwards. [Laughter and applause.]

Mr. BLANTON. The country will collapse before it will hear the gentleman's speech.

Mr. SNELL. Does the gentleman wish to ask me a ques-

Mr. BLANTON. Yes. I would like to know how you are going to get the country out of its complete collapse?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BURTNESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a statement with reference to the bill H. R. 20, which I introduced in Congress, the statement being made by the author of the plan embodied in that bill and constitutes an analysis of the bill.

Mr. RANKIN. Reserving the right to object, what does the bill refer to?

Mr. BURTNESS. It is a bill to stabilize the buying power of the dollar.

Mr. RANKIN. Farm relief?

Mr. BURTNESS. It is general relief.

Mr. STAFFORD. Reserving the right to object, is the statement lengthy? The gentleman is aware that we do not recognize the policy of incorporating the remarks of outsiders in the RECORD, explanatory of legislation.

Mr. BURTNESS. I recognize that general policy. I have never before asked leave to extend my remarks in that way, but I think this is a case which is entirely different from the usual one, for it is a statement explaining a measure which is pending before Congress and sponsored by myself, and which has been in part considered by a committee of Congress, and I think it would be of value to the Members of the House.

Mr. STAFFORD. How lengthy is the statement?

Mr. BURTNESS. Well, I do not have it with me. I would say it is of medium length. It will probably cover a page or a page and a half in the RECORD. It would probably require 15 minutes to read it.

Mr. SABATH. Reserving the right to object, by whom is it written?

Mr. BURTNESS. It is written by an economist, Mr. D. J. Tinnes, who is the author of the plan embodied in the bill I introduced at the beginning of the session.

Mr. SABATH. I am receiving daily many requests and statements; and if we put them all in the RECORD, though many of them are helpful and beneficial, it would require a great many pages in the RECORD.

Mr. BLANTON. Reserving the right to object, I want to call the attention of the gentleman from Wisconsin [Mr. STAFFORD 1 to what happened yesterday afternoon when I asked permission to put in the RECORD a short letter from the president and owner of 26 wholesale houses in the United States on the Garner relief plan. The gentleman from Wisconsin said that he did not allow any such outside statements to go in, but when one of his Republican colleagues from out in the West wants something in the RECORD, we hear no objection.

Mr. STAFFORD. Oh, I am interrogating the gentleman. Mr. Speaker, I object.

Mr. LaGUARDIA. Mr. Speaker, a parliamentary inquiry. The SPEAKER pro tempore. The gentleman will state it. Mr. LaGUARDIA. A bill has just been messaged from the Senate, providing for loans to the several States for relief purposes. A similar provision was contained in the House bill which has been messaged over to the Senate. My inquiry is if the House expects to pass upon relief in piecemeal or by a comprehensive measure, and if it would not be proper at this time to refer the Senate bill to the committee which considered the relief measure in the House?

The SPEAKER pro tempore. In reply to the inquiry of the gentleman from New York, I will say that the bill will lie on the Speaker's desk for to-day.

Mr. BURTNESS. Mr. Speaker, a parliamentary inquiry. The SPEAKER pro tempore. The gentleman will state it.

Mr. BURTNESS. Was my request granted? Mr. STAFFORD. I interposed an objection to the gentleman's request, Mr. Speaker, but I intend to withdraw it, because the case is different in principle from that instanced by the gentleman from Texas.

Mr. BURTNESS. I did not understand that anyone objected to it.

Mr. STAFFORD. I objected, but I withdraw the objection. The SPEAKER pro tempore. Does the gentleman desire to renew his request?

Mr. BURTNESS. Mr. Speaker, I desire to renew the re-

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

Mr. BLANTON. Reserving the right to object, and I shall not object, I think the gentleman has a perfect right to put in the RECORD data he deems important. I think the gentle-man from Wisconsin has demonstrated that he objects to a statement which a Member on this side desired to put in the RECORD, and then permits such a statement from his own side.

Mr. STAFFORD. Mr. Speaker, regular order.

The SPEAKER pro tempore. Regular order is demanded. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

STABILIZING THE BUYING POWER OF MONEY

Mr. BURTNESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit herewith the following statement prepared by Mr. D. J. Tinnes, an economist of Grand Forks, N. Dak., relative to the bill H. R. 20, introduced by myself. Mr. Tinnes is the author of the plan embodied in the bill and the statement is an explanation and analysis thereof.

STATEMENT BY DANA J. TINNES

Whatever the chief cause of the present depression, the central banks thus far have failed to stop it. If we are to have price-level stability, we must make our currency what it was intended to be—a purely national monetary system. The free gold market is a thing of the past. We must cut our money unit free from foreign monetary entanglements by making the weight of our gold redemption unit subject to regulation by the guidance of a scientific price index number, paying out at all times a dollar's worth of gold for a dollar; more when gold cheapens and less when, for any reason, it becomes dearer.

The money of a country can be stabilized independently—na-

any reason, it becomes dearer.

The money of a country can be stabilized independently—nationally—and in no other way. Cooperation by other countries in a movement for approximate stability of all moneys might be desirable as an aid to real stabilization of national units; but it could not be a close approximation if based on a world index number. For a world index could be but a compromise between the various domestic price levels, and a unit based thereon would be really stable numbers. stable nowhere.

To be desirable, such cooperation must not aim at establishment of a world currency; nor at the pegging of exchange rates on national currencies. Each nation must be left free to stabilize its own money in terms of domestic buying power. No country should be made to suffer for the financial mistakes or misdeeds of others, nor should the domestic price levels of weaker countries be dragged up or down, particularly down, at the "discretion" of the financially and commercially dominant.

Neither should such cooperation involve the valorization of the

cially and commercially dominant.

Nether should such cooperation involve the valorization of the money metals by any group of financiers or experts, whether Government appointees or self-appointed. For, as clear-headed Elizur Wright wrote long ago: "The creation of the best possible measure of debts * * * is a function of the sovereign power * * * and any such class * * * that should get control of this great function would be in fact the governing power, with the national government as its subaltern." Matchless business foresight could be displayed by those who thus held the power to have their forecasts fulfilled.

MONETARY STABILIZATION MUST BE NATIONAL

Each country must stabilize separately its own unit. A world index could be constructed by which each country's price level could be adjusted to the average of all. But this would make them all unstable in terms of domestic buying power. Neighboring countries with common free markets within the same tariff walls may have a common currency; but between countries not so situated there must always be exchange rates, shifting with the trend of trade, with credit conditions, and with other influences which now affect them. However, with the cheapening and speeding up of means of communication and transportation and the possible lowering of tariffs, the price levels of the various countries will differ less and this will tend somewhat to steady exchange rates. Should a secondary money, a monetary Esperanto, seem temporarily desirable for use in foreign trade, we have it at hand in the gram of gold, uncoined. Such a unit, under the name "gramdor," was proposed by the present writer in the American Economic Review in 1918. Three years later an Englishman put forward as a world unit another weight of gold, 1% grams, naming it the "pois-d'or," abbreviated "dor."

The gram-d'or, or to adopt the briefer name, the dor, would be worth at the present mint rate about 60 cents. A larger denomination, the "kildor," about \$600, would be useful in large transactions and in statistics. The par of exchange between the stabilized dollar and the gram of gold would be shown each day by the current mint rate. Such a unit, being a fixed weight of gold, would be unsuitable for long-time transactions which should be in terms of a stabilized unit.

For generations the pound sterling has been the international Each country must stabilize separately its own unit.

in terms of a stabilized unit.

For generations the pound sterling has been the international medium of exchange, and this has been a disadvantage to us.

To make our dollar the world medium would disadvantage the British, and no other country would be wholly satisfied with either the pound or the dollar. The dor, specially favoring none, should be acceptable to all. Amounts called for in international trade would appear automatically in grams, the weight in use in most of the countries of the civilized world.

Bridging the gaps between the moneys of the various nations, the dor would serve as a medium for simple and uniform exchange quotation. For, unless artificially "pegged," exchange rates will fluctuate as in the past. Should it be found desirable to peg the rates between safely solvent nations, this could be done to peg the rates between safely solvent nations, this could be done with the dor without interference with the national units, stabilized or unstabilized. The gram-d'or proposal, though advanced by the same author, is not, of course, included in the Burtness bill. It is mentioned here because opponents of real stabilization have used the supposed need of an international money as an argument against passage of the bill named. It meets whatever demand there may be for a world currency without hindering the urgently needed stabilization of national units.

DISCRETIONARY VERSUS AUTOMATIC STABILIZATION

Some of the members of an influential financial group agree with us that the price level ought to be stabilized. But they prefer to have it done through discretionary control of gold and credit, with the discretion vested in the central banks. Soon after the debacle of 1920–21, Dr. Carl Snyder, economist of the Federal Reserve Board, proposed a variation of the theretofore unacknowledged discretions are the control of the theretofore unacknowledged discretions. edged discretionary practice, in which he provided a guide to be followed in the form of an index number. This amounted to "abandonment of the gold standard," for it made the price level the ultimate standard. His plan is said to have been followed from 1922 to August, 1929, when the price level fell into another

the ultimate standard. His plan is said to have been followed from 1922 to August, 1929, when the price level fell into another "discretionary" tail spin.

Following the present depression, unless Congress acts, there may be a return to the Snyder plan. For some of the influential supporters of stabilization through gold and credit control do not want real price-level stability. They want mere prevention of inflation or depression, particularly of inflation. Just why inflation is more to be feared than depression I leave it to them to explain. Compare business conditions during any price-level rise with conditions during a period of price-level depression.

A great part of the public has been misled into thinking that if the price level is prevented from rising or falling more than 1, 2, or 3 per cent a month, it is stable enough. But an average decline of 1½ per cent a month for the past two and one-half years has brought us to this. The Snyder plan of control permitted changes greater than this, and the high point in the seven years it is said to have been followed was 11 per cent above the low stage. Is this stability? Give a private profit-earning corporation the power to bring about a price-level rise of 1 per cent one month and a price-level decline of 1 per cent the next, and it could easily cash in on its "business foresight." Yet most of those who prefer a loose "stability" to real stability would allow a wider margin than 1 per cent a month.

Many of those who declare themselves in favor of "maintaining the gold standard" mean merely that they favor continuance of redemption of our currency in gold. They do not favor allowing an unstable metal to drag our commodity price level down or up with every change in its own market valure. (By "valure" is meant rate of exchangeability for goods, as distinguished from the many other meanings of the ambiguous word "value.") For the valure of gold, like the valure of every other commodity, changes with every change in its supply as compared with the demand for it

for it. The Burtness bill, hereinafter described, continues redemption in gold but does not retain a fixed weight of an unstable metal as a standard of stability.

With a fixed weight of gold the standard, gold alone is stable in price. Make the commodity price level the ultimate standard, with the composite goods-dollar as its concrete expression, and the price level will remain stable. Being measured in terms of itself it can not change. The gold unit, though subjected to weight regulation, may still be considered a standard of uniformity, since all forms of our media of exchange are redeemable in it, directly or indirectly. But as a standard of stability it is a discredited makeshift. makeshift.

THE BILL TO STABILIZE A NORMAL PRICE LEVEL

The Burtness bill (H. R. 20) has gone through four revisions since its first introduction, under a different number, in 1923. At the time of its third revision early in 1929 it seemed likely that a bill would be passed commanding the Federal reserve system to "act with a view to promoting stability of the commodity price level," as directed in the original draft of the Federal reserve act. For this reason certain features which now appear in H. R. 20 were omitted from H. R. 112, Seventy-first Congress.

The bill has never been fully explained to your committee in the years it has been before you, so I take the liberty of sketching

its details by sections.

Section 1 makes the weight of the gold dollar subject to regulation to keep its buying power stable. It also recognizes that the "gold clause" in notes and bonds has outlived its usefulthe "gold clause" in notes and bonds has outlived its useful-ness. Put in to protect creditors from loss by threatened sup-pension of redemption in gold at a time when gold was commonly thought to be stable in value, it has become a menace to honest debtors. Notes drawn in dollars should be payable in dollars, in lawful money, and not in any given weight of metal. For buy-ing power and not weight is the essential quality of money. The thought in the minds of both borrower and lender is of what so

many dollars will buy at the time, not of the weight of gold represented. Seldom, in fact, do both lender and borrower even know

resented. Seldom, in fact, do both lender and borrower even know how many grains of gold are represented by the dollars named. Section 2: A new division of the Treasury Department handles the stabilization process under strict rules which leave nothing to official discretion. The data and simple calculations in the weekly bulletin can be checked easily for error by any reader while the week's prices are still fresh in mind.

Section 3: Prices are reported by agents in the proper markets and trade data by wholesalers. Only sales in dollars of each commodity are reported by wholesalers. The term "wholesale" is made to include more than the sales commonly ranked as wholesale. Through an oversight, the words "sales to exporters" were omitted. They should be read into the bill.

Section 4: Constructs a scientific gage of price-level tendencies to

Section 4: Constructs a scientific gage of price-level tendencies to be counteracted before they affect the retail level and the citizen's dollar. Details of its construction are not necessary to a full grasp of the plan if one knows that price-level tendencies can be measured. Reports of price-level changes are published monthly and the Government now constructs also a weekly index which is but an averaging of data collected daily.

Section 5: Fastern markets elsew three bours before these in the

Section 5: Eastern markets close three hours before those in the Pacific time zone, so the reports from the eastern and middle sections can be worked over before those from the far West begin

to arrive.

Section 6: Metric weights in our mint rate simplify translation of our money units into the moneys of other countries, most of which are in grams. Our small silver coins are already in grams. The half dollar weighs 12½, the quarter 6¼, and the dime 2½ grams.

Par stage of the market gage is unity, 1, so the daily adjust-ments of the mint rate involve only multiplication of the current ments of the mint rate involve only multiplication of the current mint rate by the new market gage. The gold bullion dollar, adjusted daily, will be the price unit, or "provisional standard," and the composite goods dollar the ultimate value standard to which the bullion dollar is, by weight adjustments, made to conform. The components of the goods dollar—the small parcels of goods that go to make up the standard of value—are shown in column 3 of the market gage schedule. The price of the composite goods dollar, as measured in gold at the current mint rate, serves as the daily price index or market gage.

Section 7: The mint rate is computed and appounced at night

the daily price index or market gage.

Section 7: The mint rate is computed and announced at night after the markets and the mint close and before they reopen. This bars all risk of speculation on advance information of weight change and makes unnecessary any disturbing seignlorage charge. Section 8: Gold coins and silver dollars are retired. The greater part of the gold in the Treasury is already in bars, and in settlements of foreign trade balances gold passes by weight. Gold sold for use in manufacture and the arts is also in bars.

Section 9: Federal reserve and national-bank notes are not interfered with, but other forms of currency are replaced by Treasury notes.

Treasury notes.

Treasury notes.

Section 10: All gold and silver reserves now back of money of Government issue, all silver now in silver dollars, and all gold and silver in the general fund are consolidated into one fund for redemption of the new Treasury notes. This gives at the start nearly 100 per cent metallic backing for the Government money actually in circulation, though the par stage of the consolidated fund is but 40 per cent, four-fifths of it gold and one-fifth silver, the silver being reckoned not at any fixed ratio to gold but at its current price, which makes it exactly equivalent to gold. This surplus can be reduced and the fund brought down to par only by a cheapening of gold, which would call for an increase in the weight of the gold bullion dollar; or by a rise in the value of gold, which would call for an increase in the supply of Treasury notes outstanding.

outstanding.
Section 11 provides that the total stock of Government money shall not decrease nor grow less in relation to the bank currency in circulation. Any decrease is made up promptly by issue of more Treasury notes, put out in such a way as to cause no inflation of

It provides also that whenever the redemption fund is above the

the currency.

It provides also that whenever the redemption fund is above the par stage and the lowering of the mint rate shows a downward tendency of the price level, additional notes shall be issued to the amount of double the excess of the fund above par. The excess would supply 40 per cent backing for two and a half times its amount, but only double the amount of the excess is issued.

To prevent a too great issue of additional notes at the start, while the redemption fund is still far above par, the note increase in any one week is limited to 10 per cent. Should the downward tendency of the price level continue, these issues are repeated weekly until the fund is reduced to par stage as compared with the notes outstanding against it. Thereafter, should the lowering of the mint rate continue, the Treasury notes outstanding are increased only at the rate of 2 per cent a week and put out in such a way as to not disturb the price level; for the issues of notes no more than balance the purchase of gold for the fund.

Should the fund sink below par with the mint rate decreasing, the Treasury buys the bullion needed for backing, issuing Treasury notes against it. All these issues aid the main stabilization process by enlarging the supply of Treasury notes when the mint rate is declining—gold appreciating. They can not cause currency inflation for they are put out only when price-level tendencies are downward—when there is a shortage of currency—to help prevent depression. And it must be borne in mind that they increase the supply of Treasury notes only, the issues of Federal reserve notes being controlled by the Federal reserve system. Also that their supply relative to the supply of bank notes will not increase unless

the supply of the latter is unduly contracted and falls to meet the needs of business.

needs of business.
Section 12: Purchase of gold is equivalent to free coinage. The gold bought and added to the redemption fund can not cause currency inflation, for the new gold can be used to enlarge the money supply only when the mint rate is decreasing—gold appreciating—in which case it properly aids stabilization. To avoid loss to the Treasury from an overstock of gold when gold is rapidly cheapening, purchases are suspended until the gold fund is reduced to per

Treasury from an overstock of gold when gold is rapidly cheapening, purchases are suspended until the gold fund is reduced to par.

SEC. 13. Treasury notes are redeemable either in gold or in silver at the option of the applicant. But should the gold in the fund fall much below par, gold withdrawals are limited to give the Treasury time, by purchase, to restore it to par. Meanwhile redemption in silver at its gold price is unrestricted, and sufficient gold withdrawals allowed to more than supply the needs of manufacture and the arts. These, with the knowledge of the public that the restrictions on gold are but temporary, should fully protect the value of the dollar.

SEC. 14. The "trial market gage" device prevents any slip at the time of revision of the schedule. Under this plan the commodity price level should remain permanently stable. The commodities listed will change from year to year. New entries will be added and others withdrawn; individual prices will go up and down; but no noticeable change will take place in the average of commodity prices. Why should reconstruction of the schedule, any more than its first construction, disturb the price level?

I have emphasized the fact that the additional Treasury notes put out under the conditions named will not tend to inflate the currency. Inflation would cause undue enlargement of the bullion dollar and tend to cause export of gold. The additional note issues will, however, increase the volume of Treasury notes as compared with bank notes whenever the supply of the latter is insufficient to prevent depression tendencies. The banks of issue can avert this proportional increase of Treasury notes by keeping their own issues adjusted to the needs of business. The amount of Government currency should not be reduced and it would be better if it were increased up to the minimum needs of trade, leaving the banks to supply the flexible part of the currency. Every additional million dollars of these noninterest-bearing notes could be made to replace a million dollars i

THE MARKET GAGE

Since a gage of the dollar's buying power must be a measure of the prices of goods in actual trade transactions in the quantities actually sold and bought, an ideal index would take its weighting from the day the price-level tendencies of which are to be measured. In the case of a daily index this is impossible. The nearest we can get to it is to use as weighting the relative sales of the various commodities in the 12 months last past, for the sales for a year are but a multiple of the sales for an average day. In order to keep the weightings as nearly up to date as possible, they are revised quarterly. But the average for the past 12 months is taken rather than the average for the preceding quarter, for sales are largely seasonal and relative sales differ more from quarter to quarter than from year to year.

The daily price index, called the market gage, is based on all the commodities on the market, compressed into some 900 entries.

The daily price index, called the market gage, is based on all the commodities on the market, compressed into some 900 entries. For many years the objection was heard that the market gage schedule lists altogether too many price series. One British economist, blind to the fact that the greater the number of price series listed the more nearly correct will be the measurement of price-level movements, had told his readers that "a large number of prices is needless and may even be detrimental." In the same breath they were told that wholly unweighted price index numbers gave practically the same results as the fully weighted.

THE BUREAU OF LABOR STATISTICS INDEX

The present head of the Bureau of Labor Statistics evidently does not subscribe to these views. Referring to the price index published by the bureau up to 1914, based on less than 300 price series and unweighted, he remarks, "The less said about it the better." The number of entries included was raised later to 404 and in 1927 to 550. A recent release by the bureau informs us that the number is now increased to 784 and that the weights are obtained largely from direct reports by manufacturers. By the adoption of improved weights and by increase of the number of series listed, the bureau has brought its index number nearer the market gage in the matter of accuracy, but it is still believed that

adoption of improved weights and by increase of the number of series listed, the bureau has brought its index number nearer the market gage in the matter of accuracy, but it is still believed that the latter has the more logical and scientific formula and that its results are more easily checked for errors by the interested public. Following is a brief sketch of the method employed by the bureau: The "base price" of each commodity is the 1926 "average price," which is the unweighted average of 52 unweighted weekly averages of daily prices. Its "weights" are the estimated quantities produced in the years 1923 and 1925 of each of the commodities listed, expressed not in dollars worth but in their diverse physical units. These weights are multiplied by the unweighted average of unweighted averages of daily prices to find the "estimated value." By estimated value is meant the estimated total sales of each commodity listed. Obviously, the total sales of a commodity during a year can not be found by thus multiplying its production, either estimated or actual, by the unweighted average price for the year. The unweighted average price of wheat, for example, during a year may be \$1, although three-fourths of the crop produced sells during the brief marketing season at less than 70 cents. Surely the best way of arriving at total sales is to get them directly from those who do the selling.

In constructing an index for the following year this whole process is repeated, and the newly computed "estimated value" for that year is divided by the "estimated value" for the base year. The quotient is then (why?) multiplied by 100. (Why is not unity, 1, a more rational par than 100?) The monthly index is similarly constructed. How can the average citizen satisfy himself of the accuracy of these operations? The writer by no means questions the ability and competence of the distinguished head of the bureau but feels that he is hampered by a blind and loose formula. The method now in use and credited to Professor Knibbs, of Australia, is superior to that of the London wool merchant followed up to 1914. But we are convinced that, even with more complete and reliable data, it can not give satisfactory results. And why should the Labor Bureau, even were its method scientific, construct the index for the regulation of our monetary system? Why not the Treasury?

Market gage schedule

Commodities and quotations	(Q) 1	(W) 2	(QW)	(P)	(PQW)	
Cotton, middling, pound, Galveston Hogs, light butchers, pound, Chicago Milk, fluid, 100 pounds, New York Wheat, 2 dark spring, bushel, Minneapolis Wheat, 2 hard winter, bushel, Kansas City List similarly all other commodities	5. 8823 7. 6922 . 2793 . 641 . 6667	0. 0178 . 0274 . 0184 . 0050 . 0056 . 9258	0. 10470 . 21077 . 00514 . 00321 . 00373	0. 17 . 13 3. 58 1. 56 1. 50	0. 0178 . 0274 . 0184 . 0050 . 0056 . 9258	
Total weighting, column 2 is 100 per cent, i. e., 1		1.0000			1.0000 1.6718	

Adjustments made during the week

Goods-dollar	Monday		Tuesday		Wednes- day		Thursday		Friday		Saturday	
	4	5	4	5	4	5	4	5	4	5	4	5
0.1047 0.21077 0.00514 0.00321 0.00373 Other entries.		.0051	3. 58 1. 54 1. 48	. 0253	3. 58 1. 55 1. 49	. 0253 . 0184 . 0050	3. 58 1. 52 1. 45	.0253 .0184 .0049	. 13 3. 58 1. 51 1. 45	.0274 .0184 .0048	. 13 3. 58 1. 49 1. 43	. 0274 . 0184 . 0084
New market gage. New mint rate		1. 0003 1. 6723		. 9998 1. 6720		1. 0000 1. 6720		. 9997 1. 6715	-	. 9996 1. 6708	1000	. 9998 1. 6700

EXPLANATION OF THE TABLES

All goods on the wholesale market are to be listed, major items divided by markets and grades and small items in homogeneous groups. With each entry is shown its market representative and the market from which its prices are quoted.

Column 1 (Q) shows, in decimals of a physical unit, the amount of each market representative that sold for \$1 on the day the schedule was last revised.

Column 2 (W), weighting, the relative trade importance of each entry in decimals of the total wholesale trade.

Column 3 (W times Q), the decimal quantities of the various entries which together make up the goods dollar, which is the ultimate standard of value back of the goldbullion dollar.

Column 4 (P), the current market price of each market representative.

Column 5 (P times QW), the components of the goods dollar, priced. Their sum is the market gage for the day. Deviations of the market gage from its par stage, 1, show inversely the tendencies toward change in the average buying power of the gold-bullion dollar of current weight. These tendencies are at once counteracted by adjustment of the mint rate. The initial mint rate, 1.6718 grams (25.8 grains), is the present weight of the gold dollar.

Columns 4 and 5 are revised daily; columns 1, 2, and 3, quarterly; and the entire schedule yearly.

Daily adjustments are at 2 a. m., when the then current mint rate is multiplied by he newly calculated market gage to get the new mint rate, to be announced at once.

WILL NOT INVITE SPECULATION IN GOLD

As explained in Congressman Burtness's speech on March 2, 1931, this bill will lessen rather than invite speculation in gold; and if adopted by our country alone will not in the least injure our foreign trade. Speculation in gold is more or less possible under any system employing gold as a money metal and will continue until measures are taken to stop it. Restrictions which might not be justifiable in the case of other commodities may be employed to prevent manipulation of the value of a money metal. For example, it would be possible to tax away all profit derived from hearding gold during a rise in its value. Gold hearding, at best, is an interference with the free-gold market.

The Burtness bill (H. R. 20) proposes no such tax, but it contains provisions making speculation at the expense of the Treasury more difficult than it is at present. As an illustration, note that a man who deposited a million in gold in exchange for gold certificates in July, 1929, can now withdraw what is virtually one and one-half millions. That is, the million he can now withdraw will buy as much of commodities in general as one and one-half million dollars would have bought in July, 1929. And he has sacrificed no interest to gain this profit. For during those years he has full use of his million in the form of gold certificates. Under this bill he could not at any time withdraw more value in gold than he had deposited.

WILL NOT INJURE OUR FOREIGN TRADE

As to its effect on foreign trade, the slight shifts in exchange rates it will cause will be shifts in mint pars and not deviations from par. The adjustments of the mint rate, infinitesimal because daily, will be reflected in equally small changes in the pars of exchange. The adjustments will be the effect and not the cause of alterations in the world value of gold. Deviations from mint pars due to shifts in the trend of trade, credit conditions, etc., injuriously affect international trade. Readjustments of mint injuriously affect international trade. Readjustments of mint pars do not. Should Britain resume redemption in gold with the gold weight of the pound sterling cut in half, all that would happen to exchange rates would be that it would take but half as much in our money to buy a pound sterling. With us, sterling would be quoted at \$2.43 instead of \$4.86; but this would injure neither exporters nor importers. This fact is brought out more clearly in the speech referred to. Even were it possible that independent stabilization of the dollar would affect foreign trade, it should not delay passage of this bill. For our export and import transactions are small compared with our enormous domestic trade. But, fortunately, we do not have to injure the one to benefit the other. Dollar stability will immensely benefit this country without in the least harming our exporters or importers.

DEET ADJUSTMENT POSSIBLE

Were the price level at or near normal in its relation to debts, nothing need be added to this bill to make it fully adequate either with or without an act directing the Federal reserve system to cooperate. For the bill is so drawn as to induce such tem to cooperate. For the bill is so drawn as to induce such cooperation. Were it put into effect now, while the price level is still declining, it would at once stop the decline, and property prices would adjust themselves to the new level. But without annulment of the "gold clause" in monetary obligations previously incurred, the debtor would still be forced to pay his debt in dollars of greater buying power than the dollars borrowed. Put in originally to insure justice to creditors, it has become a source of great injustice to debtors and should be abolished. With the buying power of money made stable, it will be unnecessary. Debts will be paid in money of the same buying power as the money borrowed.

Were the price level to be stabilized.

Were the price level to be stabilized on a lower level than that on which existing debts were incurred, the "gold clause" should be annulled in existing contracts as well as in contracts entered into thereafter, and a debt-adjustment section should be inserted. The debt-adjustment feature would somewhat resemble the "multiple standard" proposals much discussed during a former depression. It would also call to mind a feature of the Dawes plan for Germany and the many wage adjustments in our own and other countries by a cost-of-living index. The following would be its main points:

main points:

Let the monetary standard division calculate the movements of Let the monetary standard division calculate the movements of the price level for, say, 20 years back, employing unity, 1, as the par stage and the date the act passed as the base of reference. Then let a creditor or debtor feeling himself wronged by price-level change during the life of a note, bond, or other monetary obligation, find the amount of his loss by dividing the existing amount of the obligation by the market gage for the date on which it was drawn. Then, either by private agreement or before a proper officer, the amount of the correction can be added to or credited on the instrument. To avoid too numerous adjustments, a sentence could be added excluding small obligations and those on which the loss would be below a given percentage.

This would insure payment of debts in a just amount of buying power. The dollar of payment would have the same average buying power as the dollar borrowed. Similar adjustments of Government bonds and of fixed incomes would be an equally simple matter. It must be borne in mind that all these would be adjustments of wrongs begun before the act was passed and that the need of such adjustments would soon disappear.

SUMMARY

It must be remembered that stabilizing money means stabilizing its buying power at home and not mere pegging of foreign exchange rates

That stabilizing the buying power of money stabilizes the domestic price level without fixing individual prices.

That the only "normal" price level is the level on which exist-

ing debts were incurred.

That "maintenance of the gold standard" means maintenance of the outgrown and now dangerous system to which we owe the

present disastrous depression.

That "abandonment of the gold standard" does not necessarily involve suspension of redemption in gold, nor suspension of the settlement of foreign trade balances in gold at current exchange

That, while shifts in exchange rates due to their deviation from mint pars are injurious to trade, the readjustments of mint pars made by this bill are not.

made by this bill are not.

That concerted attempts at valorization of the money metals are more markedly against the public interest than are other "restraints of trade."

That a world currency, for the reasons herein given, can not be stabilized in its buying power and is therefore undesirable.

That money must continue to be national and not international, and must be based not on a single commodity but on all commodities, with one of them, preferably gold, as the price unit connecting other commodities with the market.

That, while the buying power of money can be roughly controlled through control of its supply, it can not be stabilized thereby, because changes in supply do not produce the prompt

effect needed to counteract the disturbing tendencies developing

daily.

That a proposed "stability" which would allow fluctuations of 1 per cent or more a month—double to quadruple the highest bank discount rate—is dangerous instability, particularly if a dividend-earning concern has preknowledge of the "stabilization"

That daily adjustments will prevent change by counteracting disturbing tendencies as they develop and before they affect the retail level.

That such prevention will be aided by the friction of custom, printed price lists, and national advertising, which would operate against infrequent adjustments.

That, as we have tried to explain, the dollar can be truly stabilized by daily regulation of its gold weight, accompanied by proper regulation of the currency supply on which credit is based.

It is confidently claimed for this bill that its enactment would—

(a) Free the hydring power of the currency supply on which credit is based.

(a) Free the buying power of money, and so the commodity price level, from danger of manipulation through control of the

credit supply.

(b) Make production and trade safer by elimination of an unforeseeable risk.

(c) Make possible fair settlements between creditors and

(d) Prevent the distortion of wage agreements and other time contracts now caused by change in the buying power of money.(e) Remove the main camouflage of monopolistic or concerted

(c) Steady but not peg the interest rate.
(g) Make all statistics written in dollars more intelligible and reliable.

(h) Free us from entanglement in the monetary troubles of other countries.

(i) Make continuous national prosperity possible by drawing the teeth of the so-called business cycle.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter from the American Legion at Parks, Miss., in which they inclose a check for \$75 to feed their hungry buddies who are now in Washington.

Mr. UNDERHILL. Mr. Speaker, I object.

NONTAXABLE BONDS

Mr. HOGG of Indiana. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HOGG of Indiana. Mr. Speaker, on the Clerk's desk is a petition, No. 6, to discharge the Ways and Means Committee from the consideration of a resolution proposing a constitutional amendment to make subject to tax all further issues of governmental bonds.

There are twenty-five billion-not million-twenty-five billion of nontaxable bonds in the country at the present time. These bonds are the refuge of great fortunes which escape taxes.

The Members are requested, if they are inclined to do so, to place their names upon that petition.

RELIEF LEGISLATION

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent to address the House for one minute to make an announcement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LaGUARDIA. Mr. Speaker, for some time a large number of Members of the House have been unofficially acting in concert to study relief legislation.

A committee consisting of 15 members--5 Republicans. 5 Democrats, and 5 Progressives, of which the gentleman from New York [Mr. Mead] is chairman-has been working out the details. A comprehensive constructive relief measure has been passed by the House. That bill is now before the Senate.

The committee met to-day, and speaking for it and for a majority of the membership, I am sure, has passed resolutions that we will resist adjournment until a complete, constructive, effective relief measure is passed by the House and sufficient time thereafter has elapsed for Congress to exercise its prerogatives in the event of a presidential veto. [Applause.]

ANALYSIS OF IMPORTANT MATTERS BEFORE CONGRESS

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection?

Mr. WITHROW. Mr. Speaker, that the people of my district in Wisconsin may have direct information about the important matters acted upon by this Congress up to this time, I have prepared the following brief summary or analysis of some of the more important questions which have been considered by the House.

HOOVER MORATORIUM

The nations of Europe have given their solemn word to repay their war loans. Neither President Hoover nor any other international spokesman has the right to encourage these nations to repudiate their just debts. These debts are assets of the people of the United States. They are all that we have to show for the \$29,000,000,000 we sunk in 1917-18 to make the world safe for democracy. If European nations do not pay these debts, they will have to be paid by the taxpayers of the United States.

I am opposed to going to war to collect this money, but no self-respecting nation will force us to such an extremity. Let these European nations meet their debts, and pay them as fast as they are able. That is what our American farmers, workers, and business men have to do. Many of our citizens have lost their farms, homes, and business because they were unable to get extensions of time on their debts. There should be no further moratoriums and no cancellation of the foreign debt. It is for these foreign nations to decide if they want to assume the odium of repudiation.

Our country has already been exceedingly generous with our European debtors. These countries were ready to pay their interest last December. They had \$252,000,000 in gold in New York with which to do it when President Hoover, by conference and by telegram, tied Congress's hands, and bigheartedly told our foreign debtors to keep our money. This move, of course, was popular with the New York bankers, because it meant that this \$252,000,000, which rightfully belonged to the Treasury of the United States could be used to pay off private foreign loans to the New York banks.

Mr. Speaker, I will bitterly oppose any further moratoriums or debt reductions unless our American farmers and other citizens can be granted moratoriums and reductions on their debts as well.

THE RECONSTRUCTION FINANCE CORPORATION

The Reconstruction Finance Corporation was authorized by a bill which provided that \$500,000,000 in cash should be taken directly out of the Treasury for this purpose, with the provision that an additional \$1,500,000,000 could be raised by the sale of debenture bonds. This organization may have helped a few big banks and railroads, but it has done little for the country as a whole. The handful of seed loans which have been doled out to farmers has been the crust which has been thrown to the farmer disguised as aid and has served only to put him farther into debt.

No permanent relief can ever be achieved by forcing our people farther into debt. The depression can not be solved by slashing wages of the workers or by coaxing farmers to borrow more money. Permanent relief must come by giving the worker a job at which he can earn a living, and by giving the farmer an increase of price for farm products which will enable him to live and pay some of the debts he now

THE TAX BILL

The Mellon tax bills of 1924, 1926, and 1928 are directly responsible for the financial crisis with which the Treasury is faced to-day. The Mellon bills reduced the individual and corporation income taxes and surtaxes; these taxes during that era were not burdensome. Had the income taxes been allowed to stand, the public debt would now be reduced to around \$10,000,000,000, instead of nearly \$20,000,000,000 which we owe to-day. If those taxes had been allowed to stand the national Budget would balance itself.

I wish to point out, Mr. Speaker, that the deficit with which the Treasury is now faced has not been accumulated during this one year. It is the result of years of shortsighted policy on the part of the Treasury Department. By a policy of income-tax reduction during periods of prosperity Mr. Mellon cut down the revenue of the Government to such an extent that there has been a deficit for the past several years. Last year that deficit amounted to \$903,000,-000 and this amount has been added to the expense of Government operation this year. To force our already overburdened people to make up this deficit which has accumulated over a period of years by a terrifically hightax schedule during this terribly hard year is the height of folly, gentlemen. Just as this deficit has been accumulated over a period of years, so it should be made up over a period of years, and the tax program should include individual and corporation income taxes and surtaxes which will continue in prosperous years so that our public debt can be reduced. This program will reduce the fixed costs of our Government by doing away with the public debt and interest payments and will later make it possible to have permanently reduced taxes.

ECONOMY MEASURES

I have been whole-heartedly in favor of every true economy measure which has been considered by this body, and I have fought just as hard against the proposals which have been brought before this body under the false colors of economy. The vested interests have taken advantage of our desperate need for economy to strike at the very heart of our democracy—our educational system and our standard of living.

It is well for Congress to economize in Government expenses. Every needless employee and Government activity should be dispensed with, and every possible consolidation of Government activity should be made; but this should be done in an orderly, businesslike way. Our national income has been declining steadily during the past few years, from \$85,000,000,000 in 1929 to about \$45,000,000,000 at the present time. Yet during this period when our income has been declining the cost of local, State, and Federal government has increased from \$12,000,000,000 per year to about \$14,000,000,000 per year. Government departments have been unduly expanded and useless and wasteful commissions have been authorized by Congress and the administration.

Much of this waste can and should be eliminated by the heads of the departments themselves, in a businesslike way. I would like to know why the War and Navy Departments have not been consolidated—this consolidation alone would save from \$50.000.000 to \$100.000.000 annually.

Extra expense has been saddled onto the taxpayer this year by the administration by the donation of \$252,000,000 to foreign countries in the form of the moratorium and the donation of \$500,000,000 or more to the railroads and big banking houses by the Reconstruction Finance Corporation.

I opposed the authorization of the Reconstruction Finance Corporation, and at the time this legislation was passed I pointed out to you gentlemen that every cent of it would have to be paid by the American farmer and workingman.

Certainly these expenditures should be reduced; they never should have been made in the first place. The administration has supported every one of these colossal wastes of money but has not been willing to cut department expenditures except to reduce the funds to be available for educational purposes. Even in the President's own household, the White House, the expenses have been increased from \$260,000 in 1922 to \$690,000 this year, all of which has to be paid by the farmer and workingman who can barely find food enough for his wife and children.

I have been in favor of every reasonable economy in Government operation, and I have fought with every facility at my command to place the burden of taxation on the shoulders of those who are best able to bear it—in the form of an income tax. Practically every day efforts have been made in this body to saddle the entire burden of Government expense onto the farmer and the workingman. The farmer and workingman have already been taxed beyond endurance. One out of every twelve farms has already been

taken because farmers have not been able to pay their taxes. Gentlemen, our basic industry—agriculture—has been ruined by taxation, and I will continue to fight any measure which proposes to place one more cent of taxes on the farmer.

FARM LEGISLATION

I believe that the sincere efforts which have been made by those of us who represent agricultural districts has been rewarded to some extent. It is true that much remains to be done, but the legislation which has already been enacted by this body, if properly and sympathetically administered, will help to relieve the agricultural situation.

Our agricultural program should include the following

First. The price which the farmer receives for his product must be returned to normal. At present the farmer is getting practically nothing for the products he sells and consequently can not pay his interest and other expenses.

Second. The prices of farm implements, fertilizer, explosives, and other supplies needed on the farm must be reduced to correspond with the price the farmer receives for his products. At present the prices of machinery and equipment are still maintained at war-time levels, so that farmers are unable to buy the equipment which they very badly need.

Third. Agriculture must be relieved of its heavy burden of taxation. Under no circumstances should a general sales tax be levied, because this tax must be paid entirely by the farmer and the workingman. Genuine economy must be practiced by the Federal Government, and then the expenses of the Government must be paid through an equitable system of income taxes.

Fourth. Other industries are protected, therefore the Agricultural industry, which is basic, must also be protected from the competition of cheap and unwholesome substitutes and products produced at home and abroad.

"HONEST DOLLAR" BILL

The Goldsborough "honest dollar" bill which has been passed by this body, provides that the Federal reserve system shall so control the supply of currency in circulation so that commodity prices will be maintained at a normal level on a basis computed on the average prices for 1921–1929, a normal period. This measure, if properly administered, will mean that the farmer will be able to pay his debts with a dollar having the same value as the dollar he borrowed. Under our present system a farmer must pay back almost \$2 for every \$1 he borrowed several years ago. It is no wonder that the farmer can not make both ends meet under circumstances of this kind.

My proposal (H. Res. 272), which is still pending before this body, provides for an investigation and revision of the high prices of farm machinery. Records show that these prices have been maintained at war-time levels, although all other prices have been reduced. This highway robbery can only be carried out through monopolist control of the industry. My resolution provides that this monopoly shall be broken up so that prices on farm implements will return to pormal

I have introduced a bill, H. R. 7896, which provides that all oleomargarine and other substitutes for butter manufactured in the United States shall be taxed at a rate exactly the same as the tax on these substitutes in the State of Wisconsin. Despite the efforts I have made in favor of this bill, powerful interests have been able to prevent its consideration.

PHILIPPINE INDEPENDENCE

I supported the bill granting the Philippine Islands their independence because I believe the Government should redeem its promise made to the Philippine people by Admiral Dewey in 1898 when the Filipinos joined the American forces in Manila and helped drive the Spanish soldiers from the islands. It is against the principles upon which this Government was founded for one people to control another without their consent.

The independence of the Philippines will have a threefold wholesome effect on this country. Every day we retain control of these islands brings us that much nearer the

time when we will have to defend them at great expense and loss of life. The independence of the islands will remove the expense of their government from the shoulders of the American taxpayer.

The greatest importance of the Philippine independence to the people of my district, which is one of the finest dairying districts in this country, is the fact that by giving these islands their independence it will be possible by tariff and other restrictions to bar or reduce importations of cheap vegetable oils used in the manufacture of oleomargarine, and this will be an important step in the protection of our dairy industry.

VETERANS' ADJUSTED COMPENSATION

The bill providing for the immediate cash payment of the adjusted compensation is scheduled to be voted on by this body next week. It has only been by the combined efforts of Members who are friendly to the veterans and the veterans themselves that it has been possible to secure a vote on this worthy proposition.

I have been promised an opportunity to discuss this measure more fully at the time when this bill is to be voted on by the House so that I will make only a very brief statement on this subject at this time.

The payment of the adjusted compensation at this time provides a means of paying this just and honest obligation of the Government to its veterans, and in addition to that it provides an opportunity of providing a direct form of badly needed relief which will be equally and directly distributed all over the country. The plan which will be submitted provides for the issuance of currency, backed by bonds of the Federal Government; and the plan provides a means by which our currency will be moderately expanded under strict control. This will have the effect of raising the level of commodity prices, and the effect on the entire country will certainly be wholesome.

The plan has been bitterly opposed by interests who control the purse strings of this country, but the fact remains that the plan is sound because the gold reserve now on hand in our Treasury is adequate to warrant the issuing of this currency. Not only is the plan sound and just but it can be carried out without costing the taxpayers one additional cent. At the present time money is being set aside each year to meet this debt, which would normally be due in 1945, and under this plan the debt will be automatically retired in 1945 at no extra cost to the taxpayer.

PROHIBITION

The Beck-Linthicum resolution calling a constitutional convention to amend the eighteenth amendment was defeated in the House by a vote of 227 to 187.

Another measure, the O'Connor-Hull bill, modifying the Volstead Act so as to permit the legal manufacture of 2.75 per cent beer, on which it was proposed to place a tax of 3 cents per pint, which would have produced over \$500,000,000 in taxes annually, was defeated by practically the same vote.

Notwithstanding the fact that Congress refused to legalize beer in order to levy a tax on it, there is a provision in the present revenue bill taxing wort at 15 cents per gallon, and wort is used exclusively in making home-brew, or illegal beer.

To me it seems inconsistent to recognize that there is an illegal liquor traffic and to tax this illegal traffic and then refuse to legalize the manufacture and sale of a moderate brew under strict Government supervision, especially when the tax on the legal brew would lighten the tax burden of the farmer and workingman by \$500,000,000 annually.

ADJOURNMENT

I wish to point out to the Members of this body that this summary of the activities of Congress is being made several weeks before we are to adjourn. You are all aware that powerful interests are working to have Congress adjourn before action can be taken on measures which are of greatest importance to our agricultural industry. The Frazier bill is one of the measures important to the farmer which should be considered before this session ends, and I and a small group of my colleagues are determined that this body shall remain in session until these important measures have been

bills which we have passed.

It is important that we stay in session until the President has signed these important measures, so that if he should attempt to prevent the enactment of these bills by means of the veto or the "pocket veto" our organization will still be intact and in position to carry out the will of the people by passing the legislation over his veto.

RELIEF LEGISLATION

Mr. MEAD. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. I wish to supplement the remarks of the gentleman from New York [Mr. LaGuardia] by saying that our committee of 15, representing Democrats, Republicans, and Progressives of the House who are interested in passing relief legislation before adjournment have been meeting and studying this all-important question. We do not care to see a bill that applies to but one phase of the relief question adopted and sent to the President and then have an adjournment resolution presented to the House.

Until such time as we have accomplished the complete task it is our duty, as we see it, to remain here on the job until we have passed a comprehensive bill that will actually give relief. We can not desert our job leaving 10,000,000 of our fellow citizens jobless. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for two minutes to make an announcement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. UNDERHILL. Mr. Speaker, I object.

CONFERENCE REPORT-AGRICULTURAL APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I call up the conference report on the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 41, 45, 47, 62, 63, 64, 65, 66, 74, and 75.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 7, 8, 10, 12, 18, 19, 20, 23, 24, 25, 26, 27, 28, 43, 44, 49, 50, 51, 52, 54, 55, 57, 58, 59, 60, 70, 71, 72, 73, 79, and 81, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "Public Resolution Numbered 9, Fiftyeighth Congress, first session, approved March 14, 1904 (U. S. C., title 44, sec. 290), is hereby amended by striking out all after the resolving clause and inserting in lieu thereof the following:"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9. and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$2,503,218"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11,

taken care of and until after the President has signed the and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$4,164,038"; and the Senate agree to the same.

> Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,631,360"; and the Senate agree to the same.

> Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$699,079"; and the Senate agree to the same.

> Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$683,599"; and the Senate agree to the same.

> Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$892,145"; and the Senate agree to the same.

> Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,201,661"; and the Senate agree to the same.

> Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,217,687"; and the Senate agree to the same.

> Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$544,940"; and the Senate agree to the same.

> Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$133,284"; and the Senate agree to the same.

> Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$127,489"; and the Senate agree to the same.

> Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40. and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$7,131,244"; and the Senate agree to the same.

> Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,019,640"; and the Senate agree to the same.

> Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$10,491,764"; and the Senate agree to the same.

> Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48. and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$12,383,304"; and the Senate agree to the same.

> Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "Provided further, That no part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses and station wagons) at a cost, completely equipped for operation, in excess of \$750, except where, in the judgment

of the department, special requirements can not thus be of law, inserting of titles, typographical changes, etc.: 1, 4, efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year; including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Governmentowned motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and 'official purposes' shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work and the character of whose duties makes such transportation necessary and then only when the same is approved by the head of the department. The limitations of this proviso shall not apply to any motor vehicle for official use of the Secretary of Agriculture"; and the Senate agree to the

Amendment numbered 80; That the House recede from its disagreement to the amendment of the Senate numbered 80. and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"SEC. 3. No appropriation under the Department of Agriculture available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act, or to any such position which may become vacant after such date: Provided, That this inhibition shall not apply (a) to absolutely essential positions the filling of which may be authorized or approved in writing by the President of the United States, either individually or in groups, or (b) to temporary, emergency, seasonal, and cooperative positions. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session: Provided, That such impounding of funds may be waived in writing by the President of the United States in connection with any appropriation or portion of appropriation, when, in his judgment, such action is necessary and in the public interest."

And the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 6, 13, 14, 15, 16, 17, 21, 22, 29, 30, 53, 56, 61, 67, 68, 69, 76, 77, and 82.

> J. P. BUCHANAN. JOHN N. SANDLIN, ROBT. G. SIMMONS, Managers on the part of the House.

> > CHAS. L. MCNARY, W. L. JONES, HENRY W. KEYES, JOHN B. KENDRICK.

Managers on the part of the Senate.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely: AMENDMENTS ADJUSTING TOTALS, ALLOTMENTS, DISTRICT OF COLUMBIA SALARY LIMITATIONS, CORRECTIONS OF SPELLING AND CITATIONS, INSERTING OF TITLES, TYPOGRAPHICAL CHANGES, ETC.

Recommendations in the accompanying report as to the following amendments are in adjustment of totals, allotments, and District of Columbia salary limitations, affected by other amendments, corrections of spelling and citations

7, 8, 11, 14, 15, 17, 26, 30, 46, 48, 50, 54, 56, 57, 58, 59, 68, 69, 73, 75, and 82.

Recommendations as to other amendments are as follows: OFFICE OF THE SECRETARY

On Nos. 2 and 3: Provides that undistributed congressional allotments of soil survey maps shall revert to the Department of Agriculture at the end of two years, as provided by the Senate, instead of at the end of three years, as provided by the House.

On No. 5, under Office of Experiment Stations: Accepts the provision of the Senate that Alaska and the Island of Guam be excluded from the appropriation for the administration of agricultural experiment stations in the Territories and island possessions, as provided by the Senate, in lieu of their inclusion under said appropriation, as provided by

WEATHER BUREAU

On No. 9, general weather service and research: Appropriates \$2,503,218, instead of \$2,483,218, as provided by the House, and \$2,513,718, as provided by the Senate.

On No. 10: Restores the House cut of \$8,000 in the airways weather service for Alaska, as proposed by the Senate.

BUREAU OF ANIMAL INDUSTRY On No. 12, animal husbandry: Accepts the Senate increase of \$1,200 over the amount appropriated by the House,

being a partial restoration of the House reduction of \$20,505 under the Budget.

BUREAU OF PLANT INDUSTRY

On No. 18, blister rust control: Appropriates \$400,000, as provided by the Senate, instead of \$469,997 as provided by

On No. 19, botany: Appropriates \$42,060, as provided by the Senate, instead of \$52,060, as provided by the House.

On No. 20, cereal crops and diseases: Accepts the Senate appropriation of \$554,485, instead of the House appropriation of \$550,785, being a restoration of the House 5 per cent cut amounting to \$3,700.

On No. 23, foreign plant introduction: Appropriates \$175,-000, as provided by the Senate, instead of \$203,325, as provided by the House.

On No. 24, horticultural crops and diseases: Appropriates \$1,200,000, as provided by the Senate, instead of \$1,431,560, as provided by the House.

On No. 25: Continues available during the fiscal year 1933 any unexpended balance in the allotment of \$15,000 out of the 1932 appropriation for the establishment of a pecan experiment station in the middle eastern Mississippi

On No. 27, phony peach eradication: Appropriates \$50,000. as provided by the Senate, instead of \$82,150, as provided by the House.

On No. 28, rubber, fiber, and other tropical plants: Appropriates \$75,000, as provided by the Senate, instead of \$113,932, as provided by the House.

FOREST SERVICE

On Nos. 31 to 40, inclusive, national forest administration: Appropriates \$7,131,244, instead of \$7,092,994, as provided by the House, and \$7,169,494, as provided by the

On No. 41, planting on national forests: Appropriates \$154,200, as provided by the House, instead of \$160,000, as provided by the Senate.

On No. 42, improvement of the national forests: Appropriates \$1,019,640, instead of \$993,440, as provided by the House, and \$1,045,840, as provided by the Senate.

On No. 43: Accepts the Senate action in striking out the House provision making \$500,000 of the appropriation for improvement of the national forests available only for the construction and maintenance of roads and trails during the fire-hazard season.

On No. 44, forest management: Accepts the Senate appropriation of \$534,280 instead of the House appropriation of \$528,980, being a partial restoration of the House 5 per cent cut of \$6.100.

On No. 45, forest products: Appropriates \$613,640, as provided by the House, instead of \$615,840, as provided by the Senate.

On No. 47, acquisition of additional forest lands: Appropriates \$200,000, as provided by the House, instead of \$245,940, as provided by the Senate.

BUREAU OF CHEMISTRY AND SOILS

On No. 49, color investigations: Appropriates \$75,000, as provided by the Senate, instead of \$90,160, as provided by the House

BUREAU OF ENTOMOLOGY

On No. 51, fruit and shade-tree insects: Appropriates \$400,000, as provided by the Senate, instead of \$447,645, as provided by the House.

On No. 52, cotton insects: Appropriates \$200,000, as provided by the Senate, instead of \$272,820, as provided by the House

On No. 55, taxonomy: Appropriates \$200,000, as provided by the Senate, instead of \$234,930, as provided by the House.

On No. 60, Federal-aid highway system: Accepts the Senate provision permitting convicts on parole or probation to work on Federal-aid highway projects.

On Nos. 62 and 63: These Senate amendments, which have been stricken out in conference, contained provisions relieving the States of Georgia, South Carolina, and Alabama from the obligation to match moneys advanced to them from the appropriations for road and bridge flood relief, and provided in lieu of such matching of moneys that the same should be reimbursed to the Federal Government over a period of five years by making deductions from regular apportionments to such States from future authorizations for carrying out the provisions of the Federal highway act, as amended and supplemented.

BUREAU OF AGRICULTURAL ECONOMICS

On No. 64, farm management and practice: Appropriates \$395,467, as provided by the House, instead of \$420,467, as provided by the Senate.

On No. 65, foreign competition and demand (European forester): Strikes out the Senate increase of \$9,000, which was inserted to provide the salary and expenses of a foreign representative to report upon forestry production in Europe.

On No. 66, market inspection of farm products: Eliminates the word "cottonseed," inserted by the Senate, from among the list of farm commodities to be inspected and certified under this appropriation.

BUREAU OF PLANT QUARANTINE

On No. 70, control and prevention of spread of pink bollworm: Appropriates \$375,000, as provided by the Senate, instead of \$430,400, as provided by the House.

On No. 71, gypsy and brown-tail moth control: Appropriates \$400,000, as provided by the Senate, instead of \$577,880, as provided by the House.

On No. 72, Japanese beetle control: Appropriates \$350,000, as provided by the Senate, instead of \$375,000, as provided by the House.

FOOD AND DRUG ADMINISTRATION

On No. 74, enforcement of the food and drug acts: Appropriates \$1,265,219, as provided by the House, instead of \$1,275,819, as provided by the Senate, being a retention of the House 5 per cent cut of \$10,600.

PASSENGER-CARRYING AUTOMOBILES

On No. 78: Restores, in amended form, the House language, stricken out by the Senate, placing certain limitations upon the purchase and use of passenger-carrying automobiles. Such vehicles (except busses and station wagons) may not be purchased at a cost, completely equipped for operation, in excess of \$750, including exchange, except where, in the judgment of the department, special requirements can not thus be efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year. Such vehicles shall be used for official purposes only, and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers

and employees engaged in field work the character of whose duties makes such transportation necessary, and then only when the same is approved by the head of the department. None of the limitations are to be applicable to any motor vehicle for official use of the Secretary of Agriculture.

INCREASES IN COMPENSATION

On No. 79: Accepts the action of the Senate in striking from the bill section 2, prohibiting promotions from the date of the approval of the act until the end of the fiscal year 1933.

FILLING OF VACANCIES

On No. 80: Restores, in amended form, section 3 of the bill, as provided by the House and stricken out by the Senate, pertaining to the filling of vacancies. The inhibition will not apply to absolutely essential positions, the filling of which may be authorized or approved in writing by the President of the United States, either individually or in groups, or to temporary, emergency, seasonal, and cooperative positions; and the impounding of funds otherwise provided for may be waived in writing by the President of the United States in connection with any appropriation or portion of appropriation when, in his judgment, such action is necessary and in the public interest.

CHICAGO WORLD'S FAIR

On No. 81: Accepts the appropriation of \$1,000,000, as proposed by the Senate, for the participation of the United States in the Chicago World's Fair in 1933.

IN DISAGREEMENT

The committee of conference have not agreed with respect to the following amendments:

On Nos. 14, 15, 17, 30, 56, 68, 69, and 82: In adjustment of totals affected by the other amendments which are in disagreement.

On No. 6, pertaining to the appropriation of \$30,000 for experimental stations in Alaska, Guam, and the Virgin Islands: Makes the appropriation available for expenses incident to the closing of such stations and authorizes the Secretary of Agriculture to transfer the property and equipment of such stations to other Government departments or to sell the same.

On No. 13, diseases of animals: Appropriates \$10,000 for bitterweed investigations,

On No. 16, dairy investigations: Appropriates \$7,065 for continuing the work at the Ardmore, S. Dak., station.

On No. 21, drug and related plants: Appropriates \$20,000 for experiments concerning the downy mildew of hops.

On No. 22, dry-land agriculture: Appropriates \$19,780 for continuing the work at the Ardmore, S. Dak., station.

On No. 29, western irrigation agriculture: Appropriates \$10,220 for continuing the experiment station at San Antonio. Tex.

On No. 53, insects affecting man and animals: Appropriates \$10,000 for investigations of the buffalo gnat.

On No. 61, Federal-aid highway system: Permits Federal aid on highways leading to publicly owned toll bridges or approaches thereto constructed and operated by the highway department of any State.

On No. 67, market news service: Appropriates \$27,136 for continuing the service at Spokane, Wash., and Boise, Idaho, and restores the House 5 per cent cut of \$25,412.

On No. 76, agricultural credit corporations: Reappropriates \$10,000,000 of unexpended balances of appropriations for the relief of farmers in drought and/or storm stricken areas and out of collections made from such appropriations to be used by the Secretary of Agriculture in making loans to agricultural credit corporations as provided in Public Resolution No. 11, Seventy-second Congress.

On No. 77, grasshopper control: Appropriates \$1,450,000 for the purchase and transportation of poisoned bait, or materials for its manufacture, for cooperation with the States concerned in the control of grasshoppers.

J. P. BUCHANAN,
JOHN N. SANDLIN,
ROBT. G. SIMMONS,
Managers on the part of the House.

Mr. BUCHANAN. Mr. Speaker-

Mr. STAFFORD. Mr. Speaker, will the gentleman from Texas vield?

Mr. BUCHANAN. I yield.
Mr. STAFFORD. Will the gentleman explain to the House the ultimate saving that has been accomplished in the conference report over the bill as it passed the House? I noticed in going over the respective amendments that the House conferees receded and agreed to most of the cuts recommended by the Senate. Has the gentleman any information as to what that total amount is?

Mr. BUCHANAN. I have it here in the form of a statement of the totals.

The appropriation for this fiscal year was \$235,664,694, plus \$54,260,000 carried in the first deficiency act of this session. The Budget estimate for the next fiscal year was \$188,693,405.

The House bill as it passed the House making appropriations for the next fiscal year was \$175,408,814.

The Senate bill as it passed the Senate was \$177,424,768.

This makes a reduction under last year's appropriation of

The total of the bill, if this conference report is agreed to and the Senate amendments in disagreement are rejected, will be \$175.671.665.

Mr. STAFFORD. Then, deducting the \$1,000,000 that was not carried in the House bill for the Chicago exposition, the total carried in this bill will be \$174,671,665, or a difference of some seven hundred-odd thousand dollars lower than the amount carried by the House bill?

Mr. BUCHANAN. That is correct. I will insert in the RECORD a tabular statement showing the final result as it passed the House and as it passed the Senate, the appropriations for 1932, and the Budget estimates for 1933.

Group		Budget es- timate		Senate bill			Increase (+).	Conference report 1			
				Tôtal	Reduction, compared with 1932		decrease (-), Senate bill compared with House	Total	Reduction, compared with 1932		
					Amount	Per cent	bill		Amount	Per cent	
1. Ordinary activities	\$65, 793, 694	\$57, 536, 015	\$56, 296, 424	\$55, 862, 378	-\$9, 931, 316	-15.1	-\$434, 046	\$55, 559, 275	-\$10, 234, 419	-15.6	
2. Payments to States for experiment stations and extension work	8, 501, 000	8, 515, 850	8, 515, 850	8, 515, 850	+14,850	+.2		8, 515, 850	+14,850	+.2	
prevention and distribution of forest-planting stock. 4. Road funds. 5. Relief loans.	1, 870, 000 137, 500, 000 22, 000, 000	1, 691, 540 118, 500, 000	1, 691, 540 108, 905, 000	1, 691, 540 108, 905, 000	-178, 400 -28, 595, 000 -22, 000, 000	-9.5 -20.7 -100		1, 691, 540 108, 905, 000	-178, 460 -28, 595, 000 -22, 000, 000	-9.5 -20.7 -100	
6. Total, above items	235, 664, 694	186, 243, 405	175, 408, 814	174, 974, 768	-60, 689, 926	-25.7	-434, 046	174, 671, 665	-60, 993, 029	-25, 9	
7. Special items: Grasshopper control Centurry of Pogress Exposition 8. Items in first deficiency act, 1932 2	54, 200, 000	1, 450, 000 1, 000, 000		1, 450, 000 1, 000, 000	+1, 450, 000 +1, 000, 000	+100 +100	+1, 450, 000 +1, 000, 000	1, 000, 000	+1,000,000 54,260,000	+100 100	
9. Total, all items	289, 924, 694	188, 693, 405	175, 408, 814	177, 424, 768	-58, 239, 926	-24.7	+2, 015, 954	175, 671, 665	-114, 253, 029	-39.4	

1 Conference report computation based on figures which will eventuate if House rejects Senate amendments listed in conference report as still in disagreement. 2 Includes \$50,000,000 for Federal-aid highways and \$4,200,000 for fighting and preventing forest fires.

Mr. STAFFORD. Then I take it the Senate has reduced | the agricultural appropriation bill to the extent to which the House conferees have agreed to it, over \$700,000?

Mr. BUCHANAN. The Senate has actually increased the bill by \$2,015,954.

Mr. STAFFORD. But there are some items as to which the Senate receded, although on most of them the House receded in accordance with the McKellar amendment.

Mr. BUCHANAN. The House receded on all the McKellar

Mr. STAFFORD. I know there are several instances where the Senate receded from the reductions.

Mr. BUCHANAN. The Senate receded on all the McKellar reductions.

Mr. ARENTZ. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. ARENTZ. Will the gentleman please tell the House what the net result would be if the House agrees to all the amendments that the Senate has insisted upon. Is the net result a loss to the House or a gain to the House?

Mr. BUCHANAN. It would be lower than the House bill if you subtract the new authorization that the Senate put in.

Mr. ARENTZ. In dollars and cents what does that amount to?

Mr. BUCHANAN. I would have to figure that up for the gentleman, which I will be pleased to do later.

Mr. ARENTZ. I think that would be interesting not only to the Members of the House but to the country at large. If we are trying to economize, what has the Senate done toward such economy?

Mr. BUCHANAN. If the House should agree to all of the Senate amendments, the total would be \$2,015,954 in excess

of the bill as it passed the House. From this sum should be deducted the \$1,000,000 amendment of the Senate for the Chicago World's Fair, since this item was authorized by both the House and the Senate subsequent to the passage in the House of the agricultural appropriation bill. So that the net increase in the Senate bill over the House bill is

Mr. JONES. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. JONES. The net result is that we reduce the appropriation \$58,000,000 below last year's appropriation.

Mr. BUCHANAN. That would be approximately true were it not for the fact that the first deficiency act for 1932, enacted by this session of the Congress, carries an additional sum of \$54,260,000 for the department for 1932. So that the total of the present bill for 1933 is actually \$114,253,029 less than the total appropriations for 1932.

Mr. PARSONS. And how much below the Budget esti-

Mr. BUCHANAN. Thirteen million twenty-one thousand seven hundred and forty dollars.

Mr. PARSONS. The Senate is not insisting upon its 10 per cent reduction on this bill as it did on the Interior bill? Mr. BUCHANAN. No; the Senate receded from that

Mr. CLARKE of New York. What is the reduction in the appropriations for the next fiscal year as compared with the year before?

Mr. BUCHANAN. Over \$114,253,029.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

first amendment in disagreement.

Amendment No. 6: On page 12, line 18, after the word "sold," insert a colon and the following: Provided, That the Secretary of Agriculture is authorized to transfer to any Government department or establishment or to local authorities or institudepartment or establishment or to local authorities or institutions such property and/or equipment or to sell the same at public or private sale and to pay from this appropriation the salaries of the present employees of said stations appointed from the continental United States, including salaries during such leave as may be granted under the acts approved June 30, 1914, and July 24, 1919 (U. S. C., title 5, secs. 535 and 536), together with traveling expenses of themselves and families, including the transportation of such quantity and character of their personal effects as may be authorized by the Secretary of Agriculture, in returning to the usual port of debarkation in the United States, and the Secretary of Agriculture is authorized to sell such prodand the Secretary of Agriculture is authorized to sell such products as are obtained on the land belonging to the agricultural experiment stations in Hawaii and Porto Rico, and the amount obtained from the sale thereof shall be covered into the Treasury of the United States as miscellaneous receipts.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that the House insist on all amendments in disagreement with the Senate except amendments Nos. 6, 61, 76, 77, 16, and 22.

Mr. CHINDBLOM. 'Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. CHINDBLOM. I suggest that the gentleman ask that the amendments referred to may be read and then we can take action upon them.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that all the amendments, except those I have just mentioned, may be read and considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Amendment No. 13: Page 26, line 22, strike out "\$422,950" and insert in lieu thereof "\$432,950."

Amendment No. 14: Page 28, line 19, strike out "\$9,677,562" and insert "\$9,688,762."

Amendment No. 15: Page 30, line 13, strike out "\$12,282,422"

and insert "\$12,293,622."

Amendment No. 17: Page 31, line 7, strike out "\$717,448" and insert "\$724,513."

Amendment No. 21: Page 35, line 9, strike out "\$37,720" and insert "\$57,720."

Amendment No. 29: Page 40, line 17, strike out "\$147,950" and insert "\$158,170."

Amendment No. 30: Page 40, line 20, strike out "\$5,338,138" and insert "\$4,980,874."

Amendment No. 53: Page 57, line 17, strike out "\$145,000" and

insert "\$155,000." Amendment No. 56: Page 58, line 1, strike out "\$2,627,095" and

" \$2,481,700.

Amendment No. 67: Page 74, line 5, strike out "\$1,380,808" and insert "\$1,433,356."

Amendment No. 68: Page 74, line 25, strike out "\$5,128,291" and insert "\$5,214,839."

Amendment No. 69: Page 78, line 15, strike out "\$6,649,841" and insert "\$6,736,389."

Amendment No. 82: Page 95, line 15, strike out "\$175,408,814" and insert "\$177,424,768."

Mr. SIMMONS. Does the gentleman want to include the total of the bill in the amendments now?

Mr. BUCHANAN. That involves the total of the bill as it now is.

Mr. SIMMONS. I thought we could save that one item in conference if we left it out.

Mr. BUCHANAN. Mr. Speaker, I move that the House insist on its amendments that have just been read.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Page 12, line 18, after the word "sold," insert:

Provided, That the Secretary of Agriculture is authorized to transfer to any Government department or establishment or to local authorities or institutions such property and/or equipment or to sell the same at public or private sale and to pay from this appropriation the salaries of the present employees of said stations appointed from the continental United States, including salaries during such leave as may be granted under the acts approved June 30, 1914, and July 24, 1919 (U. S. C., title 5, secs. 535 and 586), together with traveling expenses of themselves and families, including the transportation of such quantity and character of their

The SPEAKER pro tempore. The Clerk will report the rst amendment in disagreement.

The Clerk read as follows:

Amendment No. 6: On page 12, line 18, after the word "sold," aspert a colon and the following: Provided, That the Secretary of Agriculture is authorized to transfer to any Government of the United States as may be authorized by the Secretary of Agriculture is authorized to sell such products as are obtained on the land belonging to the agricultural experiment stations in Hawaii and Porto Rico, and the amount obtained from the sale thereof shall be covered into the Treasury of the United States as miscellaneous receipts."

Mr. BUCHANAN. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment 16: Page 31, line 6, strike out "\$648,068" and insert "\$655,133."

Mr. BUCHANAN. Mr. Speaker, I move that the House insist on its disagreement to this amendment. In this connection I ask unanimous consent to consider this amendment and Senate amendment 22 together, and I ask the Clerk to read it, because they relate to the same subject and the same station.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Page 35, line 13, strike out "\$242,260" and insert "\$262,040."

Mr. BUCHANAN. Mr. Speaker, I yield five minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Speaker, I move that the House recede and concur in the two Senate amendments. Nos. 16 and 22.

The SPEAKER pro tempore. The gentleman from South Dakota makes a preferential motion to recede and concur in both amendments.

Mr. BUCHANAN. Mr. Speaker, I yield five minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Speaker, the matters involved in these two amendments were quite fully discussed in the House at the time we had the agricultural appropriation bill under consideration. Amendment No. 16 involves an item of \$7,065 for the continuation of the dairy experimental work at the Ardmore Experiment Station in South Dakota. As I explained then, the proposal by the Agricultural Department is to transfer this dairy herd from Ardmore, S. Dak., to Mandan, N. Dak., and to maintain it there. think I showed then conclusively, and the facts are, that it would cost us more for the next fiscal year to move these cattle from Ardmore to Mandan and to keep them there than it would cost at Ardmore, where they are now. There is no economy involved in this item. On the other hand. I am confident that it will be an additional expense. We built a barn at Ardmore only a year ago at an expense of \$5,000 to house these cattle. There is not sufficient barn room at Mandan in which to keep them, and the Government will have to provide additional facilities. If economy is to control, the cattle will have to be left where they are.

The other item involves dry-land farming experimental work at Ardmore. We are going to retain the station for animal husbandry. I would like to know how the department is going to take care of the beef herd without continuing the dry-land farming operations to provide the necessary feed. The dry-farming experimental work has not only been of great value in itself but is essential to the economical conduct of the animal-husbandry work. It seems to me clear, if we are going to keep this station, that the dry-farming experimental work ought to be maintained.

Mr. BYRNS. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. BYRNS. If this is so important, why did not the President and the Budget ask Congress to make an appropriation for it? It is not in the Budget, and I am not sure that even the Department of Agriculture recommended it. The department cut it out. If it was so important, why was that done?

Mr. WILLIAMSON. The department may have cut it out, but they did it without any consideration of what the results would be from an economy standpoint. The gentleman knows that his own subcommittee put the items back

in the bill and that they were taken out by reason of the gentleman's insistence that no item be put in the bill that was not provided for in the Budget.

Mr. BYRNS. I was in favor of its being taken out for the reason that the Secretary of Agriculture and the Budget and the President of the United States told Congress it was not necessary.

Mr. WILLIAMSON. Oh, the gentleman knows it was never called to the attention of the Budget by the Department of Agriculture and that the President knew nothing about it. The Department of Agriculture simply left the item out and it was not considered at all. That is the fact. What is the use of trying to fool this House?

Mr. BYRNS. I am not trying to fool the House. The gentleman admits the Department of Agriculture did not recommend it.

Mr. WILLIAMSON. And they never gave the Budget a chance to pass upon the items upon their merits.

Mr. BYRNS. Of course they did not, when it was never sent to the Budget.

Mr. SIMMONS. Mr. Speaker, will the gentleman yield? Mr. WILLIAMSON. Yes.

Mr. SIMMONS. No matter what may have happened in the Budget Bureau or the Department of Agriculture, five of us on the subcommittee put it in the bill, and it was taken out at the insistence of the gentleman from Tennessee [Mr. Byrnsl.

Mr. WILLIAMSON. That is a fact. The facts in support of these two items were fully presented to the subcommittee, and the subcommittee, after due consideration, put them in the bill. Later, they were taken out by the full committee at the insistence of the gentleman from Tennessee, but were restored by the Senate.

Mr. BUCHANAN. Mr. Speaker, the department itself considers it an economy to discontinue this station, that the work performed at this station could be well done at other stations, that there was a scarcity of water supply at this station, and if it was continued we would have to make a considerable appropriation to endeavor to find water for this station. Doctor Taylor sent me a letter which I put in the RECORD, stating that fact, and he thought it advisable to let the station go, that it had served its purpose.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield? Mr. BUCHANAN. Yes. Mr. STAFFORD. I understand it is the position of the

Secretary of Agriculture that this station can be abandoned and that economy will result to the extent of thousands of

Mr. BUCHANAN. Absolutely.

Mr. WILLIAMSON. The gentleman knows that South Dakota last year passed through the greatest drought in its history. It is the only year that there has ever been any shortage of water at Ardmore. They provided for water last year. This year there is an abundance of water there, and there probably will be for all time to come. There is no shortage of water there now, and the Department of Agriculture put that forward as an excuse and to save some chair warmers in Washington. It was not the work of the Secretary but of subordinates.

The SPEAKER pro tempore. The question is on the motion of the gentleman from South Dakota to recede and concur in amendments numbered 16 and 22.

The motion was rejected.

Mr. BUCHANAN. Does the vote now recur on the motion to further insist?

The SPEAKER pro tempore. The effect of the vote on the motion to recede and concur is to insist on the disagreement of the House to the Senate amendments. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 61: Page 65, line 25, insert a colon and the

following:
"Provided, That hereafter in the administration of the Federal
"Provided, That hereafter in the administration of the Federal highway act and acts amendatory thereof or supplementary thereto, the first paragraph of section 9 of the act of November 9, 1921, shall not apply to publicly owned toll bridges or approaches thereto constructed and operated by the highway department of

Mr. BUCHANAN. Mr. Speaker, I move to recede and concur with an amendment which I have sent to the desk. The Clerk read as follows:

Moved by Mr. Buchanan: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Provided, That the act entitled 'An act to permit the granting "Provided, That the act entitled 'An act to permit the granting of Federal aid in respect of certain roads and bridges,' approved March 3, 1927 (44 Stat. 1398), is hereby amended to read as follows: 'That notwithstanding any provision of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, or of the Federal-aid highway act, the Secretary of Agriculture may extend on the same basis and in the Secretary of Agriculture may extend, on the same basis and in the same manner as in the construction of any free bridge, Federal aid under such acts, in the construction of any toll bridge and approaches thereto, and of any highway leading thereto, by any State or States, or political subdivision or subdivisions thereof, upon the condition that such bridge is owned and operated by such State or States, or political subdivision or subdivisions thereof, and that all tolls received from the operation thereof, less the actual cost of operation and maintenance, are applied to the repayment to the State or States, or political subdivision or subdivisions thereof, of its or their part of the cost of construction or acquisition of such bridge, and upon the further condition that when the amount contributed by such State or States, or political subdivision or subdivisions thereof, in the construction or acquisition of such bridge, shall have been repaid from the tolls, the collection of tolls for the use of such bridge shall thereafter cease, and the same shall be maintained and operated as a free bridge." cretary of Agriculture may extend, on the same basis and in the

Mr. DOWELL. Mr. Speaker, I reserve a point of order. I will make the point of order unless I understand it a little different than the reading would indicate; but I reserve the point of order for the present.

May I inquire just how this amendment is intended to amend the Federal aid highway act?

Mr. BUCHANAN. It amends the Federal highway act by the addition of seven words. All of that amendment that was read is in the highway act, except seven words, and is now the law. Those seven words consist of "and of any highway leading thereto" and the word "acquisition."

Mr. DOWELL. That may be, but it might change the entire meaning of the act.

Mr. BUCHANAN. The meaning of it is that if the State constructs a bridge and charges tolls on that bridge it can get no Federal aid on any road leading thereto. If it charges toll for the actual cost of construction, then any highway leading to that bridge can not receive Federal aid.

Mr. DOWELL. That is what I assumed was contained in the amendment.

Mr. BUCHANAN. The purpose of this amendment is to permit the State to charge tolls until the actual cost of the construction of a bridge has been repaid, and then the tolls

Mr. SIMMONS. And to permit Federal aid on the roads leading to the bridge.

Mr. BUCHANAN. To permit Federal aid on the roads leading to the bridge. I hope the gentleman will remember that where a State has constructed a bridge and issued and sold bonds to get the money, and charges toll to repay that bond issue, then no road leading to that bridge can receive Federal aid. That would be unjust, because there might be a dozen public roads leading to that bridge.

Mr. DOWELL. I want to say a few words on the subject. For the purpose of protecting the department on the expenditure of Federal-aid funds, the funds are not permitted, under the law, to be paid on any road collecting a toll. That is a general provision of the Federal aid law. It was made for the purpose of giving to the public free access to the roads on which they paid Federal aid. I do not know how far this amendment goes, but there has been an effort for a number of years to take off this provision and to permit the Government to pay Federal aid on roads that lead to toll bridges. The Roads Committee, so far as I know, has refused to adopt amendments for that purpose. I do not know whether the chairman of the Committee on Roads of the House is present to-day or not, but as far as the committee is concerned, it never has entertained the idea that the Government should expend money on roads leading to toll bridges. I dislike very much to insist upon the point of order, but it seems to me that this is of such importance it ought to come from the Committee on Roads and not from the Appropriations Committee. There can be no special reason for this being done at this time, and as it is a matter of importance, the Committee on Roads should give it full consideration, and then the House should consider it as a separate proposition. I see no reason why it should be done at this time. If the gentleman can show any reason or any special emergency for this, I would be glad to consider it, but I see no emergency whereby this legislation should be passed on an appropriation bill.

I make the point of order, Mr. Speaker.

The SPEAKER pro tempore. Does the gentleman from

Iowa insist on the point of order?

Mr. DOWELL. I insist on the point of order, Mr. Speaker. The SPEAKER pro tempore. Does the gentleman from Texas desire to be heard?

Mr. BUCHANAN. Yes, Mr. Speaker. A point of order can not lie to this amendment. This was a Senate amend-

Mr. DOWELL. This happens to be a House amendment. I mean the amendment that the gentleman is offering is a House amendment.

Mr. BUCHANAN. It is a motion to concur in the Senate amendment with an amendment, covering exactly the same subject that the Senate amendment covers. The only difference is the Senate amendment did not limit the time that tolls could be charged to when the bridge was paid for, and I would not agree to permit tolls to be charged forever on any bridge that a public road crosses.

I did not think it was too much of a concession to let them charge a toll until the actual expense of the bridge was paid, and there is not any provision in the Federal aid act covering it. There may be a dozen roads leading to this bridge that is already constructed, and tolls are being

Mr. MICHENER. The question is simply one of germaneness, as to whether the amendment is germane to the subject matter.

Mr. BUCHANAN. That is all there is to the point of

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CHINDBLOM. A Senate amendment is not subject to a point of order in the House on the ground that it is legislation

Mr. BUCHANAN. The gentleman is correct.
Mr. CHINDBLOM. But when an amendment originating in the House is offered to a Senate amendment it is subject to the question of germaneness. So it is for the gentleman to show that the amendment which he has offered as a substitute to the Senate amendment is germane to the Senate amendment.

Mr. BUCHANAN. I think that is correct. It is up to the other side to show it is not germane.

Mr. CHINDBLOM. I say, frankly, having read the amendment, it is going to take a little while for anybody to determine whether it is germane to the Senate amendment.

The SPEAKER pro tempore. The Chair thinks the amendment is not germane. The point of order is sustained. Mr. STAFFORD. If that is the case, what action does

the gentleman from Texas wish to take on the amendment? Mr. BUCHANAN. I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 76: Page 86, line 22, insert:

"AGRICULTURAL-CREDIT CORPORATIONS

"For carrying into effect the provisions of Public Resolution No. 11, Seventy-second Congress, approved March 5, 1932, there is hereby reappropriated \$10,000,000, to be immediately available, of which amount not to exceed 2 per cent shall be available for expenses of administration, including the employment of persons and means in the District of Columbia and elsewhere, printing purchase of law books and books of reference, and other necessary expenses."

Mr. BUCHANAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amend-

The Clerk read as follows:

Mr. Buchanan moves that the House recede from its disagreement to the amendment of the Senate numbered 76, and agree the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"AGRICULTURAL CREDIT CORPORATIONS

"For carrying into effect the provisions of Public Resolution No. 11, entitled 'Joint resolution to authorize the Secretary of Agriculture to aid in the establishment of agricultural credit corporations, and for other purposes,' approved March 3, 1932, \$10,000,000 of the combined unexpended balances and repayments \$10,000,000 of the combined unexpended balances and repayments thereto of the appropriations contained in Public Resolution No. 114, approved January 15, 1931, and in the Interior Department appropriation act for the fiscal year 1932, approved February 14, 1931, to carry out the provisions of Public Resolution No. 112, approved December 20, 1931, as amended (46 Stat. 1032, 1160, 1167), is hereby made immediately available as a revolving fund, as authorized by section 4 of said Public Resolution No. 11, of which fund not to exceed 2 per cent shall be available for the expenses of administration, including the employment of persons and means in the District of Columbia and elsewhere, printing and binding, purchase of law books and books of reference, and other necessary expenses: Provided, That the unobligated balances remaining in such appropriations (together with repayments credited thereto), not otherwise appropriated, shall be covered into the Treasury at the close of the fiscal year 1932 as miscellaneous receipts."

Mr. STAFFORD. For the time being, Mr. Speaker, I reserve a point of order so as to give the gentleman an opportunity to explain not only the purpose of his amendment but the Senate amendment also, as it appropriates \$10,000,-000, quite a nice item even in a pork barrel.

Mr. BUCHANAN. I will say to my colleague, the gentleman from Wisconsin, that this appropriation is made in direct response to an act of the House authorizing appropriations for the purpose of organizing livestock and agricultural credit corporations.

Mr. SIMMONS. Will the gentleman yield right there? Mr. BUCHANAN. I yield.

Mr. SIMMONS. Which act was passed at this session of Congress?

Mr. BUCHANAN. It was passed at this session of Congress.

Mr. STAFFORD. I am fully aware of that fact. Mr. BUCHANAN. The reason the House conferees disagreed to the Senate amendment was because the Senate amendment was not sufficiently guarded and did not provide for the balance to be paid into the Treasury, and so forth. So we concluded to write an amendment to the Senate amendment so it would be complete and protect the interests of the Government as well as make the appropriation.

Mr. JONES. The amendment simply protects the Treas-

Mr. STAFFORD. Mr. Speaker, I withdraw the reservation of the point of order as the point that I had in mind has been attained.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Texas that the House recede and concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 77: Page 87, line 7, insert: "GRASSHOPPER CONTROL

"For the application of such methods of control of grasshoppers For the application of such methods of control of grasshoppers as, in the judgment of the Secretary of Agriculture, may be necessary, in cooperation with such authorities of the States concerned, organizations, or individuals as the Secretary may deem necessary to accomplish such purposes, including the employment of persons and means in the District of Columbia and elsewhere, printing, rent outside of the District of Columbia, and for other expenses, to be immediately available, \$1,450,000, of which not to exceed \$3,000 may be expended for personal services in the District of Columbia: Provided, That, except for general administration and supervision, in the discretion of the Secretary of Agriculture, expenditures under this appropriation shall be limited to the expenditures under this appropriation shall be inhited to the purchase and transportation of poisoned bait, or materials for its manufacture, and that the cooperating States shall be responsible for the local distribution and utilization of such bait, including full labor costs: *Provided further*, That in the discretion of the

Secretary of Agriculture, no part of this appropriation shall be expended for grasshopper control in any State until such State has provided the necessary organization for the cooperation herein indicated: And provided further, That no part of this appropriation shall be used to pay the cost or value of farm animals, farm crops or other property injured or destroyed." crops, or other property injured or destroyed.'

Mr. GARBER. Mr. Speaker, I reserve a point of order. Mr. BUCHANAN. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

Mr. GARBER. Will the gentleman yield for an inquiry?

Mr. SIMMONS. Mr. Speaker, I offer a preferential motion to recede and concur in the Senate amendment with

Mr. GARBER. Mr. Speaker, I reserve a point of order on the amendment.

Mr. STAFFORD. I would like to inquire of the gentleman what his point of order is.

Mr. GARBER. Will the gentleman from Texas permit a question as to the responsibility of the Government under this amendment?

Mr. BUCHANAN. Let the gentleman from Nebraska [Mr. SIMMONS] submit his preferential motion first.

Mr. GARBER. The language reads, "No part of this appropriation shall be used to pay the cost or value of farm animals, farm crops, or other property injured or destroyed." Is this sufficient to safeguard the Government against liability for damages?

Mr. BUCHANAN. It was just as far as we could go in safeguarding the Government.

Mr. GARBER. Mr. Speaker, I withdraw the reservation of the point of order.

The SPEAKER pro tempore. The gentlemen from Nebraska [Mr. Simmons] offers a preferential motion which the Clerk will report.

The Clerk read as follows:

Mr. Simmons moves that the House recede from its disagreement to the amendment of the Senate (Amendment No. 77) and agree to the same with the following amendment:

"In lieu of the sum of \$1,450,000 proposed in such amendment, insert the sum of \$750,000."

Mr. SIMMONS. Will the gentleman from Texas yield me some time so that I may yield to others?

Mr. BUCHANAN. Mr. Speaker, I yield the gentleman from Nebraska 30 minutes.

Mr. SIMMONS. Mr. Speaker, I yield five minutes to the gentleman from Minnesota [Mr. CLAGUE].

Mr. BUCHANAN. Will the gentleman object to my asking that a letter from the Secretary of Agriculture be read at this time?

Mr. CLAGUE. If it is not taken out of my time.

Mr. BUCHANAN. It will not be taken out of the gentleman's time.

Mr. Speaker, I ask unanimous consent that a letter from the Secretary of Agriculture, which I send to the desk, be read at this time for the information of the House, not to be taken out of the time of the gentleman from Minnesota.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

BUREAU OF ENTOMOLOGY, June 10, 1932.

Hon. James P. Buchanan, House of Representatives.

Dear Mr. Buchanan: This is to confirm my verbal statement made at our conference of yesterday, that it is now too late for the department to carry on an effective control campaign against grasshoppers as provided in the estimate for an appropriation for this purpose.

The essential feature of any control campaign against grass-hoppers is to poison the young locusts as they first emerge from the egg beds and before they have any opportunity to migrate from such areas into the fields. The grasshoppers have now hatched in practically all parts of the areas where heavy infestations were anticipated and a large portion of them have moved from the hatching areas. Since this dispersion has taken place, and because of the delays incident to the organization of a Federal campaign and the securing of the necessary supplies and materials, the opportunity for effective control under Federal direction is now lost. The essential feature of any control campaign against grass-

It will be recalled that the original estimate submitted under date of February 4 pointed out that the campaign should be carried on in the spring. This fact was also explained at the time this item was discussed before the Senate committee on February 13. The need of prompt action was stressed on May 2 in connection with the hearing on the joint resolution (H. J. Res. 377) before the House Committee on Agriculture. It was further emphasized in my letter to Congressman Marvin Jones of May 7, at which time I stated: "If, therefore, the moneys under consideration were now available, even under the most favorable circumstances of completing contracts and securing of supplies * * there is obviously a risk that this delay would materially lessen the success of the effort." The need of prompt action was further stressed on May 14 when, accompanied by Doctor Marlatt, Chief of the Bureau of Entomology, I discussed this question with a group of Representatives and Senators at a conference called by Congressman Simmons. The decisive action regarding the appropriation for grasshopper control taken by the House on May 16 appeared to close the door to any Federal appropriation for grasshopper control, and accordingly on May 18 I sent letters to the governors of various States suggesting that the States, counties, and persons in interest prepare to carry on the necessary control campaigns.

Sincerely. campaigns.

Sincerely.

ARTHUR M. HYDE, Secretary.

Mr. CLAGUE. Mr. Speaker, I differ entirely from the statement of the Secretary of Agriculture. I will admit that if we had had this appropriation a month or six weeks ago, we could have done much more effective work, but the representatives here from the Northwestern States know that last year in the Dakotas, and I dare say also in Montana, Minnesota, and Nebraska, practically none of the damage had been done by grasshoppers until after July 1. The grasshoppers are now hatching, and will continue hatching until after August 1.

Considerable damage was done in my district last year. We had no idea we had any grasshoppers there until late in July. The telegrams and letters I am receiving now are to the effect that grasshoppers are commencing to hatch, and many of them are now hatched, and we are in need of this appropriation at once.

The State of Minnesota has appropriated considerable money to carry on this campaign. We have all the material necessary in our State; we have the organization, and all we are asking the Federal Government is to appropriate some money to help carry on this campaign, and in my judgment the most effective time to do this work is from now

It was late in July when the damage was realized last year. Grasshoppers do not simply eat fresh growing wheat or corn. Last year grown corn and nearly matured grain crops were destroyed in my district in the latter part of July and the first part of August. Little damage was done until after the middle of July.

Grasshoppers do not know any State lines. They will attack even the stalks of corn after the corn is practically grown, and the same thing is true of grain crops. Whole fields of wheat were destroyed in my section just about a week before it was ready to cut, and at this time in my section the grasshoppers are just commencing to hatch. Very effective work can be done to combat this plague if we can get this appropriation.

Mr. SUMMERS of Washington. Will the gentleman vield?

Mr. CLAGUE. Yes.

Mr. SUMMERS of Washington. Will the gentleman give us a picture of the damage that was really done?

Mr. CLAGUE. I dare say that in three-fourths of South Dakota last year the fields were simply swept clean. I remember between the 15th and 20th of July driving through 15 or 20 counties of South Dakota adjoining the Minnesota line and there was scarcely a spear of grass to be found. I remember going into the western part of my district about the first part of July when everything was fine and we did not know there were any grasshoppers in the country. A week from that time the fields were swept

Mr. KVALE. Will the gentleman yield?

Mr. CLAGUE. Yes.

though the grasshoppers are not hatched now in our section of the country, prevailing winds will blow them over there, and it is not a State matter.

Mr. CLAGUE. They are carried long distances by the wind and in one season will be carried many miles.

The appropriation asked for is \$750,000 and if that is granted a great amount of good can be done in destroying this pest, and if something is not done now, we will have much more to appropriate next year.

Mr. ANDRESEN. Will the gentleman yield?

Mr. CLAGUE. Yes.

Mr. ANDRESEN. In the area where we are asking for this fund to be spent, the Government has lent over \$50,-000,000 to provide for seed for this year's crop. It is the duty of the Government to go ahead and appropriate this small amount to protect its interests there, because they have a first-mortgage security on the growing crop; and if the growing crop is destroyed, they will never collect a penny of that money.

Mr. CLAGUE. That is correct. Over \$22,000,000 has already been loaned by the Government to the farmers of that section of the country to produce a crop. If it is wiped out this year, those farmers will not have a single dollar to pay back what they now owe to the Government.

Mr. CHRISTGAU. Will the gentleman yield?

Mr. CLAGUE. Yes.

Mr. CHRISTGAU. Does the gentleman know that last year Minnesota spent \$21,000 for grasshopper control and the State entomologist estimated that for every dollar spent the State saved \$100 in crop value. So it is a saving as well.

Mr. CLAGUE. Yes. The Government now has an investment in the growing crops of the Northwest of over \$20,000,000. This investment should be protected. All we are asking is for the Government to purchase the material to be used in poisoning the hoppers; our people are organized to perform the labor free of charge. It is not too late to do effective work in destroying this terrible pest.

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from South Dakota [Mr. CHRISTOPHERSON].

Mr. CHRISTOPHERSON. Mr. Speaker, I know that this item, an appropriation with which to combat the grasshopper, has been subjected to some jests and jokes from time to time; but let me say to you that if you could have been out in my State last summer and beheld the devastation that was wrought by the grasshoppers, you would realize that it is not a joking matter.

Mr. Speaker, if I could depict to you and the Members of this House the true picture of destruction by the grasshoppers last summer, if you could have seen the broad fields of grain entirely consumed, corn sheared to the very ground, leaving the impression that the field had been summer-fallowed, pastures with the appearance of having been burned and the leaves of the trees partially consumed, I am sure there would be no question about the immediate passage of

Could you behold the scene of desolation and destruction wrought by the invasion of these pests last summer, as I observed it, extending over the greater part of my State and adjoining States, you would realize the necessity for action without delay. You would comprehend the danger involved and that this is not a local problem, but one that threatens the entire agricultural area of our land.

It is urged that the areas affected should meet the cost of extermination. As to that let me say, in my State the counties invaded went the limit in their warfare, borrowing to the limit of credit, and can not this year repeat the battle without help. Grasshoppers have no respect for State lines. They migrate from one State to another and multiply at an unbelievable rate.

Members of the entomology department of our State college took a square foot of earth, 2 inches deep, from an infected area, placed the earth in a glass jar, and in four days there were more than 6,400 live hoppers in the jar and many eggs still unhatched.

Recently the Hon. C. W. Pugsley, president of the South Dakota College of Agriculture and Mechanic Arts and

Mr. KVALE. Will the gentleman explain that even former Assistant Secretary of the United States Department of Agriculture, sent to me a handful of earth, which I placed in a jar. This I left standing on my desk at the office, and in less than a week the jar was a hive of live grasshoppers. I brought this jar to the floor of the House a few weeks back, and some of you saw the live pests. I wish I had it here to-day, but the fact is they hatched so rapidly that the jar was all too small, so I disposed of the exhibit.

> Tests have shown that a square foot of earth will produce from ten to twelve thousand grasshoppers, hence it can be readily realized that this is a menace so serious that one not acquainted with the destructive force of the pests can scarcely comprehend the result.

> I have many letters and telegrams urging the necessity for Government aid in this warfare.

> As stated by the gentleman from Minnesota [Mr. CLAGUE], the Government has loaned millions of dollars to the farmers in these States for seed and crop production. Now, it stands to reason if the crops are devoured by the grasshoppers, they will be unable to repay these loans. But if the crops are protected and saved, they will be able to repay these loans. Therefore, it means that this sum with which to combat the grasshoppers is only a reasonable insurance, a sound and sensible step for the Government to take in safeguarding the money it has already loaned. Give us this aid in overcoming this menace, for if allowed to develop these destructive pests will extend over the entire Mississippi and Missouri Valleys. [Applause.]

Mr. BUCHANAN. Mr. Speaker, I yield five minutes to

the gentleman from Georgia [Mr. LARSEN].

Mr. LARSEN. Mr. Speaker, this item for appropriation to fight grasshopper infestation in certain of the Northwestern States was before the House some time ago on motion for suspension of the rules. I regret that we then refused to even consider the proposition, and, as it were, kicked it out of doors. I heard the evidence of those who appeared before the committee in behalf of the proposal.

Conditions which then existed and have since developed were and are such that no man, I do not care where he lives, if he has a bona fide desire or intention of helping

suffering humanity, can fail to take notice.

These insects not only clean up the crops, but they eat every vestige of vegetable life that comes in their way. They do not stop at anything. They actually eat holes in the stockings of the women who stand in their path. [Laughter.] If the farm hands stick down pitchforks and go to dinner, when they return the insects have eaten holes in the handles, so that they have to sandpaper the handles before they can use them.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. LARSEN. Yes.

Mr. FULBRIGHT. The gentleman says that they eat holes in the stockings of the women; the gentleman from Missouri, sitting by me, says that they even eat holes in the handles of the tools.

Mr. LARSEN. That is just what I say, and they have to sandpaper them before they can use them again. [Laughter.] But, gentlemen, this is nothing at which to laugh.

In the South we have had the boll weevil, the cotton-boll pink worm, and other pests. We have destroyed the pink worm and some other insects. You gentlemen know what that means. The boll weevil does not eat anything but the cotton; it does not destroy everything. It does not bother corn, and so forth, but with these grasshoppers, conditions are not the same; when they get through there is nothing left.

The local communities are not able to take care of the situation, and it is our duty now to make an appropriation that will carry the benefits of scientific aid to them.

Mr. BYRNS. Will the gentleman yield?

Mr. LARSEN. I will.
Mr. BYRNS. Does the gentleman think we ought to make this appropriation to be used by the Secretary of Agriculture when he tells us that it is too late for him to use it?

Mr. LARSEN. Oh, the Secretary of Agriculture is a political-minded gentleman that you do not regard so highly

wisdom of the Senate? That body has approved this item.

Gentlemen, our own Government has already loaned many millions of dollars to farmers in this territory; how are you going to collect it? We expect to collect it from first mortgages, which the Government now holds on the crops. Do you think it is good judgment to sit down and let the grasshoppers eat up the crops that we have a mortgage on?

Mr. CHRISTGAU. Dr. A. G. Ruggles, State entomologist of Minnesota, stated to me last week that it is not too late. He said they can use this up to the middle of July with a great deal of effectiveness, that many grasshoppers are still hatching.

Mr. LARSEN. There is expert testimony for you, against political testimony of the Secretary of Agriculture. I believe in the wisdom of the Senate and what the expert says about it.

Mr. CLARKE of New York. Is not this man Marlatt, whose name is mentioned in the letter of the Secretary of Agriculture, the same gentleman who discovered the Mediterranean fruit fly in Florida that nobody else has up to this time ever seen?

Mr. LARSEN. I do not know; but I would like to say something about that.

Mr. BYRNS. And we spent millions of dollars on that

Mr. LARSEN. There was great injury to fruit, if not devastation, in Florida. I went there and looked at it myself. I went into the laboratory and saw specimens. I talked to experts. That is all poppy-cock you hear as to no infestation in Florida. That is some of the rot peddled around and that some of you gentlemen pay attention to up here. I have never been called upon to make any statement about the matter, but I went to Florida and I investigated it at Orlando when it first showed up; but let that be as it may, we now have a duty to perform in behalf of the Government and in behalf of suffering humanity somewhere else, not in Florida, but in the Northwest. If the Lord does not send a heavy supply of rain, the people out there will have everything eaten up by grasshoppers unless we make this appropriation and enable them to fight. We would better spend a small sum of money now to protect the people and enable them to live and to repay the money loaned them by the Government than lose this money and perhaps have to support them at the public expense next winter.

Mr. BUCHANAN. Mr. Speaker, I yield five minutes to my colleague from Texas [Mr. Blanton].

Mr. BLANTON. Mr. Speaker, every time there is an attempt to retrench and stop public expenditure of money the part of the country where the money is to be spent rises up through its Representatives and demands that you still keep on spending it. How are you going to stop?

I mentioned yesterday a telegram which in one day in Houston, Tex., where I was born, was signed by 7,770 citizens, demanding of the Texas delegation that they retrench expenditures of public money in the Congress and get through with business, adjourn sine die, and go home.

Mr. SMITH of Idaho. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. No; please excuse me. I have only five minutes. I know the gentleman comes from a part of the country that has had more hand-outs from the Federal Treasury than any other part of the United States.

Here is a Senate proposal in June, if you please, after the grasshoppers have been hatched and have migrated and are ready to die natural deaths, to spend \$1,450,000 out of the Treasury on grasshopper control.

Mr. SIMMONS. Mr. Speaker, will the gentleman yield? Mr. BLANTON. No; I regret that I can not. I have only a few minutes. I will handle my side of it. I ask that the gentleman sit down.

Mr. CLARKE of New York. Mr. Speaker, the Chair should protect the gentleman from Texas.

Mr. BLANTON. I can protect myself even from Bob Sim-

that you want to take his statements in preference to the | you protect yourself from him, when he wants some money out of the Public Treasury.

Mr. SIMMONS. Mr. Speaker—— Mr. BLANTON. I do not yield, and the gentleman ought to understand that. This is a Senate amendment here which proposes to take \$1,450,000 out of the Public Treasury.

The gentleman from Nebraska knows that he can not do that, and so he proposes by his amendment to cut it down to \$750,000.

Mr. BURTNESS. Mr. Speaker, will the gentleman yield? Mr. BLANTON. No; I do not yield to another gentleman whose State and sister State have had more hand-outs than any other State in the Union, except Idaho.

You are not going to put anything in my speech when I do not vield.

Mr. CLARKE of New York. I insist, Mr. Speaker, that the gentleman from Texas be protected.

Mr. BLANTON. I do not need any protection. I will protect myself.

The SPEAKER pro tempore. The gentleman will suspend. The gentleman from Texas declines to yield, and the Chair will protect the gentleman in his time.

Mr. BLANTON. I ask the Speaker to see to it that these explosive eruptions from North and South Dakota and Idaho and Nebraska not be taken out of my time. I know they want to spend this money out there. They want to do it right in the face of the contrary judgment of the Secretary of Agriculture; they want to do it against the judgment of their President, who just recently has begun to preach economy; and they want to do it against the judgment of their President's Budget Bureau. They care little for reason or excuse. They want the money. Yes; they are clamoring to have it spent out of the Public Treasury.

Mr. RICH. Mr. Speaker, will the gentleman yield? Mr. BLANTON. No; I do not yield. I have not the time.

Will the gentleman yield to me? Mr. SIMMONS.

Mr. BLANTON. In just a moment. I am going to yield to my good friend the able gentleman from Nebraska [Mr. SIMMONS! when I conclude what I have to say, but I am going to say what I want to say before I yield. They had grasshopper plagues in Pharaoh's time, and we have had them ever since, and we are going to have them when Bob SIMMONS'S great-grandchildren have great-grandchildren; and this \$1,450,000 that the Senate tried to throw away out of the Public Treasury, and the \$750,000 that Bob SIMMONS, of Nebraska, hitherto the economist of the country, is trying to throw away, will be wasted if we appropriate it; and we must save it. If it is granted, appropriated, it will be spent by overhead here in Washington, and not a cent of benefit will be accomplished for the people of the United States anywhere

Some gentleman mentioned that sums of money had been spent to eradicate tick fever in aid of the cattle industry. That is in no way an analogous case at all. Tick fever affected cattle in every portion of the United States. The losses from it extended into the many thousands every year. It affected every person in the United States in that it vitally affected the price of beef and veal, used universally everywhere. The stockmen spent huge sums of money out their own pockets to solve the problem. Our good friend and colleague the gentleman from Texas [Mr. KLEBERG] has spent enough money on his big King ranch in Texas during the past 36 years to eradicate tick fever, and has suffered losses from the disease, to make any of us here rich and independent. Naturally the scientists of the Government assisted stockmen in arranging their dipping vats, in formulating the proper receipe for poison, and in planning the proper dripping pens. And twice each year the cattlemen have gone to the expense of gathering their cattle on their big ranches, driving them to the dipping vats, dipping them, and then returning them to the respective pastures to which they belonged.

Some one mentioned boll worm and boll weevil. In my honest judgment the money which the Department of Agriculture has spent on these pests has been wasted. I do mons, and God knows you are doing a mighty good job when 'not believe that any real, lasting good whatever has been accomplished. The pests are still with us. The money is gone. And we are taxing the people in almost every manner the ingenuity of the human mind can conjure up to raise money to pay the deficits in the Treasury.

I know something about the ravages of grasshoppers. They inflict Texas just as they do the Western States. I have seen them destroy crop after crop. But the Federal Government can never stop them with the tax money wrung from its already overburdened taxpayers. There is not a chance of this money doing any good. Spending it will not save a crop. This is a problem that the farmers, and their localities, and their county, and their State, must combat and solve.

Now, why not save \$75,000 and this \$1,450,000? chairman of this subcommittee, my colleague from Texas, Judge Buchanan, who has done earnest work on this bill, has been working and grinding day and night to try to get out a proper bill. He deserves the thanks of the entire Nation. The chairman of the Committee on Appropriations, the gentleman from Tennessee [Mr. Byrns], and other members of his committee have worked hard and have tried to bring in a proper bill. I am one who is going to back them up 100 per cent, even though we have some grasshoppers in Texas. [Applause.]

The SPEAKER pro tempore. The time of the gentleman

from Texas has expired.

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the

gentleman from Iowa [Mr. CAMPBELL].

Mr. CAMPBELL of Iowa. Mr. Speaker, I do not know that I can say anything in addition to what has already been said. I do want to say that the funds of Iowa have been used to the limit for the purpose of destroying the grasshopper. I received a telegram from our secretary of agriculture saying that they had done all they could and that they wanted additional help. I received a telegram the other day from the county agent of one of our counties saying exactly the same thing. I say to you, Mr. Speaker, that this has become so large in its devastation that it is, in a way, a national calamity; and when the gentleman from Texas takes the floor and speaks with regard to grasshoppers, I think the gentleman forgets something like \$11,000,000 that has been appropriated in his good State for the eradication of the boll weevil or the tick, or whatever

Mr. BURTNESS. To be exact, over \$13,000,000 for the pink bollworm and almost as large an item for the tick.

Mr. CAMPBELL of Iowa. When the Members of this House from the State of Iowa see devastation like that in Texas we are willing to help. We have helped all along the line. We have helped in connection with fires in Massachusetts and with everything that the South wanted along that line, where they are not able to take care of it themselves. Now we come to you, where the destruction has been, as it has in South Dakota and Iowa and some eight States, and we ask for a little help. It is very, very small as compared with what the other States have had.

The SPEAKER pro tempore. The time of the gentleman

from Iowa has expired.

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the

gentleman from Idaho [Mr. SMITH].

Mr. SMITH of Idaho. Mr. Speaker, for the first time we have found it necessary to come to the Federal Government for aid to help eradicate grasshoppers in Idaho. When the invasion of these pests was brought to our attention about 10 days ago, we took the matter up with the Commissioner of Indian Affairs because of the fact that they appeared first on the Fort Hall Indian Reservation. He telegraphed to the superintendent of the reservation for a report, and I wish to read the superintendent's reply to the commissioner's inquiry, showing the immediate need of additional help to eradicate these grasshoppers, or crickets, as they are known in Idaho.

POCATELLO, IDAHO, June 2, 1932.

C. J. RHOADS

Commissioner of Indian Affairs, Washington, D. C.

Re tel. Second grasshopper situation reaching enormous propor-Hundreds of men working day and night without com-

Trench method found most successful. help can not hold out much longer. Funds allotted being used for food supplies and other materials. Additional funds necessary if effective results had. Old crickets originated on reservation. Millions have drifted down main canal onto white lands off reservation. Some crickets crossing canal onto farming lands of reservation. of reservation. Campaign must be carried on strenuously for indefinite time. Most urgent, wire additional funds.

The Commissioner of Indian Affairs at once authorized an expenditure of \$500 for cooperative work, and duplicated that amount the next day because of the urgency of the situation.

I have also a telegram from the mayor of Pocatello, a city of about 20,000, which is just at the edge of the reservation. He says in this telegram:

POCATELLO, IDAHO, June 6, 1932.

ADDISON T. SMITH.

House of Representatives Office Building, Washington, D. C .: Cricket menace becoming increasingly serious. Are endeavoring a 50-mile front to prevent armies of insects moving toward Porton 50-mile front to prevent armies of insects moving toward Portneuf and Blackfoot Rivers. If crickets get beyond control, territory Bannock, Bingham, and all counties down Snake River menaced. All local agencies cooperating, but need funds to employ workers, as are depending on volunteer labor exclusively. Organization formed to-day in charge campaign of which Gross agent, Fort Hall, a member. If possible hasten funds to Gross for employment workers extent \$300 per day. Campaign may last 30 days; but if funds can be provided for two weeks, can make full report as needed.

THOMAS C. COFFIN. Mayor.

Attention is also called to the following statement from Dr. C. L. Marlatt, Chief, Bureau of Entomology, Department of Agriculture, of the expenditures in past years and the value of crops saved through the campaign of eradication.

Memorandum of allotments and expenditures for investigations on grasshopper control other than appropriations made in the early days of the department; no funds were appropriated specifically for investigations on grasshopper control until the fiscal year 1922

Fiscal year	Allot- ment	Expendi- ture
1922 1923 1924 1925 1926 1927 1927 1928 1929 1930 1930	25, 000 21, 067 25, 000 19, 500 27, 780	\$21, 775 24, 353 24, 393 29, 985 19, 676 19, 359 25, 948 25, 135 28, 849 28, 353
Total	309, 162 29, 180	238, 797

¹ Includes \$10,000 from reserve and savings released for special survey during autumn, 1931.

There are no estimates available as to the total amount of damage done by grasshoppers over the whole of the United States. Over a 10-year period, 1913-1922, inclusive, estimates are available, covering the Mississippi Valley and westward, on the amount of saving made by the use of poisoned-bran mash as a grasshopper control. This estimate was made in cooperation with the entomologists of the States concerned, and indicates, covering this mologists of the States concerned, and indicates, covering this 10-year period, a saving of \$65,000,000 for the period, or approximately \$6,500,000 per year. Damage to this amount was prevented by the use of poisoned-bran bait, which cost approximately \$1,600,000 for the 10-year period, or \$160,000 per year. It is safe to say that, covering the United States as a whole for this same 10-year period, the damage which was not prevented will represent an equal or very likely a much larger amount. It is interesting to note that Canadian officials have estimated an even greater annual saving than that indicated above in Canada from similar use of bran bait. In Kansas alone, in 1919, at a cost of \$122,000, an estimated damage of \$25,000,000 was prevented. \$122,000, an estimated damage of \$25,000,000 was prevented.

The SPEAKER pro tempore. The time of the gentleman from Idaho has expired.

Mr. BUCHANAN. Mr. Speaker, I yield two minutes to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Speaker, I see my friends on the Republican side of the aisle are willing to repudiate their Secretary of Agriculture. So far as his political statements are concerned, I would be willing to repudiate him also, but his statements with reference to this grasshopper amendment

are backed up by the Bureau of Entomology. For the Bureau of Entomology we have appropriated \$2,481,700. If we are not to accept their statements as experts along this line, then we ought to cancel that appropriation and get

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. HART. I yield.

Mr. SMITH of Idaho. The information contained in the telegram I have just read is direct from the seat of war, and certainly ought to be more convincing than the information furnished by the representatives of the department, who are not apparently fully advised.

Mr. HART. It is always possible to get a demand for an appropriation from the seat of war. There is no trouble about that. The people in any district are always willing for the Federal Government to appropriate, because they do not have to pay the money.

Mr. SMITH of Idaho. Will the gentleman yield further?

Mr. HART. I yield.

Mr. SMITH of Idaho. Does the gentleman mean to insinuate that the people out there are more eager to have a few dollars expended there than they are to save their crops?

Mr. HART. Well, we have grasshoppers in Michigan. Mr. RICH. Will the gentleman yield? Mr. HART. I yield.

Mr. RICH. Why is it that we were asked a few days ago for \$1,000,000 for this same purpose and now they come in and want \$1,450,000 for the same purpose?

Mr. HART. Election time is much nearer.

Mr. SIMMONS. The gentleman does not know what is going on. We are only asking for \$750,000.

Mr. HART. Please do not consume all my time.

Mr. BLANTON. But the Senate amendment provides for \$1,450,000.

Mr. HART. We voted down this very item. The appropriation called for in this bill was voted down in the House. Then they went over in the Senate and put it back in this bill.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from Nebraska [Mr. Howard].

Mr. HOWARD. Mr. Speaker, in the two minutes allotted to me I want to make the most urgent plea I know how to make to this House to take its eyes away from a picture of comedy, and let them rest upon a picture of the sublimest tragedy I have ever seen.

Mr. Speaker, could the Members of the House have gone with me to South Dakota, Nebraska, and northwestern Iowa and witnessed the scenes of devastation I have witnessed there I am sure they would dismiss their sentiment of levity and turn to a desire to do something to avert further

tragedy.

I had hoped that my people-and I speak correctly when I say my people—I had hoped that my people of the Southland in their splendid usual sympathy for humanity would come to the rescue of our people up there in time of need. Always I shall bless the name of Buchanan, of Texas-a true Texan in the best sense of the term. His love for humanity is his guiding star, and neither his known devotion to his committee chairman nor his loyalty to an "economy" program could swerve him away from the promptings of his good heart of sympathy with and for our distressed people in the zones of the grasshopper scourge.

Oh, gentlemen, I plead for no other action on your part than that you take your eyes away from this shameful picture of comedy which some persons have thrown here before you and let your eyes rest upon the true picture of tragedy as a result of the devastation of our country out there by the grasshopper. If you will do that, I am sure you will vote this appropriation. [Applause.]

[Here the gavel fell.]

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from Arkansas [Mr. Fuller].

Mr. FULLER. Mr. Speaker, I have seen grasshoppers carry away an entire crop.

They say the Secretary of Agriculture has said it is too late. If it is too late, then they are not going to use this

We have done less to help agriculture in the great needs confronting us than anything else in this country. I think it comes with the poorest of grace for a man who lives south of the Mason and Dixon line and who went through the drought like we did and came to Congress and asked for aid not to assist these farmers.

We appealed to the people of the United States and they came to our rescue through the Red Cross and otherwise. We have an opportunity to extend a helping hand to the farmers of the great Northwest, and we should not turn a deaf ear to them. [Applause.]

I think this relief should be granted, and I would be ashamed of the Democracy of the South if it were to let politics enter into a grave concern like this. If it is not necessary and the Secretary of Agriculture says it is not necessary, then he is not going to expend this money. I join in the sentiment that Secretary Hyde is not very friendly to agriculture. I think it would be poor policy for this Congress, when they have an opportunity to render relief to these people, not to vote funds to take care of the scourge that is upon them. We may say in a jocular way that possibly this scourge has been sent upon them because they have been voting the Republican ticket, but, notwithstanding that, I know that that great country on all matters of relief has stood with this side of the House, and it is nothing more than right and proper that we ought to assist them and reciprocate by giving this needed relief to the agriculture of the great Northwest. [Applause.]

[Here the gavel fell.]

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Speaker, I hope the House will listen to this plea.

If the Members of the House could go into the infested territory and see these hordes of hoppers eating everything which is green, even to the trees; if they could see every service station carry a broom as standard equipment to sweep the hoppers out of the radiators of automobiles; could see the ruin that is wrought in pasturage and in growing crops; if the Members of the House could envision the loss the Government itself sustains by virtue of the fact it has invested millions of dollars in these farmers in loans to raise crops and purchase seed, I think it would at once become evident that this comparatively paltry sum of \$750,000 is but a good investment to protect what already it has invested in this country for the restoration, in a small way, of agriculture.

Mr. Speaker, the Secretary of Agriculture has stated that this fund comes too late. Entomologists, agriculturists, and experts have given us testimony ample to prove the fact that this fund does not come too late. It comes too late to be fully effective, but not too late to be partially effective, and we must have it. I ask the House to approve this item.

[Here the gavel fell.]

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from Montana [Mr. LEAVITT].

Mr. LEAVITT. Mr. Speaker, in various parts of the northwestern country there has been not only one year but in some cases two or three years of continued drought. One of the results of this continued drought has been the threat of a grasshopper infestation this year such as has scarcely been known in the past. We now have the promise of crops in some of the sections that have been dried out, that have been so thoroughly dried out that it was necessary for the Red Cross to go in and take care of the people. But as a result of this drought there comes now this grasshopper infestation.

Regardless of what is said by the Secretary of Agriculture, in many of these sections it is not too late to do a great deal of good in controlling this infestation. It is true that it can not be done as effectively now as it could have been done a month ago, but we are not asking for the amount of money that was asked for a month ago. The amendment now before the House reduces the request to \$750,000, recognizing that through dilatory tactics here we have let much of the time go by.

Do not say to me that this bill was before the House and that it has been voted down. It was brought before the House, Mr. Speaker, under a suspension of the rules, and the gentleman from Tennessee [Mr. Byrns] opposed the granting of a second and cut off all debate. So there was no opportunity to discuss the matter. It was one of the most unfair things that has been done in this House since I have been a Member of it. I never saw it done before. In order to prevent us from presenting this case, the gentleman opposed the granting of a second, and it was not possible to present the matter.

Mr. BYRNS. The gentleman will admit that I could not have done that unless a majority of the House had joined with me.

Mr. LEAVITT. They did that through ignorance, as a result of the gentleman's tactics, not knowing what was the situation.

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from Minnesota [Mr. Christgau].

Mr. CHRISTGAU. Mr. Chairman, I believe in that old saying that an ounce of prevention is better than a pound of cure. I was out in Minnesota last week and personally observed the grasshopper situation there. I also discussed it with the State entomologist, a specialist in insect control work, and he advised me that 50 counties of the State were organized to fight the pest. He emphasized the fact that there will be a great many more people in great need next winter than there were last winter if a widespread destruction of farm crops by grasshoppers is not prevented.

The executive council of the State of Minnesota has provided \$50,000 to take care of the immediate emergency. The State entomologist told me that that amount would not take care of one-fifth of the expense of combating the pest in the State of Minnesota. Under ordinary circumstances we would not be here pleading for assistance. But after 10 years of adversity in the agricultural industry the farmers everywhere, and especially those in the grasshopper-infested regions, are now in great financial distress. Unfortunately, they can not combat this destructive foe alone and unassisted. We ought not expect them to do it. The Congress of the United States certainly ought to provide this small amount for relief, especially when all concerned have demonstrated a desire to cooperate. [Applause.]

Mr. Chairman, out in the Northwest we feel that the grasshopper plague is much more of a Federal problem than much of the insect-control work for which Congress has so generously appropriated in the past. Mistakes that may have been made in the past should not prevent us from doing the right thing in this emergency.

Minnesota spent about \$27,000 in fighting the grasshoppers last year. The State entomologist estimated that for every dollar spent for poisoned bran bait \$100 worth of crops were saved. The thousands of acres of crops that were destroyed in the infested States last year should be sufficient testimony to overcome the partisanship and sectionalism that have delayed favorable action on this appropriation thus far.

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from Kansas [Mr. Strong].

Mr. STRONG of Kansas. Mr. Speaker, I hate to disagree with my own Secretary of Agriculture, but I happen to have had a little experience in the middle of last summer with grasshoppers, and I know it is not too late to stop the terrible plague of grasshoppers and much of the damage they do.

I went out to my own farm in the middle of last summer, and my nephew told me that the grasshoppers were entering our alfalfa and had just come into the corner of a 70-acre field. He sent to the county agent, got the poison, mixed up the ration of bran and molasses and poison, spread it over the acre and a half involved and ahead of the advancing line of hoppers, and stopped them from going farther into that field. I know it is not too late to do much to relieve farmers from much of the damage grasshoppers do.

This House has voted for practically everything of this kind. We voted for funds to destroy the Mediterranean fruit fly; we voted for funds to destroy the Texas cattle tick; we voted for funds to prevent the spread of the boll weevil; we have voted for funds for practically every request to eradicate pests that have come to any part of this country, and now they are asking for this relief in the States now afflicted by grasshoppers. My State has not been very much afflicted as yet, but I know if they keep on increasing in Nebraska and in the Dakotas they are coming into the other States, and I think the small amount that is now asked for ought to be appropriated in order to stop this pest of grasshoppers that is absolutely eating up the sustenance of the people in the States asking for this relief.

I hope you men will be generous enough to grant the States afflicted this small amount of money to help them out in this emergency. [Applause.]

in this emergency. [Applause.]

Mr. SIMMONS. Mr. Speaker, I yield two minutes to the gentleman from South Dakota [Mr. Johnson].

Mr. JOHNSON of South Dakota. Mr. Speaker, I think one question with reference to this appropriation has not been brought out, which is the fact that it is really good business for the Government to protect the investment which it has. I know that to the man who lives in the city or who lives in a part of the country where there are no grasshoppers and who has never seen what a horde of them can do, this whole business looks silly. It must look as silly to a man from the South or from New England as the appropriation for the eradication of the boll weevil, for instance, looked to me when I came here, and yet we of the Northwest joined with the men from the South for that appropriation

Anyone who knows anything about Biblical history knows what a horde of grasshoppers can do. In 1931, in South Dakota, in 23 counties there was no more crop raised than there was grown on this floor of the House in that year.

Mr. GREEN. Will the gentleman yield?

Mr. JOHNSON of South Dakota. For a short question.

Mr. GREEN. I have followed pretty well the statement of the gentleman, and my sympathies are all with him. We had a similar thing in my State, where insects destroyed our groves and our fruit. The gentleman from Nebraska and others on that side of the aisle are standing obstacles in the way of remunerating us for the damage done by the Mediterranean fruit fly.

Mr. JOHNSON of South Dakota. My sympathies are with the gentleman.

Now, the real fact is that this Government has loaned \$22,000,000 to the farmers in this area for the crops this year. If the grasshoppers are allowed to destroy the crops, there will be no crops, and the Government can not recover the \$22,000,000 of the investment that it has made. [Applause.]

[Here the gavel fell.]

Mr. SIMMONS. Mr. Speaker, I yield five minutes to the gentleman from North Dakota [Mr. Burtness].

Mr. BURTNESS. Mr. Speaker, I want to put this matter up to you as a business proposition, and as one entitled to fair treatment on the part of the membership of the House generally.

The Government in many of the States menaced by grass-hoppers is in exactly the same position as a local banker would be holding liens upon the crops in that territory, for the Government holds mortgages on the growing crops in an amount of almost the total value of such crops, assuming normal yields, at the prices now existing, deducting, first, the cash expenditures that must be paid out for harvesting, threshing, and marketing the crops.

already \$36,000,000 invested in such crops, what would you do if a scourge of grasshoppers was upon you, and the scientists of the country advised and practical experience showed that with the expenditure of a modest amount of money the greater portion of those crops could be saved?

There is no question as to what you would do-you would advance the money in order to safeguard your investment. That is the business proposition before this House to-day, and the chairman of the Appropriations Committee and others can prate about economy, but the economical thing for the Government Treasury to do is to step in and help save the crops, and thus help to insure the repayment of the loans already made by the Government, secured by crop

You now talk about more money that has to be loaned to the States in this country to relieve distress. How much more money will have to be loaned to the eight States that are seriously affected now if their crops are going to be destroyed by the grasshoppers? Why save a dime now and

pay out a dollar or more later?

Reference has been made to a letter from the Secretary of Agriculture, claiming it is now too late to do any good, but I would rather take the word of the entomologists of our agricultural colleges and of our farmers and responsible officials than the word of the Secretary of Agriculture on that question. Demands for assistance are reaching us every day. The hoppers are just now hatching out in my

Let me tell you this-I have personally poisoned grasshoppers to save growing, maturing crops of flax as late as in August. Only now the last of the sugar beets are coming out of the ground in our country. Young grasshoppers are beginning to eat them. The beet acreage is relatively small in area, but sugar beets constitute the one crop as to which, under present prices, the farmers hope to get the cost of production.

This is a crop that can be saved by poisoning, not once or twice but time and again, until the beets mature in the fall. From my own personal and practical experience I know that this appropriation will still help a great deal, although I admit that it will not result in as effective work as if it had become available a few weeks ago. We can not hope to kill all the grasshoppers or to save 100 per cent of the crops. But do help us to minimize the terrible hazard confronting us. If we save half a crop, that is better than to save none. When the department finds expenditures will be wasted for being too late the money will not be spent. In the meantime much good will be accomplished.

I am surprised to hear a man like my good friend from Texas [Mr. Blanton] get up here and oppose this. Of course, he was afraid to yield to us for questions because he knew if he yielded attention would be called to the fact that the Government has expended during the last 25 years a total of almost \$12,000,000 to eradicate tick in cattle, causing a fever known by the name of his own State, the Texas fever, for which annual appropriations are now about \$450,000. He knows also that the Government in recent years had expended a total of more than \$13,000,000 in the eradication of the pink bollworm for the protection of the cotton crop. So much for the South. You people of the East from this territory know that millions of dollars have likewise been expended in connection with the eradication of the gypsy moth and the Japanese beetle and other pests. We appeal also to the corn States, where the Government has spent \$18,000,000 during the last 12 years to eradicate the corn borer. We are asking in our emergency to be treated only as fairly as you have been treated.

Mr. BUCHANAN. Mr. Speaker, I yield five minutes to the

gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Speaker, last February the President of the United States sent to the Congress a request for \$1,450,000 with which the Secretary of Agriculture might fight an anticipated, and a now actually realized, invasion of grasshoppers. Due to one situation and another we have been prevented in the House from considering that item.

Now, if you were that banker holding those liens and had | The proposal now before the House is not to appropriate \$1,450,000 that the President asked for, but to appropriate \$750,000 in order to meet the situation as it now exists. It is true that the Secretary of Agriculture has said that if this money is appropriated now an "effective" control campaign can not be carried on, but it does not mean for one minute that work can not be done that will check in part the ravages of these pests that now infest some 12 States in the great Northwest region, States that are in need of aid. The saddest news that has gone out to those people from this Congress was that news that went out of here about a month ago when the gentleman from Tennessee [Mr. Byrns] blocked even a discussion of this item on the floor of this House, and those people were told that the Federal Government would give them no aid. They have used their own funds, they have pledged the credit of counties and cities and States to get all of the money they can, and they are asking now in the fight that will go on in the grasshopper regions from now until the frost next fall that the Federal Government come along and do what it can. That is the situation. Had we had this money two months ago, more effective work could have been done then than now. Had we had it two months ago, we could have done more work with less money than now, but effective work can be done now, and every man who lives in the grasshopperinfested region knows that it can be done. It is a Federal problem. South Dakota and Nebraska both have the same infestations sweeping across parts of our States.

I know what is going to happen. The gentleman from Tennessee [Mr. BYRNS], the chairman of the Committee on Appropriations, is going to get up and plead for economy. He sat on the floor of this House and never raised his voice in protest, did not even vote against the bill, when the Congress authorized \$130,000,000 to build roads. He supported the proposal the other day to fasten a \$200,000,000 charge on the Treasury in order that we might buy land down in the Mississippi flood region. He voted the other day for \$2,-300,000,000 in the Garner bill, and now in the name of economy he comes in and says that the President's Budget should

not give aid to these people.

Oh, it is a fine thing, after he has blocked the consideration in this House of this matter, when by every means he. more than anybody else, is responsible for the delay and the prevention of action on the part of the Congress, to now come before you and plead and sob for our grasshopper people and say it is too late. The responsibility in this House for the delay in the consideration of this appropriation rests with the gentleman from Tennessee [Mr. Byrns], and he has voted more charges on the Federal Treasury this Congress than practically any other Member in this body. The Secretary of Agriculture did not reach the conclusion that it was too late for "effective control" until the gentleman from Tennessee blocked consideration of this bill a month ago. The gentleman hides now behind the results of his own actions.

We almost had an explosion the other day, and that was the time when the gentleman from Texas [Mr. BLANTON] voted in favor of the Garner bill and the news of it went to Texas, and the telegram from Houston came back telling him to vote against it. Yesterday and to-day he has been trying to put into the Congressional Record evidence that the Garner bill is a fine thing for the country. Tom, if your speeches ever come together in Texas, there will be an explosion down there that will shake the whole Southwest.

Mr. BLANTON rose.

Mr. SIMMONS. No; I can not yield; the gentleman would not yield to me. And what will you say when you get back to your Texas farmers, for whom we have given every help Texas has ever asked?

Mr. BLANTON. And every bit of it has been wasted. The SPEAKER pro tempore. The time of the gentleman

from Nebraska has expired.

Mr. SIMMONS. Mr. Speaker, I ask unanimous consent that all Members who have spoken on this matter have five legislative days within which to extend their remarks in the RECORD.

The SPEAKER pro tempore. Is there objection? There was no objection.

Mr. BUCHANAN. Mr. Speaker, I yield 12½ minutes to the gentleman from Tennessee [Mr. Byrns].

Mr. BYRNS. Mr. Speaker, it is not a pleasant thing to oppose an appropriation in which some of your colleagues are interested. I have never gotten to the point where it is a pleasure for me to oppose anything that some of my colleagues want. You may think otherwise from my actions, because I have almost been in a state of constant opposition and eruption since this Congress started. But let us talk about this matter; let us see whether or not we ought to vote this \$750,000 upon the people, upon your Treasury and mine. It seems to me that the Secretary of Agriculture has already answered that question for you and for me.

Mr. SMITH of Idaho. Will the gentleman yield to me for a question?

Mr. BYRNS. Please let me get through, and then I shall yield in a few minutes. I do not want my line of argument disturbed. I want to be courteous, and I shall yield to the gentleman directly.

The Secretary of Agriculture is to administer this fund. He is the man who will take charge of it and who will have to administer it. What does he say? He says it is too late to do any good, and his letter is in the Record. He says that the time is past when the expenditure of this money will exercise any effective control; and yet gentlemen for whom I have the highest regard and admiration, representing their districts and wanting some of this money spent in their districts, tell you that they know more about it than the Secretary of Agriculture. You and I are representing the people of the United States. We balanced the Budget, so the President told us.

Mr. PITTENGER. Will the gentleman yield?

Mr. BYRNS. I can not yield now.

Now, they want us to unbalance the Budget to the extent of \$750,000, merely because two or three clever gentlemen from the West ask us to do it, in face of the fact that the Secretary of Agriculture tells us we ought not to do it.

Gentlemen have talked about the boll weevil. They talk about matters in the South and elsewhere. There is no politics in this; not a bit. It is said that nearly every dollar you appropriated down in Florida was wasted, but is that any excuse for wasting more money? We have had some examples. Let us quit. Let us stop. Let us think about the people back home. This House has voted on this matter once or twice. It came up on a motion to suspend the rules. The gentleman said it was unfair because I refused to agree to unanimous consent for a second to be ordered. That has been done many times. I was only exercising my right under the rules. There was not a line of debate, of course, but a majority of this House, an overwhelming majority, passed between the tellers on that occasion and refused a second, without any debate either pro or con. You voted on it. How many times are you going to have this matter considered? I was told by the gentleman from Nebraska [Mr. Simmons] as far back as last March when he asked me to bring in a special resolution, that if they did not get the money immediately it would not be of any avail. Here it is the middle of June. It will take two or three or four weeks for the Secretary of Agriculture to get his material and make application of the funds. He says in his letter, which has been read from the desk, that on May 18 he considered the matter closed and he wrote to the governors and other public officials there and told them that the matter was closed and that they should take steps locally to look after it.

Now, what does the Secretary of Agriculture say? If you are not going to follow the Secretary of Agriculture on a matter of this sort, if we are going to say that he does not know anything about it and somebody else does, then you had better tell the President of the United States to get another Secretary. This is what he tells you:

The essential features of any control campaign against grass-hoppers is to poison the young locusts as they first emerge from the egg bed, and before they have any opportunity to migrate from such areas into the fields. The grasshoppers have now hatched in practically all parts of the areas where heavy infesta-

tations were anticipated, and a large portion of it has been moved from the hatching areas. Since this dispersion has taken place and because of the delays incident to the organization of the Federal campaign and the securing of the necessary supplies and materials, the opportunity for effective control under Federal direction is now lost.

In the face of that, are you going to vote to take \$750,000 out of the Treasury? I do not believe it. I am sure you are not going to do it. It is not any pleasure for me to stand here and fight this proposition, but you and I have duties that we owe to the people and to the Treasury. Certainly, when we have a great deficit, certainly when next week you will be called upon to reduce the salaries of everybody who works for the Government, including your own, certainly when our condition is such that we have to resort to that, you are not going to vote \$750,000 out of the Treasury to be administered by the Secretary of Agriculture who tells you it is too late for him to do any good with it.

Mr. GLOVER. Will the gentleman yield?

Mr. BYRNS. I am sorry, but I do not have time. Mr. LEAVITT. Will the gentleman yield to me? Mr. BYRNS. I only have a few minutes. I am sorry.

Now, as the gentleman from Nebraska [Mr. Simmons] has said, I have talked many times with reference to economy. I am not any more anxious that we should exercise economy than you gentlemen. I want to say to this House, as I showed day before yesterday in some tables which I submitted for the RECORD, that the House has made one of the most remarkable records ever made by any House of Representatives in the history of the country, in so far as reduction of expenditures is concerned. I said then and I say now, credit is due to the gentlemen on both sides of the aisle, but we are not going to maintain that record if here to-day, without rhyme or reason, in spite of what the Secretary of Agriculture has said, we vote \$750,000 out of the Treasury of the United States. If we start that sort of business, where is this balanced Budget that some of you thought was so important? Many of you thought it was more important than I did at the time, but if you are going to balance the Budget, let us keep the Budget balanced.

My friend from Arkansas said that if it was not needed it would not be used, but you add to the charge upon the Treasury when you make the appropriation. You must make provision for it in the Budget. So that is no reason for making the appropriation.

I beg this House, in the interest of economy, to vote down this motion, and let us dispose of it.

Now, my friend, the gentleman from Nebraska [Mr. Simmons] is a very wise man. Let me tell you a little secret.

He knows the Secretary of Agriculture is correct; and he knows that if this item is put in the bill this year that next year they will be asking for \$10,000,000. It will be as it was with reference to many other appropriations—put the nose of the camel under the tent and you will be asked to make it ten times as much the next year, and you will be 50 years, probably, getting rid of it, as is true of a number of useless appropriations carried in this agricultural appropriation bill. There is no bill which is reported to the House—and I say this as a friend of agriculture—that has more useless appropriations in it and more appropriations that should have been dropped out years ago than this very agricultural bill. Let us not add another one to it. [Applause.]

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and in that extension I want to place an analysis of this bill as compared with last year's appropriation, as the House passed the bill, as it passed the Senate, and the effect of the conference report on it. I shall then move the previous question.

Mr. JONES. As to amendment 76, I want to be sure it is understood that the \$10,000,000 is a revolving fund and that the proviso has no reference to the \$10,000,000.

Mr. BUCHANAN. It is the understanding of both the Senate and the House conferees that the \$10,000,000 for the livestock and agricultural credit association is a permanent revolving fund.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the preferential motion of the gentleman from Nebraska to recede and concur in the Senate amendment with an amendment.

The question was taken; and on a division (demanded by Mr. SIMMONS and Mr. Howard) there were-ayes 71, noes 60.

Mr. BYRNS. Mr. Speaker, I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were—yeas 124, nays 215; not voting 92, as follows:

[Roll No. 93]

-124

	YEAS
Amlie	Eaton, Colo.
Andresen	Ellzey
Arentz	Englebright
Ayres	Erk
Baldrige	Evans, Calif.
Barbour	Evans, Mont.
Bloom	Finley
Boileau	Frear
Boland	French
Bulwinkle	Fuller
Burtness	Garber
Butler	Gasque
Campbell, Iowa	Gilchrist
Campbell, Pa.	Green
Carter, Wyo.	Greenwood
Chavez	Guyer
Chiperfield	Hadley
Christgau	Hall, N. Dak.
Christopherson	Hardy
Clague	Haugen
Cole, Iowa	Hawley
Collier	Hill, Ala.
Collins	Hill, Wash.
Colton	Hoch
Crail	Hope
Cross	Hopkins Horr
Crowther Curry	
DeRouen	Howard
Dowell	Hull, Morton D. Jacobsen
Driver	James
Driver	James
	27 4 770

Jeffers Johnson, S. Dak. Rayburn Reed, N. Y. Robinson Kading Keller Sanders, N. Y. Kelly, Pa. Schafer Kemp Schneider Selvig Shallenberger Kopp Kvale Lambertson Lankford, Ga. Shannon Simmons Larsen Leavitt Sinclair Smith, Idaho Loofbourow Snell Luce McGugin Sparks Strong, Kans. McKeown McLaughlin Stull Summers, Wash. Swanson Swing Maas Mansfield Michener Morehead Nelson, Wis, Temple Thurston Timberlake Turpin Wason Weaver Nolan Norton, Nebr. Parsons Patman Williams, Tex. Pittenger Williamson Pou Wilson Purnell Ramseyer Withrow Rankin Woodruff

NAYS-215

	and the same of th
Adkins	Crosser
Allen	Crowe
Almon	Crump
Andrew, Mass.	Culkin
Andrews, N. Y.	Cullen
Arnold	Darrow
Auf der Heide	Davenport
Bachmann	Davis
Bacon	Delaney
Bankhead	Dickinson
Barton	Dies
Beam	Dieterich
Black	Dominick
Bland	Douglas, Ariz.
Blanton	Douglass, Mass.
Bohn	Doxey
Bolton	Dyer
Bowman	Eslick
Brand, Ohio	Estep
Briggs	Fiesinger
Britten	Fish
Browning	Fitzpatrick
Brumm	Flannagan
Brunner	Foss
Buchanan	Fulmer
Burch	Gambrill
Burdick	Garrett
Busby	Gavagan
Byrns	Gifford
Cable	Gilbert
Canfield	Gillen
Cannon	Glover
Carden	Goldsborough
Carley	Goss
Cartwright	Granfield
Cary	Gregory
Cavicchia	Griswold
Celler	Hall, Ill.
Chapman	Hall, Miss.
Chindblom	Hancock, N. Y.
Clancy	Hare
Clark, N. C.	Hart
Clarke, N. Y.	Hess
Cochtan, Mo.	Hogg, Ind. Hogg, W. Va.
Cochran, Pa.	Hogg, W. Va.
Cole, Md.	Holaday
Connery.	Hollister
Connolly	Holmes
Сооке	Hooper
Cooper, Ohio Cooper, Tenn.	Huddleston
Jooper, Tenn.	Jenkins
Cox	Johnson, Mo.
Coyle	Johnson, Okla.

Crisp

Kelly, Ill. Kerr Ketcham Kleberg Kurtz LaGuardia Lamneck Lanham Larrabee Lichtenwalner Lonergan Lozier McClintic, Okla. McClintock, Ohio McCormack McDuffie McFadden McMillan McReynolds McSwain Major Maloney Mapes Martin, Mass. Martin, Oreg. May Mead Millard Miller Milligan Mitchell Mobley Montague Montet Moore, Ky. Moore, Ohio Mouser Nelson, Me. Niedringhaus Norton, N. J. O'Connor Oliver, Ala. Oliver, N. Y. Overton Parker, Ga. Parks Partridge Person Pettengill Polk

Johnson, Tex.

Prall

Pratt. Harcourt J. Pratt, Harot Pratt, Ruth Ragon Rainey Ramspeck Ransley Reilly Rich Rogers, Mass. Romjue Rudd Sabath Sanders, Tex. Sandlin Schuetz Seger Seiberling Shott Shrave Smith, W. Va. Snow Spence Stafford Stalker Steagall Stevenson Stewart Strong, Pa. Sutphin Swank Swick Taber Tarver Taylor, Tenn. Thatcher Thomason Underwood Vinson, Ky. Warren West White Whitley Whittington Wigglesworth Williams, Mo. Wolcott Wolfenden Wolverton Wood, Ga. Woodrum Wright Yon

NOT VOTING-92

Abernethy	Fernandez	Kennedy	Reid, Ill.
Aldrich	Fishburne	Kniffin	Rogers, N. H.
Allgood	Free	Knutson	Sirovich
Bacharach	Freeman	Kunz	Smith, Va.
Beck	Fulbright	Lambeth	Somers, N. Y.
Beedy	Gibson	Lankford, Va.	Stokes
Boehne	Golder	Lea	Sullivan, N. Y.
Boylan	Goodwin	Lehlbach	Sullivan, Pa.
Brand, Ga.	Griffin	Lewis	Sumners, Tex.
Buckbee	Haines	Lindsay	Sweeney
Carter, Calif.	Hancock, N. C.	Linthicum	Taylor, Colo.
Chase	Harlan	Lovette	Tierney
Condon	Hartley	McLeod	Tilson
Corning	Hastings	Magrady	Tinkham
Dallinger	Hornor	Manlove	Treadway
De Priest	Houston, Del.	Murphy	Tucker
Dickstein	Hull, William E.	Nelson, Mo.	Underhill
Disney	Igoe	Owen	Vinson, Ga.
Doughton	Johnson, Ill.	Palmisano	Watson
Doutrich	Johnson, Wash.	Parker, N. Y.	Weeks
Drane	Kahn	Patterson	Wood, Ind.
Drewry	Karch	Peavey	Wyant
Eaton, N. J.	Kendall	Perkins	Yates

So the motion to recede and concur in the Senate amendment with an amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Buckbee (for) with Mr. Harlan (against).

Until further notice:

Mr. Buckbee (for) with Mr. Harlan (against).

Until further notice:

Mr. Griffin with Mr. Bacharach.
Mr. Vinson of Georgia with Mr. Gallinger.
Mr. Doughton with Mr. Reid of Illinois.
Mr. Aligood with Mr. Free.
Mr. Linthicum with Mr. Tilson.
Mr. Corning with Mr. Watson.
Mrs. Owen with Mr. Goodwin.
Mr. Tierney with Mr. Johnson of Washington.
Mr. Hancock of North Carolina with Mr. Lehlbach.
Mr. Hornor of West Virginia with Mr. McLeod.
Mr. Tucker with Mr. Wyant.
Mr. Drewry with Mr. Treadway.
Mr. Smith of Virginia with Mr. Parker of New York.
Mr. Lindsay with Mr. Manlove.
Mr. Kniffin with Mr. Beedy.
Mr. Somers of New Hork with Mr. Carter of California.
Mr. Rogers of New Hampshire with Mr. Doutrich.
Mr. Brand of Georgia with Mr. Gibson.
Mr. Fishburne with Mr. Hartley.
Mr. Lambeth with Mr. William E. Huil.
Mr. Nelson of Missouri with Mr. Wood of Indiana.
Mr. Condon with Mr. Stokes.
Mr. Disney with Mr. Beck.
Mr. Sweeney with Mr. Beck.
Mr. Sweeney with Mr. Golder.
Mr. Kennedy with Mr. Golder.
Mr. Karch with Mr. Each of New Jersey.
Mr. Sumners of Texas with Mr. Underhill.
Mr. Palmisano with Mr. Lankford of Virginia.
Mr. Boylan with Mr. Sullivan of Pennsylvania.
Mr. Haines with Mr. Kendall.
Mr. Dickstein with Mr. Kovette.
Mr. Patterson with Mr. Magrady.
Mr. Hastings with Mr. Tinkham.
Mr. Taylor of Colorado with Mrs. Kahn.
Mr. Fulbright with Mr. Houston.
Mr. Jiose with Mr. Freeman.
Mr. Fernandez with Mr. Peavey.
Mr. Kuz with Mr. Weeks.
Mr. Chase with Mr. De Priest.
Mr. PiESINGER. Mr. Speaker, I wish to annothe gentleman from Ohio [Mr. Harlan] was called. Mr. FIESINGER. Mr. Speaker, I wish to announce that the gentleman from Ohio [Mr. HARLAN] was called away on account of illness. If present, he would vote "no."

Mr. CULLEN. Mr. Speaker, the gentleman from New York [Mr. Kennedyl is unavoidably absent. If present, he would vote "no."

Mr. WEST. Mr. Speaker, my colleague, the gentleman from Ohio [Mr. KNIFFIN] is unavoidably absent. If present, he would vote "no."

Mr. FULBRIGHT. Mr. Speaker, I desire to vote "no."

The SPEAKER pro tempore. Was the gentleman in the hall listening when his name was called?

Mr. FULBRIGHT. I do not know when my name was called. I could not hear the names. I presume I was, but I never heard my name called.

The SPEAKER pro tempore. The gentleman should know whether he was present and listening when his name

Mr. FULBRIGHT. I could not tell, as I never heard my name called.

The SPEAKER pro tempore. The gentleman does not | qualify.

The result of the vote was announced as above recorded. The SPEAKER pro tempore. The question now recurs on the motion of the gentleman from Texas [Mr. Buchanan] that the House further insist on the disagreement to the Senate amendment.

The motion was agreed to.

REPRESENTATIVE BUCHANAN

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

Mr. JOHNSON of South Dakota. Mr. Speaker, reserving the right to object, and I shall not object, I am compelled to leave the city this afternoon on some business to which I have been elected by the people of the State, and would like to discuss for five minutes some legislation coming up next week, and I would like to join in the request of the gentleman from Tennessee and ask that I be allowed to proceed out of order for seven minutes, because I can not be here the first part of next week.

Mr. CONNERY. Mr. Speaker, reserving the right to object, will the gentleman from South Dakota tell us what he is going to talk on? Is it on the bonus?

Mr. JOHNSON of South Dakota. Yes.

Mr. CONNERY. I shall not object.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I appreciate this courtesy very much. You have been compelled to listen to me so many times when I had the right to take the floor that it is exceedingly gracious of you to permit me to proceed by unanimous consent on this occasion.

We have now practically finished consideration of the agricultural appropriation bill. There are some amendments which are still in dispute, but I think it is the understanding of the conferees that it will not be necessary to bring this bill again to the House for its consideration. Since this is true I have felt that it is not only entirely proper but that it is appropriate that I should say a few words of tribute to the great work and the splendid service the gentleman from Texas [Mr. Buchanan], the chairman of the subcommittee having charge of this bill, has performed during this and preceding sessions. [Applause.]

I have served on the Committee on Appropriations with the gentleman from Texas [Mr. Buchanan] for many years. I have had every opportunity in the committee room, as well as upon the floor of the House, to realize his ability and to know something of the careful, close scrutiny which he has given every proposal for an appropriation, the work he has done, and the great service he has rendered not only to the people of his district but the people of the entire Nation. There is not a Member of Congress on either side of this Chamber who has rendered greater service in his own quiet but effective way than our good friend from Texas [Mr. BUCHANANI

It is impossible to estimate just how much money he has, by his own individual efforts, saved the people of the United States, particularly during this session. But it will amount into the millions. He has sat in the committee, participating in the hearings, and then when we have come to mark up the bill we have always found my friend from Texas present with one idea, principally, in his mind, and that is to serve the people of this country by conserving their money just as much as it is possible to do so, consistent with proper functioning of our Government.

You know I sometimes wonder whether those back home fully appreciate a service such as he has rendered. I sometimes wonder if they do not think that our service is to be measured simply by what is said upon the floor and what they read in the newspapers. They do not always appreciate the fact that the membership of this House has committee work and that the real, effective service that is performed by every Member of the House is really rendered in committee, behind closed doors and away from all the glamor of publicity. I am pleased to stand here and pay this just

tribute to the great worth and services of the gentleman from Texas at the conclusion of the consideration of this great appropriation bill, which was proposed by the subcommittee of which he is chairman. Mr. Buchanan has served on that subcommittee for many years. No one understands the agricultural appropriation bill so well as he does, or is more familiar and sympathetic with agricultural problems. The farmers never had a better friend in Congress. [Ap-

Mr. SIMMONS. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. SIMMONS. Mr. Speaker, after the smoke of battle is cleared away, it is a pleasure to get this five minutes from the House in order to express my complete accord with the gentleman from Tennessee [Mr. Byrns] in the tribute he paid to the gentleman from Texas [Mr. Buchanan]. [Applause.1

The gentleman from Tennessee spoke as a Democrat, praising the work of a Democrat. I now speak as a Republican, giving that same praise to a Democratic Member of this House. I do not know how many years he has served on the subcommittee handling the agricultural appropriation bill, but for two years I was there with him, under the chairmanship of the Senator from Iowa [Mr. Dickinson]. This year I have been on that committee under the chairmanship of the gentleman from Texas [Mr. Buchanan]. He has been fair, he has been honest, he has been industrious, he has been loyal to the agricultural interests of the people in this Union. The agricultural interests of the United States need Mr. Buchanan. It is unthinkable to me that there should be any possibility that his people in the State of Texas would make the mistake of supplanting his services in this body. We need him here for many years yet to come. [Applause.]

Mr. WOODRUM. Will the gentleman yield?

Mr. SIMMONS. I yield. Mr. WOODRUM. I would like to say, as a member of the Appropriations Committee of the House, that I heartily concur in everything the gentleman from Tennessee and the gentleman from Nebraska have said as to the splendid services of the gentleman from Texas [Mr. Buchanan]. [Applause.]

Mr. PURNELL. Will the gentleman from Nebraska yield?

Mr. SIMMONS. I will be glad to.
Mr. PURNELL. I want to interrupt the gentleman long enough to say that, as a member of the Committee on Agriculture for many years, I have had many opportunities to know of the faithful services of the gentleman from Texas [Mr. Buchanan]. I want to join in this tribute to this faithful friend of American agriculture. [Applause.]

Mr. SIMMONS. I think I may say that on both sides of the House we wish for the gentleman from Texas [Mr. BUCHANAN] in the years yet ahead a long, faithful, and continued service in this Congress in the interest of American agriculture. [Applause.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for three minutes on the splendid services of the gentleman from Texas [Mr. Buchanan].

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, when I was a young man I had occasion to live for seven years in one county situated in Judge Buchanan's district. I have many relatives there. I am well acquainted with the people there. I know that the people in that county already know of his sterling worth and ability, and that they have the highest regard and respect for him.

When I was a young man I hunted many times in his home county of Washington and around his home city of Brenham. I camped on the old Yegua Creek many times and picked muscadine grapes from the vines that intertwined the trees along its banks. I have killed deer there on many

happy occasions. I know many of the people of Washington County and in the city of Brenham, Tex., where I once played off a tennis tournament when I was a college student. They are all splendid people, and I know that they appreciate already, regardless of what is said here, the valuable service of their Congressman, and realize that no new man could fill his place here to any advantage of the people.

I have friends scattered all over Williamson County, in Taylor, and in Georgetown, and I want to ask every friend I have in all of these counties to give him their hearty support and to vote to send Judge Buchanan back here. His absence here would be a distinct loss, not only to his district but to the State of Texas and to the Nation. [Applause.]

I serve with Judge Buchanan on the Committee on Appropriations, and I know of the hard work he performs there.

We need his services here, and we use this moment to publicly testify concerning his loyal, faithful, valuable work for the people of this country. [Applause.]

SOLDIERS' BONUS

Mr. JOHNSON of South Dakota. Mr. Speaker, I am compelled to leave the city, and I ask unanimous consent to proceed out of order for six minutes.

The SPEAKER pro tempore. Is there objection?

Mr. BANKHEAD. Reserving the right to object—and I shall not object to the request of the gentleman from South Dakota, under the circumstances he has stated. But we are extremely anxious to finish another conference report and to make such headway in the further consideration of the home loan bank bill that I shall object to any request for time after this.

Mr. JOHNSON of South Dakota. Mr. Speaker, I have procured this extra minute of time, making in all my request six minutes, instead of five, because I would not wish to be present in the House when a really great Member of Congress, Mr. Buchanan, of Texas, was being discussed without joining in some statement concerning him. For 17 years I have served in this House with him. He is fearless, courageous, and we on the Republican side are glad to be with him, and we are proud to say that we respect his judgment and his integrity. [Applause]

and his integrity. [Applause.]

Mr. Speaker, I did not rise to discuss Mr. Buchanan, as much as I like him. I shall be compelled to go to Chicago to the National Republican Convention and will not be able to be here on Monday next when the bill for the full payment of adjusted compensation comes before the House. I am paired with the gentleman from Oklahoma [Mr. Hastings], who would have been here, if it were necessary, so that no vote is lost either way. I would not want to leave the city, however, without expressing myself distinctly and clearly upon the question of the payment of the bonus.

These veterans are here, and there are some great soldiers among them-I know many of them-and there are some who are not great soldiers, but they are like the mine run of any group of men that you will find, in Congress or anywhere else. They certainly have the right of petition guaranteed to them in the Constitution, and I think they have always the right to exercise it, but sometimes they do not realize that their distress is just the same as the distress of every other group in the United States, including the 30,000,000 boys and girls who have become of age in this country since the World War. I do not believe some of them realize, and they ought to be told this distinctly, that this bill will not be a law. I told them that on the radio over two different broadcasting chains some two months ago, and I think every person in this body who has had any experience knows it. That bill will not be enacted, and therefore it is unjust to them that they should be here when there is no chance of it. There is no use of bunking the service men. They are just as smart as any other person, and smarter than many. It is a shame that this march or migration has happened to this country, because 1 suicide has come from this migration, 8 or 10 deaths have come from it, and 25 or 30 men are in the hospital as the result of bad automobile injury. The danger is that because of this migration there will be disease and pestilence over this part of the United States. If this group | be kept.

of men, half an army division, in war time, had been gathered together we would need a large base hospital and many doctors and nurses to take care of them.

Eventually they must be taken care of. They ought to know that it is foolish to be here, and they ought not to take the chance of their own health and the chance of injury to the health of the people of the country when they can go home to their own States and when the Government, in my judgment, would transport them to their own States, where, under the provisions of the \$300,000,000 reconstruction finance relief bill in their own States, on the action of their own governors, they can secure the food they need just the same as every other citizen in the United States can secure necessary food. I believe in the service men's preference. It is a rule in this country and in all countries, but that preference does not mean that one group must be picked out and exclude all the others, no matter how good that group is. When this help for distress comes, it must come to the old, who could not be in the war; it must come to those who were physically disabled and could not be in the war; and it must come to these 30,000,000 of young people who have come of age since the World War; and no group-Catholic, Protestant, Gentile, Hebrew, jewelry or hardware men, lawyers or service men-is going to be selected for a straight-out cash gratuity. That is all that the adjusted compensation is, because the adjusted compensation is not due under the law that was passed.

I have been its friend. In 1922 I drew the Republican caucus call and got the 50 signatures necessary to have the caucus and was defeated. In 1923 I drew it up again, and was one of the first four who signed it with Everett Sanders, Bert Vestal, and FRED PURNELL, and others. We were defeated again. I drew it up again in 1924, and we passed this bonus bill over the opposition of many people, and passed it as an adjusted compensation, and the promise was made at that time that full payment would not be requested until due. I know many men do not know this, but if they will read the certificate itself, they will see that the certificate is not due; and a donation will not be made by this Congress unless a donation is made to every class and group in the United States. I know we have a lot of exhibitionists in the United States who have dragged these men in here. One great organization of which at one time I was national judge advocate general, the Veterans of Foreign Wars, is partially responsible for this migration. They are not trying to move them out, but they helped to get them in. When this petition was filed on the floor of this House that helped bring them in here, and the men who started that have their share of responsibility.

Mr. CONNERY. Mr. Speaker, will the gentleman yield? Mr. JOHNSON of South Dakota. Yes.

Mr. CONNERY. The gentleman made one point that I would like to bring out. Did the gentlemen say they promised they would not ask for this? Who promised?

Mr. JOHNSON of South Dakota. The people who secured the passage of that law.

Mr. CONNERY. Those men did not have the right to promise for 4,000,000 other men in the United States.

The SPEAKER pro tempore. The time of the gentleman from South Dakota has expired.

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent to proceed for two minutes more in which to answer the gentleman from Massachusetts.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. JOHNSON of South Dakota. Mr. Speaker, I have great respect for the gentleman from Massachusetts and for his military record. We secured the passage of that bill after a 5-year fight. We who secured its passage before the gentleman came to Congress were compelled to make that promise.

Mr. CONNERY. Oh, no. The first bonus bill was passed during my first term in Congress.

Mr. JOHNSON of South Dakota. And we had to make promises in order to secure it, and promises made ought to be kept.

If this group of men does not go home, this is going to be the hottest part of the United States. Medical facilities The people who come from the Northwest and the northern part of the country are taking their lives in their hands. In addition to the suicide, in addition to the dozens of deaths, in addition to the 25 people who have been injured and those who are now sick, there will be man after man who will die because of the hot weather that comes Therefore we ought to quickly secure this vote. We ought to do what is going to be done anyway; see that the vote is taken. The bill will be defeated. The bill will not be enacted into law; and then, as good citizens, those men can be given their transportation home where they can secure from the Reconstruction Finance Corporation by the action of the governors of their own States the same relief that will be given to every individual in the United

Mr. BLANTON. Will the gentleman yield?

Mr. JOHNSON of South Dakota. If they do not do that, they are taking upon themselves a responsibility that I do not want, and I absolve myself from any responsibility for suicides, deaths, or pestilence, and I do want them to know the truth.

The SPEAKER pro tempore. The time of the gentleman from South Dakota has again expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman have one additional minute to answer my question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Will the gentleman yield? Mr. JOHNSON of South Dakota. I yield.

Mr. BLANTON. Does the gentleman not believe that the soldiers who carried that flag to France and brought it home with victory have just as much right to come to Washington and stay here as long as they want to as do the pampered, slick-bellied lobbyists who are sometimes entertained in the White House? [Applause.]

Mr. JOHNSON of South Dakota. They certainly have, and if the alleged pampered, big-bellied lobbyists, to whom the gentleman refers, would come to Washington in groups of 10,000 after a bill had been defeated, the enactment of which they could not secure, and run the risk of their own lives and endanger the lives of everyone else around this section of the country, I think they ought to be told that they ought to go home. [Applause.]

Mr. BLANTON. Well, I am here to tell our ex-service men that they have a right to come here and to stay here just as long as they want to, for it is the Capital of all Americans.

The SPEAKER pro tempore. The time of the gentleman from South Dakota has again expired.

LEGISLATIVE APPROPRIATION BILL

Mr. SANDLIN. Mr. Speaker, I call up the conference report on the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14, 19, 33, 34, 36, 38, 42, and 43.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16, 17, 20, 21, 25, 26, 27, 28, 29, 30, 31, 32, 35, 37, 39, 40, 41, and 44, and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended as follows: "In lieu of the sum named in said amendment insert \$3,500"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended as follows: "In lieu of the sum named in said amendment, insert \$150,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$67,500"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$58,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$170,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "\$76,000; in all, \$210,800"; and the Senate agree to the same.

The committee of conference have been unable to agree on amendments numbered 46 to 168, inclusive, to Part II of the bill.

JOHN N. SANDLIN,
LOUIS LUDLOW,
GUY U. HARDY,
Managers on the part of the House.
W. L. Jones,
REED SMOOT,
FREDERICK HALE,
E. S. BROUSSARD,
SAM G. BRATTON,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On Nos. 1 to 7, inclusive, relating to the Senate: Appropriates for expenses of the Senate in the amounts proposed by the Senate amendments instead of in the amounts proposed by the House; and inserts the limitation proposed by the Senate on personal services and the rates for subsistence expenses to be defrayed from the appropriation for inquiries and investigations.

On Nos. 8 to 18, inclusive, relating to the office of the Architect of the Capitol: Appropriates \$240,000, as proposed by the Senate, instead of \$265,015, as proposed by the House, for repairs and maintenance of the Capitol building; authorizes the expenditure of \$3,500 for traveling expenses instead of \$5,000, as proposed by the House, and no amount, as proposed by the Senate; appropriates \$100,000, as proposed by the House, for maintenance of the Capitol Grounds; appropriates \$175,000, as proposed by the House, for maintenance of the Senate, instead of \$203,129, as proposed by the House, for maintenance of the Senate Office Building; appropriates \$325,000, as proposed by the Senate, instead of \$359,450, as proposed by the House, for operation

of the Capitol power plant; appropriates \$125,000, as proposed by the Senate, instead of \$137,000, as proposed by the House, for installation of new steam lines and improvements at the water-pumping plant; restores the authority stricken out by the Senate to continue the employment of Damon W. Harding in the Library of Congress Building notwithstanding the provisions of the retirement act; appropriates \$1,000, as proposed by the Senate, instead of \$1,500, as proposed by the House, for maintenance of the grounds of the Library of Congress; appropriates \$13,500, as proposed by the Senate, instead of \$15,000, as proposed by the House, for maintenance of the mechanical and structural part of the Library Building; appropriates \$10,000, as proposed by the Senate, instead of \$13,000, as proposed by the House, for furniture and equipment for the Library Building, and appropriates \$150,-000, instead of \$500,000, as proposed by the House, and no amount, as proposed by the Senate, for continuing construction of the addition to the Library Building.

On Nos. 19 to 21, inclusive, relating to the Botanic Garden: Restores to the bill the provision stricken out by the Senate authorizing quarters, heat, light, fuel, and telephone for use of the director without deduction from his compensation; appropriates \$40,000, as proposed by the Senate, instead of \$47,300, as proposed by the House, for maintenance, operation, repairs, and improvements; and permits the expenditure at any one time without advertising of \$100, as proposed by the Senate, instead of \$300, as proposed by the House.

On Nos. 22 to 39, inclusive, relating to the Library of Congress: Appropriates \$67,500, instead of \$60,000, as proposed by the Senate, and \$74,790, as proposed by the House, for the legislative reference service; appropriates \$170,000, instead of \$160,000, as proposed by the Senate, and \$180,000, as proposed by the House, for the distribution of card indexes; appropriates \$25,000, as proposed by the Senate, instead of \$41,460, as proposed by the House, for the index to State legislation; appropriates \$20,000, as proposed by the Senate, instead of \$24,000, as proposed by the House, for maintenance of the union catalogues; appropriates \$100,000, as proposed by the Senate, instead of \$130,000, as proposed by the House, for the purchase of additional books, etc.; appropriates \$25,000, as proposed by the Senate, instead of \$50,000, as proposed by the House, for the purchase of books for the law library; appropriates \$90,000, as proposed by the Senate, instead of \$100,000, as proposed by the House, for the purchase of books for the blind; appropriates \$190,000, as proposed by the Senate, instead of \$214,500, as proposed by the House, for miscellaneous printing and binding; appropriates \$50,000, as proposed by the Senate, instead of \$58,000, as proposed by the House, for the catalogue of title entries of the Copyright Office; appropriates \$120,000, as proposed by the Senate, instead of \$138,400, as proposed by the House, for printing catalogue cards; appropriates \$9,000, as proposed by the House, instead of \$7,500, as proposed by the Senate, for contingent expenses; appropriates \$5,000, as proposed by the House, instead of \$4,000, as proposed by the Senate, for photostatic supplies and equipment; appropriates \$4,500, as proposed by the Senate, instead of \$5,100, as proposed by the House, for extra and special services for keeping the Library open on Sundays and legal holidays; appropriates \$8,900, as proposed by the House, instead of \$5,000, as proposed by the Senate, for general expenses of the Library Building; strikes out, as proposed by the Senate, authority for the purchase of personal equipment for employees; and strikes out, as proposed by the Senate, the appropriation of \$500 for expenses of the Library of Congress Trust Fund Board.

On Nos. 40 to 45, inclusive, relating to the Government Printing Office: Strikes out as proposed by the Senate the authority in the House bill for purchase of personal equipment for employees; appropriates \$2,250,000, as proposed by the Senate, in lieu of \$3,000,000, as proposed by the House: restores to the bill the House provision for the continuance in the service, notwithstanding his age, of Samuel Robinson, and appropriates \$210,800 instead of \$200,000, as proposed by the Senate, and \$224,000, as proposed by the House, for expenses of the office of the Superintendent of Documents.

The committee of conference report in disagreement amendments Nos. 46 to 168, inclusive, comprising amendments to Part II of the bill, known as the economy amendment.

> JOHN N. SANDLIN, Louis Luplow. GUY U. HARDY, Managers on the part of the House.

The SPEAKER pro tempore. The question is on the adoption of the conference report.

Mr. LaGUARDIA. Mr. Speaker, do I understand a motion has been made to adopt the conference report? May I ask, Is that limited to the legislative bill alone or to the entire conference report?

The SPEAKER pro tempore. The amendments with reference to the economy portion of the bill are still in dis-

Mr. LAGUARDIA. I desire to offer a motion to instruct the conferees with an amendment.

Mr. BANKHEAD. That is not in order at this time.

The SPEAKER pro tempore. Such motion is not in order at the present time.

Mr. RAMSEYER. Will the gentleman yield me some

Mr. SANDLIN. Does the gentleman desire some time?

Mr. RAMSEYER. I would like to have some time.

Mr. SANDLIN. How much?

Mr. RAMSEYER. Five or ten minutes.

Mr. BYRNS. Would not the gentleman agree to adopting the report, which pertains only to the legislative provisions, and then have discussion on the amendments?

Mr. LAGUARDIA. That is satisfactory. Mr. RAMSEYER. That is, the motion is to adopt the report, which will adopt the part agreed on—the legislative appropriation, and Part II is in disagreement, and that will be up for discussion? Is that correct?

Mr. SANDLIN. Yes.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. SANDLIN. Mr. Speaker, I would like to make this statement: Part I of the legislative appropriation bill, which makes appropriations for the next fiscal year and was prepared by a subcommittee of the Committee on Appropriations, has been completed. The conference report on the disagreeing items has been accepted by the House. There were 45 amendments involved. Part II, the economy portion, has 123 amendments, which are reported here in disagreement and still remain to be settled.

This procedure may be a little unusual, but the placing of this economy bill as a rider on the legislative appropriation bill was also unusual. It was one not sought by the members of the Appropriation Subcommittee. Mr. Speaker, I am going to ask that when a further conference is held on the economy part of this bill, and one likely will be held, that the conferees be selected from the Special Economy Committee which prepared the economy bill. I think that is fair to the House, fair to the Economy Committee, and fair to the legislative subcommittee of the Appropriations Committee. I therefore make that request.

The SPEAKER pro tempore. The Chair will appoint conferees at the proper time.

Mr. SANDLIN. Mr. Speaker, I move that the House further insist on its disagreement to Senate amendments 46 to 168, inclusive, to Part II of the bill (H. R. 11267), and agree to the conference asked by the Senate.

Mr. RAMSEYER. And upon that will the gentleman yield me some time?

Mr. McDUFFIE. Mr. Speaker, I yield the gentleman five minutes.

Mr. RAMSEYER. Will the gentleman not yield me 10 minutes, because I want some understanding about this economy proposition?

Mr. McDUFFIE. I had hoped we might go back into conference and do some work this afternoon.

Mr. RAMSEYER. The House has a right to know the status of the economy provisions and know what the present status is. They will know better what to expect when it comes back. The gentleman knows that I do not waste a great deal of time on the floor of the House.

There are some matters here that I think the House

ought to know about.

Mr. McDUFFIE. If the gentleman thinks the House is uninformed as to the details of what the Senate did, I yield him 10 minutes.

Mr. RAMSEYER. Mr. Speaker, I do not want to delay the House in the consideration of important business, but I do not know of anything more important than the economy provisions of this bill, and I should like to have the attention of the chairman of the Economy Committee, because I intend to ask him some questions.

The chairman of the legislative subcommittee has already told you that the economy bill was attached to the legislative appropriation bill. The legislative appropriation bill (H. R. 11267) consists of Part I, which carries for the next fiscal year the appropriations for the legislative branch of the Government, and Part II, the economy bill reported by the Economy Committee.

We finished consideration of the economy bill on May 3 in the House of Representatives. One of the most controverted provisions of that bill was in regard to Federal salaries. There were two plans presented. One was the paycut plan, as sponsored by the chairman of the Economy Committee, the gentleman from Alabama [Mr. McDuffie], and the other was the furlough plan, which was sponsored by me.

As it passed the House we had a greatly modified paycut plan. The original pay-cut plan would have saved \$67,000,000. It was reduced to \$9,000,000. The furlough plan was rejected. The furlough plan as originally presented to the House would have saved \$83,000,000.

Now, this bill comes back from the Senate and has the furlough plan exactly as it was originally presented to the House by me. It begins on page 49. The exemption is \$1,200 and the saving on Federal salaries would be the same as it was when I offered it—that is, \$83,000,000.

Now, as to the status of the two plans. The conferees, of course, will have one of two plans to adopt, either the furlough plan that the Senate agreed to or some kind of a paycut plan.

There has been considerable debate in the Senate, the House, and throughout the country as to the merits of these two plans. More and more employees and heads of large labor organizations have come around to approve the furlough plan, and I would like to know from the chairman of the Economy Committee and others who are likely to be on the conference committee from the House whether it is their purpose to bring the bill back in order to give the House an opportunity to choose between the pay-cut plan and the furlough plan? If the conferees should agree on every item in the bill and come back with a completed conference report agreed to, the only way the House could get a separate vote would be by first voting down the conference report. Now, I should like to know how the chairman of the Economy Committee feels about that and whether he does not believe the House should have an opportunity to choose in case the conferees do not agree to the furlough plan? As the gentleman knows, the original bill contained some 10 or 11 titles. Several of the titles have been cut out and I think there are 7 or 8 left. Title I is the furlough plan. How does the gentleman feel on giving the House an opportunity to a separate vote on the furlough plan, provided, of course, the conferees should agree on the pay-cut

Mr. McDUFFIE. The gentleman knows very well how I feel about the furlough plan. I think the gentleman will admit that the savings under the furlough plan are highly speculative. No one will deny that.

Mr. RAMSEYER. Oh, Mr. Speaker, I deny that. The savings will be \$83,000,000. There can be no question about that.

Mr. McDUFFIE. The gentleman from Iowa has asked me to express my opinion. I can not speak for all the conferees. The gentleman should not expect me to attempt to bind anybody, or even myself, before we go to conference and pass judgment as a conference on 122 amendments, including this one. I hope the gentleman will not press me to bind myself as to what might be done as to this particular amendment.

I want the House to express itself. The House did express itself nearly 2 to 1 against the furlough plan, and the gentleman knows that. But we will not go into that feature. I do not know what the conferees are going to do, because I have not seen some of them; and, as a matter of fact, I have not been appointed as a conferee.

Mr. RAMSEYER. Well, now, the gentleman knows he is going to be appointed as a conferee.

The action of the House, as the gentleman well knows, did not approve either the furlough plan or the pay-cut plan. The furlough plan was rejected, and the other plan was rejected almost 90 per cent.

I know the gentleman from Alabama prefers the pay-cut plan. I did not ask him which plan he prefers. I simply attempted to ask him whether he did not think that as a matter of right before the conference report was agreed to the House should be given an opportunity to express its choice as between the pay-cut plan on the one hand and the furlough plan on the other. That is all there was to my question. I am not asking the gentleman to bind even himself, but I should like to know whether he does not think that my request of the conferees that they give the House the opportunity to concur with the Senate amendment on the furlough plan is a fair request to make? That is all that is involved in my question.

Mr. MEAD. Will the gentleman yield?

Mr. RAMSEYER. I yield to the gentleman from New York.

Mr. MEAD. When the bill was discussed in the House, if I recall the record, the gentleman's plan, known as the furlough plan, was rejected by approximately the same vote as the pay-cut plan of the gentleman from Alabama was rejected. Therefore the Record now indicates that both the furlough plan and the pay-cut plan, as originally proposed, were rejected.

Mr. RAMSEYER. Yes.

Mr. MEAD. Now, it is only fair to the gentleman that if the original pay-cut plan should come back to us, that we have the same opportunity to express our views with regard to the gentleman's plan; but on the other hand, if the Senate plan comes to us, we probably would not have the same rights. If the conferees bring in the original pay-cut plan that was overwhelmingly defeated by the House, then the House ought to have another opportunity to express itself.

Mr. KELLY of Pennsylvania and Mr. BLANTON rose.

Mr. RAMSEYER. I yield first to the gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. I think the gentleman from Iowa is quite correct in stating it is highly important that we have a chance now to vote under changed conditions. A great many Members of the House, like myself, voted against the furlough plan because there was a \$2,500 exemption as the alternative. If the conferees should come back with the bill as originally brought in by the House committee or as originally brought in by the Senate committee, we should certainly prefer the furlough plan to any such pay cut. I therefore hope the gentleman will get some assurance that when the conferees report, we will have that alternative before us for a vote in the House.

Mr. RAMSEYER. I want to state to the gentleman from Alabama [Mr. McDuffie] that, so far as I am concerned, there will be no motions made by me to-day to instruct the conferees to agree to any of the Senate amendments, but I do want the gentleman to seriously consider, and favorably consider, my suggestion to give the House an opportunity to vote on the furlough plan if the conferees are disposed to recommend the pay-cut plan.

Mr. McDUFFIE. I shall certainly give the matter every consideration, and the gentleman knows that under the rules of the House we have a right to vote on every amendment that is brought in here.

Mr. RAMSEYER. Not if there is a complete agreement in conference unless we vote down the conference report first.

Mr. McDUFFIE. The gentleman knows—at least, I hope the gentleman knows—I would not be disposed to shut off any rights the House may have, even if I had such powers, and the gentleman is parliamentarian enough to know that I could not do it.

Mr. RAMSEYER. I appreciate the assurance which the gentleman from Alabama has given the House.

Mr. McDUFFIE. I am sure the gentleman understands my position, and I hope the gentleman will permit us to proceed.

Mr. RAMSEYER. I am through. I want the gentleman to know that there are a large number of Members of this House who will insist on an opportunity to vote for the furlough plan.

Mr. LaGUARDIA. Mr. Speaker, I rise in opposition to the motion of the gentleman from Louisiana.

Mr. McDUFFIE. Mr. Speaker, I move the previous question on the motion.

Mr. LaGUARDIA. That is hardly fair.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Louisiana that the House insist on its disagreement to Senate amendments numbered 46 to 168, inclusive, to Part II of the bill H. R. 11267, and agree to the conference asked by the Senate.

The motion was agreed to.

The SPEAKER pro tempore. The Chair appoints the following conferees: Messrs. McDuffie, Douglas of Arizona, and Wood of Indiana.

FEDERAL-HOME LOAN BANKS

Mr. REILLY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12280) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12280), with Mr. Celler in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the Clerk will report the pending amendments.

The Clerk read as follows:

Committee amendments proposed by Mr. Goldsborough:
Page 5, at the end of line 16, insert "or similar institutions."
Page 5, line 21, strike out all after the word "shall" down to line 5, page 6, and insert "on subjecting itself to such inspection and regulation as the board shall prescribe be eligible to become

Mr. GOLDSBOROUGH. Mr. Chairman, the first thing I will have to do is to ask unanimous consent to modify that part of the amendment following the word "association" on page 5, line 16, which now reads, "or similar institutions," and substitute the language "savings and loan associations, cooperative banks, homestead associations, or savings banks." My reason for making the request is that some Members are afraid that the language "similar associations" might let in some organization not contemplated by the act. I ask unanimous consent that I may modify my amendment to that extent.

Mr. STAFFORD. Let the amendment be reported as modified.

The Clerk read as follows:

On page 5, at the end of line 16, insert "savings and loan associations, cooperative banks, homestead associations, or savings banks."

Mr. GOLDSBOROUGH. Mr. Chairman, unless there is objection, I shall make no further statement.

Mr. LaGUARDIA. Mr. Chairman, this bill must be considered with all the care and caution of a banking bill. It

is just that. We must be very careful in the amendments, because the committee has given a great deal of thought and study to it, and no amendment should be adopted which would open the door to any institution that is not controlled or supervised by the banking department of the State in which it is located.

I am glad the gentleman from Maryland has modified his original amendment. In my State it would have permitted finance corporations organized under the stock corporation law and not under the banking law. As now proposed, the provision would read, "Notwithstanding the provisions of clause 2 of subsection (a) of this section requiring inspection and regulation under law as a condition with respect to eligibility for membership any building-and-loan association, cooperative bank, homestead association, or savings bank which would be eligible to become a member of the Federal home-loan bank, except for the fact that it is not subject to inspection and regulation under the banking laws or similar laws of the States," etc.

I submit, gentlemen, that we should not permit membership of any association or institution which is not under the supervision of the banking department or the insurance department of the State in which it is created or doing business.

Mr. LUCE. May I ask the gentleman if "et cetera" is in there?

Mr. LaGUARDIA. Oh, no; I did not complete the quotation and I said "et cetera" to so indicate. It is not in the bill: of course not.

Now, these institutions may be included in any given State not under the supervision of State banking departments. Does the gentleman from Massachusetts agree to this amendment?

Mr. LUCE. I prefer the original text, but I suppose an explanation can be made by the gentleman from Maryland to justify it. But I do not share the apprehension of the gentleman from New York.

Mr. LaGUARDIA. I am very apprehensive about it.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. GOSS. I notice lines 10 and 11, page 4, the amendment offered by the gentleman from Maryland [Mr. Goldsborough] excludes insurance companies, trust companies, or State banks. I am wondering if the gentleman has any idea why those were left out?

Mr. LaGUARDIA. In my State, for instance, insurance companies are under proper supervision. Insurance companies in my State may lend money on mortgages. They have behaved well. As far as New York State is concerned, they should not be included. Trust companies are under the supervision of the banking department. Now, savings banks in my State are savings banks in the real sense of the word. Savings banks in New York are not stock banks. They are not operated for profit. There are no shares. Surely as far as New York and New England are concerned, savings banks should be retained in this bill.

Mr. GOSS. Building and loan associations are also in many States.

Mr. LaGUARDIA. They ought to be in all States; and if they are not under supervision, they should not be admitted into an association of this kind, because it is a very delicate arrangement and one which must be well supervised. The funds must be under proper regulation, or it can readily be seen how any chain of institutions in a State could destroy the solvency of the whole association.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. REILLY. The board has absolute supervision regarding what institutions shall come in. The board has the right to inspect them, and to provide for an inspection. There is absolutely no possibility of any shaky financial institution getting in under this bill.

Mr. LaGUARDIA. How about the right of visitation after they join the association?

Mr. REILLY. They have permission to fire them out.

Mr. LaGUARDIA. At any time?

Mr. REILLY. At any time.

subjecting them to such inspection and regulation as the board shall prescribe.

Mr. LAGUARDIA. I am fearful lest the occasion should arise where the board would want to put out an institution from membership that it could resort to court proceeding and resist such expulsion.

Mr. REILLY. Oh, no.

Mr. LAGUARDIA. I think the gentleman is correct.

I do feel that every possible safeguard should be written into the bill. Then I feel that the intent and purpose of the bill should be so clear as to leave no doubt that the individual home owner will get prompt and complete relief. As I see and construe this bill, its sole and main purpose is for the relief of the home owner. We want to free the home owner from the clutches of the loan shark. We want to eliminate bonuses on renewals. We want to eliminate commissions and exorbitant charges; we want to relieve the home owner from the curse of usury. Now, I hope before the bill leaves the house all of these purposes will be clearly contained in the bill.

The CHAIRMAN. The time of the gentleman from New

York has expired.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I invite the close scrutiny of the Members to the bill as introduced and the devastating effect the proposed amendment will have to the whole theory of the bill as recommended by the committee. A mere reading of section 4 will show that it is the purpose of the framers of this bill to limit the membership to building and loan associations, savings and loan associations, cooperative banks, homestead associations, and others enumerated in the bill, and that they shall be eligible to become members, and so forth, if such institutions, first are duly organized under the laws of any State or of the United States; second, are subject to inspection and regulation under the banking laws or under similar laws of the State or of the United States; and, third, make such home-mortgage loans as in the judgment of the board are long-term loans. Then in clause (c) it provides that the membership may be extended only to institutions which have not been recognized by State charter or national law, loan associations which would become eligible to become members-

except for the fact that it is not subject to inspection and regulation under the banking laws or similar laws of the State in which such association is organized (and which) shall for the period of 42 months after the enactment of this act be eligible to become a member of the Federal home-loan bank.

What is the idea of the framers of this law? It is predicated upon the idea that they will extend the privilege of membership to building and loan associations which are not organized under State law as provided for the period of 42 months. What is the wrecking amendment, the gutting amendment, if you will permit me to use that word, of the gentleman from Maryland? He would not only allow building and loan associations that have not been organized under State law, but he would extend it to all building and loan associations and all savings banks, cooperative banks, homestead associations, and savings banks which have not been organized under any law whatsoever, provided they have the approval of the home-loan bank board. You are going counter to the fundamental principles of the bill. The framers of this law wanted to extend the privilege of membership to building and loan associations in States without supervision, and they granted 42 months to bring them under State supervision. Now the gentleman wishes to change that requirement and say that every conceivable kind of this form of organization, regardless of whether organized under State or National law, shall have the benefit, regardless of time, provided they are approved by the board.

Mr. REILLY. The gentleman does not want to misrepresent the amendment. Savings and loan associations, cooperative associations, homestead associations, are all building and loan associations. They have different names in different States. This proposed amendment only permits, and it was designedly drawn to only permit, the building and loan associations to have the privilege of coming in

Mr. GOLDSBOROUGH. The amendment provides for | where they are not required to be inspected under special inspection of the board.

Mr. STAFFORD. But for the period of 42 months they are privileged to come in, and now you are changing that so as to allow them to come in carte blanche, subject to the regulation of the board itself, violative of the principles on which this section has been written.

The CHAIRMAN. The time of the gentleman from Wis-

consin has expired

Mr. GOLDSBOROUGH. Mr. Chairman, this apparent excitement is due entirely to misapprehension. It happens that in the State of Maryland and in the State of South Carolina, and those two States only, the banking commissioners do not have jurisdiction over the building and loan associations. This amendment allows the States of Maryland and South Carolina to get the benefit of the provisions of this act, and that is all it does.

Mr. STAFFORD. Will the gentleman yield in that particular?

Mr. GOLDSBOROUGH. Just one moment, please, because I have not finished my statement.

As a matter of fact, they would be under the entire control of the board. It would be in the discretion of the board as to whether or not the Maryland and South Carolina organizations should come in at all; and if they were permitted to come in, they would be under the supervision and inspection and regulation of the board. So that there is no possibility of this amendment creating any difficulty in the operation of the act. I hope it will be amended.

Mr. LUCE. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. LUCE. When this proposed change was submitted to me it read simply "building and loan associations." Can the gentleman say why it was thought wise to add the other institutions?

Mr. GOLDSBOROUGH. There is no reason in the world. Mr. LUCE. Will the gentleman consent to withdraw the other language?

Mr. GOLDSBOROUGH. If that will satisfy the gentleman from Wisconsin-

Mr. STAFFORD. Oh, no. I am basing my opposition to the latter part.

Mr. GOLDSBOROUGH. Well, I do not yield for that

Mr. STAFFORD. Well, the gentleman was asking me.

Mr. GOLDSBOROUGH. I beg the gentleman's pardon. Will the gentleman proceed?

Mr. STAFFORD. I am basing my opposition to the second substitute part of the amendment, whereby these other organizations are allowed to have the privilege of running along carte blanche. The bill, as written, is that they shall have the benefits of this act for 42 months, until the legislatures may act to put them under State supervision.

Mr. GOLDSBOROUGH. I do not know what the action of the Legislature of Maryland might be, and it is not fair to say to the building and loan associations of Maryland that they shall be compelled to force the policy of Maryland contrary to what the State thinks it should be. They can not do that.

Mr. STAFFORD. Will the gentleman yield further?

Mr. GOLDSBOROUGH. I yield.

Mr. STAFFORD. Does not the gentleman think it is the proper function of the National Government to say that these associations shall continue to have the benefit after 42 months, if they have State supervision, just like all other organizations have?

Mr. GOLDSBOROUGH. They can not have State supervision, because there is no law in Maryland which grants State supervision.

Mr. STAFFORD. There should be the same law, just as in Wisconsin, where building and loan associations are under State supervision.

Mr. GOLDSBOROUGH. I know that is the situation in Wisconsin.

Mr. STAFFORD. No. I am not opposing this part which grants this privilege to building and loan associations, even if they do not have State supervision, for a period of 42 months, so as to compel them in that period to have State legislation that will bring them under State supervision.

Mr. LUCE. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. LUCE. I will say that the gentleman, in perfecting his amendment, has aroused questions all over the country in the matter with reference to savings banks.

Mr. GOLDSBOROUGH. Does the gentleman suggest that we strike out savings banks?

Mr. LUCE. If the gentleman will confine himself to building and loan associations, I think he will so nearly meet the situation that he will escape criticism to a large degree

Mr. GOLDSBOROUGH. I think the criticism is entirely captious and may be very unjust to the organizations in the State of Maryland which are doing exactly the same sort of business.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MOUSER. Will the gentleman yield for a question? Mr. GOLDSBOROUGH. I yield.

Mr. MOUSER. I would like to ask the gentleman if it is true that in Maryland there is no State law at the present time pertaining to the legal requirements and conditions that must be met to organize a building and loan association? In other words, does a building and loan association organize in Maryland as any private business, without any State supervision?

Mr. GOLDSBOROUGH. It has to take out a charter, of course, but it has no supervision by the banking department.

Mr. MOUSER. In other words, there is no inspection of the accounts and books to determine whether they are operating their business in a way to safeguard the interests of the stockholders?

Mr. GOLDSBOROUGH. No; but the board does that. Mr. MOUSER. Just along that line—I do not want to

take the gentleman's time, because he is giving us some interesting information on the matter that he is advancing—but will it be possible for this board to exercise the necessary supervision to determine that the money which will be advanced by the Government will be safe?

Mr. GOLDSBOROUGH. The supervision of the board will be absolute. It will be much more drastic, much more uniform, than the supervision of the Comptroller of Currency over the national banks.

Mr. MOUSER. I think all States should come in, but I do think we should put the proper safeguards there, to see that the loans are not made without the proper financial set-up.

Mr. GOLDSBOROUGH. The building and loan associations can not come in unless the board decides that the set-up is proper, and they can not remain in unless the inspection by the board justifies the board in allowing them to remain.

Mr. MOUSER. How much liability does the stockholder of a building and loan association have in Maryland? Is it just the amount of the stock?

Mr. GOLDSBOROUGH. Yes. There is no double liability in Maryland.

Now, I hope this amendment will not be objected to. We are here on Saturday afternoon and a little excited.

Institutions which come within the purview of this amendment are only a part of the institutions which are eligible to come under the act. The amendment is necessary because the Legislature of the State of Maryland has not seen fit to put building and loan associations under the supervision of the banking department.

Now, I want to assure the gentlemen of the committee that this matter has been considered carefully by the full Banking and Currency Committee and has been considered.

carefully by the subcommittee and that there is absolutely no danger in it.

I hope the amendment will be adopted.

Mr. McFADDEN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. McFADDEN. I would like to ask the gentleman what supervision there is over building and loan associations in Maryland.

Mr. GOLDSBOROUGH. None except the same supervision there is over all other corporations.

Mr. LUCE. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. LUCE. Do I understand the gentleman is willing to strike out all except building and loan associations?

Mr. GOLDSBOROUGH. No; I am willing to strike out savings banks if the gentleman wants them stricken out.

Mr. LUCE. Will the gentleman read the list again?

Mr. GOLDSBOROUGH. Yes; "building and loan association, savings and loan association, cooperative bank, homestead association, or savings bank."

Mr. LUCE. Are there any savings and loan associations in Maryland about which any question would be raised?

Mr. GOLDSBOROUGH. No; as far as I know, there are not. I am not an expert in the building and loan business, and I do not live in Baltimore City. I do not want any of them that are entitled to come in left out. I am assured by the legislative expert and by the chairman of the subcommittee that this language "savings and loan association, cooperative bank, homestead association" is simply intended to cover occasions when that language is used instead of "building and loan associations." That is what they told me.

Mr. LUCE. The gentleman was not on the subcommittee, and so probably is not informed of the fact that we were a good deal perplexed by the names of some of the financial organizations in various parts of the country.

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LUCE. Here and there will be found various organizations that are not incorporated.

Mr. GOLDSBOROUGH. I am told by my colleague the gentleman from Maryland [Mr. Cole] that the language "building and loan associations" will cover the situation in Baltimore City. That being so, it is perfectly agreeable to me that the balance be stricken out.

Mr. LUCE. That will remove all objection.

Mr. REILLY. I would suggest to the gentleman from Maryland that he also withdraw the first part of his amendment, just leaving the language "building and loan associations" in it.

Mr. GOLDSBOROUGH. Mr. Chairman, I ask unanimous consent that the original amendment—that is, on page 5, at the end of line 16—be stricken out.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that his amendment be modified as indicated. The Clerk will report the amendment, as modified.

The Clerk read as follows:

Amendment offered by Mr. Goldsborough: Page 5, line 21, strike out all after "shall" down through line 5, on page 6, and insert "upon subjecting itself to such inspection and regulation as the board shall prescribe be eligible to become a member." Strike out the first part of the amendment offered by Mr. Goldsborough.

Mr. MOUSER. Will the gentleman yield?

[Here the gavel fell.]

Mr. MOUSER. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland be given five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MOUSER. I wish to ask the gentleman a further question. There is no doubt under this amendment as the

gentleman has modified it, according to the suggestion of the gentleman from Massachusetts, that it is made necessary for the State to regulate building and loan associations according to the provisions of the act. In other words, the State will have to act within the period of time prescribed.

Mr. STAFFORD. No; the very purpose of the gentle-man's amendment is to eliminate that entirely, to give them carte blanche.

Mr. GOLDSBOROUGH. That is to be regulated by the board.

Mr. STAFFORD. They are to come in and have the privileges of the act without any State supervision.

Mr. MOUSER. Now I shall ask the gentleman from Maryland to yield for me to ask a question of the gentleman from Massachusetts.

Mr. GOLDSBOROUGH. I yield.

Mr. MOUSER. Does the gentleman think with this provision in the bill the institutions in Maryland will have proper safeguards thrown around them to make them eligible under this act the same as other building and loan associations that are regulated by States?

Mr. LUCE. I think so. The State of Maryland is near at hand. The board will be here in Washington and we are giving the board exceptionally broad powers in the supervision of building and loan associations.

Mr. MOUSER. Does not the gentleman think there ought to be a provision in here that the State shall prescribe laws within a certain period of time to make the provisions of this act applicable?

Mr. LUCE. I thought so, and I believe so still, but it was not a matter that seemed to me of sufficient consequence to imperil the passage of the bill or even to arouse controversy when so many more important particulars are at stake

Mr. JENKINS. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. JENKINS. Let me ask the gentleman from Massachusetts if this bill provides a sufficient organization to pass on the qualifications of the building associations in these two States?

Mr. LUCE. The bill gives such broad powers, I am sure that question will not arise.

Mr. MOUSER. Has the board power to provide for examiners, may I ask the gentleman from Maryland, and will these examiners or agents of the board who want to make investigations as to whether the building and loan association qualifies, have the right to go into the books of the company, and will the company be compelled to permit the looking over of the books if it does not desire to do so? In other words, what powers are given the agents and employees of this board?

Mr. GOLDSBOROUGH. They must subject themselves to such inspection as the regulations of the board may prescribe. The board has absolute control over the institution. It has control as to whether the institution shall be admitted, first, and then after the institution gets in, it has to adhere to every rule and regulation with respect to inspection that the board shall prescribe in order to stay in.

Mr. SPARKS. Will the gentleman yield? Mr. MOUSER. Yes.

Mr. SPARKS. If this amendment should be adopted, it would impose an additional burden upon the board in the expense of investigating the building and loan associations in Maryland, which would be quite different from what the expense would be in other States.

Mr. MOUSER. I want to take just another moment. Mr. Chairman, it seems to me we are creating a board here that is going to require an almost unlimited number of employees. I have been of the opinion that these loans should be under the supervision and control of the Finance Corporation.

[Here the gavel fell.]

Mr. MOUSER. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

Mr. MOUSER. I think the committee ought to bear in mind that by passing an amendment of this nature we are liable to create many additional positions in this board, because we all know that State banking departments must have many inspectors and examiners who qualify under the civil service as employees competent to make proper examination of building and loan associations and banks. I think we ought to go slowly before we open up the field for many new employees at a time like this, when we are trying to economize. [Applause.]

Mr. McFADDEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me this amendment goes to the fundamentals of this particular legislation. You are creating an institution here which is going to create securities which are intended to be sold to the public. Every safeguard should surround these to be issued securities. You are permitting, under this amendment, the admission of building and loan associations and institutions that can come in under the law, other than building and loan associations, in those States which do not provide for supervision of the assets of such corporations. This is wrong.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. GOLDSBOROUGH. I think the gentleman was in the committee and agreed to this amendment.

Mr. McFADDEN. I have not agreed to anything in connection with this bill that I know of.

Mr. GOLDSBOROUGH. It was adopted unanimously in the committee as a committee amendment, and the gentleman from Pennsylvania was present and did not object.

Mr. McFADDEN. I reserved the right to oppose this bill on the floor of the House, and I want to state here that you are creating an institution, I am told, that, if they can get the money, wants \$1,800,000,000 this year. That is the amount that is immediately needed. Five hundred million dollars of these funds that are to be received through this agency that you are setting up to-day is to go to the payment of depositors in building and loan associations to take care of already matured certificates.

Mr. GOLDSBOROUGH. The gentleman, of course, is not now referring to Maryland.

Mr. McFADDEN. No; not to Maryland. I am referring to what this bill is intended to do generally throughout this

The next service that is to be rendered, I understand, is to advance seven or eight hundred million dollars to be used to refund existing mortgages which are held by these people. The balance, up to \$1,800,000,000, is to be used to finance new loans for the purpose of building new homes in a country that is now overbuilt.

I also want to call your attention to the fact that this relief goes to existing institutions, and there is every reason why, after the experience we have had with the Federal farm-loan system, these institutions that have the right to rediscount their securities with this national institution, should be sound and should be properly examined. We do not want a repetition of the joint-stock land bank situation where owners of their bonds have suffered such losses.

Mr. CAMPBELL of Pennsylvania. Will the gentleman yield?

Mr. McFADDEN. I am sorry, but I have only five minutes.

Mr. CAMPBELL of Pennsylvania. I will try to get the gentleman more time.

Mr. McFADDEN. Then I yield.

Mr. CAMPBELL of Pennsylvania. Will the gentleman tell the conditions under which these advances will be made to these institutions?

Mr. McFADDEN. I understand 50 per cent on the mortgages can be advanced.

Mr. CAMPBELL of Pennsylvania. Not the percentage, but they lend not to exceed 40 per cent of the property on which the mortgage is issued after appraisal.

Mr. McFADDEN. I understand that. I think that is pretty generally known.

There is another thing in this bill. Insurance companies are permitted to come in. Insurance companies that can qualify can get 50 per cent of their mortgages in cash from this organization, as can savings banks. Of course, we know that insurance companies and savings banks do not lend the full value on properties, many of them 50 or 60 per cent. In the present situation it is extremely hard to determine correct values on any kind of property and particularly upon real estate or houses and lots.

Last week we passed a bill guaranteeing deposits in the banks of this country, and we authorized and appropriated, directly and indirectly, funds to the extent of \$800,000,000. We are going farther in this bill, and we are saying to depositors in building and loan associations who hold matured certificates to the extent of at least \$500,000,000, who are exactly in the same position as are depositors in the banks, "We are not going to guarantee your deposits, but we are going to pay you in cash for your deposits."

Now, I submit that in the creation of this and all of the other agencies that we have created at this session of the Congress we are going a long way in dipping into the investment funds of this country and into the Public Treasury. Many people may say we can go into the market and sell these securities. The needs of the Public Treasury are such at this time that the Public Treasury is not going to let this institution go into the market and absorb the loanable funds or the investment funds of this country, because I call your attention to the fact that over and above the amount provided for in the tax bill, the Treasury has a deficit of \$2,700,-000,000, and this money has got to be borrowed, and besides great other burdens are being put upon the Treasury by this Congress.

[Here the gavel fell.]

Mr. CAMPBELL of Pennsylvania. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Pennsylvania may be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAMPBELL of Pennsylvania. The requirements of the Public Treasury are so great apparently at this time that for the funds necessary to carry on the Reconstruction Finance Corporation, they are not letting the Reconstruction Finance Corporation go into the money market, but the Treasury itself furnishes the funds and takes over their securities.

In order to provide for that we have enlarged the opportunity of the Federal reserve system to inflate-you have passed the Steagall-Glass bill-the Federal Reserve Board is pouring out hundreds of millions of dollars' worth of funds into the market to inflate, and providing the method of financing the Government in this need and providing for the gold that is daily being shipped out of the country.

The question arises where all this money is coming from. The public debt has been increased to \$19,000,000,000 during the present session, and unless I am mistaken, we are going to have an increase in the neighborhood of seven or eight billion dollars of the public debt by the time the Treasury gets through its financing which this Congress made necessary.

You say this is not a Government institution. You are creating an institution to serve the building and loan associations, mortgage associations, and this group eligible, insurance companies, with some kind of service.

Now, you are giving relief to insurance mortgage-loan companies, whereas the Federal farm loan gives it direct to the farm borrower.

I would point out that there is little assurance in any part of this legislation that you are going to give direct relief to home owners. It is very indirect. And then only to those who happen to or can do business through one of the existing institutions provided for in this bill. It seems to me also that the emergency is not made very clear for this legislation, and it is urged because of an emergency.

You are creating a Government agency for existing organizations. The plan is general in its application, and does not establish a standard for building and loan association systems of the United States.

Mr. STAFFORD. Will the gentleman yield?
Mr. McFADDEN. I yield.
Mr. STAFFORD. Wherein does the relief of building and loan associations under this bill differ from the relief under the Reconstruction Finance Corporation?

Mr. McFADDEN. It is a little different, but practically

the same thing.

Now, I am disturbed in the creation of all the various Government institutions we are creating in this session as to where all the money is coming from. In the committee I tried to find whether or not the Federal Reserve Board and the Reconstruction Finance Board approved this legislation.

I insert here their replies to my inquiry. They speak for themselves, as follows:

> FEDERAL RESERVE BOARD Washington, May 23, 1932.

Hon. Louis T. McFappen.

House of Representatives, Washington, D. C.

Dear Sir: Receipt is acknowledged of your letter of May 14,
1932, in which you request an expression of opinion by the Federal Reserve Board as to H. R. 7620, a bill to create Federal home-

loan banks.

In view of the fact that this bill provides for a system of banks entirely distinct from, and having no direct relation to, the Fedentirely distinct from, and having no direct relation to, the Federal reserve banks and is designed to provide a type of credit essentially different from that provided by the Federal reserve banks, the Federal Reserve Board would not be in a position to express an opinion on the matter without making a detailed analysis of the provisions of the bill and an extensive study of the questions involved.

In these circumstances, and in view of the numerous important matters within its province which require the board's consideration, the board does not feel justified at this time in undertaking to comply with your request.

to comply with your request. Very truly yours,

CHESTER MORRILL. Secretary.

RECONSTRUCTION FINANCE CORPORATION, Washington, May 19, 1932.

Hon. L. T. McFadden,

Hon. L. T. McFadden,

House of Representatives, Washington, D. C.

Dear Sie: Your letter of the 14th of May, inclosing a copy of the bill (H. R. 7620) to create Federal home-loan banks, to provide for the supervision thereof, and for other purposes, and requesting, as a member of the House Committee on Banking and Currency, an official expression of the Reconstruction Finance Corporation in respect to the provisions and terms of the proposed measure, has been received and considered by the board of directors of the corporation. While this corporation is authorized to provide emergency financing facilities for some of the classes of institutions which the Federal home-loan banks would provide in a permanent way, the board feels that it is beyond its province to express an opinion upon the bill, and, furthermore, because of the exceedingly great pressure under which this corporation is working in order to discharge its large responsibilities, the board feels compelled to take the position that it can not undertake to analyze the provisions and terms of bills introduced in the Congress and report thereon except at the request of committees havgress and report thereon except at the request of committees having them in charge.

Respectfully,

G. R. COOKSEY, Secretary.

Mr. REILLY. Mr. Chairman, the gentleman from Pennsylvania, a member of the Banking and Currency Committee, has been opposed to this legislation from the start.

The gentleman says in one breath that the bill will take \$1,800,000,000 from somewhere, and in the next breath he says that there is no demand for more mortgage money, and no demand for this bill. If there is no demand for more money to finance the home-mortgage institutions, there will be no money taken from anywhere.

The gentleman says there is no difference between the operation of this bill in administering to the financial necessity of the home-mortgage institution, and the Reconstruction Finance Corporation. Under the Reconstruction Finance Corporation, the most money that these institutions could possibly get would be about \$150,000,000. This bill will put no added burden on the Reconstruction Finance Corporation. At the present time that organization has loaned \$30,000,000 to a few building and loan associations. It has applications on file for probably \$30,000,000 more, and it is altogether probable that if we do not pass this legislation the Reconstruction Finance Corporation will be required to pay out to building and loan associations the minimum of at least \$125,000,000 that is provided in this bill. The difference between this bill and the Reconstruction Finance Corporation is that these home-mortgage banks can

take the \$125,000,000, which the Government advances to it, and sell its debentures and get at least twelve times that sum for the relief of its members. That is the difference.

Mr. MOUSER. Will the gentleman yield?

Mr. REILLY. I yield.

Mr. MOUSER. Why not let the Reconstruction Finance Corporation handle this? They have the machinery set up. Why create a new board?

Mr. REILLY. For the simple reason that the mortgage banks are intended to be permanent institutions, while the Reconstruction Finance Corporation is a temporary insti-

Mr. MICHENER. Will the gentleman yield?

Mr. REILLY. I yield.

Mr. MICHENER. As a matter of fact, all loans made through the Reconstruction Finance Corporation are limited to six months.

Mr. REILLY. Short-term loans. They are not adaptable to the use of the mortgage home-loan institutions.

Mr. MICHENER. It will be of very little value to the building and loan associations.

Mr. MOUSER. Why could they not handle it during their life of 10 years?

Mr. REILLY. Because, as I have stated, the Reconstruction Finance Corporation is only a temporary institution.

Mr. LAGUARDIA. We hope so.

Mr. BRIGGS. Will the gentleman yield?
Mr. REILLY. I yield.
Mr. BRIGGS. Does the Reconstruction Finance Corporation concern itself only to the extent that the banks themselves make loans to the building and loan associations?

Mr. REILLY. That is the relation in which they stand to-day. But the point is that the Reconstruction Finance Corporation can not meet the demands of the institutions aided by this bill. General Dawes appeared before our committee and stated emphatically that he wanted this bill passed.

Mr. MOUSER. How many employees does the gentleman think will be required?

Mr. REILLY. I do not care how many employees are required. The institutions are bound to pay the cost. The only sum that this can cost the Government is the cost of operation for the first year. Then it becomes a charge upon all the members of the different associations which become Federal home-loan banks.

Mr. MOUSER. That is figured in the carrying charge. Is that true?

Mr. REILLY. Yes.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REILLY. Mr. Chairman, I move that all debate on this section close in five minutes.

The motion was agreed to.

Mr. SABATH. Mr. Chairman, I am under the impression that the gentleman from Pennsylvania [Mr. McFadden] is unduly alarmed as to the provisions of the bill, though if I am not mistaken, one of the provisions to which he objected will be amended, for the committee proposes to offer an amendment striking out insurance companies, savings banks, and trust companies.

Mr. REILLY. There will be an amendment offered, I understand, but not a committee amendment.

Mr. STEVENSON. I expect to offer an amendment to that effect.

Mr. SABATH. And I hope that it will pass.

Mr. HANCOCK of North Carolina. The amendment would not be offered as against savings banks, would it?

Mr. STEVENSON. Not against savings banks, but banks and insurance companies.

Mr. SABATH. So that it will really apply to the building and loan associations and the mutual building and loan associations.

Now, the gentleman from Pennsylvania [Mr. McFadden] is also alarmed as to where the money will come from. The gentleman knows that in 1929 there was forthcoming a credit of \$8,400,000,000 for gambling purposes. Now, if we

could raise \$8,400,000,000 for gambling purposes, I do not know of any reason why this amount, which will be required to aid the home owners of America, will not be forthcoming.

This bill only provides for an original investment by the Government of \$125,000,000; the other amount will be subscribed by the building and loan associations.

As to the query of the gentleman why the Reconstruction Finance Corporation could not handle the proposition, it seems to me that the officers do not understand nor have they men who understand the principles of the building and loan associations. I have endeavored for the last two and a half months to have the Reconstruction Finance Corporation make loans to the building and loan associations; but, unfortunately, up to this time, only a very few loans have been made to the building and loan associations, at least to those in the section of the country which I represent.

I find that the methods which are employed result in so much red tape that it takes a Philadelphia lawyer to comply with all of the requisites and fill out all of the blanks which are submitted to the building and loan associations.

Under this plan the men themselves who are operating the building and loan associations and who are familiar with their operation and problems will conduct and manage it, and will only come to the board for a loan through their officers; and therefore the general application and operation of the building and loan association will remain intact, in the hands of the building and loan associations themselves.

For that reason I feel that the bill should be amended as I suggested, so that it will only apply to the building and loan associations, and I hope that prompt action will be taken on it.

The CHAIRMAN. The question is on the amendment of the gentleman from Maryland [Mr. Goldsborough].

The question was taken, and on a division (demanded by Mr. Goldsborough) there were—ayes 50, noes 30.

So the amendment was agreed to.

Mr. STEVENSON. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. Stevenson: Page 4, section 4, line 10, strike out the words "insurance company."

Page 4, lines 10, 11, and 12, strike out the words "trust company, state bank, or other banking organization except a national bank," and insert the word "and" after "savings bank."

Mr. STEVENSON. Mr. Chairman, I do not know that it is necessary to discuss this amendment. I do not think there will be very much opposition to it. It is not a committee amendment. The committee was equally divided when we originally voted on it in the committee.

My objections to those clauses are two or three fold. First, if you put banks, insurance companies, and trust companies in the bill it will take all the cash you will be able to raise to finance them. No institution can borrow more than twelve times its capital stock held in the bank.

Suppose the New York Mutual Life Insurance Co., with two hundred or three hundred millions dollars of capital should make application; it could absorb the whole thing, because it is known that it has a tremendous lot of real estate of different kinds, and it must take 1 per cent of its capital in the stock of the bank and to then borrow twelve times that.

The banks are loaded up to-day with frozen mortgage real-estate loans. They will be here. They will amortize and renew these loans, and they will be here to the extent of a billion dollars and the building and loan associations will be absolutely shut out. The building and loan associations will be in the same fix they are with the Reconstruction Finance Corporation. The demands of the others are going to be so much more insistent and so much more necessary that we will find they will absorb the funds.

Another fundamental objection I have is this: These loans to get preference must be long-time amortized mortgage loans. An amortized mortgage loan is a loan running not over eight years with amortization payments annually or semiannually. No bank doing a commercial business has any business putting its capital into 8-year loans,

or 5-year loans on real estate. Therefore, it is a dangerous proposition to induce them and authorize them and impel them into doing that kind of thing, and you will find it will be a disastrous thing for them if you let them in.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. WILLIAMSON. The gentleman's amendment simply means that these loans will be confined to building and loan

Mr. STEVENSON. And savings banks.

Mr. WILLIAMSON. I think the gentleman is right.

Mr. STEVENSON. Yes; I think everybody thinks I am right, but there was a good deal of insistence that it should

Mr. EATON of Colorado. Does not the gentleman's 8-year-loan argument apply to savings banks as well as to other parties?

Mr. STEVENSON. I understand that savings banks are not commercial banks and are engaged in making realestate loans, and sometimes of great length, frequently amortized, and that they will come legitimately within the provisions of the bill.

Now, there is another thing about the bill; State banks, because we have taken out national banks-on my motion that was stricken out in the committee and you will see it is excepted everywhere-State banks will get their funds tied up. They will go to the association. They can only borrow 60 per cent of all land mortgages they put up as collateral, and they can not borrow more than 40 per cent of the value of the land that is covered. I am not inclined to think that it will help the banks anyway, but you open the door to these institutions and induce banks to engage in practices that are not sound banking practices. We have had a demonstration as far as insurance companies are concerned; and the banks and insurance companies have a right to apply to the Reconstruction Finance Corporation.

I desire to register my protest. I desire to say that I have been in sympathy with this bill. The members of the committee will accede to my statement that I have been as helpful as possible in endeavoring to put the bill into shape, and I want to support it. But with that provision in there it is an utterly vicious bill in my judgment and I will not support the bill with that in it.

Mr. STEAGALL. Mr. Chairman, possibly I am laboring under a misapprehension. I had thought it was practically understood that an amendment would be agreed to by the committee eliminating deposit banks from the operation of this bill, and I have gone along supporting the bill with reservations assuming that such an amendment would be adopted. With that understanding, at least on my own part. I aided in reporting the bill and in obtaining a rule to give an opportunity for its consideration in the House.

Mr. Chairman, this is to be a piece of permanent legislation. If it can be made to work, it will be the law when all of us in this House shall have passed away. It is a permanent home-loan bank rediscount plan. It should not be looked upon as a mere emergency bill.

One of the great difficulties in which we find ourselves in this country at this very hour arises out of the practice of deposit banks in loading down their portfolios with longterm real estate unliquid loans. Strange as it may seem, the Banking and Currency Committee of this House and the Congress, at the instance of the large bankers and the men upon whom we should have the right to look for leadership in banking legislation, passed a bill to liberalize the provisions of the national banking law for loans by national banks on real estate. I could call the names of the men who besieged our committee and urged us to pass that legislation who are now crying for relief from the difficulties arising from their own follies and mistakes.

We have set up, as the gentleman from South Carolina [Mr. Stevenson] so well has pointed out, temporary machinery for emergency relief for banks that find themselves embarrassed on account of real-estate loans. The Reconstruction Finance Corporation has ample facilities and ample machinery to afford relief to any bank in the country

that finds itself in an unliquid condition on account of realestate leans, and the Reconstruction Finance Corporation is rendering this service. I think they are doing effective service in that connection.

Recently the Congress passed what is known as the Glass-Steagall bill, which enlarged the loaning privileges of the Federal reserve banks on real-estate securities carried by member banks, and those securities may find their way into the Federal reserve banks not alone through loans to member banks of the Federal reserve system but any bank that is a member of the Federal reserve system that has made loans to nonmember banks on such securities may, in turn, use such real-estate securities for relief at the Federal reserve banks under the temporary loaning plans set up in the Glass-Steagall bill.

We have afforded all the machinery that anybody could suggest, ask, or that I think could be desired for temporary relief of banks that find themselves in difficulties on account of real-estate loans. We ought not to invite the banks of deposits in this country to tie up the money of their depositors in long-term real-estate loans. They should not be permitted to do it. We have gone further on that line already than we should have done. It has brought about enough difficulties already.

Mr. McFADDEN. Will the gentleman yield? Mr. STEAGALL. I yield to my colleague.

Mr. McFADDEN. The gentleman is aware that in some of the States building and loan associations are doing a banking business.

Mr. STEAGALL. I have no objection to any real estate lending agency in the country that sets itself up as such and deals with the public as such having access to the facilities of the system that we are undertaking to inaugurate by the adoption of this bill and any relief that may be afforded. But no bank that takes the deposits of the public ought to be permitted to tie up those deposits in unliquid real-estate loans, and we ought not to invite them to do it by this legislation. The committee eliminated a provision embracing national banks. But there can be no difference in the principle involved, whether applied to State or national banks. Besides, we should not discriminate against either.

I want to be frank with the House. I had thought there was at least a tacit understanding that we were going to strike from this bill the provisions that permit deposit banks to become members of these home-loan banks, thus inviting them to enter into a general home-loan or real-estate business. Such a provision would only be calculated to destroy still further the confidence in banks that is new lacking on the part of the public who furnish the deposits of our banks. If this provision is to remain in the bill, I shall feel inclined to withhold my continued support in accordance with reservations which I made known to the committee when the bill was reported.

Mr. LUCE. Mr. Chairman, this is the most important amendment that will be offered to this bill. It deserves more time than all the other amendments I forsee, put together, should require; and so if it gets more than the usual debate, that will only meet the needs of the occasion. It is an amendment upon which I confess I am myself in grave doubt, and I ask the attention of every Member within the Chamber while I try to present both sides of the question that we may have informed judgment and wise con-

When this bill was conceived, it was meant to help the home interests of the country, and, to that end, was so drawn that it might reach the whole home-mortgage field.

This may be shown by the fact that when the Department of Commerce sent out a questionnaire, it included national banks, State banks, savings banks, both mutual and stock, and all other classes of institutions having home mortgages. Replies were received from a total of about 6,600 national banks, State banks, and loan and trust companies, of which about three-fourths approved the purpose of the bill-not the details, because it had not then been perfected, but the purpose of the bill. About three-fourths responding felt they needed a mortgage rediscount institution, and that if it had been in existence it would have been

of help in this crisis, 4,593 saying such a system would | fought that in committee as hard as we could. I fought "help to relieve the dangers of foreclosures on urban homes and farms," with 1.555 thinking otherwise.

Mark you, therefore, at the start it was contemplated reaching all institutions in the country that have mortgages on homes, the intent being to furnish to the mortgage realestate field the same opportunity for rediscounting and so raising cash that we have given to the commercial field.

Mr. BRIGGS. Will the gentleman yield for a question?

Mr. LUCE. I yield.

Mr. BRIGGS. I have heard it often discussed on the floor by members of the committee in interpreting the proposed law that it is confined entirely to the urban field, but I notice in the questionnaire which is carried in the report of the committee that reference is made to relief from danger of foreclosure on farms as well as urban homes, and I am wondering whether it is the purpose of this legislation to also be available, to the extent of the limits therein prescribed, for farms as well as urban homes.

Mr. LUCE. That intention was embodied in the inclusion of State and national banks. To illustrate, there are in the neighborhood of my summer home, in one small town, two small national banks serving the country district roundabout as well as the village itself. These banks are the only financial institutions readily reached by the farmers of the region. There is no savings bank at hand, no building and loan association, no other place to borrow. This may bring me to the thing I want to emphasize as an original purpose of the bill. It was recognized that there are thousands of small communities in the United States where the bank furnishes the only instrument of finance—thousands of placesand their banks were far the greater number who responded to this questionnaire, I am sure.

I am confident that much the greater part of the 6,600 and more national and State banks and loan and trust companies that answered the questionnaire were located in the farm districts, therefore if the amendment should prevail you will have taken away the proposed resource from all the smaller communities that have no savings banks nor building and loan associations and have brought little if any relief in the field to which the gentleman from Texas has just referred. This is the crux of the problem you are now to decide.

It may be further pointed out that at the time of the latest figures within my reach the national banks had 17,-638.087 savings deposits evidenced by pass books. (By the way, when I used these figures yesterday "pass book" somehow got into the Record as "past loans." This may serve as a correction.) The figure is, of course, swollen by the number of persons having more than one deposit, but even taking this into account there are undoubtedly more depositors in national banks than there are members in the building and loan associations, who at last accounts numbered 12,350,928. I have not at command the number of savings depositors in State banks and trust companies, but there are surely many millions. All told, it is computed that there are more than 50,000,000 savings deposit accounts in the United States outside the building and loan associations. Taking duplications into account there must be thirty or forty million savers whose money when invested by banks in mortgages would be shut out from the benefits to be brought indirectly by the proposed home-loan bank system if the pending amendment should prevail.

Such being the main reasons why the amendment should be rejected, now let me give you reasons why it should

I have shared the views expressed by my colleague, the chairman of the committee. For my part, if within my power I would cleave a sharp line between commercial and investment banking and allow no institution to cross that line. I think it has been a disaster to this country that we have allowed commercial banks to engage in security and real-estate business. [Applause.]

Mr. Chairman, five years ago the so-called McFadden bill became a law. That bill doubled the capacity of banks to lend money on real estate. With a few other Members I

it also on the floor of the House, but we were defeated.

Remember, that was in the days when we were at the flood tide of prosperity, when business was booming, and nobody dreamed disaster would come so speedily and in such terrible shape.

My protest fell on deaf ears, and now I am able to say those most ungracious words of all language, "I told you so." I told you this thing was going to happen.

No one would listen except a few who shared my apprehension

The chief source of all our trouble to-day is that the funds of the people are so largely tied up in frozen assets. This appeared first in the small banks of the country. The distressing failures that have followed-failures by the hundreds; yes, by the thousands-have been due in large part to the very thing some of us tried to check, the expansion of mortgage loans on real estate that within a few months lost so large a part of what had been presumed to be its value.

Therefore I have much sympathy with the arguments presented by the gentleman from South Carolina and the gentleman from Georgia, who insist that the banks shall not have further opportunity and temptation to tie up the funds of the people in this fashion.

But this is a pragmatic world. Legislation must face existing conditions. It is altogether improbable that the big banks and the large insurance companies will make use of the system. If you adopt the amendment, you will not hamper them, but you will deprive thousands of small banks in the communities that have no other financial resource of any opportunity of raising money on their present assets, getting the cash with which to resume their normal functions, the cash needed so badly in these communities.

Mr. JENKINS. Will the gentleman yield?

Mr. LUCE. Let me finish stating the problem, if you will. To sum it up, my wish is that every Member shall contribute of his judgment as to whether it is better to accept conditions as they are and give the opportunities of this system to the little communities of the country, or whether it is better at last to act on principle, and say that we will set our faces sternly against helping any further the combination of all kinds of banking that ought to be kept entirely separate. [Applause.]

The CHAIRMAN. The time of the gentleman from Massa-

chusetts has expired.

Mr. REILLY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in writing this bill the committee was up against a condition and not a theory. The subcommittee included national banks. The full committee struck out national banks because their inclusion would require the amendment of the national banking law, and we thought that ought to be left to Congress itself in another bill, if it wanted to do so.

Now, the committee was informed, as the gentleman from Massachusetts has ably said, that a great many small banks-in fact, a great many small national banks-have been doing a home-loan mortgage business. If this bill is going to relieve the whole situation, it ought to allow such institutions, banks or otherwise, as are engaged in the home-loan mortgage business to have an opportunity to get the benefits of the workings of this system. If the States want to permit their banks to engage in home-mortgage loans, that is the business of the States and not the business of Congress; but at the present time a great many State banks and other banks have the right and have a great many home-loan mortgages in their portfolios.

There is another reason: If we strike out these institutions, we will handicap, to a certain extent, the functioning of these banks. A great many of the home-mortgage institutions or home-building associations that will come into the banks will not put up cash. They are going to put up securities. That will give them the right to become nonborrowing members, and the money that those banks will furnish, if they come in, and those trust companies, if they come in, will help to make the institution function.

One more point: When they sent out the first questionnaire, of which the gentleman from Massachusetts [Mr. Lucel has spoken, they left out the insurance companies. They did not think the insurance companies were at all interested in this bill. The facts are that the small insurance companies want the bill. The big ones do not appear to want it; and when they finally sent out another questionnaire a great majority of the small insurance companies signified their desire to have this bill.

While personally I think the big insurance companies will not take advantage of it, if there are any small insurance companies that have been doing a home-loan mortgage business, they ought to be allowed to have the privilege of this institution. I think it is a mistake to adopt the sweeping amendment offered by my colleague the gentleman from South Carolina.

Mr. SEIBERLING. Mr. Chairman, I rise in opposition to the amendment.

As a matter of fact, I oppose taking national banks out of the bill. The statement is made that this is permanent legislation. If we are to have permanent legislation, why do we narrow it down so that only a few institutions of the country can have the benefit of the legislation? If it is to be permanent, we ought to broaden it so that all institutions which can meet the requirements of the law can have the benefit of the legislation.

In our State we have hundreds of small national banks that are loaning money on real estate. They are authorized by law to do so. They should have the benefit of this bill, just the same as State banks, trust companies, and building and loan associations.

I want to call your attention to the fact that this legislation is enacted for the purpose of helping the small home owner. What difference does it make whether that small home owner is doing business with a trust company, a savings bank, or a national bank, or a building and loan association? It is the small home owners that we want to help. These people are loaning their money on mortgages, and they are authorized to do it under the laws of the States where they are doing business, and I contend that we ought to broaden this bill instead of narrow it, in view of the fact that it is permanent legislation.

State banks, savings banks, and trust companies in my State are loaning millions of dollars upon small homes, assisting workingmen and all kinds of people in building homes. They are taking mortgages on properties worth less than \$20,000, and they have loans that qualify for rediscount under this bill. It seems to me that the logic of the situation is that if we are to pass this permanent legislation, we should broaden it so that every small home owner can have the benefits of the legislation.

Mr. JENKINS. Will the gentleman yield?

Mr. SEIBERLING. I yield.

Mr. JENKINS. I think in our State of Ohio we probably engage in the building and loan business as extensively as any State. What effect does the gentleman think this would have on the small banks? Could they not come in under the Reconstruction Finance Corporation rules now and be taken care of?

Mr. SEIBERLING. That is a temporary affair.

Mr. JENKINS. Does it not meet that requirement?

Mr. SEIBERLING. I do not think it does. Mr. STEVENSON. I would like to ask the gentleman if the Reconstruction Finance Corporation can loan, under the terms of the act, for five years?

Mr. SEIBERLING. That is not long enough; this is a permanent thing.

Mr. STEVENSON. Then it is not wound up for 10 years. To be sure, the gentleman does not expect this condition is going to exist for 10 years, does he?

Mr. SEIBERLING. No; but I say that the small home owners, no matter where they be, should have the benefits of this law, and I do not think we should undertake to discipline the banking institutions in this country. I think we should carry out the purpose of the bill.

If Congress objects to banks of deposit making mortgage loans, then it seems to me that Congress should proceed at York, and the use of these funds is directed in New York.

once and set an example by amending the national banking act, so that national banks can not loan money on real estate. If the gentleman from South Carolina and the gentleman from Pennsylvania are desirous of correcting this situation, we should start with the banking system over which we have control.

Mr. SABATH. But we should protect them. Mr. JENKINS. As I understand, however, the objection made by the gentleman from South Carolina to this bill was that some of the banks might, to use a common expression, "hog up" all this money. Does not the gentleman think that since those questions pass through the Reconstruction Finance Corporation that that corporation would see to it that the big banks would make their request under the Reconstruction Finance Corporation privileges and not come under the privileges of this bill and "hog up" everything provided by the bill?

Mr. SEIBERLING. I think that we can trust this board with unlimited discretion to do the best thing for all the institutions of the country.

Mr. McFADDEN. Mr. Chairman, my colleague on the committee the gentleman from Massachusetts [Mr. Luce] has referred to the mixing of long with short time money in banks. I agree with the gentleman from Massachusetts as to the evils of that situation. It is something that some of these days we have got to deal with in the banking law of this country.

The intermingling of short and long time credits has been one of the great evils in this country. It is the thing that broke the Bank of England recently. The fact that the Bank of England was taking short-time money from all over the world and making long-time loans in Germany caused a great portion of the trouble in England and in Europe. We have had the same thing existing here in the past few years, where under high pressure of reorganization and modern methods of distribution of investment securities short and long time money have been intermingled.

In the building and loan business we have two classes of business, really. We have some building and loan associations receiving deposits which are short-time deposits, and then we have them taking long-time money, and they are making long-time loans. Practically all of the loans of building and loan associations are long-time loans, and we have got to recognize the fact that short-time funds are payable on demand.

This situation has developed here, which is one of the reasons why we are considering this legislation. There are \$500,000,000 of deposits in these building and loan associations in the United States represented by maturing building and loan certificates new due. That is one of the reasons why we are passing this legislation, to take care of the demands of these unfortunate people, the depositors who have trusted their money to building and loan associations. and who now, in the hour of their dire distress, are coming to the Federal Government for assistance, because the building and loan associations can not meet the demand of their depositors, the certificate holders.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. MORTON D. HULL. In order to accomplish the purpose the gentleman has in mind, we practically have got to legislate State banking out of existence; we have got to adopt a uniform system of national banking and dispose of State banking.

Mr. McFADDEN. No; I would not agree to that. I would not want to go that far with State banks; I would not want to go that far with national banks. I would like to keep them independent units. Under the domination and control of the Federal reserve system we have taken independence from them. We have got to consider that matter some of these days if we want to preserve independent units in the country. These little financial institutions are now a part of the big machine, the Federal reserve. These funds are sucked from the byways and hedges of the country through these banks into this great maelstrom that is headed in New

Mr. STEVENSON. Will the gentleman yield? Mr. McFADDEN. I yield.

Mr. STEVENSON. Does the gentleman think it will help the situation to bring the banks into this controversy?

Mr. McFADDEN. No; I do not. I am entirely in accord with the gentleman's amendment.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. BULWINKLE. Mr. Chairman, I ask unanimous consent to speak out of order for three minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Mr. Chairman, I desire to place in the RECORD at this point, for the information of the membership of the House, copy of a bill which I have introduced to-day that affects the adjusted service compensation law, and I am asking each Member of the House to thoroughly study this bill. I think in the end they will see that it is the least objectionable of any of the bills that have been proposed at this session of the Congress.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The matter referred to follows:

A bill to provide for the immediate redemption of adjusted-service certificates

Be it enacted, etc., That this act may be cited as the "adjusted service certificate redemption act, 1932."

SEC. 2. Title V of the World War adjusted compensation act, as amended, is amended by adding at the end thereof two new sections to read as follows: tions to read as follows:

" REDEMPTION OF CERTIFICATES BEFORE MATURITY

"Sec. 509. (a) The redemption value of an adjusted-service certificate shall be the face value of the certificate (computed in accordance with sec. 501, less the deductions, if any, under subsection (c) of this section) discounted on a true discount basis of 2 per cent per annum, compounded semiannually. The Administrator of Veterans' Affairs is authorized and directed to deliver to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrander of the cortificate has deliver to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of the certificate and all rights thereunder (with or without the consent of the beneficiary thereof), adjusted-compensation bonds equal in aggregate face amount to the redemption value of the certificate, determined as of the date of filing the application.

"(b) No bond shall be delivered nor any payment be made to the veteran under this section until the certificate is in the possession of the Veterans' Administration, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

for which the certificate was held as security have been paid or otherwise discharged.

"(c) If at the time of application to the Administrator of Veterans' Affairs for payment of the redemption value under this section the principal and interest on or in respect of any loan upon a certificate have not been paid in full by the veteran (whether or not the loan has matured), then, on request of the veteran, the administrator shall (1) pay or, by delivery of adjusted-compensation bonds or otherwise, discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for redemption under this section, and (2) deduct the same from the amount of the face value of the certificate after the deductions, if any, made under subsection (c) is not a

the deductions, if any, made under subsection (c) is not a multiple of 50 (with the result that the entire amount can not be redeemed in adjusted-compensation bonds), any fractional

not be redeemed in adjusted-compensation bonds), any fractional amount shall be paid by check.

"(e) Upon payment of the redemption value under this section the certificate and all rights thereunder shall be canceled.

"(f) The veteran may receive the benefits of this section by application therefor filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate (1) personally by the veteran or (2) in case of physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations presectibed. An application made by a person other than

sentative of the veteran and in such manner as may be by regulations presecribed. An application made by a person other than a representative authorized by such regulations or not filed on or before the maturity of the certificate shall be held void.

"(g) If the veteran dies after the application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if the Administrator of Veterans' Affairs finds that it hears the hore fide significant of the Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this section on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is made but before the receipt of the bonds or negotiation of the check in payment of the fractional amount, delivery of bonds and payment shall be made to the estate of the veteran irrespective of any beneficiary designation if the application is filed (1) before

the death occurs, or (2) after the death occurs but before mailing

the death occurs, or (2) after the death occurs but before mailing of the check in payment to the beneficiary under section 501.

"(h) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this section, has been filed before the maturity of the certificate and the application can not be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

"SEC. 510. If at the time this section takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made

plication therefor he shall be entitled, upon application made under section 302, to receive, at his option, either the certificate under section 501 or adjusted-compensation bonds under section 509."

SEC. 3. Section 507 of such act, as amended, is amended to read

under section 501 or adjusted-compensation bonds under section 509."

SEC. 3. Section 507 of such act, as amended, is amended to read as follows:

"SEC. 507. All amounts in the fund shall be available for payment, by the Administrator, of adjusted-service certificates upon their maturity or the prior death of the veteran, for payments under section 502 to banks on account of notes of veterans, and for making loans authorized by section 502, as amended, and for maying payments under section 509, as amended. Such amounts in the fund not needed for the preceding purposes shall be available for payment of the interest on adjusted-compensation bonds, and for the retirement of such bonds at maturity."

SEC. 4. (a) The Secretary of the Treasury is authorized and directed to issue from time to time, in addition to all other issues of bonds authorized by law, bonds of the United States in such amounts as he may deem necessary for payment of the redemption value of adjusted-service certificates under the provisions of section 509 of the World War adjusted compensation act, as amended. Such bonds shall be designated as "adjusted-compensation bonds" and shall be delivered by the Secretary of the Treasury to the Administrator of Veterans' Affairs under regulations to be prescribed jointly by the Secretary of the Treasury and the Administrator of Veterans' Affairs.

(b) Such bonds shall be issued in denominations of \$50, \$100, and multiples of \$100, bear interest at the rate of 2 per cent per annum, payable semiannually, have interest coupons attached, and be in such form and subject to such other terms and conditions of issue, conversion, redemption, and payment (but subject to the exchange provisions of subsection (c) of this section) as the Secretary of the Treasury may prescribe at or before the time of issuance thereof. The principal and interest shall be payable in United States gold coin of the present standard of value. All such bonds shall be exempt both as to principal and interest from taxation imposed by the Unit

by or on behalf of the veteran who received it in payment of the redemption value of an adjusted-service certificate under section 509 of the World War adjusted compensation act, as amended, shall be exchangeable at its face amount for Federal reserve notes. The Federal Reserve Board shall prescribe such regulations as may be necessary and appropriate to enable any bank or banking institution to act as an agent of the Federal reserve bank of the district in which the bank or banking institution is situated for the nurses of forwarding adjusted-compensation bonds presented. the purpose of forwarding adjusted-compensation bonds presented for exchange into Federal reserve notes by the veteran to the Federal reserve bank for issuance of the Federal reserve notes in exchange for such bond.

exchange for such bond.

(d) Each Federal reserve bank, in addition to any amounts otherwise issuable by such bank, is hereby authorized to issue Federal reserve notes in an amount equal to the face value of the bonds received in exchange for Federal reserve notes, and such bonds shall, until the date of their maturity, notwithstanding any other provisions of law to the contrary, be eligible for deposit with Federal reserve agents as collateral security for Federal reserve notes under the provisions of section 16 of the Federal reserve act, as amended. Such notes shall be of such denominations (including denominations of \$1 and \$2) as may be requested by the Federal reserve bank issuing such notes and, except as provided in this act, such notes shall be subject to all the provisions of law relating to Federal reserve notes. Such notes shall be legal tender in payment of all debts, public or private, and shall be receivable for taxes, customs, and all public duties.

FEDERAL HOME-LOAN BANKS

Mr. REILLY. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto be closed in five minutes.

The motion was agreed to.

Mr. HANCOCK of North Carolina. Mr. Chairman, I rise in support of the amendment offered by the gentleman from South Carolina [Mr. STEVENSON].

When we commenced our hearings on this bill, it was my best judgment that its benefits should be extended only to those institutions which were engaged in a bona fide effort to aid home ownership.

I heartily indorse what our Chairman, the gentleman from Alabama [Mr. STEAGALL] has said, and also what the gentleman from South Carolina [Mr. Stevenson] has said | and for the life of me I do not see why you do not have your with respect to this amendment.

I do not believe the insurance companies, the trust companies, or the banks should be admitted. Certainly, if we are going to exclude national banks we should exclude other similar deposit banks. There should be no discrimination.

We know that the building and loan associations, cooperative associations, homestead associations, and savings banks are the institutions which undertake sincerely to aid in low-cost, long-time financing. I agree with the gentleman from Massachusetts [Mr. Luce] that the time has come in this country when we need a different central credit agency that will extend long-time financing to those who desire to own homes, and I have risen here to-day to say that it is my best thought and my best judgment that we should confine the benefits of this bill to those institutions that are primarily engaged in an effort to aid home financing and home ownership, and I hope the committee will support the amendment offered by the gentleman from South Carolina. This Congress has already in several substantial ways made provision to extend all necessary relief and assistance to these institutions which Mr. Stevenson's amendment would exclude from the provisions of this act. Though it is true that the smaller banks in like communities could, perhaps, use beneficially this credit facility, nothing could prevent organizing a building and loan association, and through it the same relief could be extended the community and in a better way. In my judgment, mixing the two banking systems with the short and long term credits is unsound and might eventually encourage a condition in the deposit bank which would be dangerous and unhealthy.

Mr. EATON of Colorado. Mr. Chairman, I offer a substitute amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Eaton of Colorado as a substitute for the amendment offered by Mr. STEVENSON: On page 4, strike out lines 8 to 11, and the word "bank" on line 12, and insert "any association of persons or corporations organized and authorized to make home mortgages and regularly carrying on the business incident thereto."

Mr. EATON of Colorado. Mr. Chairman, first I ask the gentlemen on my right to give me unanimous consent to have at least five minutes to explain this amendment.

Mr. REILLY. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado may be given five minutes to discuss his amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. EATON of Colorado. Mr. Chairman, the gentleman from South Carolina [Mr. Stevenson] seeks to amend the first four lines of section 4. Yesterday I directed your attention to the definition in section 2 which defines the word "member." Here you are also defining the word "member." You are saying what institution or what organization or what corporation shall be eligible for membership.

I have listened to the argument on both sides, and it seems to me you are agreed that any institution, small or large, that is in the business of making home loans should have the benefit of this home loan board. We look in your bill and we find out what a home mortgage is, as defined in paragraph 6 of section 2.

So if you make your words of definition "any association of persons or corporation authorized to make home mortgages and regularly carrying on the business incident thereto," then you look to the balance of your paragraph to see who comes in and who they are. They are set out in the subdivisions 1, 2, and 3, of section 4, in your printed text: First, those that are organized under the laws of any State or of the United States; second, those that are subject to inspection and regulation under the banking laws, or under similar laws of the State or of the United States; and, third, those that make such home-mortgage loans as, in the judgment of the board, are long-term loans, and so forth. This is all printed in the section, and I take it from what I have heard on both sides that this is what you are agreed upon, definition in the bill say just what you mean.

Of course, when you begin to limit this by setting out building and loan associations, some are under banking laws and some are under special laws, and you also name savings and loan associations, cooperative banks, homestead associations, and savings banks. You have not included mutual banks, although you have included homestead associations and savings banks, and, therefore, you ought to have your general words refer to the institutions that are organized and are regularly engaged in the business of making home loans. These are the people you are trying to serve, and you should so cover it in the bill.

Mr. STEAGALL. Will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. STEAGALL. Do I understand the gentleman to be sympathetic with the purpose of the amendment of the gentleman from South Carolina in so far as it relates to banks?

Mr. EATON of Colorado. In so far as it relates to the institutions that are to-day regularly in the business of making home loans.

Mr. STEAGALL. I call the gentleman's attention to the fact that under the broad language of his amendment it would probably result in restoring to the bill the very institutions which the amendment offered by the gentleman from South Carolina desires to eliminate, so if the gentleman is in sympathy with the amendment of the gentleman from South Carolina I suggest the gentleman rearrange his amendment so as to make it clear and to present the matter, as the gentleman has referred to it, so his amendment would not cover banks or mortgage brokers. They are organized and authorized to make these loans, and a great many of them are regularly making such loans.

Mr. EATON of Colorado. No doubt the gentleman from Alabama is right; the mortgage broker might come under it now if he conforms to conditions 1, 2, and 3 of the bill.

I have submitted the text of this amendment to the gentleman from South Carolina and the gentleman from Wisconsin. I do not claim it is perfect, but I have tried to meet the situation. The people you are trying to benefit are not particularly the insurance companies or any banks, but whatever institutions are regularly in the home-loan business, and they are the ones you want to help-not the loan sharks or the mortgage brokers.

Mr. STEAGALL. Some of us are desirous of eliminating from the bill the banks that carry deposits of the public. The people have lost confidence in their ability to give back the deposits in their banks.

Mr. EATON of Colorado. That may be easily met by amending the proposed substitute by adding words excepting banks of deposit, State and National, and have the amendment read: "Any association of persons or corporations authorized to make home mortgages and regularly carrying en the business incident thereto, except banks of deposit, State and National."

[Here the gavel fell.]

The CHAIRMAN. The question is on the substitute offered by the gentleman from Colorado for the amendment offered by the gentleman from South Carolina.

The question was taken, and the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. Hogg and Mr. HARLAN) there were 33 ayes and 39 noes.

Mr. STAFFORD. Mr. Chairman, I make the point that there is no quorum present.

Mr. REILLY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. Bankhead having taken the chair as Speaker pro tempore, Mr. Celler, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12280) to create Federal home-loan banks, and to provide for the supervision thereof, and for other purposes, and had come to no resolution present 2-year restriction for holding certificates before

LEAVE OF ARSENCE

By unanimous consent, leave of absence was granted as

To Mr. Rogers of New Hampshire (at the request of Mr. Wason), indefinitely, on account of illness in his family.

To Mrs. Kahn, for one week, on account of illness.

To Mr. LEAVITT, for four days, on account of being delegate to the National Republican Convention.

SOUNTERS' RONTIS

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to proceed out of order for four minutes.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. Reserving the right to object-and I shall not object-I do not know what the gentleman is going to speak about, but it may be possible that I may want two minutes at the conclusion of his remarks to make

The regular order was called for.

The SPEAKER pro tempore. Is there objection?

Mr. BLANTON. I shall not object, for I think every Member ought to have a chance to speak.

Mr. ANDREWS of New York. Mr. Speaker, on yesterday morning, immediately after we convened, I made what I realized was an unusual request, that the House immediately consider the motion to discharge the committee and consider the so-called soldiers' bonus bill.

Had there been no objection, I would have explained my point of view on this measure. I did this in the thought that the sooner this matter is settled the better it will be for the

I understand that the gentleman from Texas, my good friend Mr. Blanton, made some reference to my action later on in the day.

For the benefit of my constituency, I would like to explain here exactly what my position on the bonus is, although most of them do understand it. I want to read a very short letter which I have sent to all of the ex-service men who have written to me in regard to the bonus.

For your information, I make it a practice to answer every communication sent to me by constituents of our district. I had hoped that some reasonable way might be found to make it possible for the Government to advance the balance of the 50 per cent of the 1945 bonus value to veterans in need; but, as I understand the situation, this could not be done without making the present situation worse, and were it done it would discriminate against every unemployed person who is not a veteran.

This might have been possible had Congress been willing to act for the repeal of the eighteenth amendment, or had Congress passed the sales-tax provisions in the revenue bill. I voted for both of these in the hope of being able to reduce taxation otherwise, but both were defeated.

The most important situation confronting the country to-day is relief for the unemployed. I mean all of the unemployed; and a bill for this purpose has as yet to be agreed upon. It is my intention to support a general relief bill wherein the Federal Government will come to the assistance of the various States and municipalities requiring it. The veterans, according to reliable statistics, comprise only 15 per cent of the unemployed, and no veteran who served during the World War under the selective draft act can be over 50 years of age. Statistics also show that a majority of those unemployed are beyond this age, and therefore in greater need of relief than are the veterans.

In so far as the veterans are concerned, I have stood by all of the promises made in my campaign and any statement which I have ever uttered. I have voted for reasonable veterans' legislation for compensation; I have voted in favor of a current bill granting pensions to widows and orphans of World War veterans, which passed the House: and I have done everything within my power to assist each veteran who has brought compensation difficulties to my attention. I also favor the passage of a bill which would reduce the interest on veterans' loans and wipe out the

loans may be granted. In view of the very serious condition existing within the country, and what I have said to you above, I will vote against the payment of the full bonus at the present time.

In spite of my action there is a good chance that the bill will pass the House. At any rate, you will know-and I want you to know-exactly where I stand in the matter.

Mr. BLANTON. Then I did not misquote the gentleman, did T?

Mr. ANDREWS of New York. No.
The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to proceed for one minute more.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ANDREWS of New York. There was some further reference to the attitude of the President of the United States. I believe the gentleman from Texas [Mr. Blanton] realizes, as does practically every other Member of the House, that the President of the United States has gone on record with the statement that he would veto the bonus bill.

Mr. BLANTON. I knew that, because the gentleman was

the President's manager in Erie County in 1928.

Mr. ANDREWS of New York. Mr. Speaker, I say to the gentleman as a new Member that I have admired above everything else the gentleman's frankness in debate. He is fearless and uncompromising in his statements. I admire any man in high position who is willing to make his position on various questions known, and I think it would be of great interest to everyone in the country to-day, and I know good Democrats in my district would like to know. where the gentleman's colleague, the Speaker of the House, stands on the bonus question and the prohibition question.

Mr. BLANTON. Oh, the Speaker of the House is quite able to answer for himself whenever he gets ready to do so. [Laughter.]

PROCEEDINGS IN UNVEILING STATUE OF GEN. JOHN SEVIER

Mr. STEVENSON. Mr. Speaker, from the Committee on Printing I report favorably (H. Rept. No. 1610) the following privileged resolution, Senate Concurrent Resolution 7. which I send to the desk and ask unanimous consent for its present consideration.

The Clerk read as follows:

Senate Concurrent Resolution 7

Resolved by the Senate (the House of Representatives con-curring). That there be printed with illustrations and bound 5,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the ac-ceptance of the statue of Gen. John Sevier, presented by the State of Tennessee, of which 1,000 shall be for the use of the Senate, 2,500 for the use of the House of Representatives, and the re-maining 1,500 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Tennessee. Tennessee.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

Mr. CHINDBLOM. Is this the usual resolution?

Mr. STEVENSON. Yes; this is the usual resolution for the publication of 5,000 copies of the proceedings in Statuary Hall on the unveiling of the statue of Gen. John Sevier.

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The resolution was agreed to.

PROCEEDINGS IN UNVEILING STATUES OF JUNIPERO SERRA AND THOMAS STARR KING

Mr. STEVENSON. From the same committee, I report (H. Rept. 1611) the following Senate Concurrent Resolution No. 21, which I send to the desk and ask unanimous consent for its present consideration.

The Clerk read as follows:

Senate Concurrent Resolution 21

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound 5,000 copies of the proceedings in Congress, together with the proceed-

ings held at the unveiling in Statuary Hall, upon the acceptance of the statues of Junipero Serra and Thomas Starr King, presented by the State of California, of which 1,000 shall be for the use of the Senate and 2,500 for the use of the House of Representatives, and the remaining 1,500 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of California from the State of California.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

PROCEEDINGS AT THE UNVEILING OF THE STATUES OF JEFFERSON DAVIS AND JAMES Z. GEORGE

Mr. STEVENSON. From the same committee I report (H. Rept. 1612) the following Senate Concurrent Resolution No. 24, which I send to the desk and ask to have read.

The Clerk read as follows:

Senate Concurrent Resolution 24

Resolved by the Senate (the House of Representatives concur Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound 15,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the acceptance of the statues of Jefferson Davis and James Z. George, presented by the State of Mississippi, of which 1,000 shall be for the Senate and 2,300 for the use of the House of Representatives, and the remaining 11,700 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Mississippi.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these preceedings.

Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. ARENTZ. I understand that the gentleman introduced a resolution which passed the House a few days ago providing for the elimination or withdrawal from the document room of hundreds of thousands, if not millions, of documents that have not been taken out by Members of the House.

Mr. STEVENSON. That is correct.

Mr. ARENTZ. Will not some of these documents be placed in that same category, and then will not some other gentleman in years to come, 5 or 10 years, come forth with a similar resolution, that some of these very documents shall go to the waste-paper basket?

Mr. STEVENSON. Probably there will be some, but in the matter of these documents there is a tremendous demand for them. I do not think any of these that are under consideration to-day will be left there.

Mr. ARENTZ. Let us hope that the gentleman will see that none of them are placed in the catacombs of the House of Representatives.

Mr. STEVENSON. There will be only one there for the gentleman from Nevada, and if he will not go and get it, it will be sure to get away.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BLANTON. Is it not always the case throughout history that there are certain individuals who do not avail themselves of their opportunities?

Mr. STEVENSON. Yes; and frequently they do not know what their opportunities are.

Mr. MICHENER. Mr. Speaker, will the gentleman yield? Mr. STEVENSON. Yes.

Mr. MICHENER. How many copies does this resolution

Mr. STEVENSON. The first two resolutions provided for 5,000 copies each. The last resolution, now under consideration, came to us from the Senate in its present shape, providing for 15,000 copies. That is what was done in the case of Senator La Follette. There is an extra demand, and the Senate always asks for them.

Mr. MICHENER. It seems to me that 5,000 copies of these memorials is enough. Of course, I appreciate the gentleman has a privileged resolution, and it is not a matter of unanimous consent, or I should object. In these times I think it would be best to follow the minimum. What will be the cost of 5,000 copies?

Mr. STEVENSON. Five thousand would cost \$1,800; 15,000 will cost \$4,200.

Mr. MICHENER. In other words, for memorials for two States we are spending \$3,600 and for the other State we are spending \$4,200. It seems to me that we ought to treat all alike.

Mr. STEVENSON. I might just as well state the entire situation. The resolution with reference to those for Mississippi provides for two. The resolution embracing the one from Tennessee provides for only one. One of those two is a character that I am informed will cause great demand for this volume, and I do not hesitate to say that I do not think there should be any objection to it. It was passed by the Senate in that way. It provides for the proceedings in connection with the statues of J. Z. George and Jefferson Davis, and that is the reason the Senate put it up in that way. Had it come from my committee originally, it would have been 5,000. I do not hesitate to say that.

Mr. MICHENER. I am sure that the gentleman does not want, and would not advise at this time, an additional expenditure, and I am going to ask him to treat the State

of Mississippi exactly as he treats the State of California.

Mr. STEVENSON. I have no objection to it myself, but the State of Mississippi and various Senators will object. They were asking about it.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. WHITTINGTON. I trust the gentleman from Michigan will not press the matter. There was no objection when the request was made for printing 10,000 copies in the case of Senator La Follette and in other cases. In this particular case there are requests and demands for these proceedings covering the statue of Jefferson Davis, and I trust that if an exception was made in the case of Senator La Follette there will be no objection made to this. I think we are justified in asking for this.

The SPEAKER pro tempore (Mr. BANKHEAB). The question is on the adoption of the concurrent resolution.

The Senate joint resolution was agreed to.

MIGRATORY WILD FOWL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to withdraw from the files the bill (H. R. 10604) to secure the increase of migratory wild fowl and other game. to provide revenue for accomplishing the purpose of this act, and for other purposes.

Mr. CHINDBLOM. Will the gentleman yield? Mr. McCORMACK. I yield.

Mr. CHINDBLOM. Has the bill been referred to a committee?

Mr. McCORMACK. Yes; to the Committee on Ways and Means.

Mr. CHINDBLOM. The reference to the committee should be vacated so as to get the bill back to the House.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the reference of the bill H. R. 10604 to the Committee on Ways and Means be vacated, and then I will ask unanimous consent to withdraw the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. CHINDBLOM. Reserving the right to object, the bill can not be withdrawn. It can be laid on the table, and there will be no further action on it, but physically the bill is here and the bill can not be withdrawn.

Mr. McCORMACK. Mr. Speaker, I withdraw the request.

STREAM POLLUTION

Mr. THATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD concerning the subject of stream pollution and to include therewith an address delivered by me before a meeting of the health officials of the United States and Canada in this city recently.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. THATCHER. Mr. Speaker, for some time I have been making a study of the subject of stream pollution. study I have made with special reference to the authority pollution of streams and waterways of interstate character. I have believed that there is vested in the Congress this power; and if I found that existing Federal law is not sufficient to meet the problem involved by the pollution and poisoning of these sources of water supply for the personal needs of our people, it has been my intention to prepare and introduce in the Congress such measure or measures as might be necessary to accomplish this most important

Modern industry, lining the shores of our navigable rivers and lakes, employing the scientific processes of the day, discharge into these waters great volumes of acid-bearing fluids and material deleterious to health, and of a character calculated to render these waters foul and nondrinkable. In addition, our rivers, under modern improvement systems. are, in low-water stages, segmented into sedimentation pools, lying between the various lock-and-dam units, with the result that in such stages these waters become especially foul and polluted, and of nonpotable character, not to say, in many instances, dangerous to life and health. This condition has persisted in many cases, even though scientific renovation of such waters, before human consumption, has eliminated all health-destroying possibilities. Thus in the terrible drought of 1930 the Ohio River sank to the lowest levels, and the fifty-odd pools, under its completed canalization, became basins of sediment, with but little circulation or flowage. The resulting water conditions were of an unusually putrid and offensive character. The great industrial plants on the stream's upper reaches discharged into it their polluted wastes, and also the large industrial cities, and the many towns, along its course, discharged into it their sewage; and lack of rainfall and circulation gave to these waters a stench which no renovation or treatment, under modern scientific methods, could relieve; although, technically the water may have been rendered safe for consumption in the affected cities which possessed modern purification plants.

What was thus true of the Ohio River during this drought period was true, in varying degree, of the other streams of the country where drought conditions prevailed. Then, in a general way, though usually in smaller measure, there have obtained the same conditions of pollution in our streams and lakes, and other sources of the Nation's water supply. With the tremendous multiplication of our industrial activities and the vast growth of our urban communities within the past generation the problem of keeping pure the sources of our supplies of water for human consumption has come to be greatly vital. The utmost care, coupled with the most exacting scientific treatment of the water thus used, has become necessary. Otherwise typhoid and other dangerous diseases will prevail in an alarming degree. The health of the entire Nation is thus involved. Cities like Louisville, which is in my district, are vitally affected by these conditions.

For these reasons I have been making the indicated study of existing laws and practices as regards the subject, and I have given especial attention to the power of the Congress to deal therewith so far as the aspects of interstate commerce and navigable waterways are concerned. It has been my intention to prepare, introduce, and to press for enactment any measure or measures which might as a result of such study seem necessary or desirable to bring about adequate action of the United States Government in the premises.

One of the world's greatest agencies engaged in the betterment of health and sanitary conditions is the United States Public Health Service. As this service is the effective right arm of the Federal Government in dealing with the Government's general activities throughout the Nation, with all questions affecting the health and sanitary welfare of our people, I got into touch with Gen. Hugh S. Cumming, the able head of the United States Public Health, and his efficient staff. I discussed the situation with them and inquired as to what powers they had to deal with the subject. I knew that they had already done much valuable work in aiding in the bringing about of agreements between the the power to issue and maintain any regulations necessary

of the Congress to enact legislation designed to prevent the | State health and other officials along the Ohio River, and perhaps other streams, touching this problem; and that much good had thereby been achieved.

On December 16, 1931, following up verbal discussions, I addressed a formal communication to General Cumming on the subject. After a thorough study by himself and associates, aided by the counsel of the Solicitor of the Treasury Department, on March 3, 1932, General Cumming advised me by formal letter that it was found that existing Federal law on the subject of quarantine was believed to be adequate to meet the situation from the standpoint of the National Government. I now quote from that communication, as it sets forth the situation very clearly and more concisely than I might state it in my own language, as

Following receipt of your letter of December 16, relative to control of stream pollution, considerable study was given to the feasibility of bringing about more direct control by the Federal Government through existing laws or through additional legis-

Bearing in mind your ideas as to character of legislation and its subsequent enforcement, I considered the possibility that the present quarantine law might apply. If this were the case, regulations governing the permissible limits of pollution could be promulgated by the Secretary of the Treasury.

That section of the law which might be considered applicable reads as follows:

"United States Statutes at Large volume 27 chapter 114 page.

reads as follows:

"United States Statutes at Large, volume 27, chapter 114, page 449, approved February 15, 1893. '* * the Secretary of the Treasury shall, if in his judgment it is necessary and proper, make such additional rules and regulations as are necessary to prevent the introduction of such diseases (communicable) into the United States from foreign countries, or into one State or Territory or the District of Columbia from another State or Territory or the District of Columbia, and when said rules and regulations have been made, they shall be promulgated by the Secretary of the Treasury, and enforced by the sanitary authorities of the State and municipalities where the State and municipal health authorities will undertake to execute and enforce them: but if the State or will undertake to execute and enforce them; but if the State or municipal authorities shall fail or refuse to enforce said rules and regulations, the President shall execute and enforce the same and adopt such measures as in his judgment shall be necessary to prevent the introduction or spread of such diseases * * *."

prevent the introduction or spread of such diseases * * *."

Our present control over drinking-water supplies used by common carriers and shellfish sanitation carried on in cooperation with the State health authorities is based on this section of the law. There appeared to be no reason why control over stream pollution should not be equally successful if the control activities were carried on in the same manner.

The Solictor of the Treasury Department, R. J. Mawhinney, was requested by the Secretary to give an opinion "* * as to whether the quarantine act can be considered as covering the prevention of the interstate spread of communicable diseases through regulations governing the amount of dangerous pollution allowable in an interstate navigable stream used as a source of allowable in an interstate navigable stream used as a source of water supply in another State. If the answer is in the affirmative, would the Secretary of the Treasury have authority to issue regulations limiting the amount of dangerous pollution in such a stream to that which may be properly taken care of by well-operated water-treatment plants?"

The Selicitor's convice is as follows:

The Solicitor's opinion is as follows:

"(1) That I am of the opinion that the 'quarantine act can be considered as covering the prevention of the interstate spread of communicable diseases through regulations governing the amount of dangerous pollution allowable in an interstate navigable stream used as a source of water supply in another State."—
providing the pollution referred to is the means whereby such
communicable diseases may and are likely to be introduced—
"'Into one State or Territory or the District of Columbia from
another State or Territory or the District of Columbia.

"'(2) The Secretary of the Treasury has authority to issue regulations limiting the amount of dangerous pellution in such a stream to that which may be properly taken care of by well-operated water-treatment plants."

This opinion is supported by several pages of discussion and

references

From the foregoing it is apparent that we already have necessary legislation for instituting and carrying on, in cooperation with the State health authorities, stream pollution control measures.

Since any control work can best be carried out with the full cooperation of the State health officials I will plan to have the subject brought before these officials at my conference with them early in June, with a view to working out regulations which will meet the approval and receive the whole-hearted support of all parties concerned.

It was thus very gratifying to learn that existing law appeared to be in fact sufficient to authorize any needed Federal treatment of this most important problem, and that under existing law the Secretary of the Treasury has to prevent such pollution of our interstate navigable waterways as may be dangerous or prejudicial to the life and health of our people.

On the 2d and 3d of this month, here in the Nation's Capital, there was held the annual convention of State and provincial health authorities of North America. From the various States of our country, as well as from Canada, public health officials were present to represent their respective jurisdictions. Many illuminating papers were read and many interesting discussions were had. An especially fine paper was presented by Dr. Theodore B. Appel, secretary of health of Pennsylvania. The paper was devoted to this question of stream pollution and its prevention. By him it was pointed out how the Commonwealth of Pennsylvania, through its public health agencies, with the splendid cooperation of industries within the State, and chiefly at the expense of the affected industries, had embarked on a policy of treatment of industrial waste as regard to the Ohio River and its tributaries; how, also, Pennsylvania had cooperated with other contiguous States in the treatment of other interstate streams flowing through and out of Pennsylvania.

Attention was called to the execution of formal compacts between various States of the East dealing with the subject of pollution of harbor and coastal waters of metropolitan areas. The cooperation of the United States Public Health Service in regard to these matters was indicated by Doctor Appel. I wish that there were opportunity to present in this connection more of the very important facts and data thus set forth by this distinguished sanitarian.

In this general connection I would also refer to the very excellent work which has been performed in this general connection by the State board of health of my own State in dealing with this subject. Especial praise should be given to the services thus rendered by the highly efficient secretary of the Kentucky board and State health officer, Dr. A. T. McCormack.

The officials of Pennsylvania and the other States which have cooperated in inaugurating certain phases of this work are to be commended in the highest terms, and also the industrial enterprises involved. It is fine that they have entered upon the indicated policy without asking for congressional appropriations. Thus the work of the Federal Government in the premises is rendered far easier and less burdensome than it might otherwise have been. The Federal activity can be accordingly limited in character to one of general supervision touching the interstate navigable waters of the country. This work may therefore in large measure be prescriptive and advisory in character, and should involve but little expense. This had been my thought from the outset in regard to any legislation which I might have proposed.

It is to be hoped that other States of the Union will approach the subject of stream pollution in the same commendable way in which Pennsylvania and other contiguous States have approached it, and that the Secretary of the Treasury may now issue, as suggested by General Cumming, under existing law the necessary regulations to permit, on the part of the Federal Government, the proper discharge of its duties and obligations in regard to the subject.

Mr. Speaker, under leave accorded, I include as part of my remarks an informal address delivered by me before the indicated annual convention of health officials in Washington on June 3.

ADDRESS OF HON. MAURICE H. THATCHER, A REPRESENTATIVE IN CON-GRESS FROM THE STATE OF KENTUCKY, BEFORE THE ANNUAL CONFER-ENCE OF STATE AND PROVINCIAL HEALTH AUTHORITIES OF NORTH AMERICA

Mr. Thatcher. Mr. Chairman and distinguished members, and General Cumming, I will speak briefly. I thank you, Doctor McCormack, for your very kind introductory speech, and I am glad of the opportunity for opening the discussion on Doctor Appel's most excellent paper. I wish I more thoroughly deserved what you had to say.

had to say.

So far as Congress is concerned, of course, it has its problems. With 435 Members in the House and 96 Members in the Senate, and with many large groups representing every angle of controversy, naturally the Congress makes haste rather slowly; and we get out of patience with ourselves, I assure you, from time to time. But the job is a hard one, and I hope that out of the present welter of discussion and controversy the country may escape, and

that we may be on the road to normal conditions again very soon. It looks like we may, after all, balance the Federal Budget, or at least measurably balance it. This is a subject which has been much discussed; and I, for one, believe it is very important, indeed, that the Budget be balanced.

I am glad to be here this morning, my friends. I have always been deeply interested in public-health work, and particularly the preventive side. It was my distinguished honor to serve several years as a member of the Isthmian Canal Commission, during the construction days of the Panana Canal to charge there of the

years as a member of the istimian Canal Commission, during the construction days of the Panama Canal, in charge there of the civil affairs of the Canal Zone; and I counted it a great privilege to serve there with a distinguished member of your profession. Gen. William Crawford Gorgas, who was the member of the commission in charge of sanitary affairs. One of my duties there was to represent the commission in all of its relationships with the Republic of Panama concentrate metters which affected the the Republic of Panama concerning matters which affected the construction of the canal and the sanitation and government of the Canal Zone, and thus I conducted the negotiations with the Republic of Panama concerning these matters. General Gorgas would formulate the program as to what Panama should do to would formulate the program as to what Panama should do to aid in our health and sanitation work, and it became my duty to present it, usually with his assistance and cooperation. The Republic of Panama was always fully responsive and showed a thoroughgoing spirit of cooperation. There, as in no other place in the world, was shown the capacity on the part of the medical profession to make a virtue of necessity; and so it was that health conditions were brought about there that were, perhaps, unsurpassed anywhere else. Doctor McCormack himself served there for a time as health officer during the World War, and rendered his valuable contribution to the work.

Now, concerning this study of stream pollution. I have been

Now, concerning this study of stream pollution, I have been Now, concerning this study of stream pollution, I have been very much interested in the subject, especially as a member of the subcommittee making up the appropriations for the Public Health Service; and I may say, that I have had more "scraps" about rural sanitation than anything else in Congress, with some of my best friends and coworkers in Congress, who felt that the Federal Government was going a little too far in extending aid and cooperation to the States in this important work. It has seemed to me always that if we could spend sureld millions of and cooperation to the States in this important work. It has seemed to me always that if we could spend untold millions of dollars to protect the livestock of the country, we could spend a few million dollars to protect the human creatures of the land. [Applause.] My attention was particularly called to this question of stream pollution because of the great drought occurring a few years ago, when you felt that you had to wear a gas mask to drink the water down at Louisville, although that water, through scientific treatment, was supposed to be noninjurious. Because of the improvement of the Ohio River, and the reduction of the stream to these great pools of sediment at low-water stages, there is brought about a very unsatisfactory condition, so far as drinkis brought about a very unsatisfactory condition, so far as drinking water is concerned.

Some months ago, realizing the importance of this question, I took up with the distinguished Chief of the Public Health Service, General Cumming, the question as to whether or not the Congress, in the exercise of its interstate powers under the Constitution, could or should get into the picture; whether any legislation might be necessary on the part of the Congress to cooperate with the States in reducing to the minimum this very serious condition of be necessary on the part of the Congress to cooperate with the States in reducing to the minimum this very serious condition of affairs, so far as stream pollution is concerned. General Cumming thereupon made a careful study of it, he and his staff, with the result that he advised me that under existing Federal law as construed by the legal authorities of the Government having the power to give advisory opinions, the law is sufficient to authorize the Secretary of the Treasury, under his general powers in regard to the prevention of the introduction of disease from one to another State, or into the country at large, now has general authority to make regulations dealing with this question of stream pollution so as to prevent such communication of disease. That being true, it does not seem necessary, at least at this juncture, to introduce any legislation on the subject.

I was very much struck with the reading of this splendid paper just now by Doctor Appel, and I have been very much struck, also, with the splendid spirit of cooperation on the part of States like Pennsylvania, Ohio, and New York, and some of the New England States, and Delaware, and so forth, in dealing in a cooperative way with this great problem. It is rather refreshing to a Member of Congress to see work of this sort being carried on in such an effective fashion by the States themselves, and largely at the cost of private enterprise; because, ordinarily—and I think the practice has come to be all too common in these modern days—the tendency has been to bring to Congress almost every problem of State government. It think this greatice has gone too far in many in-

has come to be all too common in these modern days—the tend-ency has been to bring to Congress almost every problem of State government. I think this practice has gone too far in many in-stances; and it has led to the expenditure of large sums of money in many activities which should not, as I believe, be cared for by the Federal Government. So it is refreshing, I say, to note what has been done in Pennsylvania and these other States, upon their own initiative and through their own agencies, and with the help of affected industries, to reduce, in large measure, the evils that

of affected industries, to reduce, in large measure, the evils that arise from stream pollution.

Of course, with our existing industrial conditions, with the modern methods of river improvement, the question is a major one. I believe, if I may say it, that it would be well for the Secretary of the Treasury without delay to formulate the necessary regulations on this subject, which may prove cooperative with those that have been formulated by the States which have already come into the picture and with those also which may hereafter be proposed and adopted by other States of the Union having the same problems. This I say because I feel that there are certain factors involved in the equation which the Federal

Government should and must handle. And with this power vested in the Secretary of the Treasury under the present law to formulate these regulations, the Federal cost should be small, because, under the present practices, the States themselves will bear (or cause to be borne by the offending parties) the major cost of eliminating or reducing pollution in the streams. So it is a great, complex problem, and as such it must be met.

It seems that under modern conditions, nearly every feature of life is being evolutionized and revolutionized: modern trans-

of life is being evolutionized and revolutionized; modern transportation, modern communication, everything of the sort, seems to change; and we no longer live in the old horse-and-buggy age that even some of us who live to-day knew when we were in our youth. We live in an era of different and advanced conditions; and this question of stream pollution, affecting as it does the health and lives of practically all our people, is a very important one; and you gentlemen have already accomplished much in dealing with it.

I am glad to be here this morning. I feel somewhat at home in I am glad to be here this morning. I feel somewhat at home in your midst. I want to assure you that, so far as the power within me lies to cooperate with you in your great problems, I shall be very happy, so long as I may continue as a member of the legislative branch of our Government, to give such cooperation, to cooperate, not only with the Public Health Service and the other activities of the National Government, but, as well with the State and local health authorities. I am indeed greatly honored to be with you and to have this opportunity to speak to you. I thank you. [Applause.]

you. I thank you. [Applause.]

HOUSE RESOLUTION 220

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 220.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker and Members of the House, I shall vote in favor of the motion to discharge the Rules Committee of the House from further consideration of House Resolution 220, introduced by Mr. PATMAN. I do so in order that the question of payment of adjusted-service certificates to World War veterans may be decided upon the floor of the House and by direct vote of the entire membership of the House instead of by a vote of a few Members of the House constituting the Rules Committee.

The times in which we are living, with the unusual conditions that confront us, and the vital character of the problems that call for solution, demand and require not only clear thinking and honesty of purpose, but, in addition, a willingness to meet every question relating to our national welfare, especially when it directly affects any considerable number of our people, in an open and frank manner upon the floor of the House rather than behind the closed doors of a committee room.

If I correctly interpret the will of our people, there is an insistent demand that the decision of Congress on all matters of national concern shall be determined by our votes, and not by parliamentary tactics that prevent honest and direct expression of conviction.

There has been throughout this entire session too often a determined effort to substitute committee action in place of open discussion and decision by the House; and this applies not alone to the immediate question of whether or not payment should be made at this time of adjusted-service certificates, but also to many other important questions in the solution of which our citizenship is vitally interested.

The presence in Washington to-day and for more than a week past of thousands of veterans from all parts of the country represents more than an expression of their personal interest in the particular legislation that affects them. It is evidence of a country-wide demand and desire that public questions of great national interest and concern shall be faced in the open and decided in the open. It is a protest against any procedure, parliamentary or otherwise, that permits the consideration of any matter to be "stifled" without full, free, and frank discussion of the same, or "smothered" without direct action and vote of the House.

Therefore, Mr. Speaker, my vote shall be cast in favor of the motion to discharge, because I firmly believe in the principle that Members of Congress should be willing to give, and should have the opportunity of giving by direct vote, expression to their convictions on all public questions of nation-wide interest pending before Congress; and in the event that the motion to discharge the committee shall pre- | we have been unable to reestablish the even flow of credit

vail, thereby bringing the proposed legislation to the floor of the House for consideration, then my vote upon the question of adoption or rejection of the bill will be determined by what, if any, amendments are made and in what form the bill shall finally come before the House for its determination and decision.

EXTENSION OF REMARKS-BANK GUARANTY BILL

Mr. LARRABEE. Mr. Speaker, I supported and voted for the bank guaranty bill, only after most careful consideration had been given to both the views of the opponents and the proponents of the measure. Such a measure as this commands most careful deliberation.

In view of the fact that this measure will have some effect on every man, woman, and child in my district, and in view of the fact that there has been some strong opposition to the measure, I believe it well to set out clearly the reasons why I believe this bill should have been passed.

The monetary system of this Nation rests entirely upon the power and authority granted to Congress by the Constitution. It is the full right, power, and duty of Congress to control and direct the monetary system in the interest of all the people. We have not any right to permit any special interests or group to use or profit by that system, except that such use and profit may be subservient to the best interests of the whole people.

The banking system is the best way we have been able to devise to extend credit to individuals, to business, commerce, and industry, and in times of need to the very Gov-

ernment itself.

To enjoy the privileges granted to banks under the law it is incumbent on the beneficiaries that all comply both in spirit and in letter to the law. These banking laws are drawn up around the idea that the banking system is and must continue to be the servant of the people, and profit in banking should be a secondary consideration to service to the people.

Realizing that banking is a service belonging to the people, it becomes incumbent upon us to be ever watchful and observant of the accomplishments of and the service of, our banking system and to strengthen and protect this service in the interests of the people as well as in the interests of the banks themselves.

We must be ever diligent and observant of mistakes and abuses of banking and bankers, that these be corrected and the people be given adequate protection in the future against any mistakes or abuses of the past.

We must realize fully that our banking system as a whole is the key to our entire industrial, commercial, and economic system. It is not a part of it, as is other business. It is, and must continue to be, the servant of all business, and must not be permitted to become the controller or director of it.

The control of our monetary system must never be permitted to escape from control by the Government, although we have seen in the past few years a trend in this direction. The banking system is only that agency set up by the Government for administering the monetary system, and it is for that reason that private control must never be permitted. Profit, of course, is required by the banks, but their profit must be incidental and remain incidental to the profit of the whole people through use of the banks.

Thus, the banks are in fact the licensed trustee of the Government for handling the money belonging to the individuals who make up the Government. The people's money, collectively, handled by the banks as trustees, is necessarily a national matter, and not a private one.

Since money, and the credit based upon money, is the very lifeblood of all industry, the servant of all labor, of agricultural activity, and the keystone of the entire structure of business, the establishment and maintenance of the flow of credits evenly through our banks is of vital necessity. Without unmolested flow of credit there can be neither successful business nor successful banking.

This Nation has just had one impressive lesson in the danger of the breaking of the flow of credit, in the stockmarket panic and the following crash. Since that sad event

and, worse than that, have seen further breaking up of the system and serious weakening of its great power for service.

It is mandatory that we immediately reestablish the national credit system and that the even flow of credit be fully revived and carefully protected in the future.

Successful banking must depend entirely on the interest realized from reloaning the money placed in trust in the banks by the depositors. It therefore is quite apparent that without depositors no credit can be made by the banks. We now know full well that lack of deposits is the cause of our present banking paralysis.

Actual figures show that from late in October, 1929, until the 1st of May, this year, there have been 4,341 bank failures in this Nation. With one bank out of every four failing, it is not hard to understand why people are not only refusing to deposit but are taking out the deposits they have in banks throughout the Nation. Millions of people have suffered losses through these failures. This has resulted in the remaining banks losing many billions in deposits.

Through the losses of these depositors, numbering well into the millions, the rest of the people have suffered to a sufficient extent to justify guaranteeing against such loss in the future, and there should be no hesitancy in giving that guaranty.

A review of events of the past two years will indicate clearly the result of withdrawal of deposits and loss of money through bank failures. The stock-market crash crushed securities into insignificance. Extreme disaster resulted to security prices, and bank deposits were seriously affected. The loss to the banks on the stocks and the bonds which the small banks had been induced or compelled to buy soon became known, and it was clear that many would face grave danger unless some new means could be found to carry them through. The big banks that unloaded these bonds on the smaller banks took no action to protect the smaller institutions they had made their victims.

If deposits could have been maintained, most of the banks that have failed could and would have come through, but an alarmed public rushed to withdraw their deposits and refused to further intrust their money to the keeping of the banks they felt were now in danger of closing. Such a run on any bank is fatal. When one crumbles, others are suspected of being in danger. When many have been reduced to ruin, the entire banking structure is affected and the security of the national monetary system is gravely endangered.

If the few weak, incompetently or dishonestly managed banks had failed, and their depositors had immediately been paid in full, the public mind would not have been affected by loss of confidence. Withdrawal of deposits would not have continued to spread and grow. By retaining the deposits the banks of the Nation would have found it comparatively easy to go ahead furnishing credit required to carry on legitimate business. If then, at the same time, the Federal reserve system had announced that it stood ready to supply the banks of the Nation with the currency required to restore any credit losses which the Nation's business had sustained, the prices of bonds of legitimate concerns would have reacted and the deliberate robberies that had been effected by the gigantic banks and affiliates would have gradually been absorbed by the country and greater distress of the panic could and would have been prevented.

When we consider that deposits in banks that have failed during the panic amounted to \$2,928,000,000, we get a clear picture of just what could have been avoided had the guaranty plan been in effect before the panic. The deposits in national banks that failed amounted to \$708,000,000; State member banks, \$534,000,000; and State nonmember banks, \$1,685,000,000. These figures are the deposits on hand at the time the banks closed.

In addition to this the banks themselves lost \$367,592,000. Of this amount the national banks lost \$82,592,000, the State member banks lost \$70,324,000, and the State non-member banks lost \$214,392,000.

Financial men and bankers tell us that the actual total loss, after closed banks are liquidated, averages about 50 cents on the dollar, which made a total net loss of a billion and a half dollars to depositors alone.

But the losses did not stop there. Losses through the shrinkage of property values, through resultant unemployment, deterioration through idleness of factories, mines, merchantile houses, banks, and even the farms, is variously estimated to have been from \$175,000,000,000 to \$225,000,000,000.

Guaranty of deposits, had such a plan been in effect before the crash, would have saved all this and would have prevented a billion and a half dollars' loss to depositors. The only loss that would have resulted would have been through the forcing by big banks of the poor stocks on the little banks, with the aid and the encouragement of various departments of the Federal Government, which are in a large measure to blame for the dumping of the almost worthless securities into the local communities just prior to the crash.

The principal objection to the bank-deposit guaranty legislation, as far as I have been able to ascertain, is the statement that "the good, honest, conservative banker—whose bank is still operating successfully—should not be compelled to aid in carrying the burdens of the incompetent or dishonest banker."

In answering this I again declare that the banks are not primarily for the purpose of making money or profit for the banker but are intended, under our form of government, for the service of the people whose money they accept as trustees. Banking is not considered a competitive business into which all may enter without reputation, ability, or standing in his own community. Certain other requirements have already been exacted, and others are to follow most surely in the future.

Further than that, the dishonest and incompetent banker will be almost entirely eliminated by the more stringent rules and requirements set up by this bill.

Then, too, it must be remembered that most of the bankers who saw their institutions fail were not dishonest or incompetent but were carried under by the wave of distrust that swept in with the public knowledge that there was no guaranty for their funds in the banks, resulting in runs, withdrawals, and refusals to further deposit. The guaranty law works both ways—it protects the honest banker just as surely as it protects the depositor.

It is our everlasting disgrace that most of the banks which have failed did so through no dishonesty or lack of competency of the bankers, but purely through lack of adequate safeguards such as the bill provides.

Some opponents say the bill places a further expense on banking, adding to the interest rate and further retarding business

To answer that, we have but to comprehend the losses that have occurred through our negligence in not having provided this guaranty four or five years ago, or even earlier. These losses so far overshadow any that the enactment of the bill could possibly incur that there is no comparison. It is not necessary to add that business can not, through increasing interest rates, ever be retarded in comparison to the destructive setback it has suffered through closing of the banks.

Our lesson has been disastrously expensive, and I for one am more than ready to profit by the sad experience.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until Monday, June 13, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows: 609. A letter from the chairman of the United States Tariff Commission, transmitting copy of the statement with

respect to the ad valorem equivalent of specific duties; to the Committee on Ways and Means.

610. A letter from the Secretary of War, transmitting a list of documents and files of papers which are not needed nor useful in the transaction of the current business of the department and have no permanent value or historical interest; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. MANSFIELD: Committee on Rivers and Harbors. S. 4573. An act authorizing the sale of the southerly end of the breakwater at Indiana Harbor, Ind.; without amendment (Rept. No. 1592). Referred to the Committee of the Whole House on the state of the Union.

Mr. DRIVER: Committee on Flood Control. H. R. 11930. A bill to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods; without amendment (Rept. No. 1595). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 12574. A bill to provide for the issuance of agricultural export debentures, to secure to the farmers a fair price for agricultural commodities, and for other purposes; with amendment (Rept. No. 1608). Referred to the Committee of the Whole House on the state of the Union.

Mr. ALMON: Committee on Roads. S. 36. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; with amendment (Rept. No. 1609). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEVENSON: Committee on Printing. Senate Concurrent Resolution 7. A concurrent resolution to print and bind the proceedings in Congress, together with the proceedings at the unveiling in Statuary Hall, of the statue of Gen. John Sevier, presented by the State of Tennessee (Rept. No. 1610). Ordered to be printed.

Mr. STEVENSON. Committee on Printing. Senate Concurrent Resolution 21. A concurrent resolution to provide for the publication of the proceedings in Congress and in Statuary Hall in connection with the unveiling of the statues of Junipero Serra and Thomas Starr King, presented by the State of California (Rept. No. 1611). Ordered to be printed.

Mr. STEVENSON: Committee on Printing. Senate Concurrent Resolution 24. A concurrent resolution to print and bind the proceedings in Congress and in Statuary Hall upon the occasions of the unveiling in the Capitol of the statues of Jefferson Davis and James Z. George, presented by the State of Mississippi (Rept. No. 1612). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BUTLER: Committee on Claims. H. R. 10116. A bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Marine Corps for the value of personal effects lost, damaged, or destroyed by fire at the Marine Barracks, Quantico, Va.; without amendment (Rept. No. 1593). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on the Public Lands. H. R. 11377. A bill to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218); without amendment (Rept. No. 1594). Referred to the Committee of the Whole House.

Mr. CLARK of North Carolina: Committee on Claims. H. R. 1808. A bill for the relief of the city of Perth Amboy, N. J.; with amendment (Rept. No. 1596). Referred to the Committee of the Whole House. Mr. SCHAFER: Committee on Claims. H. R. 2717. A bill for the relief of Jacob Santavy; with amendment (Rept. No. 1597). Referred to the Committee of the Whole House.

Mr. LOZIER: Committee on Claims. H. R. 5269. A bill for the relief of Moses Israel; with amendment (Rept. No. 1598). Referred to the Committee of the Whole House.

Mr. BALDRIGE: Committee on Claims. H. R. 5358. A bill conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the 4-masted auxiliary bark *Quevilly* against the United States, and for other purposes; without amendment (Rept. No. 1599). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. H. R. 5720. A bill for the relief of Ward A. Jefferson; without amendment (Rept. No. 1600). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. H. R. 10468. A bill for the relief of George Jeffcoat; with amendment (Rept. No. 1601). Referred to the Committee of the Whole House.

Mr. CLARK of North Carolina: Committee on Claims. H. R. 11030. A bill for the relief of Jessie Robinson Coolidge; with amendment (Rept. No. 1602). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 11679. A bill for the relief of Anna Marie Sanford; with amendment (Rept. No. 1603). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 11869. A bill to amend the act of March 2, 1929, conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship W. I. Radcliffe against the United States, and for other purposes; without amendment (Rept. No. 1604). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 361. An act for the relief of Mary E. Stebbins; without amendment (Rept. No. 1605). Referred to the Committee of the Whole House

Mr. PITTENGER: Committee on Claims. S. 2960. An act for the relief of the estate of Anton W. Fischer; without amendment (Rept. No. 1606). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 4379. An act for the relief of Yvonne Hale; without amendment (Rept. No. 1607). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KELLY of Illinois: A bill (H. R. 12589) to regulate the shipment in interstate commerce, the manufacture, sale, importation, exportation, and use (except for lawful purposes) of explosives, brass knuckles, stilettos, machine guns, tear gas, tear bombs, and other weapons and instrumentalities used in the perpetration of crimes of violence; to the Committee on Interstate and Foreign Commerce.

By Mr. BULWINKLE: A bill (H. R. 12590) to provide for the immediate redemption of adjusted-service certificates; to the Committee on Ways and Means.

By Mr. FITZPATRICK: A bill (H. R. 12591) to amend the Reconstruction Finance Corporation act; to the Committee on Banking and Currency.

By Mr. BULWINKLE: A bill (H. R. 12592) to amend paragraph 3 of section 5 of the Reconstruction Finance Corporation act; to the Committee on Banking and Currency

By Mr. SHREVE: A bill (H. R. 12593) to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KARCH: A bill (H. R. 12594) to liquidate and refinance agricultural indebtedness, and to encourage and promote agriculture, commerce, and industry, by establishing an efficient credit system, through which the unjust and

unequal burdens placed upon agriculture during the period of price fixing and deflation may be lightened, by providing for the liquidation and refinancing of farm mortgages and farm indebtedness at a reduced rate of interest through the Federal farm-loan system, the Federal reserve banking system, and the Postal Savings Depository System, and creating a board of agriculture to supervise the same; to the Committee on Banking and Currency.

By Mrs. NORTON: A bill (H. R. 12595) to amend the teachers' salary act of the District of Columbia, approved June 4, 1924, as amended, in relation to establishing the Wilson and Miner Teachers Colleges on a basis comparable with recognized standards for accredited institutions of like kind; to raising the trade or vocational schools to the level of junior high schools and for other purposes; to the Committee on the District of Columbia.

By Mr. BRITTEN: A bill (H. R. 12596) providing for a review of existing approved project for Chicago Harbor, Ill.; to the Committee on Rivers and Harbors.

By Mr. HOPE: A bill (H. R. 12597) to prohibit further appropriations for the Federal Farm Board, to prevent further attempts at stabilization of farm commodity prices, to fix a time for the repeal of the agricultural marketing act, and for other purposes; to the Committee on Agriculture.

By Mr. McKEOWN: A bill (H. R. 12598) to authorize the purchase by the Government of American-produced silver, to provide for the issuance of silver certificates in payment therefor, to provide for the coinage of such silver, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. JONES: A bill (H. R. 12599) to relieve an emergency in respect of certain agricultural commodities, to secure to the farmer a fair price for such commodities, to prevent obstruction of interstate commerce, and for other purposes; to the Committee on Agriculture.

By Mr. UNDERWOOD: A bill (H. R. 12600) to cancel and refund interest charged on adjusted-service certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. WEAVER: A bill (H. R. 12601) to provide for the completion of the purchase of lands for the Great Smoky Mountain National Park and for its development; to the Committee on Banking and Currency.

By Mr. McCORMACK: A bill (H. R. 12602) to secure the increase of migratory wild fowl and other game, to provide revenue for accomplishing the purpose of this act, and for other purposes; to the Committee on Ways and Means.

By Mr. CRISP: Joint resolution (H. J. Res. 429) to amend section 625 (a) of the revenue act of 1932; to the Committee on Ways and Means.

By Mr. HAWLEY: Joint resolution (H. J. Res. 430) authorizing transfer of articles from the free list to the dutiable list under section 336, tariff act of 1930, in order to protect American industries and workmen from abnormal conditions including the effect of depreciated currencies and from goods produced by foreign countries; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 12603) for the relief of William Henry Davidson; to the Committee on Naval Affairs.

By Mr. BULWINKLE: A bill (H. R. 12604) for the relief of Clarence Preston; to the Committee on Military Affairs.

By Mr. CHAPMAN: A bill (H. R. 12605) for the relief of Corinne Blackburn Gale; to the Committee on Claims.

Also, a bill (H. R. 12606) granting a pension to Walter Blackerby; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 12607) for the relief of Lon E. Lewis; to the Committee on Military Affairs.

By Mr. FINLEY: A bill (H. R. 12608) granting a pension to Alzurah Long; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12609) granting a pension to Millard Barrett; to the Committee on Pensions.

By Mr. GREENWOOD: A bill (H. R. 12610) granting a pension to Patrick Clements; to the Committee on Pensions.

By Mr. HOGG of Indiana: A bill (H. R. 12611) granting an increase of pension to Luvina Ludlum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12612) granting an increase of pension to Susan Covell; to the Committee on Invalid Pensions.

By Mr. KEMP: A bill (H. R. 12613) granting a pension to Louisa M. Burkhardt; to the Committee on Pensions.

By Mr. LOZIER: A bill (H. R. 12614) granting an increase of pension to Lucy M. Minks; to the Committee on Invalid Pensions.

By Mr. TURPIN: A bill (H. R. 12615) granting a pension to Thomas R. Koch; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 12616) for the relief of Zeb Vance Davidson; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8257. By Mr. CRAIL: Petition of Emma Neasham, who says she votes for over 1,000,000 women, demanding that Congress do not adjourn until the soldiers' bonus legislation is passed and the \$5,000,000,000 relief bill is made a law; to the Committee on Ways and Means.

8258. By Mr. DRANE: Petition of veterans of Tampa, Fla., supporting legislation providing for payment in full of adjusted-service certificates; to the Committee on Ways and Means

8259. Also, petition of veterans of Sarasota, Fla., supporting the Patman bill for payment of adjusted-service certificates; to the Committee on Ways and Means.

8260. By Mr. KELLY of Pennsylvania: Petition of members of Charles W. Zischkau Post, No. 207, of Veterans of Foreign Wars, located at Turtle Creek, Pa., urging payment of adjusted-service certificates; to the Committee on Ways and Means.

8261. By Mr. LINDSAY: Petition of the New York Lumber Trade Association, New York City, favoring the passage of the home-loan bank bill; to the Committee on Banking and Currency.

8262. Also, petition of National Organization to Reduce Public Expenditures, Chicago, favoring a reduction of Federal expenditures; to the Committee on Ways and Means.

8263. By Mr. O'CONNOR: Resolution of the board of aldermen of the city of New York, memorializing the Congress to pass Federal bond issue to finance public works that will provide employment to avoid crisis now confronting American people; to the Committee on Ways and Means.

8264. By Mr. RUDD: Petition of the New York Lumber Trade Association of New York City, favoring the home-loan bank bill; to the Committee on Banking and Currency.

8265. By Mr. SPARKS: Petition signed by J. H. Heckman, Hugh Wudd, and Harry Struss, of Wakeeney, and 109 other farmers of Trego County, Kans., favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

8266. By the SPEAKER: Petition of Harry Joseph Ryan, presenting impeachment proceedings against the judges of the Supreme Court; to the Committee on the Judiciary.